

# Operational Summary

for the Fiscal Year Ended March 31, 2006

May 11, 2006

Mitsubishi Chemical Holdings Corporation

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### Notes:

FY2006: Fiscal Year Ending March 31, 2007

FY2005: Fiscal Year Ended March 31, 2006

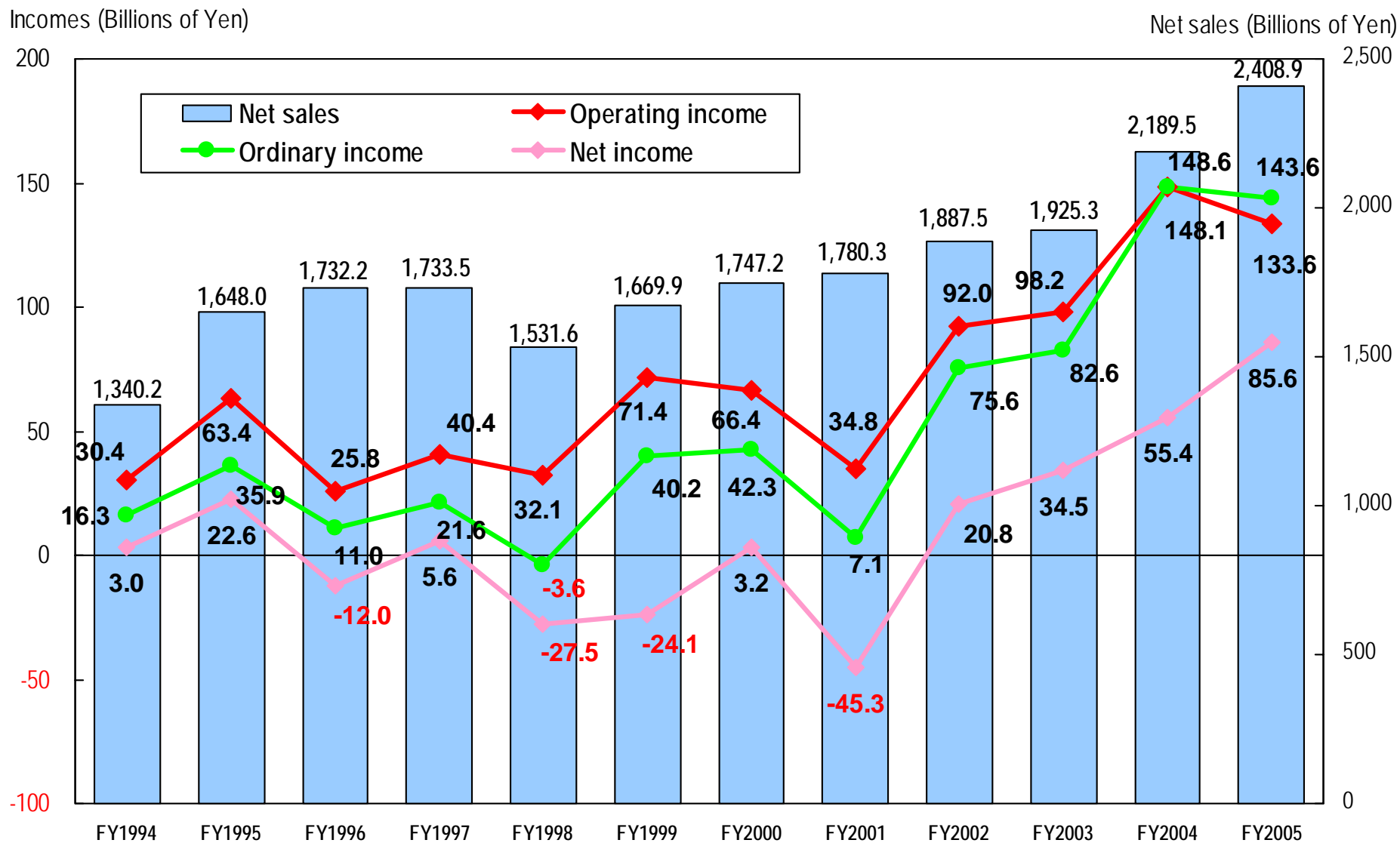
## **Notice Regarding the Financial Statements of Mitsubishi Chemical Holdings Corporation**

The consolidated financial statements of Mitsubishi Chemical Holdings Corporation are created by succeeding the ending balance of consolidated retained earnings of Mitsubishi Chemical Corporation as of September 30, 2005.

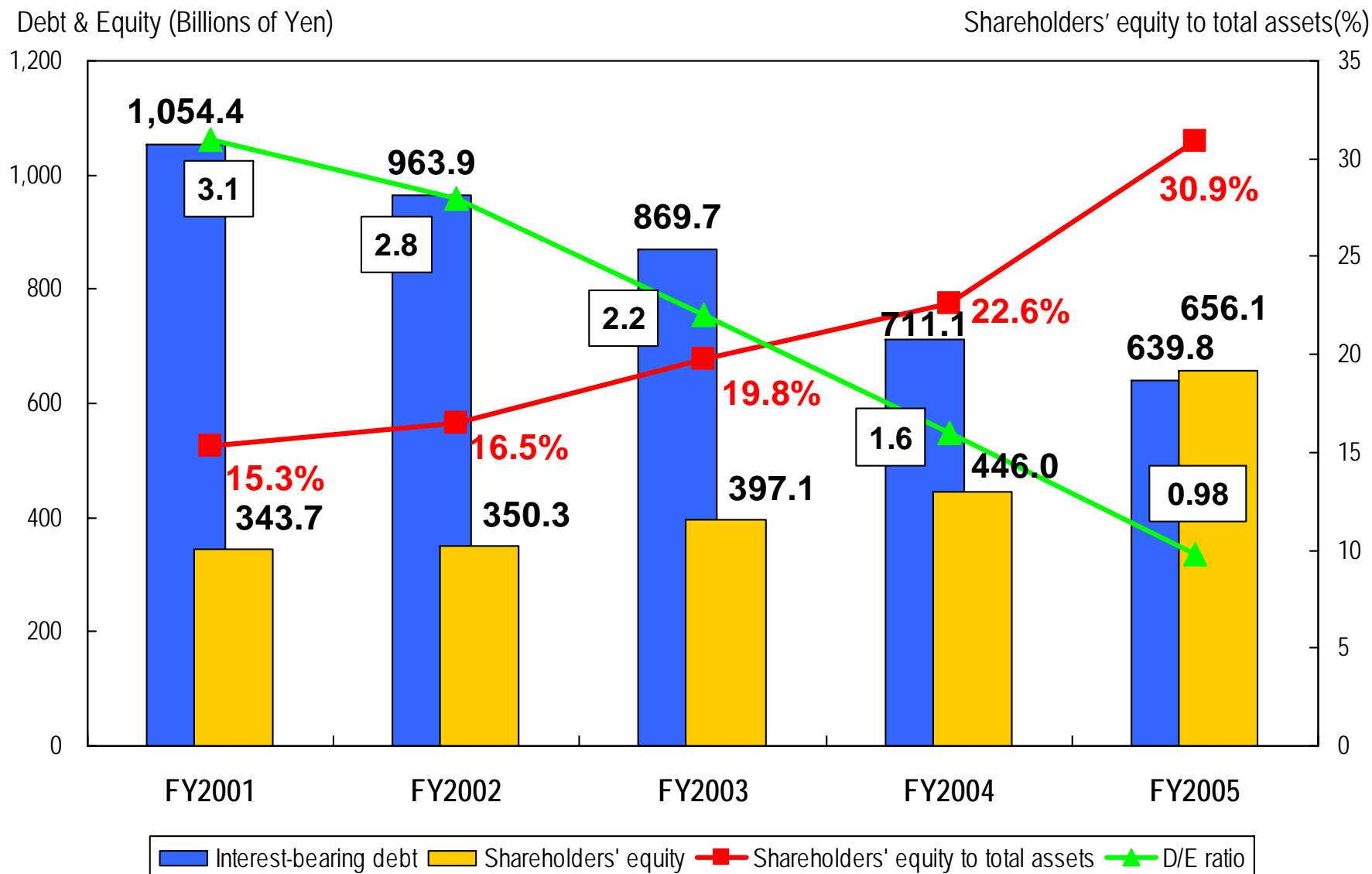
- Accordingly, the income statements of Mitsubishi Chemical Holdings Corporation for the fiscal year ending March 31, 2006 consist of the first half of consolidated income of Mitsubishi Chemical Corporation and the second half of consolidated income of Mitsubishi Chemical Holdings Corporation.
- The subsidiaries and affiliates for the consolidated financial statements of Mitsubishi Chemical Holdings Corporation are basically the same as those of Mitsubishi Chemical Corporation, which included Mitsubishi Pharma Corporation Group in its consolidation.

Therefore the consolidated income statements of Mitsubishi Chemical Holdings Corporation for the fiscal year ending March 31, 2006 is comparable with the income statements of Mitsubishi Chemical Corporation for the fiscal year ended March 31, 2005.

# Consolidated Sales and P/L



# Improvement of Consolidated Financial Position



## Consolidated Statements of Operations

(Billions of Yen)

|   | FY 2005 | FY 2004 | Differences |
|---|---------|---------|-------------|
| <b>Net sales</b>                                    | 2,408.9 | 2,189.5 | 219.4       |
| <b>Operating income</b>                             | 133.6   | 148.6   | (15.0)      |
| Income (Expenses) on financing activities           | (5.0)   | (6.1)   | 1.1         |
| [Dividend income included in above]                 | [4.4]   | [3.6]   | [0.8]       |
| Other non-operating income (expenses)               | 2.1     | (3.4)   | 5.5         |
| Equity in earnings of non-consolidated subsidiaries | 12.9    | 9.0     | 3.9         |
| <b>Ordinary income</b>                              | 143.6   | 148.1   | (4.5)       |
| Extraordinary gain (loss)                           | (28.5)  | (41.5)  | 13.0        |
| <b>Income before income taxes</b>                   | 115.1   | 106.6   | 8.5         |
| Current and deferred income taxes                   | (20.3)  | (40.8)  | 20.5        |
| Minority interests in consolidated subsidiaries     | (9.2)   | (10.4)  | 1.2         |
| <b>Net income</b>                                   | 85.6    | 55.4    | 30.2        |

Note:

Financial results of Mitsubishi Chemical Holdings Corporation for the FY2005 is calculated using Mitsubishi Chemical Corporation's consolidated financial results for the first half of FY2005.

## Consolidated Net Sales by Business Segments

(Billions of Yen)

|                             | FY2005         | FY2004         | Differences  | Analysis (rough estimation) |        |        | Comments   |
|-----------------------------|----------------|----------------|--------------|-----------------------------|--------|--------|--|
|                             |                |                |              | Price                       | Volume | Others |  |
| <b>Total</b>                | <b>2,408.9</b> | <b>2,189.5</b> | <b>219.4</b> | 158.7                       | 51.9   | 8.8    |  |
| <b>Petrochemicals</b>       | <b>1,054.0</b> | <b>933.4</b>   | <b>120.6</b> | 124.8                       | (9.4)  | 5.2    | Increase in sales due to price rise corresponding to soaring naphtha prices.   |
| <b>Performance Products</b> | <b>548.8</b>   | <b>470.8</b>   | <b>78.0</b>  | 23.0                        | 52.5   | 2.5    | Increase in sales volume of DVD and increase in sales of coking coal due to price rise corresponding to surging coal prices. |
| <b>Functional Products</b>  | <b>373.2</b>   | <b>356.6</b>   | <b>16.6</b>  | 10.7                        | 4.8    | 1.1    | Increase in sales of plastic film for food packages. Sound sales of polyester film for flat panel display demands.           |
| <b>Health Care</b>          | <b>280.5</b>   | <b>277.0</b>   | <b>3.5</b>   | (3.6)                       | 7.1    | 0.0    | Increase in sales for testing business.  |
| <b>Services</b>             | <b>152.4</b>   | <b>151.7</b>   | <b>0.7</b>   | 3.8                         | (3.1)  | 0.0    | Increase in sales for logistics business.  |

Note:

From this period, one consolidated subsidiary was reclassified from the Health Care Segment to the Performance Products Segment to reflect its performance in the appropriate segment. This change increased the sales of the Performance Products Segment by 1.0 billion yen and decreased the sales of the Health Care Segment by 1.0 billion yen from those calculated under the previous segmentation.

### Naphtha Price

| FY2005        | FY2004        |
|---------------|---------------|
| 42,350 yen/KL | 32,150 yen/KL |

## Consolidated Operating Income by Business Segments

(Billions of Yen)

|                             | FY2005        | FY2004        | Differences   | Analysis (rough estimation) |              |              |              |
|-----------------------------|---------------|---------------|---------------|-----------------------------|--------------|--------------|--------------|
|                             |               |               |               | Price                       | Volume       | Costs        | Others       |
| <b>Total</b>                | <b>133.6</b>  | <b>148.6</b>  | <b>(15.0)</b> | <b>(31.5)</b>               | 16.2         | <b>(2.8)</b> | 3.1          |
| <b>Petrochemicals</b>       | <b>30.9</b>   | <b>58.6</b>   | <b>(27.7)</b> | <b>(19.0)</b>               | <b>(2.4)</b> | <b>(6.0)</b> | <b>(0.3)</b> |
| <b>Performance Products</b> | <b>46.6</b>   | <b>40.9</b>   | <b>5.7</b>    | <b>(7.1)</b>                | 13.3         | <b>(3.9)</b> | 3.4          |
| <b>Functional Products</b>  | <b>22.8</b>   | <b>21.5</b>   | <b>1.3</b>    | <b>(2.9)</b>                | <b>(0.8)</b> | 5.0          | 0.0          |
| <b>Health Care</b>          | <b>33.9</b>   | <b>28.4</b>   | <b>5.5</b>    | <b>(2.7)</b>                | 5.0          | 3.2          | 0.0          |
| <b>Services</b>             | <b>10.5</b>   | <b>11.2</b>   | <b>(0.7)</b>  | 0.2                         | 1.1          | <b>(2.0)</b> | 0.0          |
| <b>Corporate</b>            | <b>(11.1)</b> | <b>(12.0)</b> | <b>0.9</b>    | 0.0                         | 0.0          | 0.9          | 0.0          |

Note:

From this period, one consolidated subsidiary was reclassified from the Health Care Segment to the Performance Products Segment to reflect its performance in the appropriate segment. The impact on the operating income of both segments is immaterial.



## Consolidated Extraordinary Gain (Loss)

(Billions of Yen)

|   | FY 2005       | FY 2004       | Differences  |
|---|---------------|---------------|--------------|
| <b>Total</b>  | <b>(28.5)</b> | <b>(41.5)</b> | <b>13.0</b>  |
| <b>Extraordinary gain</b>   | <b>5.9</b>    | <b>9.6</b>    | <b>(3.7)</b> |
| Gain on sale of property, plant and equipment                               | 2.4           | 3.1           | (0.7)        |
| Gain on sale of securities and investment securities                        | 1.9           | 2.0           | (0.1)        |
| Decrease of post-employment benefits obligation                             |               | 2.4           | (2.4)        |
| Others  | 1.6           | 2.1           | (0.5)        |
| <b>Extraordinary loss</b>   | <b>(34.4)</b> | <b>(51.1)</b> | <b>16.7</b>  |
| Loss on sale and disposal of businesses in subsidiaries and affiliates      | (20.8)        | (4.4)         | (16.4)       |
| Loss on sale and disposal of property, plant and equipment etc.             | (4.9)         | (10.9)        | 6.0          |
| Write-down of property, plant and equipment                                 | (2.9)         | (1.5)         | (1.4)        |
| Impairment loss on fixed assets   | (1.1)         | (17.3)        | 16.2         |
| Additional benefit for employees' early retirement                          | (1.9)         | (3.3)         | 1.4          |
| Amortization of transition amount under post-employment benefits accounting |               | (8.1)         | 8.1          |
| Others  | (2.8)         | (5.6)         | 2.8          |

## Major Subsidiaries (1)

### Wholly Owned Subsidiaries Sales Results for FY2005

|                                 | Fiscal period | Net sales (Billions of Yen) |        | Operating income (vs. FY2004) | Comments on operating income  |
|---------------------------------|---------------|-----------------------------|--------|-------------------------------|---|
|                                 |               | FY2005                      | FY2004 |                               |   |
| Mitsubishi Chemical Corporation | Mar.          | 1,003.6                     | 870.3  | ↘                             | Decline in profit of petrochemicals business due to soaring naphtha prices.   |
| Mitsubishi Pharma Corporation   | Mar.          | 196.8                       | 197.9  | ↔                             | Gain in profit by sales increase of core pharmaceutical products, total cost reduction, and decrease in R&D expenses. |

### Major Subsidiaries (1) Sales Results for FY2005

| Segment              | Company  | Fiscal period | Net sales (Billions of Yen) |        | Operating income (vs. FY2004) | Comments on operating income   |
|----------------------|--|---------------|-----------------------------|--------|-------------------------------|--|
|                      |  |               | FY2005                      | FY2004 |                               |  |
| Petrochemicals       | V-Tech Corporation   | Dec.          | 35.7                        | 33.2   | ↗                             | Offset high raw material costs by price increase.  |
|                      | Japan Polypropylene Corporation  | Dec.          | 156.0                       | 138.0  | ↗                             | Offset high raw material costs by price increase.  |
|                      | PT. Mitsubishi Chemical Indonesia                                      | Dec.          | 57.7                        | 52.8   | ↘                             | Drop in PTA margin and soaring fuel price by change in pricing system.                           |
|                      | MCC PTA India Corp. Private Limited                                    | Dec.          | 44.1                        | 37.9   | ↘                             | Drop in PTA margin.  |
|                      | Yuka Seraya Private Limited  | Dec.          | 74.3                        | 70.2   | ↘                             | Drop in sales margin.  |
| Performance Products | The Kansai Coke and Chemicals Co., Ltd.                                | Mar.          | 75.6                        | 51.4   | ↗                             | Sound price increase corresponding to surging coal prices.                                       |
|                      | Mitsubishi Chemical Agri Inc.  | Mar.          | 21.8                        | 21.6   | ↗                             | Offset high raw material costs by price increase.  |
|                      | Mitsubishi Kagaku Media Co., Ltd.                                      | Mar.          | 14.5                        | 17.6   | ↘                             | Decrease in profit due to price fall.  |
|                      | Verbatim Corporation   | Dec.          | 64.5                        | 54.5   | ↗                             | Gain in profit by increase in sales volume of DVD mainly in European region, despite price fall. |
|                      | Mitsubishi Chemical America, Inc. (toners and organic photoconductors) | Dec.          | 20.3                        | 19.0   | ↘                             | Price drop in OPC.   |
|                      | Nippon Kasei Chemical Co., Ltd.  | Mar.          | 34.0                        | 21.7   | ↗                             | Contribution of ammonia and synthetic silica businesses from MCC.                                |
|                      | API Corporation  | Mar.          | 40.9                        | 37.4   | ↗                             | Increase in profit due to increase in sales volume and cost reduction.                           |

## Major Subsidiaries (2)

### Major Subsidiaries (2) Sales Results for the Current Fiscal Year

| Segment             | Company   | Fiscal period | Net sales<br>(Billions of Yen) |        | Operating income<br>(vs. FY2004) | Comments on operating income   |
|---------------------|---|---------------|--------------------------------|--------|----------------------------------|--|
|                     |   |               | FY2005                         | FY2004 |                                  |  |
| Functional Products | Mitsubishi Plastics, Inc. (consolidated)          | Mar.          | 186.2                          | 177.6  | ➡                                | Offset high raw material costs by price increase and cost reduction. |
|                     | Mitsubishi Polyester Film Corporation             | Dec.          | 38.2                           | 34.3   | ➡                                | Increase in sales volume.  |
|                     | Mitsubishi Polyester Film, Inc.                   | Dec.          | 25.0                           | 24.2   | ➡                                | Weak market and soaring raw material costs.                          |
|                     | Mitsubishi Polyester Film GmbH                    | Dec.          | 19.6                           | 20.0   | ➡                                | Weak market.   |
|                     | Mitsubishi Chemical Functional Products, Inc.     | Mar.          | 45.1                           | 40.8   | ➡                                | Offset high raw material costs by sales volume increase.             |
| Health Care         | Mitsubishi Kagaku Bio-Clinical Laboratories, Inc. | Mar.          | 49.2                           | 46.1   | ➡                                | Steady profit, despite increase in sales.                            |
| Services            | Mitsubishi Chemical Logistics Corporation         | Mar.          | 85.1                           | 80.6   | ➡                                | Increase in sales volume and increase in fixed costs.                |
|                     | Mitsubishi Chemical Engineering Corporation       | Mar.          | 141.1                          | 121.6  | ➡                                | Increase in profit due to streamlining.                              |

## Consolidated Balance Sheets

(Billions of Yen)

|  | The end of<br>FY2005 | The end of<br>FY2004 | Differences   |
|--|----------------------|----------------------|---------------|
| Cash and cash equivalents                                    | 65.4                 | 55.2                 | 10.2          |
| Inventories  | 317.6                | 277.7                | 39.9          |
| Trade receivables and others                                 | 605.4                | 582.0                | 23.4          |
| Property, plant and equipment                                | 708.8                | 702.7                | 6.1           |
| Investments and other assets                                 | 429.4                | 352.9                | 76.5          |
| <b>Total assets</b>  | <b>2,126.6</b>       | <b>1,970.5</b>       | <b>156.1</b>  |
| Short-term and long-term debt                                | 339.9                | 421.9                | (82.0)        |
| Commercial paper   | 32.0                 | 15.0                 | 17.0          |
| Bonds  | 264.7                | 267.1                | (2.4)         |
| Other liabilities  | 765.1                | 681.1                | 84.0          |
| <b>( Total liabilities )</b>                                 | <b>1,401.7</b>       | <b>1,385.1</b>       | <b>16.6</b>   |
| <b>Minority interests</b>                                    | <b>68.8</b>          | <b>139.4</b>         | <b>(70.6)</b> |
| Common stock   | 50.0                 | 145.1                | (95.1)        |
| Additional paid-in capital                                   | 412.9                | 117.1                | 295.8         |
| Retained earnings  | 227.8                | 163.0                | 64.8          |
| Unrealized gains on investment securities etc.               | 85.5                 | 21.8                 | 63.7          |
| Treasury stock at cost                                       | (120.1)              | (1.0)                | (119.1)       |
| <b>( Total shareholders' equity )</b>                        | <b>656.1</b>         | <b>446.0</b>         | <b>210.1</b>  |
| <b>Total liabilities and shareholders' equity</b>            | <b>2,126.6</b>       | <b>1,970.5</b>       | <b>156.1</b>  |
|  | The end of<br>FY2005 | The end of<br>FY2004 | Differences   |
| Short-term and long-term debt,<br>Commercial paper and Bonds | 636.6                | 704.0                | (67.4)        |
| Discounted notes payable                                     | 3.2                  | 7.1                  | (3.9)         |
| <b>Interest bearing debt</b>                                 | <b>639.8</b>         | <b>711.1</b>         | <b>(71.3)</b> |
| <b>Debt-equity ratio</b>                                     | <b>0.98</b>          | <b>1.59</b>          | <b>(0.61)</b> |
| <b>Ratio of shareholders' equity to total assets</b>         | <b>30.9%</b>         | <b>22.6%</b>         | <b>8.3%</b>   |

## Consolidated Statements of Cash Flows

|   | FY2005        | FY2004         |
|---|---------------|----------------|
| Income before income taxes  | 115.1         | 106.6          |
| Depreciation and amortization                                     | 88.2          | 87.7           |
| Increase in trade receivables and increase in trade payables      | 32.4          | 62.0           |
| Increase in inventories   | (34.3)        | (25.1)         |
| Others  | (21.6)        | (8.4)          |
| <b>Net cash provided by operating activities</b>                  | <b>179.8</b>  | <b>222.8</b>   |
| Payments for purchases of property, plant and equipment           | (97.4)        | (70.0)         |
| Payments for purchases of investment securities                   | (4.7)         | (9.9)          |
| Proceeds from sale of fixed assets and investment securities etc. | 18.4          | 23.5           |
| Others  | 9.3           | (1.2)          |
| <b>Net cash used in investing activities</b>                      | <b>(74.4)</b> | <b>(57.6)</b>  |
| <b>Free cash flows</b>  | <b>105.4</b>  | <b>165.2</b>   |
| Decrease in debts   | (77.0)        | (158.3)        |
| Cash dividends paid   | (19.6)        | (8.7)          |
| Others  | (0.6)         | (4.3)          |
| <b>Net cash used in financing activities</b>                      | <b>(97.2)</b> | <b>(171.3)</b> |
| Newly consolidated etc.   | 0.7           | 1.2            |
| <b>Decrease in cash and cash equivalents</b>                      | <b>8.9</b>    | <b>(4.9)</b>   |

# Consolidated Statements of Operations

## (FY2006 Forecast)

(Billions of Yen)

|  | FY 2006 forecast |                |                | FY2005 Actual  | Difference   |
|--|------------------|----------------|----------------|----------------|--------------|
|  | Full year        | 1st half       | 2nd half       |                |              |
| <b>Net sales</b>   | <b>2,600.0</b>   | <b>1,260.0</b> | <b>1,340.0</b> | <b>2,408.9</b> | <b>191.1</b> |
| <b>Operating income</b>  | <b>136.0</b>     | <b>56.0</b>    | <b>80.0</b>    | <b>133.6</b>   | <b>2.4</b>   |
| Income (Expenses) on financing activities                          | (6.5)            | (2.0)          | (4.5)          | (5.0)          | (1.5)        |
| [Dividend income included in above]                                | [4.0]            | [3.0]          | [1.0]          | [4.4]          | [(0.4)]      |
| Other non-operating income (expenses)                              | (1.5)            | (1.0)          | (0.5)          | 2.1            | (3.6)        |
| Equity in earnings of non-consolidated subsidiaries and affiliates | 13.0             | 7.0            | 6.0            | 12.9           | 0.1          |
| <b>Ordinary income</b>   | <b>141.0</b>     | <b>60.0</b>    | <b>81.0</b>    | <b>143.6</b>   | <b>(2.6)</b> |
| Extraordinary gain (loss)  | (5.0)            | (1.0)          | (4.0)          | (28.5)         | 23.5         |
| <b>Income before income taxes</b>                                  | <b>136.0</b>     | <b>59.0</b>    | <b>77.0</b>    | <b>115.1</b>   | <b>20.9</b>  |
| Income taxes   | (30.0)           | 1.0            | (31.0)         | (20.3)         | (9.7)        |
| Minority interests in consolidated subsidiaries                    | (6.0)            | (2.0)          | (4.0)          | (9.2)          | 3.2          |
| <b>Net income</b>  | <b>100.0</b>     | <b>58.0</b>    | <b>42.0</b>    | <b>85.6</b>    | <b>14.4</b>  |

|                | FY2006        | FY2005        |
|----------------|---------------|---------------|
| Naphtha Price  | 50,000 yen/KL | 42,350 yen/KL |
| Rate (Yen/USD) | 115           | 111           |

# Consolidated Net Sales by Business Segments

(FY2006 Forecast)

(Billions of Yen)

|  | FY 2006 forecast |          |          | FY 2005 Actual | Differences  |
|--|------------------|----------|----------|----------------|--------------|
|  | Full year        | 1st half | 2nd half |                |              |
| <b>Total</b>                                 | <b>2,600.0</b>   | 1,260.0  | 1,340.0  | <b>2,408.9</b> | <b>191.1</b> |
| <b>Petrochemicals</b>                        | <b>1,213.0</b>   | 596.0    | 617.0    | <b>1,086.8</b> | <b>126.2</b> |
| Performance Products                         | <b>527.0</b>     | 256.0    | 271.0    | <b>502.4</b>   | <b>24.6</b>  |
| Functional Products                          | <b>384.0</b>     | 186.0    | 198.0    | <b>373.2</b>   | <b>10.8</b>  |
| <b>Performance &amp; Functional Products</b> | <b>911.0</b>     | 442.0    | 469.0    | <b>875.6</b>   | <b>35.4</b>  |
| <b>Health Care</b>                           | <b>317.0</b>     | 155.0    | 162.0    | <b>313.1</b>   | <b>3.9</b>   |
| <b>Others</b>                                | <b>159.0</b>     | 67.0     | 92.0     | <b>133.4</b>   | <b>25.6</b>  |

Note:

- 1) Performance Products and Functional Products are summed up by Performance & Functional Products due to reorganization.
- 2) Service Segment is showed as Others due to reorganization.
- 3) From this period, some businesses and subsidiaries are reclassified as follows due to reorganization and the figure of FY2005 is also reclassified according to the reorganization.

| Reclassification                      | New segmentation | Amount of Reclassification |       |                  |
|---------------------------------------|------------------|----------------------------|-------|------------------|
|                                       |                  | Previous segmentation      | Sales | Operating Income |
| Performance Polymer business          | Petrochemicals   | Performance Products       | 13.8  | 1.2              |
| Pharmaceutical Intermediates business | Health Care      | Performance Products       | 32.6  | 2.2              |
| Utility business                      | Petrochemicals   | Others (Service)           | 19.0  | 1.5              |

## Consolidated Operating Income by Business Segments (FY2006 Forecast)

(Billions of Yen)

|  | FY 2006 forecast |              |              | FY 2005<br>Actual | Differences  |
|--|------------------|--------------|--------------|-------------------|--------------|
|  | Full year        | 1st half     | 2nd half     |                   |              |
| <b>Total</b>                                 | <b>136.0</b>     | 56.0         | 80.0         | <b>133.6</b>      | <b>2.4</b>   |
| <b>Petrochemicals</b>                        | <b>35.0</b>      | 11.0         | 24.0         | <b>33.6</b>       | <b>1.4</b>   |
| Performance Products                         | <b>37.0</b>      | 17.0         | 20.0         | <b>43.2</b>       | <b>(6.2)</b> |
| Functional Products                          | <b>25.0</b>      | 12.0         | 13.0         | <b>22.8</b>       | <b>2.2</b>   |
| <b>Performance &amp; Functional Products</b> | <b>62.0</b>      | 29.0         | 33.0         | <b>66.0</b>       | <b>(4.0)</b> |
| <b>Health Care</b>                           | <b>40.0</b>      | 18.0         | 22.0         | <b>36.1</b>       | <b>3.9</b>   |
| <b>Services</b>                              | <b>8.0</b>       | 3.0          | 5.0          | <b>9.0</b>        | <b>(1.0)</b> |
| <b>Corporate</b>                             | <b>(9.0)</b>     | <b>(5.0)</b> | <b>(4.0)</b> | <b>(11.1)</b>     | <b>2.1</b>   |



## Consolidated Extraordinary Gain (Loss) (FY2006 Forecast)

(Billions of Yen)

|  | FY 2006 forecast |              |              | FY 2005<br>Actual | Differences  |
|--|------------------|--------------|--------------|-------------------|--------------|
|  | Full year        | 1st half     | 2nd half     |                   |              |
| <b>Total</b>   | <b>(5.0)</b>     | <b>(1.0)</b> | <b>(4.0)</b> | <b>(28.5)</b>     | <b>23.5</b>  |
| <b>Extraordinary gain</b>                                  | <b>5.0</b>       | <b>4.0</b>   | <b>1.0</b>   | <b>5.9</b>        | <b>(0.9)</b> |
| Gain on sale of property, plant and equipment              | 5.0              | 4.0          | 1.0          | 1.9               | 3.1          |
| Gain on sale of investment securities and Others           |                  |              |              | 4.0               | (4.0)        |
| <b>Extraordinary loss</b>                                  | <b>(10.0)</b>    | <b>(5.0)</b> | <b>(5.0)</b> | <b>(34.4)</b>     | <b>24.4</b>  |
| Loss on sale and disposal of property, plant and equipment | (4.0)            | (2.0)        | (2.0)        | (8.9)             | 4.9          |
| <b>Others</b>  | <b>(6.0)</b>     | <b>(3.0)</b> | <b>(3.0)</b> | <b>(25.5)</b>     | <b>19.5</b>  |

## Major Subsidiaries (1) (FY2006 Forecast)

### Wholly Owned Subsidiaries Sales Results for FY2006 (Forecast)

|                                 | Fiscal period | Net Sales(Billions of Yen) |         | Operating income<br>(vs. FY2005) | Comments on operating income  |
|---------------------------------|---------------|----------------------------|---------|----------------------------------|---|
|                                 |               | FY2006                     | FY2005  |                                  |   |
| Mitsubishi Chemical Corporation | Mar.          | 1,071.0                    | 1,003.6 | ↘                                | Shrink in margin.   |
| Mitsubishi Pharma Corporation   | Mar.          | 188.0                      | 196.8   | →                                | Gain in profit by offsetting drop in price by increase in sales and cost reduction. |

### Major Subsidiaries (1) Sales Results for FY2006 (Forecast)

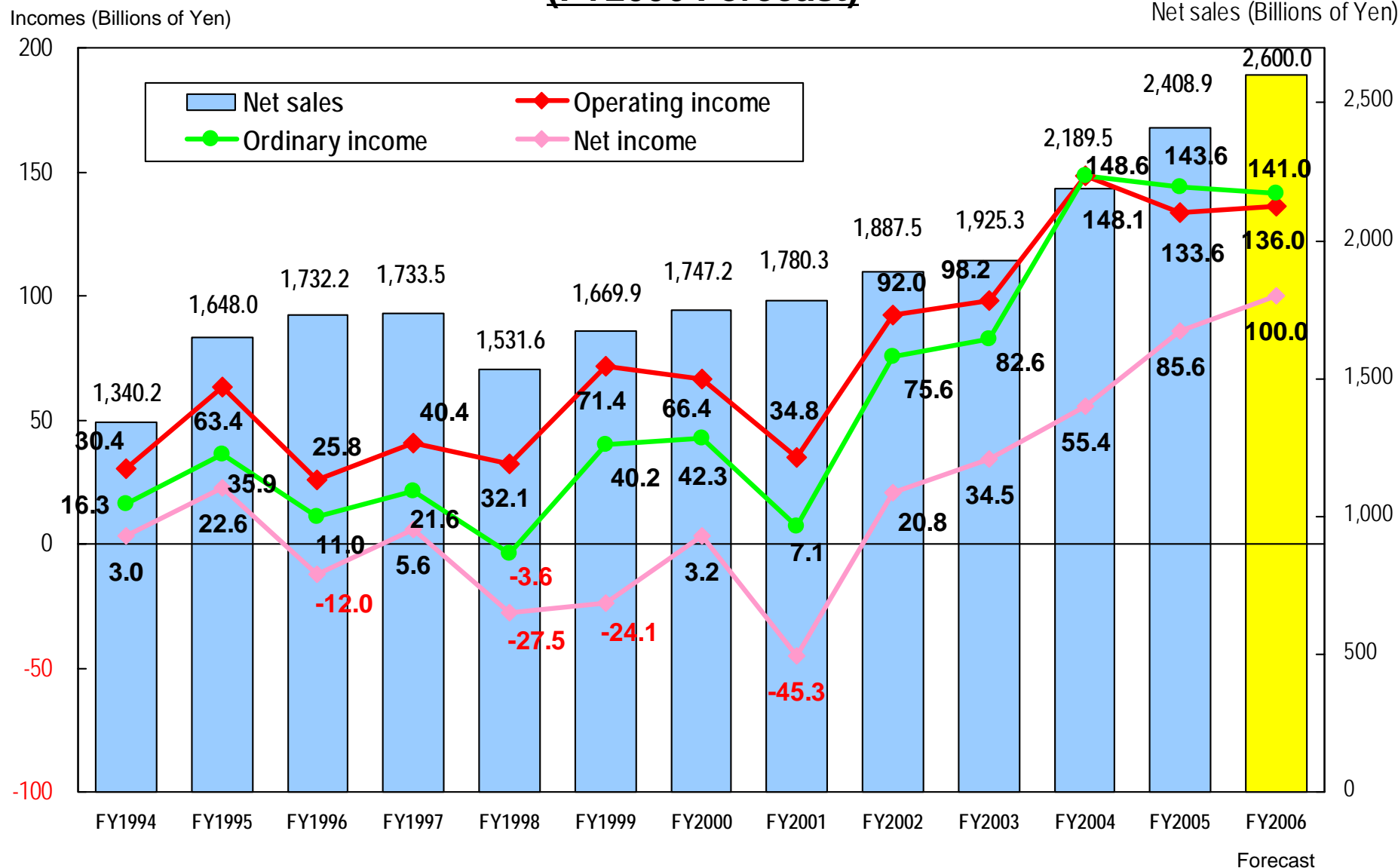
| Segment  | Company                                 | Fiscal period | Net Sales(Billions of Yen) |        | Operating income<br>(vs. FY2005) | Comments on operating income  |
|--|---|---------------|----------------------------|--------|----------------------------------|---|
|  |   |               | FY2006                     | FY2005 |                                  |   |
| Petrochemicals   | V-Tech Corporation                      | Dec.          | 44.0                       | 35.7   | ↘                                | Drop in margin, despite sales increase.                                       |
|  | Japan Polypropylene Corporation         | Dec.          | 178.6                      | 156.0  | ↘                                | Decrease in profit due to plant maintenance and soaring raw material costs.   |
|  | PT. Mitsubishi Chemical Indonesia       | Dec.          | 68.3                       | 57.7   | ↗                                | Gain in profit due to decrease in depreciation expenses of the No. 2 plant.   |
|  | MCC PTA India Corp. Private Limited     | Dec.          | 51.3                       | 44.1   | →                                | Maintain profit as previous year.   |
|  | Yuka Seraya Private Limited             | Dec.          | 68.1                       | 74.3   | ↗                                | Decrease in loss due to margin improvement.                                   |
| Performance Products<br>(Performance Products and Materials) | The Kansai Coke and Chemicals Co., Ltd. | Mar.          | 79.4                       | 75.6   | →                                | Maintain profit.  |
|  | Mitsubishi Chemical Agri Inc.           | Mar.          | 23.1                       | 21.8   | ↘                                | High raw material cost and drop in sales volume.                              |
|  | Mitsubishi Kagaku Media Co., Ltd.       | Mar.          | 15.8                       | 14.5   | ↗                                | Offset low margin by increase in sales of new products.                       |
|  | Verbatim Corporation                    | Dec.          | 70.4                       | 64.5   | ↘                                | Decline in profit, despite increase in sales volume of DVD due to price drop. |
|  | Mitsubishi Kagaku Imaging Corporation   | Dec.          | 23.4                       | 20.3   | ↗                                | Fare relatively well.   |
|  | Nippon Kasei Chemical Co., Ltd.         | Mar.          | 35.7                       | 34.0   | ↗                                | Slight gain in profit by price increase.                                      |

## Major Subsidiaries (2) (FY2006 Forecast)

### Major Subsidiaries (2) Sales Results for FY2006 (Forecast)

| Segment   | Company   | Fiscal period | Net Sales(Billions of Yen) |        | Operating income<br>(vs. FY2005) | Comments on operating income  |
|---|---|---------------|----------------------------|--------|----------------------------------|---|
|   |   |               | FY2006                     | FY2005 |                                  |   |
| Functional Products<br>(Performance Products & Materials) | Mitsubishi Plastics, Inc. (Consolidated)          | Mar.          | 184.0                      | 186.2  | ➡                                | Increase in profit due to increase in sales volume in IT segment and cost reduction.              |
|   | Mitsubishi Polyester Film Corporation             | Dec.          | 39.7                       | 38.2   | ➡                                | Slight decrease in profit due to increase in depreciation expense for starting new products line. |
|   | Mitsubishi Polyester Film, Inc.                   | Dec.          | 27.5                       | 25.0   | ➡                                | Increase in profit due to cost reduction and increase in sales.                                   |
|   | Mitsubishi Polyester Film GmbH                    | Dec.          | 21.1                       | 19.6   | ➡                                | Keep profit as previous year.   |
|   | Mitsubishi Chemical Functional Products, Inc.     | Mar.          | 48.8                       | 45.1   | ➡                                | Increase in sales of products.  |
| Health Care   | Mitsubishi Kagaku Bio-Clinical Laboratories, Inc. | Mar.          | 51.6                       | 49.2   | ➡                                | Offset sales price fall by cost reduction.  |
| Services  | Mitsubishi Chemical Logistics Corporation         | Mar.          | 85.8                       | 85.1   | ➡                                | Slight increase in profit due to increase in sales.   |
|   | Mitsubishi Chemical Engineering Corporation       | Mar.          | 145.0                      | 141.1  | ➡                                | Slight decrease in profit due to increase in fixed cost.  |

# Consolidated Sales and P/L (FY2006 Forecast)



# Reference Materials

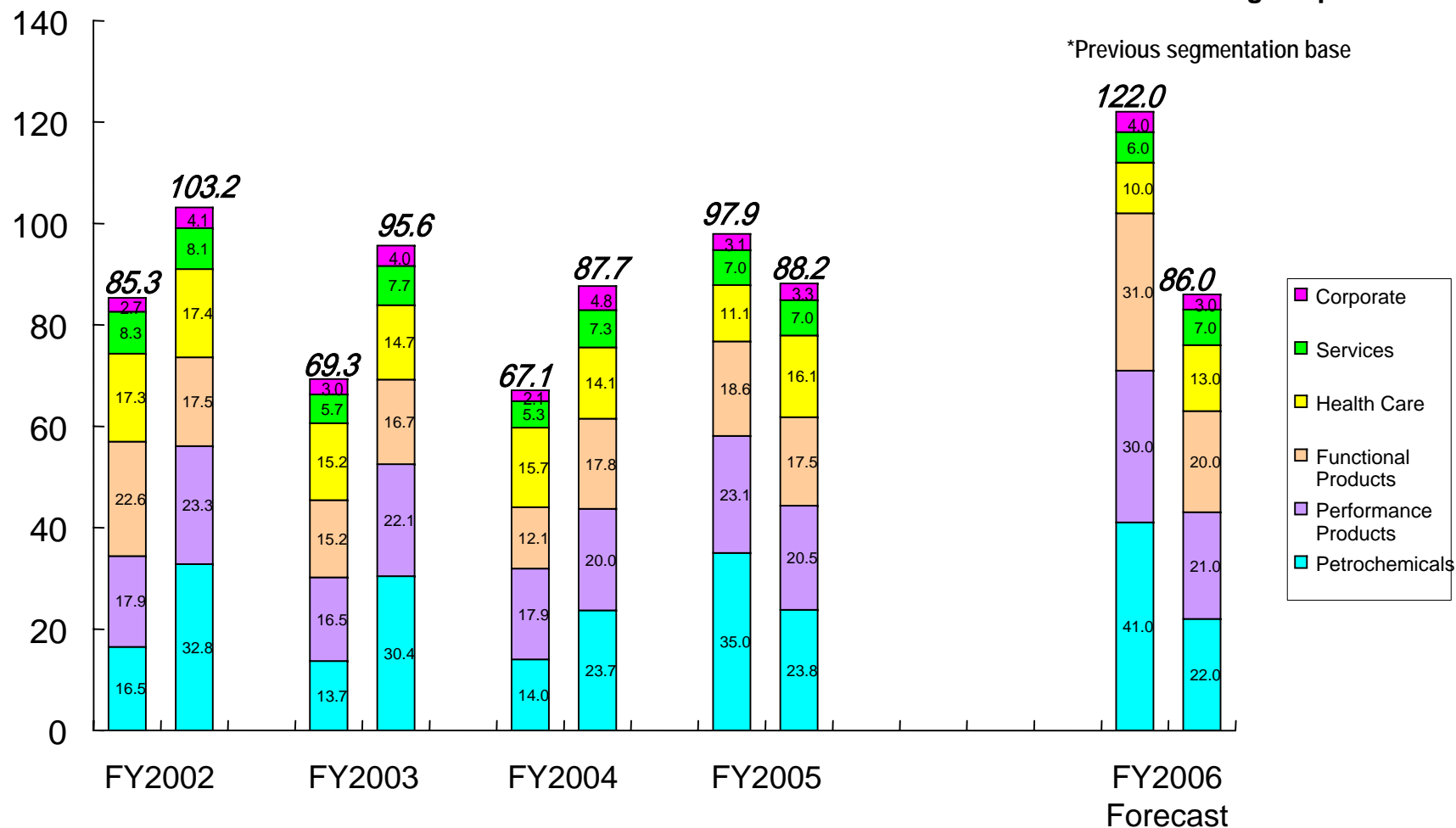
## Number of Affiliates (Consolidated)

|  | The End of<br>FY2005 | The End of<br>FY2004 | Differences |
|--|----------------------|----------------------|-------------|
| <b>Consolidated subsidiaries</b>                         | <b>168</b>           | <b>167</b>           | <b>1</b>    |
| Japan  | 103                  | 106                  | (3)         |
| Overseas   | 65                   | 61                   | 4           |
| <b>Affiliates accounted for<br/>by the equity method</b> | <b>83</b>            | <b>85</b>            | <b>(2)</b>  |
| <b>Total</b>   | <b>251</b>           | <b>252</b>           | <b>(1)</b>  |

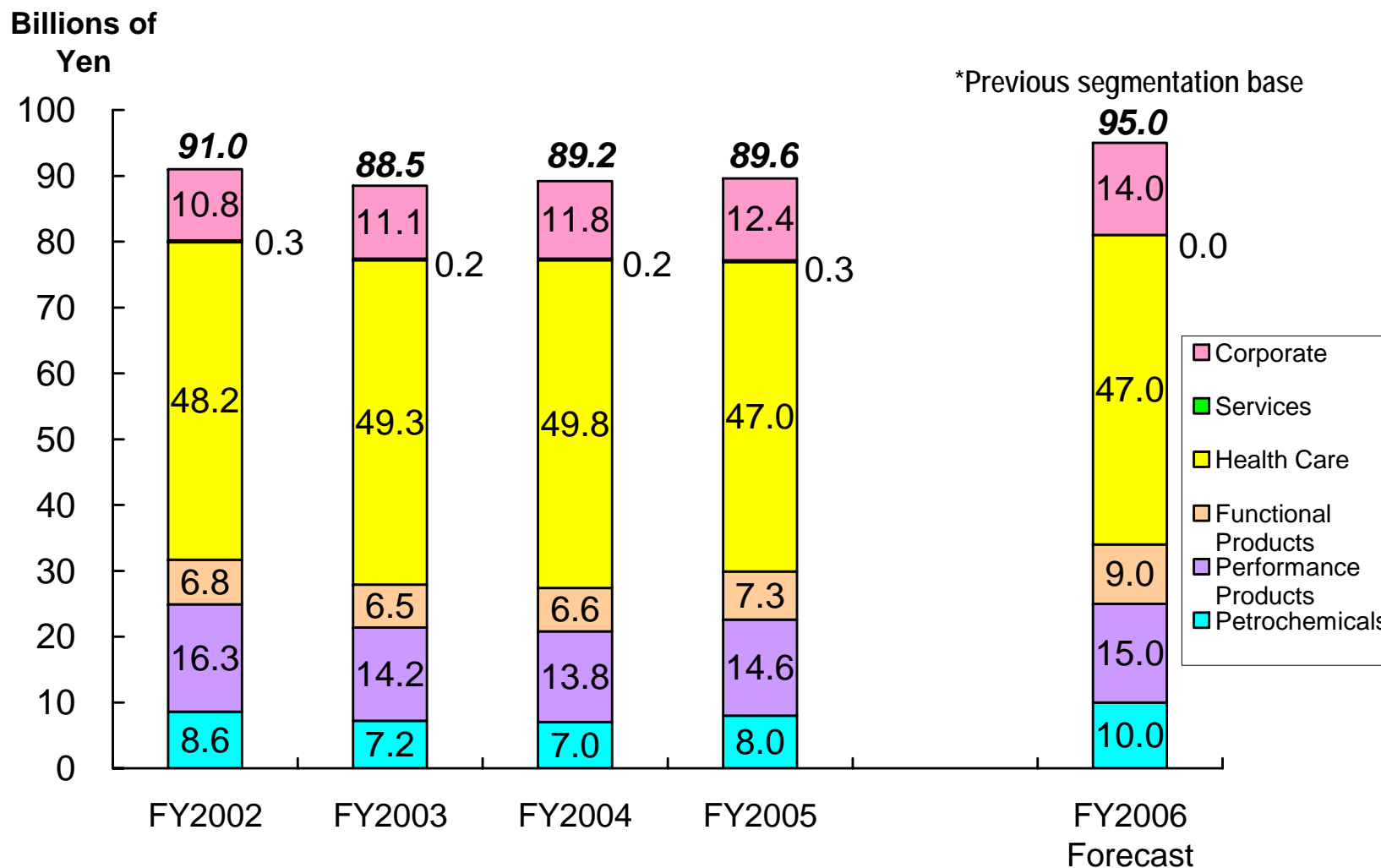
# Consolidated Capital Expenditure, Depreciation and Amortization by Business Segments

Billions of Yen

Left: Cap.Exp.  
Right: Dpr&Amort

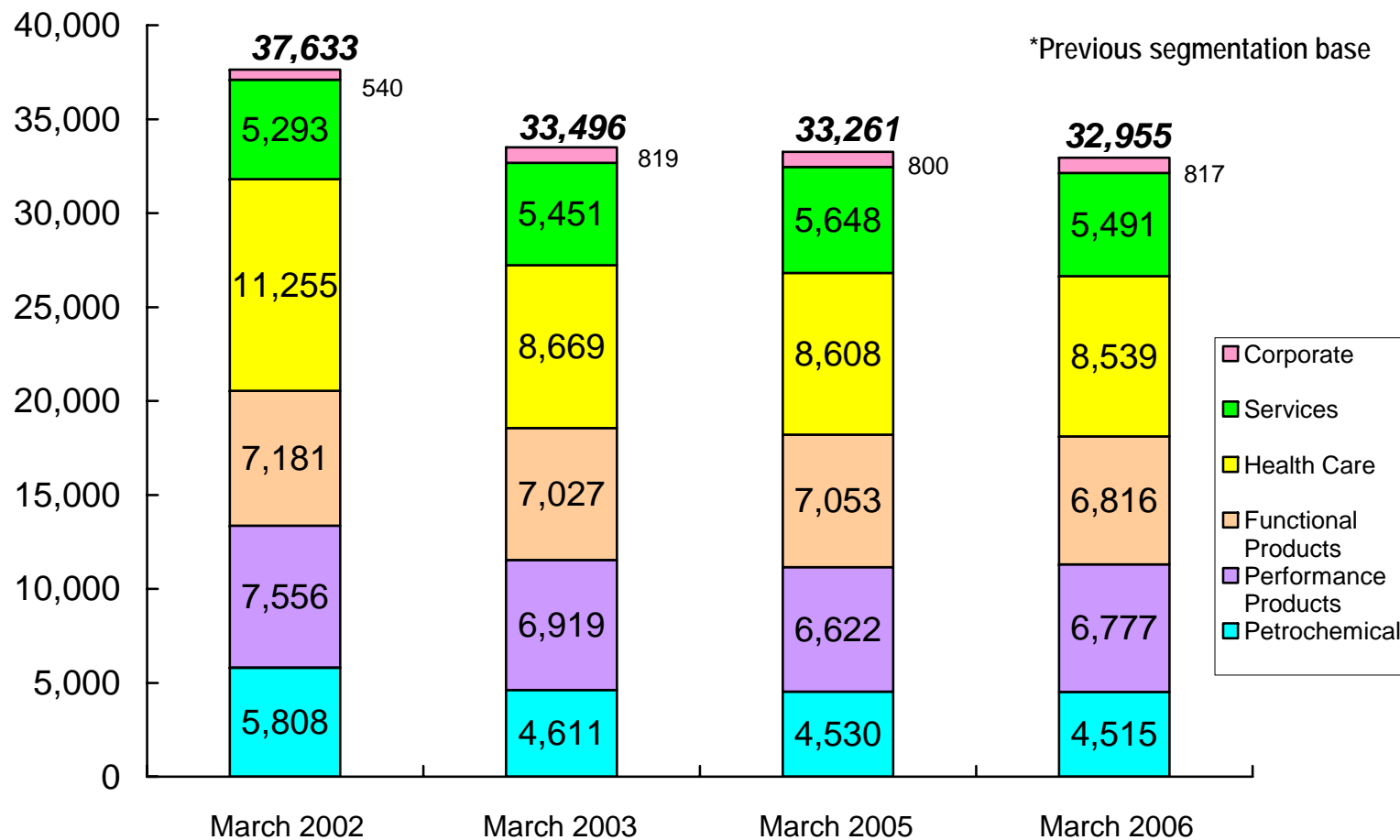


# Consolidated R&D Expenses by Business Segments

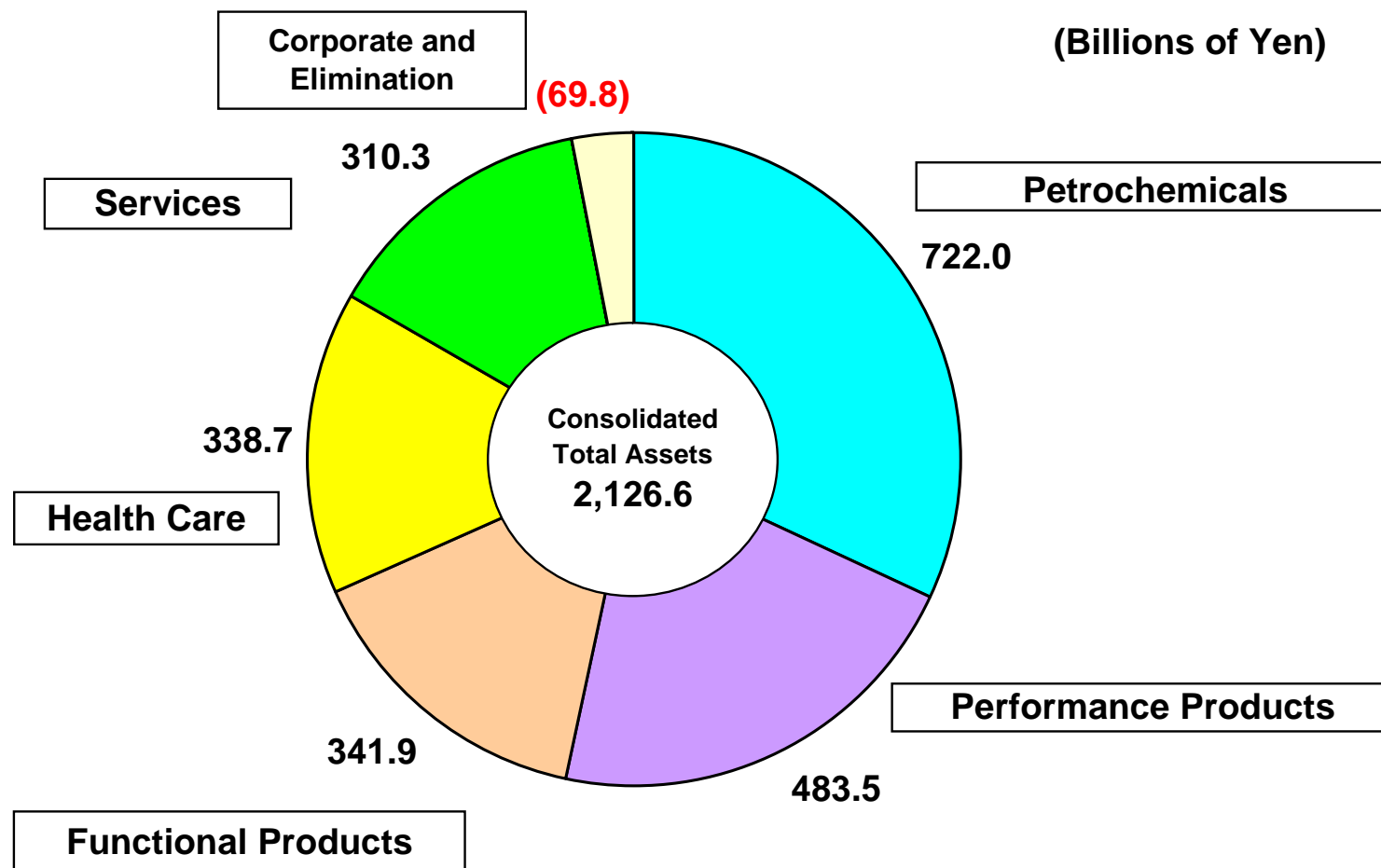




## Number of Employees by Business Segments (Consolidated)



## Consolidated Total Assets by Business Segments at the End of FY2005



## Forward-looking Statements

The forward-looking statements are based largely on information available as of the date hereof, and are subject to risks and uncertainties which may be beyond company control. Actual results could differ largely, due to numerous factors, including but not limited to the following: Group companies execute businesses in many different fields, such as petrochemicals, carbon and inorganic products, information and electronics, pharmaceuticals, polymers and processed products, and these business results are subjected to influences of world demands, exchange rates, price and procurement volume of crude oil and naphtha, trend of market price, speed in technology innovation, National Health Insurance price revision, product liabilities, lawsuits, laws and regulations.