

Mitsubishi Chemical Holdings Corporation
Condensed Consolidated Financial Information
for the First Quarter of the Fiscal Year Ending March 31, 2010



1. Business Results for the First Quarter of the Fiscal Year Ending March 31, 2010
(Business period: April 1, 2009 to June 30, 2009)

	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, 2009 – June 30, 2009	April 1, 2008 – June 30, 2008	April 1, 2009 – June 30, 2009
(1) Results of Operations:			
Net sales	549,701	763,781	5,726,052
Operating income	(10,605)	34,579	(110,469)
Income before income taxes and minority interests in consolidated subsidiaries	(18,756)	37,989	(195,375)
Net income	(16,759)	13,113	(174,573)
		(Yen)	(U.S. Dollars)
Net income per share	(12)	10	(0)
Net income per share (Diluted)	—	9	—

(2) Segment Information:

[Net Sales by Segments]

	Millions of Yen	Millions of Yen	Thousands of U.S. Dollars
Electronics Applications	66,754	92,392	695,354
Designed Materials	57,354	69,729	597,438
Health Care	126,581	128,233	1,318,552
Chemicals	174,283	281,538	1,815,448
Polymers	92,060	155,265	958,958
Others	32,669	36,624	340,302
Total	549,701	763,781	5,726,052

[Operating Income (loss) by Segments]

	Millions of Yen	Millions of Yen	Thousands of U.S. Dollars
Electronics Applications	(921)	5,717	(9,594)
Designed Materials	(816)	780	(8,500)
Health Care	25,173	26,638	262,219
Chemicals	(2,904)	2,424	(30,250)
Polymers	(28,104)	1,049	(292,750)
Others	295	1,428	3,073
Elimination & corporate costs	(3,328)	(3,457)	(34,667)
Total	(10,605)	34,579	(110,469)

	Millions of Yen		Thousands of U.S. Dollars
	The First Quarter of the Current Fiscal Year	The Previous Fiscal Year Ended March 31, 2009	The First Quarter of the Current Fiscal Year
	June 30, 2009	March 31, 2009	June 30, 2009
(3) Financial Position:			
Total assets	2,674,659	2,740,876	27,861,031
Inventories	418,450	463,305	4,358,854
Property, plant and equipment and intangible assets	952,033	947,338	9,917,010
Short-term and long-term debt	1,043,715	1,033,239	10,872,031
Shareholders' equity	672,270	668,973	7,002,813
Ratio of shareholders' equity to total assets (%)	25.1	24.4	
		(Yen)	(U.S. Dollars)
Shareholders' equity per share	488.45	486.09	5.09

The First Quarter of the Current Fiscal Year	The First Quarter of the Previous Fiscal Year
April 1, 2009 – June 30, 2009	April 1, 2008 – June 30, 2008

(4) Cash Flows:

(Millions of Yen)

(Millions of Yen)

Net cash provided by operating activities	5,860	14,771
Net cash used in investing activities	(63,935)	(92,079)
Net cash provided by (used in) financing activities	(9,398)	1,809
Cash and cash equivalents at end of the year	161,491	90,620

61,042
(665,990)
(97,896)
1,682,198

(5) Ratio of Net Income to:

(%)

Shareholders' equity	(2.4)	1.5
Total assets	(0.6)	0.4
Net sales	(3.0)	1.7

* 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.
- 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 96 yen to US\$1, the approximate exchange rate prevailing in the Tokyo foreign exchange market at the end of June 2009. 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 July 31, 2009)

Millions of Yen	
The First Half of the Current Fiscal Year	The Current Fiscal Year
April 1, 2009 – September 30, 2009	April 1, 2009 – March 31, 2010

Thousands of U.S. Dollars
The Current Fiscal Year
April 1, 2009 – March 31, 2010

Net sales	1,160,000	2,500,000
Operating income	(10,000)	65,000
Net income	(25,000)	(9,000)

26,041,667
677,083
(93,750)

3. Business Performance and Financial Position

(1) Business Performance

Consolidated Performance for the First Quarter of the Fiscal Year Ending March 31, 2010: FY2009 (From April 1, 2009 to June 30, 2009)

Overview of General Performance

During the first quarter of FY2009, the Japanese economy was in a severe condition due to a strong yen and a decrease in both domestic and overseas demand affected by the global financial crisis from autumn 2008.

In the Mitsubishi Chemical Holdings Group, the business environment remained in a severe condition due to the lower sales price and weakening demand in the Performance Products Domain and the Chemicals Domain and the medical cost restraint in the Health Care Domain.

Under the circumstances, the consolidated business results for the first quarter of FY2009 resulted as follows. Net sales decreased by ¥214.1 billion, or 28.0%, to ¥549.7 billion compared to the same period of FY2008 on account of a substantial decrease in demand in the Performance Products Domain and the Chemicals Domain. Operating income decreased by ¥45.2 billion, resulting in an operating loss of ¥10.6 billion compared to the same period of FY2008 due to inventory valuation losses in accordance with the fall of raw material and fuel prices and the substantial decrease in demand. Ordinary income decreased by ¥56.2 billion to an ordinary loss of ¥17.2 billion compared to the same period of FY2008 due to foreign exchange translation losses, and net income decreased by ¥29.9 billion to a net loss of ¥16.8 billion compared to the same period of FY2008.

(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, Inorganic chemicals)

Net sales in this segment decreased by ¥25.6 billion, or 27.7%, to ¥66.8 billion. Operating income decreased by ¥6.6 billion to an operating loss of ¥0.9 billion.

In recording media, net sales decreased due to a decrease in sales volumes and a fall in the price of DVDs, despite an increase in demand for portable HDD and flash memory. In polyester films and plastic injection moldings, net sales decreased due to a drop in the price and a decrease in sales volumes, respectively. Net sales of imaging supplies such as organic photo conductor drums (OPCs), toners, and chemical toners decreased due to a decrease in sales volumes of OPCs. Net sale of inorganic chemicals decreased due to a decrease in sales volumes.

Major initiative in the Electronics Applications Segment during the first quarter of FY2009 included:

- Mitsubishi Kagaku Media Co., Ltd. developed 25GB 6X BD-R LTH Type media, which was used organic AZO dye in the recording layer. (May)

Designed Materials Segment, Performance Products Domain

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

Net sales in this segment decreased by ¥12.3 billion, or 17.6%, to ¥57.4 billion. Operating income decreased by ¥1.6 billion to an operating loss of ¥0.8 billion.

In food ingredients and battery materials, net sales resulted favorably. In fine chemicals, net sales decreased due to a decrease in sales volumes. In polymer processing products, net sales of films, composite films, and sheets decreased due to a decrease in sales volumes. In composite materials, net sales of industrial materials such as carbon fibers decreased due to downsizing and postponing capital expenditure by private companies. Net sales of construction materials decreased due to a restraint on public investments and a decrease in housing starts.

Major initiatives in the Designed Materials Segment during the first quarter of FY2009 included:

- MKV Plotech Co., Ltd., Marui Kako Co., Ltd., and Agridream, Inc. agreed in principle to

form a merger, in order to further boost the revenue base of agricultural material business, effective from July 1, 2009. (April)

- Mitsubishi Plastics, Inc. launched the high gas barrier film, *VIEW-BARRIER*, which has a superior property concerning gas barrier, anti-reflection, UV-cut, range of visual angle, etc. (April)
- Mitsubishi Plastics, Inc. launched a polyolefin wrap, *DIAWRAP* for home users. (April)
- Mitsubishi Plastics, Inc. announced that it has entered into a strategic alliance with the founders group of Quadrant AG, the world's largest manufacturer of engineering plastic products, and had jointly established a holding company, Aquamit B.V. to launch a public tender offer for all publicly held shares of Quadrant. (May)
- A consolidated subsidiary of Mitsubishi Plastics, Inc., MKV Platech Co., Ltd. concluded an agreement to acquire agricultural high-tech business of TAIYO KOGYO CO.,LTD. (May)

Health Care Segment, Health Care Domain

(Pharmaceuticals, Diagnostic reagents and instruments, Clinical testing)

Net sales in this segment decreased by ¥1.7 billion, or 1.3%, to ¥126.5 billion. Operating income decreased by ¥1.4 billion, or 5.3 %, to ¥25.2 billion.

In the pharmaceutical business, net sales remained unchanged from the same period of FY2008, as a result of favorable sales of *Remicade*, an anti-TNF α monoclonal antibody; *Talion*, a treatment for allergic disorders; *Anplag*, an anti-Platelet agent, as well as an increased revenue by a vaccine and generic drugs, despite that sales of pharmaceuticals for overseas medical care was decreased by an appreciation of the Yen. In diagnostic reagents and instruments, and clinical testing, net sales remained favorably.

Major initiatives in the Health Care Segment during the first quarter of FY2009 included:

- Mitsubishi Tanabe Pharma Corporation obtained exclusive rights of research, development, marketing and manufacturing in Asian countries including Japan of EVP-6124, which is being developed by EnVivo Pharmaceuticals Inc. (Massachusetts, USA) in the US, for use in patients with Alzheimer's disease and with cognitive impairment associated with Schizophrenia. (April)
- Mitsubishi Tanabe Pharma Corporation obtained approval for an additional indication for cytomegalovirus infection in organ transplantation (including hematogenic stem cell

transplantation) and malignant tumor for the anti-cytomegalovirus chemotherapeutic agent *Valixa* Tablet 450 mg. (May)

Chemicals Segment, Chemicals Domain

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

Net sales in this segment decreased by ¥107.4 billion, or 38.1%, to ¥174.2 billion. Operating income decreased by ¥5.3 billion to an operating loss of ¥2.9 billion due to mainly a decrease in sales volumes and inventory valuation losses in accordance with a fall in the price of coal.

The production volume of ethylene, a basic raw material of petrochemicals, decreased by 12.5% to 196 thousand tons due to an expansion of scale in regular maintenances. In basic petrochemicals, chemical derivatives, and synthetic fiber materials, net sales drastically decreased due to a substantial fall in the price of raw materials and fuels and a decrease in demand. In carbon products such as blast furnace coke and others, net sales decreased due to a decrease in sales volumes. In fertilizers, net sales decreased due to a decrease in sales volumes caused by a conservative purchase as a proactive effort.

Major initiatives in the Chemicals Segment during the first quarter of FY2008 included:

- Mitsubishi Chemical Corporation resolved to withdraw from styrene monomer business. (May)
- Mitsubishi Chemical Corporation and Asahi Kasei Chemicals Corporation resolved to establish a joint venture to unify their naphtha cracking operations in Mizushima area and study on optimizing their efficiencies. (June)

Polymers Segment, Chemicals Domain

(Neat resins and compounds)

Net sales in this segment decreased by ¥63.2 billion, or 40.7%, to ¥92.1 billion. Operating income decreased by ¥29.2 billion to an operating loss of ¥28.1 billion due to a decrease in sales volumes and inventory valuation losses in accordance with a fall in the price of raw materials and fuels.

In synthetic resins, net sales drastically decreased due to a substantial fall in the price of raw materials and fuels.

Major initiatives in the Polymers Segment during the first quarter of FY2008 included:

- Mitsubishi Chemical Corporation resolved to withdraw businesses related to vinyl chloride resin, vinyl chloride monomer, and electrolytic products operated through its subsidiary, V-Tech Corporation and shut down production facilities related to these businesses by the end of March 2011. (May)
- Mitsubishi Chemical Corporation resolved to withdraw from caprolactam business. (May)
- Mitsubishi Chemical Corporation resolved to construct a pilot plant at the Kurosaki Plant in order to develop and mass produce biomass-based polycarbonate. (May)
- Mitsubishi Chemical Corporation (MCC) and Royal DSM N.V. (DSM) announced the signing of a memorandum of understanding (MOU) on the exchange of high-performance product businesses. Under the MOU, MCC will exchange its nylon business, operated mainly in Japan and Asia by MCC and Mitsubishi Engineering Plastics Corporation for a polycarbonate business operated mainly in Europe by DSM Engineering Plastics. The companies have started a detailed study of the exchange, aiming for reinforcing each company's competitiveness. (May)

Others

(Engineering, Logistics)

Net sales in this segment decreased by ¥3.9 billion, or 10.7 %, to ¥32.7 billion. Operating income decreased by ¥1.1 billion, or 78.6%, to ¥0.3 billion.

In logistics and engineering service, net sales decreased due to the decline of external orders.

Group in General

Major initiatives in the Group in general other than the above-mentioned segments during the first quarter of FY2009 included:

- Mitsubishi Chemical Corporation announced a basic agreement with China Petroleum

and Chemical Corporation to establish a strategic business partnership. The partnership resulting from this agreement will cover joint research, project tie-ups, raw material and finished product supplies, engineering, logistics, technological information exchanges, and human resource exchange in petrochemical field, reduction of CO₂ emissions and effective use of CO₂, and others. (April)

4. Consolidated Financial Position

At the end of the first quarter of FY2009, total assets amounted to ¥2,674.7 billion, a decrease of ¥66.2 billion compared to the end of FY2008. This was due to a decrease in inventories and operating receivables in accordance with the fall of the price of raw materials.

5. Consolidated Financial Projection for the FY2009

The consolidated financial projection for FY2009 announced on May 12, 2009 has not been revised, since the trends in demand and price of raw materials and fuels are unpredictable and uncertain and volatile conditions are anticipated to continue in our business environment.

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.