

# Operational Summary

for the Third Quarter of the Fiscal Year Ending March 31, 2008

January 31, 2008

Mitsubishi Chemical Holdings Corporation

# 1. Consolidated Financial Statements for the Third Quarter of FY2007

(Note) FY2007 : April 1, 2007 – March 31, 2008

# Consolidated Statements of Operations

Exchange rate (¥/USD)	119	116
Naphtha price (¥/KL)	59,700	50,300

118	117
61,700	48,100

Changes in depreciation methods		(Billions of yen)			Rate of differences	(Billions of yen)		
		Year-to-date (Apr. 1 - Dec. 31, 2007)				Third quarter (Oct. 1 - Dec. 31, 2007)		
		FY2007	FY2006	Differences		FY2007	FY2006	Differences
-	<b>Net sales</b>	<b>2,161.7</b>	<b>1,936.1</b>	<b>225.6</b>	11.7%	<b>771.9</b>	<b>672.6</b>	<b>99.3</b>
(8.4)	<b>Operating income</b>	<b>114.4</b>	<b>98.9</b>	<b>15.5</b>	15.7%	<b>47.9</b>	<b>42.3</b>	<b>5.6</b>
-	Income (expenses) on financing activities	(5.1)	(4.2)	(0.9)		(1.0)	(2.1)	1.1
-	[Dividend income included in above]	[4.4]	[3.6]	[0.8]		[1.6]	[0.7]	[0.9]
-	Other non-operating income (expenses)	2.8	3.1	(0.3)		0.8	1.2	(0.4)
(0.5)	Equity in earnings of non-consolidated subsidiaries and affiliates	8.6	12.5	(3.9)		2.4	4.4	(2.0)
(8.9)	<b>Ordinary income</b>	<b>120.7</b>	<b>110.3</b>	<b>10.4</b>	9.4%	<b>50.1</b>	<b>45.8</b>	<b>4.3</b>
-	Extraordinary gain (loss)	107.8	3.8	104.0		114.9	0.0	114.9
(8.9)	<b>Income before income taxes</b>	<b>228.5</b>	<b>114.1</b>	<b>114.4</b>	100.3%	<b>165.0</b>	<b>45.8</b>	<b>119.2</b>
3.3	Current and deferred income taxes	(44.8)	(22.0)	(22.8)		(19.8)	(17.5)	(2.3)
-	Minority interests in consolidated subsidiaries	(8.6)	(3.4)	(5.2)		(8.3)	(1.5)	(6.8)
(5.6)	<b>Net income</b>	<b>175.1</b>	<b>88.7</b>	<b>86.4</b>	97.3%	<b>136.9</b>	<b>26.8</b>	<b>110.1</b>

## Consolidated Net Sales by Business Segment

Exchange rate (¥/USD)	119	116
Naphtha price (¥/KL)	59,700	50,300

(Billions of yen)

	Year-to-date (Apr. 1 - Dec. 31, 2007)		
	FY2007	FY2006	Differences
<b>Total</b>	<b>2,161.7</b>	<b>1,936.1</b>	<b>225.6</b>
<b>Petrochemicals</b>	<b>1,077.3</b>	<b>937.2</b>	<b>140.1</b>
<b>Performance and Functional Products</b>	<b>686.0</b>	<b>674.7</b>	<b>11.3</b>
Performance Products	391.1	388.5	2.6
Functional Products	294.9	286.2	8.7
<b>Health Care</b>	<b>289.1</b>	<b>232.3</b>	<b>56.8</b>
<b>Others</b>	<b>109.3</b>	<b>91.9</b>	<b>17.4</b>

Rate of differences

11.7%

15.0%

1.7%

0.6%

3.1%

24.4%

19.1%

118	117
61,700	48,100

(Billions of yen)

	Third quarter (Oct. 1 - Dec. 31, 2007)		
	FY2007	FY2006	Differences
<b>Total</b>	<b>771.9</b>	<b>672.6</b>	<b>99.3</b>
<b>Petrochemicals</b>	<b>368.5</b>	<b>332.8</b>	<b>35.7</b>
<b>Performance and Functional Products</b>	<b>231.6</b>	<b>227.4</b>	<b>4.2</b>
Performance Products	130.2	130.0	0.2
Functional Products	101.4	97.4	4.0
<b>Health Care</b>	<b>134.6</b>	<b>82.2</b>	<b>52.4</b>
<b>Others</b>	<b>37.2</b>	<b>30.2</b>	<b>7.0</b>

## Consolidated Operating Income by Business Segment

Exchange rate (¥/USD)	119	116
Naphtha price (¥/KL)	59,700	50,300

(Billions of yen)

	Year-to-date (Apr. 1 - Dec. 31, 2007)		
	FY2007	FY2006	Differences
<b>Total</b>	<b>114.4</b>	<b>98.9</b>	<b>15.5</b>
Petrochemicals	19.2	18.5	0.7
Performance and Functional Products	42.0	43.6	(1.6)
Performance Products	25.9	24.9	1.0
Functional Products	16.1	18.7	(2.6)
Health Care	52.7	36.0	16.7
Others	8.5	6.9	1.6
Corporate	(8.0)	(6.1)	(1.9)

Rate of differences

15.7%  
3.8%  
(3.7%)  
4.0%  
(14.0%)  
46.3%  
22.8%  
(30.2%)

118	117
61,700	48,100

(Billions of yen)

	Third quarter (Oct. 1 - Dec. 31, 2007)		
	FY2007	FY2006	Differences
<b>Total</b>	<b>47.9</b>	<b>42.3</b>	<b>5.6</b>
Petrochemicals	2.2	11.0	(8.8)
Performance and Functional Products	13.3	16.0	(2.7)
Performance Products	8.0	8.9	(0.9)
Functional Products	5.3	7.1	(1.8)
Health Care	31.5	15.7	15.8
Others	3.7	2.1	1.6
Corporate	(2.8)	(2.5)	(0.3)

## Consolidated Extraordinary Gain (Loss)

(Billions of yen)

	Year-to-date (Apr. 1 - Dec. 31, 2007)			Third quarter (Oct. 1 - Dec. 31, 2007)
	FY2007	FY2006	Differences	
<b>Total</b>	<b>107.8</b>	<b>3.8</b>	<b>104.0</b>	<b>114.9</b>
<b>Extraordinary gain</b>	<b>120.0</b>	<b>7.5</b>	<b>112.5</b>	<b>118.0</b>
Gains on changes in equity of affiliated companies	118.1	0.0	118.1	117.6
Others	1.9	7.5	(5.6)	0.4
<b>Extraordinary loss</b>	<b>(12.2)</b>	<b>(3.7)</b>	<b>(8.5)</b>	<b>(3.1)</b>
Costs related to MTPC merger	(3.6)	0.0	(3.6)	(2.0)
MTPC early retirement benefits	(0.9)	(0.2)	(0.7)	0.0
Loss on sale and disposal of property, plant and equipment, etc	(2.6)	(1.1)	(1.5)	(0.3)
Loss on sale and disposal of business in subsidiaries and affiliates	(2.6)	(1.2)	(1.4)	(0.5)
Others	(2.5)	(1.2)	(1.3)	(0.3)

## Consolidated Balance Sheets

(Billions of Yen)	Dec. 31 2007	Sep. 30 2007	Change	Factors of the Change		Main factors of the change of "Others" from Sep. 30, 2007	(Reference) Mar. 31 2007
				MTPC Merger	Others		
Current assets	1,384.4	1,196.4	188.0	148.8	39.2	<b>Total assets up ¥28.4 billion</b>	1,145.8
Fixed assets	956.3	799.5	156.8	161.3	(4.5)	1) Increase in accounts receivable (+26.8) and inventories due to mainly seasonal factors	759.8
Investments and other assets	508.0	409.5	98.5	104.8	(6.3)	2) Decrease of fixed assets (-5.0) due to foreign currency exchange influence	413.2
<b>Total assets</b>	<b>2,848.7</b>	<b>2,405.4</b>	<b>443.3</b>	<b>414.9</b>	<b>28.4</b>	3) Decrease in securities due to decline in prices of securities	<b>2,318.8</b>
Liabilities	1,718.9	1,608.8	110.1	79.4	30.7	<b>Liabilities up ¥30.7 billion</b>	1,560.1
Net assets	1,129.8	796.6	333.2	335.5	(2.3)	1) Increase in Interest-bearing debt (+47.6)	758.7
Shareholders' Equity	792.9	659.7	133.2	117.6	15.6	2) Decrease of reserve for bonus payment (-15.2)	631.1
Valuation, translation adjustments and other	67.1	86.5	(19.4)	(1.9)	(17.5)	<b>Net assets down ¥2.3 billion</b>	81.6
Minority interests in consolidated subsidiaries	269.8	50.4	219.4	219.8	(0.4)	<1> Increase in shareholders' equity (+15.6)	46.0
<b>Total liabilities and net assets</b>	<b>2,848.7</b>	<b>2,405.4</b>	<b>443.3</b>	<b>414.9</b>	<b>28.4</b>	1) Net income (3Q only +19.3)	<b>2,318.8</b>
						2) Interim dividends payment (-11.0)	
Short- and long-term debt, commercial paper and bonds	813.3	765.6	47.7	0.1	47.6	3) Stock exchange between MPI and MCHC (+7.3 Oct., 2007)	739.7
Discounted notes payable	1.3	1.0	0.3	0.0	0.3	<2> Decrease in Valuation, translation adjustments (-17.5)	3.6
Interest-bearing debt	814.6	766.6	48.0	0.1	47.9	Due to decline in prices of securities and change of foreign currency exchange rates	743.3
Debt-equity ratio (*)	0.95	1.03	(0.08)				1.04
<b>Shareholders' equity ratio</b>	<b>30.2%</b>	<b>31.0%</b>	<b>(0.8%)</b>				<b>30.7%</b>

(\*\*) : ( Net assets – Minority interests – Stock warrant ) / ( Total assets )

(\*) : ( Interest-bearing debt ) / ( Net assets – Minority interests – Stock warrant )

## 2. Forecast of FY2007(Annual)

- 1) Premises for the forecast of FY2007
- 2) Consolidated Financial Statements



## Assumption of the Revised Forecast for FY2007

### Fire accident at the No. 2 ethylene Plant of the Kashima Plant of Mitsubishi Chemical Corporation

- The fire occurred on December 21, 2007, and the No. 2 Ethylene Plant was shut down.
- Income by insurance in response to effects mentioned below is not included.

### Effects on business performance in the third quarter of FY2007

Unit: billions of yen

	Amount
Operating income*	(10.0)
Extraordinary loss**	(3.0)
Total	(13.0)

\*Loss by production reduction, decreased sales, and procurement of substitutes

\*\*Fixed costs corresponding to plant shutdown caused by the accident and low production ratio

## Consolidated Statements of Operations (FY2007 Forecast)

(Billions of yen)

	Revised Forecast	Announced on Nov. 2	Differences		FY2006 Actual
<b>Net sales</b>	<b>2,940.0</b>	<b>2,970.0</b>	<b>(30.0)</b>	<b>(1.0%)</b>	<b>2,622.8</b>
<b>Operating income</b>	<b>123.0</b>	<b>148.0</b>	<b>(25.0)</b>	<b>(16.9%)</b>	<b>128.6</b>
Income (expenses) on financing activities	<b>(8.0)</b>	<b>(8.0)</b>	<b>0.0</b>		<b>(6.2)</b>
[Dividend income included in above]	<b>[5.0]</b>	<b>[5.0]</b>	<b>[0.0]</b>		<b>[4.5]</b>
Other non-operating income (expenses)	<b>1.0</b>	<b>(1.0)</b>	<b>2.0</b>		<b>3.7</b>
Equity in earnings of non-consolidated subsidiaries and affiliates	<b>10.0</b>	<b>10.0</b>	<b>0.0</b>		<b>15.2</b>
<b>Ordinary income</b>	<b>126.0</b>	<b>149.0</b>	<b>(23.0)</b>	<b>(15.4%)</b>	<b>141.3</b>
Extraordinary gain (loss)	<b>92.0</b>	<b>103.0</b>	<b>(11.0)</b>		<b>(3.5)</b>
<b>Income before income taxes</b>	<b>218.0</b>	<b>252.0</b>	<b>(34.0)</b>	<b>(13.5%)</b>	<b>137.8</b>
Current and deferred income taxes	<b>(48.0)</b>	<b>(56.0)</b>	<b>8.0</b>		<b>(33.4)</b>
Minority interests in consolidated subsidiaries	<b>(9.0)</b>	<b>(10.0)</b>	<b>1.0</b>		<b>(4.1)</b>
<b>Net income</b>	<b>161.0</b>	<b>186.0</b>	<b>(25.0)</b>	<b>(13.4%)</b>	<b>100.3</b>

## Consolidated Net Sales by Business Segment (FY2007 Forecast)

(Billions of yen)

	Revised Forecast	Announced on Nov. 2	Differences	FY2006 Actual
<b>Total</b>	2,940.0	2,970.0	(30.0)	2,622.8
<b>Petrochemicals</b>	1,430.0	1,460.0	(30.0)	1,263.2
<b>Performance and Functional Products</b>	930.0	940.0	(10.0)	908.4
Performance Products	530.0	530.0	0.0	525.7
Functional Products	400.0	410.0	(10.0)	382.7
<b>Health Care</b>	400.0	400.0	0.0	304.7
<b>Others</b>	180.0	170.0	10.0	146.5

## Consolidated Operating Income by Business Segment (FY2007 Forecast)

(Billions of yen)

	Revised Forecast	Announced on Nov. 2	Differences	FY2006 Actual
<b>Total</b>	<b>123.0</b>	<b>148.0</b>	<b>(25.0)</b>	<b>128.6</b>
Petrochemicals	12.0	33.0	<b>(21.0)</b>	29.1
Performance and Functional Products	57.0	61.0	<b>(4.0)</b>	58.4
Performance Products	36.0	36.0	0.0	35.0
Functional Products	21.0	25.0	<b>(4.0)</b>	23.4
Health Care	55.0	55.0	0.0	39.6
Others	11.0	11.0	0.0	10.6
Corporate	<b>(12.0)</b>	<b>(12.0)</b>	0.0	<b>(9.1)</b>

## Consolidated Extraordinary Gain (Loss) (FY2007 Forecast)

(Billions of yen)

	Revised Forecast	Announced on Nov. 2	Differences	FY2006 Actual
<b>Total</b>	<b>92.0</b>	<b>103.0</b>	<b>(11.0)</b>	<b>(3.5)</b>
<b>Extraordinary gain</b>	<b>121.0</b>	<b>122.0</b>	<b>(1.0)</b>	<b>11.4</b>
Gains on changes in equity of affiliated companies	118.0	118.0	0.0	—
Gains on sale of property, plant and equipment ; sale of investment securities	1.5	2.5	<b>(1.0)</b>	<b>9.8</b>
Others	1.5	1.5	0.0	1.6
<b>Extraordinary loss</b>	<b>(29.0)</b>	<b>(19.0)</b>	<b>(10.0)</b>	<b>(14.9)</b>
Costs related to MTPC merger	<b>(5.0)</b>	<b>(5.0)</b>	0.0	—
Loss on sale and disposal of property, plant and equipment, etc	<b>(7.2)</b>	<b>(4.2)</b>	<b>(3.0)</b>	<b>(6.0)</b>
Losses caused by plant shutdown and low operating rate in Kashima	<b>(3.0)</b>	—	<b>(3.0)</b>	—
MPI merger costs	<b>(0.8)</b>	<b>(0.8)</b>	0.0	—
Others	<b>(13.0)</b>	<b>(9.0)</b>	<b>(4.0)</b>	<b>(8.9)</b>

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, marketing conditions and the effects of industry competition.