

Mitsubishi Chemical Holdings Corporation
Condensed Consolidated Financial Information
for the First Quarter of the Fiscal Year Ending March 31, 2011



1. Business Results for the First Quarter of the Fiscal Year Ending March 31, 2011
(Business period: April 1, 2010 to June 30, 2010)

	Millions of Yen		Thousands of U.S. Dollars
	The First Quarter of the Current Fiscal Year	The First Quarter of the Previous Fiscal Year	The First Quarter of the Current Fiscal Year
	April 1, 2010 - June 30, 2010	April 1, 2009 - June 30, 2009	April 1, 2010 - June 30, 2010
(1) Results of Operations:			
Net sales	776,164	549,701	8,820,045
Operating income	60,838	(10,605)	691,341
Income before income taxes and minority interests in consolidated subsidiaries	54,260	(18,756)	616,591
Net income	24,457	(16,759)	277,920
		(Yen)	(U.S. Dollars)
Net income-Basic per share	17.82	(12.17)	0.20
Net income-Diluted per share	16.40	—	0.19

(2) Segment Information:

[Net Sales by Segment]

	Millions of Yen	Millions of Yen	Thousands of U.S. Dollars
Electronics Applications	43,983	37,853	499,807
Designed Materials	161,755	86,255	1,838,125
Health Care	132,158	126,581	1,501,795
Chemicals	207,287	174,283	2,355,534
Polymers	179,790	92,060	2,043,068
Others	51,191	32,669	581,716
Total	776,164	549,701	8,820,045

[Operating Income (loss) by Segment]

	Millions of Yen	Millions of Yen	Thousands of U.S. Dollars
Electronics Applications	2,917	(1,249)	33,148
Designed Materials	9,912	(1,354)	112,636
Health Care	29,018	25,059	329,750
Chemicals	12,058	(2,997)	137,023
Polymers	9,405	(28,322)	106,875
Others	(391)	295	(4,443)
Adjustments	(2,081)	(2,037)	(23,648)
Total	60,838	(10,605)	691,341

	Millions of Yen		Thousands of U.S. Dollars
	The First Quarter of the Current Fiscal Year	The Previous Fiscal Year Ended March 31, 2010	The First Quarter of the Current Fiscal Year
	June 30, 2010	March 31, 2010	June 30, 2010

(3) Financial Position:

	Millions of Yen	Millions of Yen	Thousands of U.S. Dollars
Total assets	3,318,333	3,355,097	37,708,330
Inventories	476,301	474,732	5,412,511
Property, plant and equipment and intangible assets	1,367,374	1,381,418	15,538,341
Short-term and long-term debt	1,404,111	1,454,126	15,955,807
Shareholders' equity*	691,722	673,574	7,860,477
Ratio of shareholders' equity to total assets (%)	20.8	20.0	

* Net assets excluding share subscription rights and minority interests

	(Yen)	(U.S. Dollars)
Shareholders' equity per share	504.23	490.99
		5.73

The First Quarter of the Current Fiscal Year	The First Quarter of the Previous Fiscal Year
April 1, 2010 - June 30, 2010	April 1, 2009 - June 30, 2009

(4) Cash Flows:

	(Millions of Yen)	(Millions of Yen)	
Net cash provided by operating activities	75,674	5,860	859,932
Net cash used in investing activities	(19,669)	(63,935)	(223,511)
Net cash provided by (used in) financing activities	(54,439)	(9,398)	(618,625)
Cash and cash equivalents at end of the period	111,872	161,491	1,271,273

(5) Ratio of Net Income to:

		(%)
Shareholders' equity**	3.5	(2.4)
Total assets**	0.7	(0.6)
Net sales	3.1	(3.0)

** Based on the average of the beginning and ending balances 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 period, the segmentation was changed due to a change of Japanese accounting standard. The figures of the First Quarter of the Previous Fiscal Year in the segment information were reclassified to the change.
- From this period, the Company has applied accounting standard for asset retirement obligations. This change decreased operating income by 38 million yen and income before income taxes and minority interests in consolidated subsidiaries by 1,598 million yen.
- From this period, the Company has changed the depreciation method of property, plant and equipment from the declining balance method to the straight-line method mainly adopted by the Company's consolidated subsidiaries of Chemicals and Polymers segments in Japan excluding Mitsubishi Rayon Co., Ltd. and its subsidiaries which became a consolidated subsidiaries of the Company on March 30, 2010. This change increased operating income and income before income taxes and minority interests in consolidated subsidiaries by 3,107 million yen.
- The Company 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 88 yen to US\$1, the approximate exchange rate prevailing in the Tokyo foreign exchange market at the end of June 2010. 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 August 4, 2010)

	Millions of Yen		Thousands of U.S. Dollars
	The First Half of the Current Fiscal Year	The Current Fiscal Year	The Current Fiscal Year
	April 1, 2010 - September 30, 2010	April 1, 2010 - March 31, 2011	April 1, 2010 - March 31, 2011
Net sales	1,590,000	3,250,000	36,931,818
Operating income	93,000	156,000	1,772,727
Net income	32,000	41,000	465,909

3. Business Performance and Financial Position

(1) Business Performance

Consolidated Performance for the First Quarter of the Fiscal Year Ending March 31, 2011 (fiscal 2010): Three months ended June 30, 2010

Overview of General Performance

In the first quarter of fiscal 2010, the Japanese economy was on a gradual recovery trend with an upturn in exports to particularly Asia, although there is concern about the global economic downside especially in Europe.

The business environment for the Mitsubishi Chemical Holdings Group was generally favorable, owing to an increase in sales price and a recovery in demand in the Performance Products domain and the Industrial Materials domain, and steady performance of demand amid ongoing trend of medical spending constraint in the Health Care domain.

Under the circumstances, consolidated results for the first quarter of fiscal 2010 were as follows. Net sales increased by ¥226.5 billion, or 41.2%, to ¥776.2 billion compared to the same period of fiscal 2009, on account of the increase in sales price and the recovery in demand in the Performance Products domain and the Industrial Materials domain, as well as that Mitsubishi Rayon Co., Ltd. became a consolidated subsidiary in March 2010. Operating income was ¥60.8 billion, improved by ¥71.4 billion from a loss of ¥10.6 billion in the same period of fiscal 2009. Ordinary income was ¥59.8 billion, improved by ¥77.0 billion from a loss of ¥17.2 billion in the same period of fiscal 2009. Net income was ¥24.5 billion, improved by ¥41.3 billion from a loss of ¥16.8 billion in the same period of fiscal 2009.

(2) Overview of Business Segments

Note: In the following section, all comparisons are with the same period of the previous fiscal year unless stated otherwise.

Electronics Applications Segment, Performance Products Domain

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

Net sales in this segment increased by ¥6.1 billion, or 16.1%, to ¥44.0 billion. Operating income increased by ¥4.2 billion to ¥2.9 billion.

In recording media, net sales stayed at the same level as in the same period of fiscal 2009 due primarily to increased sales volumes of portable hard disk drives and flash memory devices,

despite lower DVD volumes and prices. In electronics related materials, net sales increased due primarily to an increase in sales volumes of display materials. In imaging supplies, net sales increased due primarily to an increase in sales volumes of organic photo conductor (OPC) drums, toners, and chemical toners.

Major initiatives in the Electronics Applications segment during the first quarter of fiscal 2010 included:

- Mitsubishi Kagaku Media Co., Ltd. constructed new production facilities to increase its production of Blu-ray Discs (BDs) at Mitsubishi Chemical Infonics Pte Ltd in Singapore and began operations. (Monthly production capacity for BDs was increased from 400,000 discs to 1.3 million discs.) (April)

Designed Materials Segment, Performance Products Domain

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

Net sales in this segment increased by ¥75.4 billion, or 87.4%, to ¥161.7 billion. Operating income increased by ¥11.3 billion to ¥9.9 billion.

In food ingredients, net sales remained unchanged from the same period of fiscal 2009 due to increased overseas demand of emulsifier, offsetting its decreased domestic sales volume. In battery materials, net sales increased substantially due to an increase in sales volumes of materials for laptop computers. In fine chemicals, net sales increased due to an increase in sales volumes. In polymer processing products, net sales increased due to that the Nippon Synthetic Chemical Industry Co., Ltd. and Quadrant AG became consolidated subsidiaries as of September 2009 and an increase in sales volumes of polyester films. In composite materials, net sales of industrial materials such as carbon fibers increased due to that Mitsubishi Rayon Co., Ltd. became a consolidated subsidiary in March 2010 and a rebound in demand. In inorganic chemicals, net sales increased due to an increase in sales volumes. Net sales of fibers were newly posted, reflecting sales of Mitsubishi Rayon.

Major initiatives in the Designed Materials segment during the first quarter of fiscal 2010 included:

- Mitsubishi Plastics, Inc. has launched the multilayer film, *DIAMIRON*, for medical use, which is originally used for food packaging. (April)
- Mitsubishi Plastics resolved to inaugurate Mitsubishi Plastics Marketing Co., Ltd. by separating a part of its sales and marketing function. (April)
- Mitsubishi Rayon launched #395 Prepreg, a carbon fiber composite, achieving high level of

both toughness and quick cure. (April)

- Mitsubishi Rayon and SGL Technologies GmbH established a joint venture, MRC-SGL Precursor Co., Ltd., for production and sales of carbon fiber precursor. (April)
- Mitsubishi Plastics launched *ALPOLIC/FR AD*, an aluminum composite material which is certified as a non-combustible material by Minister of Land, Infrastructure and Transportation on condition of being adhered with particular digital-printed (finishing) films on its topside. (May)
- Mitsubishi Chemical Corporation, QINGDAO GR-TAIDA CARBON CO., LTD., and Meiwa Corporation established a joint venture for production of spherical graphite which is core raw material of anode material for lithium-ion battery in Shandong Province, China. (May)
- Mitsubishi Plastics completed a new production facility for zeolite-based adsorbent, AQSOA and began its production at the Naoetsu Plant. (Annual production capacity: 150 ton) (May)
- Mitsubishi Chemical resolved to increase its production capacity of cathode material for lithium-ion battery at the Mizushima Plant. (Annual production capacity was increased from 600 ton to 2,200 ton.) (May)
- Mitsubishi Plastics developed the high-barrier PET bottle for wine with Mercian Corporation and Kirin Brewery Company, Limited. (June)
- Mitsubishi Rayon announced that its microfiltration membrane (SADF membrane), for use with Membrane Bio-Reactor-based treatment methods, was adopted at Singapore's largest sewage treatment plant, through that Nitto Denko Corporation and its wholly-owned subsidiary Hydranautics won the order from Singapore firm Hyflux Ltd. (June)

Health Care Segment, Health Care Domain

(Pharmaceuticals, Diagnostic reagents and instruments, Clinical testing)

Net sales in this segment increased by ¥5.7 billion, or 4.5%, to ¥132.2 billion. Operating income increased by ¥3.9 billion, or 15.5 %, to ¥29.0 billion.

In the pharmaceutical business, net sales increased, as a result of favorable sales of *Remicade*, an anti-TNF α monoclonal antibody; *Radicut*, a cerebral neuroprotectant; *Talion*, a treatment for allergic disorders, as well as an increased sales volumes of vaccine and generic drugs, although NHI drug prices were revised downward in April 2010. In diagnostic reagents and instruments, and clinical testing, net sales remained the same as in the same period of fiscal 2009.

In April 2010, Mitsubishi Tanabe Pharma Corporation and its consolidated subsidiary Bipha Corporation received an administrative action (suspension of business and an order for improvement), from the Ministry of Health, Labour and Welfare in regard to a violation of the Pharmaceutical Affairs Act. Both companies submitted business improvements plans to the Minister of Health, Labour and Welfare. With the implementation of the business improvement plans positioned as the Mitsubishi Tanabe Pharma Group's highest management priorities, the

entire Group will work to implement thorough recurrence prevention measures and to do its utmost to regain the trust of society as a pharmaceutical company.

Major initiatives in the Health Care segment during the first quarter of fiscal 2010 included:

- Mitsubishi Tanabe Pharma and its consolidated subsidiary Bipla Corporation received an administrative action, suspension of business and an order for improvement, from the Ministry of Health, Labour and Welfare in regard to a violation of the Pharmaceutical Affairs Act. (April)
- Mitsubishi Tanabe Pharma received an approval for the additional indication of ankylosing spondylitis for *Remicade* I.V. Drip Infusion 100 (generic name: infliximab), anti-TNF α monoclonal antibody. (April)
- Mitsubishi Tanabe Pharma received an approval for the additional indication of ulcerative colitis for *Remicade* I.V. Drip Infusion 100 (generic name: infliximab), anti-TNF α monoclonal antibody. (June)

Chemicals Segment, Industrial Materials Domain

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

Net sales in this segment decreased by ¥33.1 billion, or 19.0%, to ¥207.3 billion. Operating income increased by ¥15.1 billion to ¥12.1 billion, owing to an improvement in price variance between raw material and product in petrochemicals, inventory valuation gains derived from an increase in price of coking coal in the first quarter of fiscal 2010, and that Mitsubishi Rayon became a consolidated subsidiary.

The production volume of ethylene, a basic raw material of petrochemicals, increased by 18.7% to 232 thousand tons due to a scale-down of regular maintenance of production facilities compared to the same period of fiscal 2009. In basic petrochemicals, chemical derivatives, and synthetic fiber materials, net sales drastically increased due to product price adjustment along with an increase in raw material naphtha price, in addition to that Mitsubishi Rayon became a consolidated subsidiary. In carbon products, net sales of blast furnace coke decreased due to a drop in sales price linked to coking coal price.

Major initiatives in the Chemicals segment during the first quarter of fiscal 2010 included:

- Mitsubishi Chemical, Nippon Petroleum Refining Co., Ltd., Japan Energy Corporation, and Asahi Kasei Chemicals Corporation have worked on building the high level of cooperation in Mizushima petrochemical complex (Kurashiki-shi, Okayama), and the effort was selected as Projects for the Stable Supply of Petroleum Products by Research Association of Refinery Integration for Group-Operation in 2009. (April)

- Mitsubishi Chemical Holdings Corporation (MCHC) and Asahi Kasei Corporation signed a memorandum of understanding to establish a joint-venture company for the integration and unification of their basic petrochemicals operations in Mizushima with the start-up of unified operation of the respective naphtha crackers in April, 2011. The understanding is the result of an extensive study on the unification of the naphtha cracker operations of Mitsubishi Chemical and the naphtha cracker operations of Asahi Kasei Chemicals Corporation. (May)

Polymers Segment, Industrial Materials Domain

(Synthetic resins)

Net sales in this segment increased by ¥87.7 billion, or 95.2%, to ¥179.8 billion. Operating income increased by ¥37.7 billion to ¥9.4 billion due to increased sales volumes and an improvement in inventory valuation with rising raw material and fuel prices, in addition to that Mitsubishi Rayon became a consolidated subsidiary.

In synthetic resins, net sales increased due to sales price adjustment in accordance with rising raw material and fuel prices and increased demand, in addition to that Mitsubishi Rayon became a consolidated subsidiary.

Major initiatives in the Polymers segment during the first quarter of fiscal 2010 included:

- Mitsubishi Chemical and Royal DSM N.V. completed the exchange of nylon business and polycarbonate business. (June)

Others

(Engineering, Logistics)

Net sales in this segment increased by ¥18.5 billion, or 56.6%, to ¥51.2 billion. Operating income decreased by ¥0.7 billion to an operating loss of ¥0.4 billion.

In engineering, net sales increased due to that Mitsubishi Rayon became a consolidated subsidiary. In logistics, net sales increased due to an increase of external orders.

Group in General

Major initiatives in the Group in general other than the above-mentioned segments during the first quarter of fiscal 2010 included:

- MCHC and Mitsubishi Rayon (MRC) resolved to conduct a share exchange through which

MCHC will become the parent company and sole shareholder of MRC and MRC will become a wholly-owned subsidiary of MCHC, and entered into an agreement concerning the share exchange. (April)

4. Consolidated Financial Position

At the end of the first quarter of fiscal 2010, total assets amounted to ¥3,318.3 billion, a decrease of ¥36.8 billion compared to the end of fiscal 2009. This reflected a decrease in investment securities due to a drop in market value and a decrease in fixed tangible assets due to depreciation in excess of capital expenditures.

5. Consolidated Financial Results Forecasts for Fiscal 2010

The consolidated financial results forecasts for the first half of fiscal 2010 have been revised in light of the results of the first quarter of fiscal 2010.

Revised consolidated financial results forecasts for the first half of fiscal 2010: six months ending September 30, 2010

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

	Nets sales	Operating income	Ordinary income	Net income	Net income per share
Previous forecasts (A) (announced on May 13, 2010)	1,570.000	70.000	61.000	16.000	11.64 yen
Revised forecasts (B)	1,590.000	93.000	85.000	32.000	23.31 yen
Differential (B-A)	20.000	23.000	24.000	16.000	-
Percentage of differential (%)	1.3	32.9	39.3	100.0	-
Reference: Results for the same period of fiscal 2009	1,145.807	2.071	(4.551)	(2.567)	(1.86) yen

Reason for revision

Consolidated financial results for the first half of fiscal 2010 are expected to exceed the forecasts announced previously on account of the better performance in the first quarter of fiscal 2010 in which price variance between raw material and product primarily in petrochemicals was enhanced particularly overseas and demand was recovered primarily in the Performance Products domain.

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] and [8] hereof.