

Mitsubishi Chemical Holdings Corporation
Condensed Consolidated Financial Information
For the First Quarter of the Fiscal Year Ending March 31, 2007



1. Business Results for the First Quarter of the Fiscal Year Ending March 31, 2007
(Business period: April 1, 2006 to June 30, 2006)

(Note 1)

Millions of Yen	
The First Quarter of the Current Fiscal Year	The First Quarter of the Previous Fiscal Year
April 1, 2006 - June 30, 2006	April 1, 2005 - June 30, 2005

Thousands of U.S. Dollars
The First Quarter of the Current Fiscal Year
April 1, 2006 - June 30, 2006

(1) Results of Operations:

(Note 2)

(Note 2)

(Note 5)

Net sales	606,282	551,273
Operating income	29,390	37,573
Income before income taxes	40,291	42,340
Net income	21,796	18,999
	(Yen)	
Net income per share	15.90	8.72

5,272,017	
255,565	
350,357	
189,530	
(U.S. Dollars)	
0.138	

* Net income per share is based on the average number of common shares (excluding treasury stocks) during the respective period.

[June 30, 2006] 1,370,040,051 [June 30, 2005] 2,174,352,916

* Net income per share of the First Quarter of the Previous Fiscal Year was calculated based on the weighted-average number of common share of Mitsubishi Chemical Corporation (first half) and Mitsubishi Chemical Holdings Corporation (latter half). The number of common share of Mitsubishi Chemical Corporation was adjusted according to allotment ratio to the common share of Mitsubishi Chemical Holdings Corporation.

(2) Segment Information:

(Note 4)

(Note 5)

[Net Sales by Segments]

Petrochemicals	275,971	240,748
Performance and Functional Products	227,152	208,327
<i>Performance Products</i>	132,108	120,635
<i>Functional Products</i>	95,044	87,692
Health Care	76,004	79,183
Others	27,155	23,015
Total	606,282	551,273

2,399,748
1,975,235
1,148,765
826,470
660,904
236,130
5,272,017

[Operating Income (loss) by Segments]

Petrochemicals	1,558	7,663
Performance and Functional Products	13,945	19,851
<i>Performance Products</i>	9,319	15,135
<i>Functional Products</i>	4,626	4,716
Health Care	12,950	10,753
Others	2,005	1,690
Elimination & corporate costs	(1,068)	(2,384)
Total	29,390	37,573

13,548
121,261
81,035
40,226
112,609
17,435
(9,287)
255,565

Millions of Yen	
The First Quarter of the Current Fiscal Year	The Previous Fiscal Year Ended March 31, 2006
June 30, 2006	March 31, 2006

Thousands of U.S. Dollars
The First Quarter of the Current Fiscal Year
June 30, 2006

(3) Financial Position:

(Note 3)

(Note 5)

Total assets	2,114,506	2,126,612
Inventories	332,383	317,573
Property, plant and equipment and intangible assets	715,842	686,680
Short-term and long-term debt	622,103	636,669
Shareholders' equity	659,506	656,060
Ratio of shareholders' equity to total assets (%)	31.2	30.9
	(Yen)	
Shareholders' equity per share	481.19	478.72

18,387,009	
2,890,287	
6,224,713	
5,409,591	
5,734,835	
(U.S. Dollars)	
4.184	

* Shareholders' equity per share is based on the number of common shares outstanding (excluding treasury stocks) as of the following closing dates.

[June 30, 2006] 1,370,013,609 [March 31, 2006] 1,370,090,113

(%)

The First Quarter of the Current Fiscal Year	The First Quarter of the Previous Fiscal Year
April 1, 2006 - June 30, 2006	April 1, 2005 - June 30, 2005

(4) Ratio of Net Income to: (Note 3)

(Note 2)

Shareholders' equity	3.3	4.2
Total Assets	1.0	0.9
Net Sales	3.5	3.4

* Based on the average of each amount at the beginning and at the end of the respective periods.

* Ratio of Net Income to Shareholders' equity of the First Quarter of the Previous Fiscal Year was calculated based on the figure of Mitsubishi Chemical Corporation (not adjusted as Mitsubishi Chemical Holdings Corporation).

Notes:

- The accompanying consolidated financial information has been prepared by using partially simplified accounting methods from those adopted for the latest fiscal year.
- Mitsubishi Chemical Holdings Corporation was established on October 3, 2005 and the financial results of Mitsubishi Chemical Holdings Corporation for the Previous Fiscal Year was calculated based on Mitsubishi Chemical Corporation's consolidated financial results for the first half of Previous Fiscal Year. All figure of the First Quarter of the Previous Fiscal Year for comparing is Mitsubishi Chemical Corporation's consolidated financial results.
- From this period, deferred gain/loss from financial instruments and stock purchase warrant are included in shareholders' equity due to a change of Japanese accounting rule. The impact of this change on the balance of shareholders' equity is immaterial. The figure of Shareholders' equity of the Previous Fiscal Year is not adjusted for this change.
- From this period, Mitsubishi Chemical Holdings Corporation reclassified several businesses and subsidiaries, in accordance with the change of organization conducted by Mitsubishi Chemical Corporation, a consolidated subsidiary of Mitsubishi Chemical Holdings Corporation to reflect performance more clearly in its strategic business areas. The businesses and subsidiaries which were reclassified were as follows:
The "Services Segment" was renamed to "Others".
Performance polymer business was reclassified from the Performance Products Segment to the Petrochemicals Segment.
Active pharmaceutical intermediate business was reclassified from the Performance Products Segment to the Health Care Segment.
Utility business was reclassified from the Performance Products Segment to the Health Care Segment.
One consolidated subsidiary was reclassified from the Health Care Segment to the Others Segment.
The figure in the segment information was adjusted to the change. The difference resulting from the change on net sales and operating income of each segment compared to the results which would have been obtained using the previous segmentation are as follows:

(Millions of Yen)	Segment	Net Sales	Operating Income
The First Quarter of the Current Fiscal Year	Petrochemicals	6,713	963
	Performance Products	(9,822)	(753)
	Health Care	6,684	431
	Others	(3,575)	(641)
The First Quarter of the Previous Fiscal Year	Petrochemicals	33,366	2,855
	Performance Products	(47,277)	(3,595)
	Health Care	32,018	2,264
	Others	(18,107)	(1,524)

- The Corporation and its domestic consolidated subsidiaries maintain their accounting recorded in Japanese yen. The U.S. dollar amounts are included solely for convenience and have been translated, as a matter of arithmetical computation only, at the rate of 115 yen to US\$1, the approximate exchange rate prevailing in the Tokyo foreign exchange market at the end of June 2006. This translation should not be construed as a representation that the yen amounts actually represent, or have been, or could be, converted into U.S. dollars at this, or at any other rate.

2. The Prospects for the Current Fiscal Year (Disclosed on May 11, 2006)

Millions of Yen	
The First Half of the Current Fiscal Year	The Current Fiscal Year
April 1, 2006 - September 30, 2006	April 1, 2006 - March 31, 2007

Thousands of U.S. Dollars
The Current Fiscal Year
April 1, 2006 - March 31, 2007

	(Millions of Yen)	(Millions of Yen)
Net sales	1,260,000	2,600,000
Operating income	56,000	136,000
Ordinary income	60,000	141,000
Net income	58,000	100,000

(U.S. Dollars)
10,956,522
486,957
521,739
504,348

3. Business Performances and Financial Position

(1) Business Performances

Consolidated Performance for the First Quarter of the Fiscal Year Ending March 31, 2007 (From April 1, 2006 to June 30, 2006)

In the first quarter of the fiscal year ending March 31, 2007, the Japanese economy continued to expand gently benefiting from high level production activities and strong personal spending driven by the continuing healthy economy in the US and China.

With regard to business environment for the Group, both domestic and overseas demands remained firm. Crude oil and naphtha prices continued to rise, reflecting unstable situation in the middle-east.

Under these circumstances, the consolidated business results for the first quarter of the fiscal year ending March 31, 2007, resulted as follows. The net sales increased by ¥55.0 billion (10.0% increase) to ¥606.3 billion compared to the same period previous fiscal year; operating income decreased by ¥8.2 billion (21.8% decrease) to ¥29.4 billion compared to the same period previous fiscal year; ordinary income decreased by ¥7.0 billion (16.7% decrease) to ¥34.9 billion compared to the same period previous fiscal year; and net income increased by ¥2.8 billion (14.7% increase) to ¥21.8 billion compared to the same period previous fiscal year.

(2) Overview of Business Segments

Petrochemicals

Net sales of the segment for the first quarter of the fiscal year ending March 31, 2007 increased by ¥35.2 billion (14.6% increase) to ¥276.0 billion compared to the same period previous fiscal year. Operating income, decreased by ¥6.1 billion (79.7% decrease) to ¥1.6 billion compared to the same period previous fiscal year, owing to the weakened overseas market prices and time-lag in pass on product prices against surging crude oil and naphtha prices.

The production volume of ethylene, a major basic raw material for petrochemicals was 280

thousand tons, an increase by 40% compared to the same period of the previous fiscal year.

Businesses in basic petrochemicals, industrial chemicals, synthetic fiber intermediates, and synthetic resins progressed favorably by the active demands in both domestic and overseas markets. Market prices for products such as purified terephthalic acid and ethylene glycol were affected by the hiking crude oil and naphtha prices.

Major actions taken for the Petrochemicals Segment during the first quarter (from April 1, 2006 to June 30, 2006) are as follows:

- Mitsubishi Chemical Corporation decided to newly construct a 60KTA polycarbonate resin production facility and a 100KTA diphenyl polycarbonate production facility at the Kurosaki Plant. (April 2006)
- Mitsubishi Chemical Corporation started conducting a feasibility study for establishing a polycarbonate and bisphenol-A joint venture with China Petroleum & Chemical Corporation. (April 2006)
- Mitsubishi Chemical Corporation decided to expand facilities at the chemical complex of the Mizushima Plant in response to diversification of raw materials, which aims at increase of its competitiveness. (April 2006)
- Mitsubishi Chemical Corporation decided to shut down the melamine production facility of the Kashima Plant at the end of March 2007. (April 2006)
- The Nippon Synthetic Chemical Industry Co., Ltd. decided to expand the production facility for optical polarized PVOH film "OPL Film", a key component of polarizing film for LCDs at the Kumamoto Plant. (May 2006)
- Mitsubishi Chemical Performance Polymers, Inc. decided to expand the performance polymer compound production facility in the US. (May 2006)
- Mitsubishi Chemical Corporation decided to sign a contract with ExxonMobil Chemical Company, the chemical division of Exxon Mobil Corporation to purchase ExxonMobil Chemical Company's stake in two joint ventures owned by both companies. Under the agreement, the joint ventures which manufacture and sell polypropylene compounds became wholly owned subsidiaries of Mitsubishi Chemical Corporation as of June 1, 2006. (May 2006)
- Mitsubishi Chemical Corporation entered into an agreement on licensing production technology of purified terephthalic acid with Polski Koncern Naftowy ORLEN SA. (May 2006)
- Mitsubishi Chemical Corporation decided to establish a joint venture on petrochemical

production business and to construct a production facility on the grounds of the Kashima Oil Refinery of KASHIMA OIL CO., LTD with Japan Energy Corporation and Mitsubishi Corporation. (June 2006)

Performance and Functional Products

Net sales of the segment for the first quarter of the fiscal year ending March 31, 2007 increased by ¥18.8 billion (9.0% increase) to ¥227.1 billion compared to the same period previous fiscal year. Operating income, decreased by ¥5.9 billion (29.8% decrease) to ¥13.9 billion compared to the same period previous fiscal year.

In the area of information and electronics related products, with regard to the DVDs, sales volume continued to expand and operating profit ended with a slight decline, despite the price fall. With regard to printing supplies, such as organic photo conductor (OPC) drums, toner, and chemical toner, sales volume increased as demands were active. In the performance products businesses, favorable results in sales continued for food ingredients business. In the carbon businesses, decrease in the price difference in inventories of raw material coal and decline in the export price of coking coal, led to decline in operating profit compared to the same period of the previous fiscal year.

In the Functional Products businesses, all types of films including composite films and sheets progressed favorably, especially in the polyester films for liquid crystal displays and plastic injection moldings for electronic applications such as liquid crystal television. Both construction materials including composite materials and industrial application materials such as carbon fibers and alumina fibers increased net sales at a satisfactory pace.

Major actions taken for the Performance and Functional Products Segments during the first quarter (from April 1, 2006 to June 30, 2006) are as follows:

- Mitsubishi Chemical Corporation launched the production and sale of "ICG Series", new high capacity anodes for Li-ion batteries. (April 2006)
- Mitsubishi Kagaku Media Co., Ltd. jointly developed next-generation DVDs (Blu-ray Disc and HD DVD) with Hitachi Maxell, Ltd. and launched the sale of DVDs under each brand name. (June 2006)
- Mitsubishi Chemical Corporation expanded a chemical toner production facility and started the commercial production at the Yokkaichi Plant. (June 2006)

Health Care

Net sales of the segment decreased by ¥3.2 billion (4.0% decrease) to ¥76.0 billion compared to the same period previous fiscal year. Operating income increased by ¥2.2 billion (20.4% increase) to ¥13.0 billion compared to the same period previous fiscal year, as the result of decrease in the selling, general and administrative expenses such as sales commission.

In the pharmaceutical business, net sales fell compared to the same period previous fiscal year due to the National Health Insurance price revision, despite growth in sales of an ethical neuroprotective agent, *RADICUT* and anti-platelet agent, *ANPLAG*. Business performances for clinical testing and testing for clinical trials were satisfactory in general.

Major actions taken for the Health Care Segment during the first quarter (from April 1, 2006 to June 30, 2006) are as follows:

- Mitsubishi Pharma Corporation announced a plan to establish a pharmaceutical development subsidiary in China in October 2006. (May 2006)
- Mitsubishi Kagaku Iatron, Inc. launched the sale of “AccuMeter® Theophylline” kit to determine theophylline levels in blood, serum or plasma specimen. (June 2006)

Others

Net sales increased by ¥4.2 billion (18.0% increase) to ¥27.2 billion compared to the same period previous fiscal year, and operating income increased by ¥0.3 billion (18.6% increase) to ¥2.0 billion compared to the same period previous fiscal year.

Both engineering service and logistics progressed satisfactory.

- Mitsubishi Chemical Holdings Corporation decided to acquire the stocks of Mitsubishi Chemical Holdings Corporation respectively held by its wholly owned subsidiaries, Mitsubishi Chemical Corporation and Mitsubishi Pharma Corporation. (April 2006)
- Decrease in capital reserve for the purpose of securing financial resources was approved in the general meeting for shareholders of Mitsubishi Chemical Holdings Corporation held on June 28, 2006. (June 2006)
- Mitsubishi Chemical Group Science and Technology Research Center, Inc. developed a solution-based organic semiconductor material which can apply wet-coating process, and also succeeded in driving organic EL elements with transistor employed the

material. (May 2006)

- Mitsubishi Chemical Corporation, Mitsubishi Chemical Group Science and Technology Research Center, Inc., and Universal Display Corporation entered into an agreement to collaborate on the development of materials for phosphorescent OLED displays that are processible through wet processing methods, such as ink jet printing. (May 2006)
- To issue stock acquisition rights in favor of directors and officers of Mitsubishi Chemical Holdings Corporation as the means of a stock option scheme for a stock-linked compensation plan was approved in the general meeting of shareholders held on June 28, 2006. (June 2006)

(3) Consolidated Financial Position

At the end of the first quarter of the fiscal year ending March 2007, total assets amounted to ¥2,114.5 billion, a decrease of ¥12.1 billion compared to the end of the previous fiscal year due to decrease in investments in securities reflecting decreases in market value and others.

4. Consolidated Financial Projection for the Fiscal Year Ending March 31, 2007

The financial position progressed as planned for the first quarter of the fiscal year ending March 31, 2007. Financial projections for both the first half of the fiscal year ending March 31, 2007 and for the fiscal year ending March 31, 2007, as announced on May 11, 2006, have not been revised.

Unit: Billions of yen

	Net sales	Operating income	Ordinary income	Net income
The first half of the fiscal year ending March 31, 2007	1,260.0	56.0	60.0	58.0
The fiscal year ending March 31, 2007	2,600.0	136.0	141.0	100.0

Forward-Looking Statements

The forward-looking statements are based largely on company expectations and information available as of the date hereof, and are subject to risks and uncertainties, which may be beyond company control. Actual results could differ materially due to numerous factors, including without limitation, market conditions and the effects of industry competition. The company expectations for the forward-looking statements are described in page [2] and [7], hereof.