

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



1. Business Results for the First Nine Months of the Fiscal Year Ending March 31, 2011
(Business period: April 1, 2010 to December 31, 2010)

Millions of Yen	
The First Nine Months of the Current Fiscal Year	The First Nine Months of the Previous Fiscal Year
April 1, 2010 - December 31, 2010	April 1, 2009 - December 31, 2009

Thousands of U.S. Dollars
The First Nine Months of the Current Fiscal Year
April 1, 2010 - December 31, 2010

(1) Results of Operations:

Net sales	2,379,293	1,792,384
Operating income	180,765	47,123
Income before income taxes and minority interests in consolidated subsidiaries	162,514	36,957
Net income	80,208	10,168
		(Yen)
Net income-Basic per share	57.03	7.38
Net income-Diluted per share	52.57	6.77

29,373,988
2,231,667
2,006,346
990,222
(U.S. Dollars)
0.70
0.65

(2) Segment Information:

[Net Sales by Segment]

Electronics Applications	116,442	120,963
Designed Materials	492,371	300,723
Health Care	390,446	396,315
Chemicals	669,761	571,610
Polymers	549,809	297,801
Others	160,464	104,972
Total	2,379,293	1,792,384

1,437,556
6,078,654
4,820,321
8,268,654
6,787,765
1,981,037
29,373,988

[Operating Income (loss) by Segment]

Electronics Applications	2,408	(2,468)
Designed Materials	29,667	9,549
Health Care	76,229	67,514
Chemicals	38,155	1,010
Polymers	39,460	(26,771)
Others	1,746	3,918
Adjustments	(6,900)	(5,629)
Total	180,765	47,123

29,728
366,259
941,099
471,049
487,160
21,556
(85,185)
2,231,667

Millions of Yen	
The First Nine Months of the Current Fiscal Year	The Previous Fiscal Year Ended March 31, 2010
December 31, 2010	March 31, 2010

Thousands of U.S. Dollars
The First Nine Months of the Current Fiscal Year
December 31, 2010

(3) Financial Position:

Total assets	3,359,299	3,355,097
Inventories	488,210	474,732
Property, plant and equipment and intangible assets	1,339,164	1,381,418
Short-term and long-term debt	1,353,495	1,454,126
Shareholders' equity*	768,077	673,574
Ratio of shareholders' equity to total assets (%)	22.8	20.0

41,472,827
6,027,284
16,532,889
16,709,815
9,482,432

* Net assets excluding share subscription rights and minority interests

Shareholders' equity per share	520.95	490.99
--------------------------------	--------	--------

(U.S. Dollars)
6.43

The First Nine Months of the Current Fiscal Year	The First Nine Months of the Previous Fiscal Year
April 1, 2010 - December 31, 2010	April 1, 2009 - December 31, 2009

(4) Cash Flows:

	(Millions of Yen)	(Millions of Yen)	
Net cash provided by operating activities	188,583	31,423	2,328,185
Net cash used in investing activities	(94,553)	(124,803)	(1,167,321)
Net cash provided by (used in) financing activities	(97,023)	(17,874)	(1,197,815)
Cash and cash equivalents at end of the period	105,939	116,863	1,307,889

(5) Ratio of Net Income to:

		(%)
Shareholders' equity**	11.1	1.5
Total assets**	2.3	0.3
Net sales	3.3	0.5

** 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 Nine Months of the Previous Fiscal Year in the segment information were reclassified according to the change.
- From this period, the Company has applied accounting standard for asset retirement obligations. This change decreased operating income by 124 million yen and income before income taxes and minority interests in consolidated subsidiaries by 1,715 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 12,279 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 81 yen to US\$1, the approximate exchange rate prevailing in the Tokyo foreign exchange market at the end of December 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 Forecasts for the Current Fiscal Year

	Millions of Yen	Thousands of U.S. Dollars
	The Current Fiscal Year	The Current Fiscal Year
	April 1, 2010 - March 31, 2011	April 1, 2010 - March 31, 2011
Net sales	3,190,000	39,382,716
Operating income	203,000	2,506,173
Net income	75,000	925,926

3. Business Performance and Financial Position

(1) Business Performance

Consolidated Performance for the First Nine Months of the Fiscal Year Ending March 31, 2011 (fiscal 2010): From April 1 2010 to December 31, 2010

Overview of General Performance

In the first nine months of fiscal 2010, the Japanese economy was on a recovery trend with the upturn in consumer spending and capital expenditure and an increase in exports to particularly Asia, although there were concerns about the overseas economic downturn under the continuing trend of appreciation of the yen.

The business environment for the Mitsubishi Chemical Holdings Group was generally favorable, owing to a recovery in demand in the Performance Products domain, a recovery in demand in the continuing trend of rising raw material and fuel prices in the Industrial Materials domain, and steady performance of demand amid ongoing trend of medical spending constraint in the Health Care domain.

Under the circumstances, the consolidated results for the first nine months of fiscal 2010 were as follows. Net sales increased by ¥586.9 billion, or 32.7%, to ¥2,379.3 billion compared to the same period of fiscal 2009, on account of 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 increased by ¥133.7 billion, or 283.9%, to 180.8 billion compared to the same period of fiscal 2009. Ordinary income increased by ¥140.7 billion, or 374.2%, to 178.3 billion in the same period of fiscal 2009. Net income increased by ¥70.0 billion, or 686.3%, to ¥80.2 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 decreased by ¥4.6 billion, or 3.8%, to ¥116.4 billion. Operating income increased by ¥4.8 billion to ¥2.3 billion due to an increase in sales volumes of display materials, organic photo conductor (OPC) drums, and others.

In recording media, net sales decreased due to lower DVD sales volumes and prices, despite increased sales volumes of external hard disk drives and flash memory devices. In electronics related materials, net sales increased due to an increase in sales volumes of display materials. In imaging supplies, net sales increased due to an increase in sales volumes of OPC drums.

Major initiatives in the Electronics Applications segment during the first nine months 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)
- Mitsubishi Kagaku Media Co., Ltd. announced to unify all products under one brand, *Verbatim*, by switching the recordable optical disc from Mitsubishi to the *Verbatim* brand as of September 1, 2010. (July)
- Mitsubishi Kagaku Media Co., Ltd. announced that it has started sales of its *Verbatim* brand LED light bulbs in the European market. (September)
- Mitsubishi Kagaku Media Co., Ltd. started sales of *Verbatim* brand "ARLEDIA" that is a DVD-R with a reflective layer using gold and silver for high disc durability. This is an archival-quality disc with long-term storage capability beyond that of previous products; silver reflective layer DVD-R. (December)

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 ¥191.7 billion, or 63.8%, to ¥492.4 billion. Operating income increased by ¥20.1 billion, or 209.4%, to ¥29.7 billion.

In food ingredients, net sales remained favorably. In battery materials, net sales decreased due to a decrease in sales volumes of materials for laptop computers in the third quarter of fiscal 2010 (October 1 – December 31, 2010). In fine chemicals, net sales remained favorably. In polymer processing products, net sales considerably increased due to that the Nippon Synthetic Chemical Industry Co., Ltd. and Quadrant AG became consolidated subsidiaries as of September 2009 and a substantial increase in sales volumes of polyester films. In composite materials, net sales of industrial materials such as carbon fibers significantly 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 nine months 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, Inc. resolved to inaugurate Mitsubishi Plastics Marketing Co., Ltd. by separating a part of its sales and marketing function. (April)
- Mitsubishi Rayon Co., Ltd. launched #395 Prepreg, a carbon fiber composite, achieving high level of both toughness and quick cure. (April)
- Mitsubishi Rayon Co., Ltd. and SGL Technologies GmbH established a joint venture, MRC-SGL Precursor Co., Ltd., for production and sales of carbon fiber precursor. (April)
- Mitsubishi Plastics, Inc. 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, Inc. completed a new production facility for zeolite-based adsorbent, AQSOA and began its production at the Naoetsu Plant. (Production capacity: 150 tons/year) (May)
- Mitsubishi Chemical Corporation resolved to increase its production capacity of cathode material for lithium-ion battery from 600 tons/year to 2,200 tons/year at the Mizushima Plant. (May)
- Mitsubishi Plastics, Inc. developed the high-barrier PET bottle for wine with Mercian Corporation and Kirin Brewery Company, Limited. (June)
- Mitsubishi Rayon Co., Ltd. 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)
- Mitsubishi Chemical Holdings Corporation, Mitsubishi Chemical Corporation, and Mitsubishi Rayon Co., Ltd. announced restructuring and consolidation of water treatment businesses in Mitsubishi Chemical and Mitsubishi Rayon. (July)
- Mitsubishi Rayon Co., Ltd. resumed construction of a new carbon fiber plant at Otake Production Center, though the construction had been suspended since March 2009 in response to global economic conditions and the corresponding downturn in carbon fiber markets. (Production capacity: 2,700 tons/year) (July)
- Mitsubishi Plastics, Inc. has developed *ALPOLIC A2* which comply with Euroclass A2, a next

generation fire prevention standard for external cladding wall to be adopted by each country member of European Union. (July)

- Mitsubishi Chemical Corporation resolved to increase its production capacity of anode material for lithium-ion battery from 5,000 tons/year to 7,000 tons/year at the Sakaide Plant. (September)
- Mitsubishi Plastics, Inc. resolved to expand its production facility for alumina fiber, *MAFTEC*, to increase its annual production capacity from 4,500 tons/year to 4,800 tons/year at the Naoetsu Plant. (September)
- Mitsubishi Chemical Holdings Corporation and Mitsubishi Plastics, Inc. resolved to establish a subsidiary for polyester film production and sales in Chiangsu, PRC. (Annual production capacity: 45,000 tons) (September)
- Mitsubishi Chemical Corporation resolved to establish a subsidiary of anode production and sales for lithium-ion batteries in Shandong, PRC. (Production capacity: 4,000 tons/year) (September)
- Mitsubishi Plastics, Inc. developed recyclable fire-resistant PVC pipes and joints. (October)
- Mitsubishi Chemical Corporation resolved to expand its production capacity for electrolyte for lithium-ion battery from 8,500 tons/year to 13,500 tons/year at the Yokkaichi Plant. (October)
- Mitsubishi Chemical Corporation resolved to establish new companies to manufacture and sell electrolyte for lithium-ion batteries in the UK (Production capacity: 10,000 tons/year) and the US (Production capacity: 10,000 tons/year). (October)

Health Care Segment, Health Care Domain

(Pharmaceuticals, Diagnostic reagents and instruments, Clinical testing)

Net sales in this segment decreased by ¥5.9 billion, or 1.5%, to ¥390.4 billion. Operating income increased by ¥8.7 billion, or 12.9 %, to ¥76.2 billion, due to no need for one-time payment of R&D expenditures allocated in the same period of fiscal 2009, accompanying a change in a licensing contract.

In the pharmaceutical business, net sales slightly decreased primarily due to NHI drug prices were revised downward in April 2010 and there was no sales of H1N1 flu vaccine in the first nine months of fiscal 2010, despite substantial sales growth in *Remicade*, an anti-TNF α monoclonal antibody; continued favorable sales in *Maintate*, angina pectoris hypertension and arrhythmias and *Talion*, a treatment for allergic disorders; and increased revenue from higher sales in generic drugs. In diagnostic reagents and instruments, and clinical testing, net sales stayed at the same level as in the same period of fiscal 2009.

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

- 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. (April)
- Mitsubishi Tanabe Pharma Corporation 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 Corporation 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)
- Mitsubishi Tanabe Pharma Corporation and Toyama Chemical Co., Ltd. received an approval of partial changes in indications, dosage and usage, as well as new 1000 mg dosage formulation, for injectable new quinolone antibacterial agents, *Pazucross*. (July)
- Mitsubishi Tanabe Pharma Corporation has completed post-marketing surveillance on all patients with refractory uveoretinitis in Behcet's disease *Remicade* I.V. Drip Infusion anti-TNF α monoclonal antibody 100. (August)
- Novartis gained NDA approval for multiple sclerosis for FTY720 in the US. This is the world's first S1P receptor modulator that was discovered in a joint research project conducted by Tesuro FUJITA, a professor emeritus at Kyoto University, Mitsubishi Tanabe Pharma Corporation and others and its marketing rights was licensed out to Novartis. (September)
- Mitsubishi Tanabe Pharma Corporation has entered into a basic agreement with Anaphore, Inc. regarding R&D partnership to be conducted between the parties, based on *Atrimer* technology processed by Anaphore and that the research activities have commenced. (December)

Mitsubishi Tanabe Pharma Corporation has confirmed that certain tests related to product shipping were not conducted for some lots of certain products manufactured at Ashikaga Plant of Mitsubishi Tanabe Pharma Factory Ltd., a consolidated subsidiary of Mitsubishi Tanabe Pharma. In response, from January 26, 2011 Mitsubishi Tanabe Pharma is implementing a voluntary recall of those lots for which there remains concern that testing was not conducted.

Chemicals Segment, Industrial Materials Domain

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

Net sales in this segment increased by ¥98.2 billion, or 17.2%, to ¥669.8 billion. Operating income increased by ¥37.2 billion to ¥38.2 billion, owing to an improvement in price variance between raw material and product, an increase in sales volumes, and that Mitsubishi Rayon Co., Ltd. became a consolidated subsidiary.

The production volume of ethylene, a basic raw material of petrochemicals, increased by 14.6% to 910 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 a sales price adjustment along with an increase in raw material naphtha price and an increase in demand, in addition to that Mitsubishi Rayon became a consolidated subsidiary. In carbon products, net sales of blast furnace coke significantly increased, due to an increase in sales volumes and a sales price adjustment along with an increase in coking coal price.

Major initiatives in the Chemicals segment during the first nine months 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 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)
- Mitsubishi Chemical Corporation reached an agreement with Dai-ichi Kogyo Seiyaku Co., Ltd. on transferring all the shares of their joint venture of ethylene oxide derivatives, Yokkaichi Chemical Company Limited owned by Mitsubishi Chemical to Dai-ichi Kogyo Seiyaku. (September)

Polymers Segment, Industrial Materials Domain

(Synthetic resins)

Net sales in this segment increased by ¥252.0 billion, or 84.6%, to ¥549.8 billion. Operating income increased by ¥66.3 billion to ¥39.5 billion due to increased sales volumes, an improvement in price variance between raw material and product, and an improvement in inventory valuation with rising raw material and fuel prices, in addition to that Mitsubishi Rayon Co., Ltd. became a consolidated subsidiary.

In synthetic resins, net sales considerably increased due to a 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 nine months of fiscal 2010 included:

- Mitsubishi Chemical and Royal DSM N.V. completed the exchange of nylon business and polycarbonate business. (June)
- Japan Polypropylene Corporation resolved to terminate the No. 1 polypropylene production line at the Kashima Plant and the No. 2 polypropylene production line at the Goi Plant. (July)
- Mitsubishi Chemical Corporation announced that the Company will jointly support the “Biodegradable Plastic Bags for Organic Fertilizer Production on Samet Island Project” organized by the National Innovation Agency in Thailand, together with PTT Public Company Limited and the Department of Natural Parks, Wildlife and Plant Conservation. (July)

Others

(Engineering, Logistics)

Net sales in this segment increased by ¥55.5 billion, or 52.9%, to ¥160.5 billion. Operating income decreased by ¥2.2 billion, or 56.4%, to ¥1.7 billion.

In engineering, net sales drastically decreased due to decreased orders. In logistics, net sales increased due to an increase of external orders. Other than these, net sales in other businesses increased due to that Mitsubishi Rayon became a consolidated subsidiary.

Major initiatives in Others during the first nine months of fiscal 2010 included:

- Mitsubishi Chemical Holdings Corporation, Mitsubishi Chemical Corporation, and Mitsubishi Rayon Co., Ltd. announced that Mitsubishi Chemical and Mitsubishi Rayon integrate their engineering businesses. (July)
- Mitsubishi Chemical Corporation and Mitsubishi Plastics, Inc. announced a plan to consolidate their purchasing functions of packaging materials. (August)

Group in General

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

- Mitsubishi Chemical Holdings Corporation and Mitsubishi Rayon Co., Ltd. resolved to conduct a share exchange through that Mitsubishi Chemical Holdings will become the parent company and sole shareholder of Mitsubishi Rayon and Mitsubishi Rayon will become a wholly-owned subsidiary of Mitsubishi Chemical Holdings, and entered into an agreement concerning the

share exchange. (April)

- The KAITEKI Institute, Inc. reached an agreement with the Victoria State Government, Australia and Mebiol Inc. on commencement of joint verification tests on a unique water-saving agricultural technology called IMEC in Victoria State in Australia. (September)

4. Consolidated Financial Position

At the end of the first nine months of fiscal 2010, total assets amounted to ¥3,359.3 billion, an increase of ¥4.2 billion compared to the end of fiscal 2009. This reflected an increase in operating receivables with the falling of the last day of the first nine months of fiscal 2010 on a holiday, despite a decrease in yen equivalent of assets in overseas consolidated subsidiaries with the appreciation of the yen.

Mitsubishi Chemical Holdings Corporation and Mitsubishi Rayon Co., Ltd. conducted a share exchange through which Mitsubishi Chemical Holdings became the parent company and sole shareholder of Mitsubishi Rayon and Mitsubishi Rayon became a wholly-owned subsidiary of Mitsubishi Chemical Holdings as of October 1, 2010.

The above-mentioned share exchange affected the results of the following: an increase of ¥9.7 billion yen in goodwill, an increase of ¥14.1 billion yen in capital surplus, a decrease of ¥27.2 billion in treasury stock, and a decrease of ¥31.6 billion in minority interest.

5. Consolidated Financial Results Forecasts for Fiscal 2010

The consolidated financial results forecasts and dividend forecasts for fiscal 2010 announced on November 2, 2010 have not been revised.

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 [10] hereof.