

Mitsubishi Chemical Holdings Corporation
Condensed Consolidated Financial Information
For the First Half of the Fiscal Year Ending March 31, 2009



1. Business Results for the First Half of the Fiscal Year Ending March 31, 2009
(Business period: April 1, 2008 to September 30, 2008)

	Millions of Yen		Thousands of U.S. Dollars
	April 1, 2008 - September 30, 2008	April 1, 2007 - September 30, 2007	April 1, 2008 - September 30, 2008
(1) Results of Operations:			
Net sales	1,587,734	1,389,814	15,266,673
Operating income	56,211	66,487	540,490
Income before income taxes and minority interests in consolidated subsidiaries	59,544	63,467	572,538
Net income	23,544	38,164	226,385
		(Yen)	(U.S. Dollars)
Net income per share	17.10	27.87	0.164
Net income per share (diluted)	15.73	27.85	0.151

(2) Segment Information:

[Net Sales by Segments]

	Millions of Yen	Millions of Yen	Thousands of U.S. Dollars
Electronics Applications	183,445	197,290	1,763,894
Designed Materials	147,108	146,141	1,414,500
Health Care	246,488	154,476	2,370,077
Chemicals	617,189	582,397	5,934,510
Polymers	313,839	228,493	3,017,683
Others	79,665	81,017	766,010
Total	1,587,734	1,389,814	15,266,673

[Operating Income (loss) by Segments]

	Millions of Yen	Millions of Yen	Thousands of U.S. Dollars
Electronics Applications	10,631	16,775	102,221
Designed Materials	2,715	6,180	26,106
Health Care	37,217	21,178	357,856
Chemicals	6,993	12,102	67,240
Polymers	(520)	10,735	(5,000)
Others	6,189	5,088	59,510
Elimination & corporate costs	(7,014)	(5,571)	(67,442)
Total	56,211	66,487	540,490

(3) Results of Operations:

	Millions of Yen		Thousands of U.S. Dollars
	July 1, 2008 - September 30, 2008	July 1, 2007 - September 30, 2007	July 1, 2008 - September 30, 2008
Net sales	823,953	724,805	7,922,625
Operating income	21,632	33,114	208,000
Income before income taxes and minority interests in consolidated subsidiaries	21,555	27,513	207,260
Net income	10,431	17,512	100,298
		(Yen)	(U.S. Dollars)
Net income per share	7.57	—	0.073
Net income per share (diluted)	6.96	—	0.067

(4) Segment Information:

[Net Sales by Segments]

	Millions of Yen	Millions of Yen	Thousands of U.S. Dollars
Electronics Applications	91,053	99,384	875,510
Designed Materials	77,379	73,996	744,029
Health Care	118,255	78,278	1,137,067
Chemicals	335,651	310,236	3,227,413
Polymers	158,574	114,606	1,524,750
Others	43,041	48,305	413,856
Total	823,953	724,805	7,922,625

[Operating Income (loss) by Segments]

	Millions of Yen	Millions of Yen	Thousands of U.S. Dollars
Electronics Applications	4,914	8,520	47,250
Designed Materials	1,935	3,428	18,606
Health Care	10,579	9,708	101,721
Chemicals	4,569	7,819	43,933
Polymers	(1,569)	4,098	(15,087)
Others	4,761	2,665	45,779
Elimination & corporate costs	(3,557)	(3,124)	(34,202)
Total	21,632	33,114	208,000

	Millions of Yen		Thousands of U.S. Dollars
	September 30, 2008	March 31, 2008	September 30, 2008
(5) Financial Position:			
Total assets	2,876,180	2,765,837	27,655,577
Inventories	538,238	427,143	5,175,365
Property, plant and equipment and intangible assets	872,435	852,806	8,388,798
Short-term and long-term debt	871,417	822,520	8,379,010
Shareholders' equity	822,648	827,809	7,910,077
Ratio of shareholders' equity to total assets (%)	28.6	29.9	
		(Yen)	(U.S. Dollars)
Shareholders' equity per share	597.76	601.45	5.748

	Millions of Yen		Thousands of U.S. Dollars
	April 1, 2008 - September 30, 2008	April 1, 2007 - September 30, 2007	April 1, 2008 - September 30, 2008
(6) Cash Flows:			
	(Millions of Yen)	(Millions of Yen)	
Net cash provided by operating activities	35,640	79,783	342,692
Net cash used in investing activities	(151,407)	(88,472)	(1,455,837)
Net cash provided by (used in) financing activities	19,446	17,720	186,981
Cash and cash equivalents at end of the year	71,660	80,400	689,038

(7) Ratio of Net Income to:			(%)
Shareholders' equity	2.8		5.2
Total assets	0.8		1.6
Net sales	1.4		2.7

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

Notes:

- The accompanying consolidated financial information has been prepared by using partially simplified accounting methods from those adopted for the latest fiscal year.
- From this fiscal year, an inventory valuation method was changed due to a change of Japanese accounting standard. This change decreased operating income by 3.3 billion yen, income before income taxes and minority interests in consolidated subsidiaries by 3.5 billion yen.
- From this fiscal year, useful life of machinery and equipment was changed due to a change of Japanese corporate tax laws. This change decreased operating income by 1.3 billion yen, income before income taxes and minority interests in consolidated subsidiaries by 1.3 billion yen.
- From this fiscal year, the segmentation was changed from Petrochemicals, Performance Products, Functional Products, Health Care and Others to Electronics Applications, Designed Materials, Health Care, Chemicals, Polymers and Others. The figure of the first quarter of the previous fiscal year in the segment information was adjusted to the change.
- 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 104 yen to US\$1, the approximate exchange rate prevailing in the Tokyo foreign exchange market at the end of June 2008. 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 (Announced on October 31, 2008)

	Millions of Yen		Thousands of U.S. Dollars
	April 1, 2008 - March 31, 2009		April 1, 2008 - March 31, 2009
Net sales	3,270,000		31,442,308
Operating income	125,000		1,201,923
Net income	35,000		336,538

3. Business Performance and Financial Position

(1) Business Performance

Consolidated Performance for the first half of the Fiscal Year Ending March 31, 2009: FY2008 (From April 1, 2008 to September 30, 2008)

In the first half of FY2008, the Japanese economy continued showing a trend of economic slowdown, due to decline in corporate profits caused by the sharp rise in the price of raw materials and fuels and sluggish individual spending with price increase.

Furthermore, in the second quarter of FY2008 (From July 1, 2008 to September 30, 2008), we are facing further severe business conditions, due to collapse in crude oil prices and growing global financial instability caused by the US subprime mortgage loan problem and decreasing demand.

In the Mitsubishi Chemical Holdings Group ("MCHC Group"), the business environment in the first half of FY2008 became severe, particularly in petrochemical products, due to the sharp rise in raw material and fuel prices and decreasing demand. In addition, our healthcare business was under severe conditions since drug price revision was executed in April.

Under the circumstances, the consolidated business results for the first half of FY2008 resulted as follows. Net sales increased by ¥197.9 billion to ¥1,587.7 billion compared to the first half of FY2007 by mainly price adjustment of petrochemical products in response to the sharp rise in raw material and fuel prices and an establishment of Mitsubishi Tanabe Pharma Corporation as of October 2007 by a merger between a consolidated subsidiary of Mitsubishi Chemical Holdings Corporation, Mitsubishi Pharma Corporation and Tanabe Seiyaku Co., Ltd. Operating income decreased by ¥10.3 billion to ¥56.2 billion compared to the first half of FY2007, due to the sharp rise in raw material and fuel prices and time lag in corresponding price adjustment, in spite of the business expansion by the establishment of Mitsubishi Tanabe Pharma Corporation. Ordinary income decreased by ¥5.1 billion to ¥65.5 billion compared to the first half of FY2007, due to deteriorating conditions of equity in net income of affiliates and mounting exchange-rate losses, besides income from insurance by the accident at the No. 2 ethylene production facility at the Kashima Plant of Mitsubishi Chemical Corporation. Net income decreased by ¥14.7 billion to ¥23.5 billion compared to the first half of FY2007, as a result of influences by an increase of minority interest in accordance with the above-mentioned merger.

(2) Overview of Business Segments

Electronics Applications Segment, Performance Products Domain

(Recording media, Information and electronics-related materials, Imaging supplies, Inorganic chemicals)

Net sales of the segment decreased by ¥13.9 billion to ¥183.4 billion compared to the first half of FY2007. Operating income decreased by ¥6.2 billion to ¥10.6 billion compared to the first half of FY2007.

As for recording media, net sales decreased compared to the same period of FY2007 by a drop in price of DVDs, despite demand expansion in portable HDD and flash memory. In polyester films, particularly protecting polyester films for liquid crystal displays, net sales continued strong, although net sales of plastic injection moldings for electronic applications considerably decreased by decrease in sales volume. As for imaging supplies such as organic photo conductor drums, toners, and chemical toners, net sales decreased compared to the first half of FY2007, due to decrease in sales volume. As for inorganic chemicals, it showed steady performance.

Major actions taken for the Electronics Applications Segment during the first half of FY2008 are as follows:

- Mitsubishi Plastics, Inc. decided to expand production facility of optical polyester film for flat panel displays. (May)
- Mitsubishi Chemical Corporation decided to merge with its subsidiary Kasei Optonix, Ltd. by absorption, as of April 1, 2009, to further strengthen its phosphor businesses, for which demand has grown as these serve as the main materials for white light emitting diodes (LEDs) and flat panel displays, and enhance a production facility for red and green phosphors, which are used with high brightness white LEDs. (September)

Designed Materials Segment, Performance Products Domain

(Food ingredients, Battery materials, Fine chemicals, Polymer processing products, Composite materials)

Net sales of the segment increased by ¥1.0 billion to ¥147.1 billion compared to the first half of FY2007. Operating income decreased by ¥3.5 billion to ¥2.7 billion compared to the first half of FY2007.

As for food ingredients, net sales decreased, due to decreased demand of food emulsifier in the second quarter of FY2008, although net sales continued favorably in the first quarter of

FY2008. As for battery materials and fine chemicals, net sales continued favorably. As for polymer processing products, net sales in films, composite films and sheets continued favorably. As for composite materials, net sales of carbon fibers increased by overseas demand increase, but net sales in construction related products decreased by influences of restraint on public constructions and decreasing demand of building equipment.

Major actions taken for the Designed Materials Segment during the first half of FY2008 are as follows:

- Astro Corporation concluded an agreement for exclusive agency in Japan with a product developer Spain's Extracel S.L. (May)
- Mitsubishi Plastics, Inc. decided to launch the super high gas barrier film *X-BARRIER* on July 1. (June)
- Mitsubishi Plastics, Inc. launched "*HISHI COOLING TOWER M-Hi series*", a new cubed Crossflow open-type cooling tower, which has been designed to save energy and space. (July)
- Mitsubishi Plastics, Inc. and Ryoka E-Tech K.K. concluded an agreement for Mitsubishi Plastics to purchase the insulation panel business owned by Ryoka E-Tech. (July)
- Mitsubishi Plastics, Inc. and MAYEKAWA MFG. CO., LTD. succeeded in stably operating the next-generation solar power-driven adsorption chiller using the zeolite-based adsorbent, *AQSOA*. (August)
- Mitsubishi Plastics, Inc. started to import and sell *FORTA-FERROW*, synthetic fibers for reinforcement of concrete manufactured by the FORTA Corporation (Pennsylvania, USA). (August)
- Mitsubishi Plastics, Inc. started to import and sell *FORTA AR*, synthetic fibers for reinforcement of asphalt manufactured by the FORTA Corporation. (September)

Health Care Segment, Health Care Domain

(Pharmaceuticals, Diagnostic reagents and instruments, Clinical testing)

Net sales of the segment increased by ¥92.0 billion to ¥246.5 billion compared to the first half of FY2007. Operating income increased by ¥16.0 billion to ¥37.2 billion compared to the first half of FY2007.

As for pharmaceuticals, net sales increased compared to the first half of FY2007, due to the establishment of Mitsubishi Tanabe Pharma Corporation and substantial sales growth was recorded by *Remicade*, an anti-TNF α monoclonal antibody and *Mearubik*, a measles and rubella combined vaccine. As for diagnostic reagents and instruments and clinical testing,

performances were satisfactory in general.

Major actions taken for the Health Care Segment during the first half of FY2008 are as follows:

- Mitsubishi Tanabe Pharma Corporation established a subsidiary, Tanabe Seiyaku Hanbai Co., Ltd. on April 1, 2008 for the purposes of the promotion and marketing of generic drugs. (April)
- Mitsubishi Tanabe Pharma Corporation concluded a letter of understanding concerning the acquisition of a majority of the shares of Choseido Pharmaceutical Co., Ltd. and the promotion of a comprehensive capital and business alliance between the companies centered on generic drug operations. (May)
- Mitsubishi Tanabe Pharma Corporation initiated sales of *Medway* Injection 25% 50mL and *Medway* Injection 5% 250mL, the recombinant human serum albumin preparations. (May)
- Mitsubishi Tanabe Pharma Corporation announced that Yuhan Corporation (Head office: Seoul, South Korea) started sales of *Zione* Injection, an internal hemorrhoid sclerotherapy agent in South Korea. (June)
- Mitsubishi Tanabe Pharma Corporation and Bayer Yakuhin, Ltd. concluded a joint marketing contract for *Glucobay* Tablet 50mg and 100mg (generic name: acarbose), a post-prandial hyperglycemia improvement drug currently marketed by Bayer. (June)
- Mitsubishi Tanabe Pharma Corporation offered an early retirement support program. (June)
- Mitsubishi Tanabe Pharma Corporation decided to merge with its consolidated subsidiaries, MP Technopharma Corporation and Tanabe Seiyaku Yamaguchi Co., Ltd. and start operations as Mitsubishi Tanabe Pharma Factory Ltd, as of October 1, 2008. (July)
- Mitsubishi Tanabe Pharma Corporation obtained approval for an additional indication for “the inhibition of thrombosis in heparin-induced thrombocytopenia (HIT) type II” for the selective antithrombin agents *Novastan* HI injection 10mg/2mL. (July)
- Mitsubishi Tanabe Pharma Corporation and Cytochroma signed a license agreement under which Cytochroma granted Mitsubishi Tanabe Pharma Corporation an exclusive license in the US and Asia, including Japan, to develop and commercialize CTA018, Cytochroma’s novel vitamin D analog. (July)
- Mitsubishi Chemical Medience Corporation announced to merge with its subsidiary, Iwata Kessei Kensajo (Japanese name using Roman characters), by absorption, as of October 1, 2008. (August)

- Mitsubishi Tanabe Pharma Corporation and its subsidiary Benesis Corporation concluded a basic agreement with the national plaintiffs group and its lawyers in order to solve the cases, as the companies were sued for compensatory damages by those who claimed to have been infected with HCV (hepatitis C virus) via administration of the fibrinogen preparation and the blood coagulation factor IX preparation *Christmassin* made and sold by one of its predecessor companies Green Cross Corporation. (September)

Chemicals Segment, Chemicals Domain

(Basic petrochemicals, Chemical derivatives, Synthetic fiber materials, Carbon products, Fertilizers)

Net sales of the segment increased by ¥34.8 billion to ¥617.2 billion compared to the same first half of FY2007. Operating income decreased by ¥5.1 billion to ¥7.0 billion compared to the first half of FY2007, due to the sharp rise in the price of raw materials and fuels.

The production volume of ethylene, a basic raw material of petrochemicals was 482 thousand tons, a decrease by 24.1% compared to the first half of FY2007, due to the influence of the fire accident at the Kashima Plant of Mitsubishi Chemical Corporation in December 2007, regular maintenance conducted at the Mizushima Plant and the Kashima Plant, and reduction of production capacity with decreasing demand. As for basic petrochemicals, chemical derivatives, and synthetic fiber materials, net sales decreased compared to the first half of FY2007, due to that Japan Polyethylene Corporation became a consolidated subsidiary of MCHC, sales of ethylene to Japan Polyethylene Corporation were eliminated by consolidated accounting system, as well as decreasing demand, despite continued active demands in both domestic and overseas markets, and product price adjustment associated with the sharp rise in the price of raw materials and fuels. As for blast furnace coke in carbon products, net sales considerably increased compared to the first half of FY2007, due to steady domestic steel demand continued and product price rose in conjunction with metallurgical coal price. As for fertilizers, net sales increased due to product price adjustment associated with the sharp rise in the price of raw materials and fuels and demand rush according to further product price increase, despite decreasing demand.

Major actions taken for the Chemicals Segment during the first half of FY2008 are as follows:

- Mitsubishi Chemical Corporation restarted operation of 2F-206 cracking furnace of the

No. 2 ethylene production facility which the suspension order was lifted at the Kashima Plant. (May)

- Mitsubishi Chemical Corporation succeeded in developing the new type reactor for manufacturing acrylic acid. (September)

Polymers Segment, Chemicals Domain

(Neat resins and compounds)

Net sales of the segment increased by ¥85.3 billion to ¥313.8 billion compared to the same first half of FY2007. Operating income decreased by ¥11.2 billion and operating loss of ¥0.5 billion was posted compared to the first half of FY2007, due to the sharp rise in the price of raw materials and fuels.

As for neat resins, net sales increased compared to the same period of FY2007, due to the Japan Polyethylene Corporation became a consolidated subsidiary of MCHC and product price adjustment in response to the sharp rise in the price of raw materials and fuels.

Major actions taken for the Polymers Segment during the first half of FY2008 are as follows:

- V-Tech Corporation decided to discontinue its export of polyvinyl chloride, excluding supply to affiliated companies and to review its production and shipping system into a form that is best suited to this purpose. (April)
- Mitsubishi Chemical Corporation decided to postpone the commercial operation of a new polycarbonate resin production facility at the Kurosaki Plant. (July)
- Mitsubishi Chemical Corporation, through its subsidiary, Japan Polypropylene Corporation, formed a business alliance agreement with Borealis AG, to strengthen polypropylene compound production and supply for the automotive industry in the US and Europe. (August)

Others

(Engineering, Logistics)

Net sales decreased by ¥1.3 billion to ¥79.7 billion compared to the first half of FY2007, but operating income increased by ¥1.1 billion to ¥6.2 billion compared to the first half of FY2007, due to the effect of newly consolidated subsidiary in engineering service.

Net sales in logistics increased, but net sales in engineering service decreased due to decline of external orders compared to the first half of FY2007.

Major actions taken other than above-mentioned items in each segment during the first half of FY2008 are as follows:

- Mitsubishi Chemical Corporation decided to terminate operating agreements on plant management with Mitsubishi Chemical Engineering Corporation, in order to conduct the management by Mitsubishi Chemical Corporation.

Group in General

Major actions taken for the Group in general other than above-mentioned segments during the first half of FY2008 are as follows:

- Mitsubishi Chemical Corporation issued the 37th domestic straight bonds. [Total bond issue: ¥20 billion; period: 10 years] (August)

4. Consolidated Financial Position

At the end of the second quarter of FY2008, total assets amounted to ¥2,876.2 billion, an increase of ¥110.4 billion compared to the end of FY2007. This was due to that Japan Polyethylene Corporation which was an affiliate accounted for by equity method became a consolidated subsidiary of MCHC and increases in inventories and trade receivables in accordance with the sharp rise in the price of raw materials and fuels.

5. Consolidated Financial Projection for the FY2008

The consolidated financial projection for FY2008 has been revised downward, in accordance with results of the first half of FY2008 and further worsening economic conditions in the third and fourth quarters of FY2008, incorporating deteriorating market conditions in synthetic fibers, chemicals, polymer processing products, and synthetic polymers.

(1) Major assumption for FY2008

	May 8, 2008	October 31, 2008
Exchange rate (¥/US\$)	105	103
Naphtha (¥/kl)	68,000	69,000

(The first half of FY2008: ¥78,100/kl; the third and fourth quarters of FY2008: ¥60,000/kl)

(2) Revised projection for FY2008

(Units are in billions of yen, otherwise noted.)

	Net sales	Operating income	Ordinary income	Net income
Expected results announced previously (A) (announced on May 8, 2008)	3,340.0	158.0	166.0	70.0
Revised expected results (B)	3,270.0	125.0	121.0	35.0
Increase/(decrease) (B-A)	(70.0)	(33.0)	(45.0)	(35.0)
Rate of increase/(decrease) %	(2.1)	(20.9)	(27.1)	(50.0)
Actual results for FY2007	2,929.8	125.0	128.9	164.1

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 effect of industry competition. The company expectations for the forward-looking statements are described in page [2], [9] and [10] hereof.