

Mitsubishi Chemical Holdings Corporation
Condensed Consolidated Financial Information
for the First Half of the Fiscal Year Ending March 31, 2016



1. Business Results for the First Half of the Fiscal Year Ending March 31, 2016 ("FY2015")
(Business period: April 1, 2015 to September 30, 2015)

Millions of Yen		Thousands of U.S. Dollars
The First Half of the Current Fiscal Year ("FY2015") April 1, 2015 - September 30, 2015	The First Half of the Previous Fiscal Year ("FY2014") April 1, 2014 - September 30, 2014	The First Half of the Current Fiscal Year ("FY2015") April 1, 2015 - September 30, 2015

(1) Results of Operations:

Net sales	1,884,627	1,672,265	15,705,225
Operating income	136,351	73,714	1,136,258
Income before income taxes	134,460	83,667	1,120,500
Net income attributable to Shareholders of the parent	59,094	33,252	492,450
Comprehensive income	67,988	69,219	566,567

Net income per share -Basic	40.34	22.58	0.34
Net income per share -Diluted	40.31	22.57	0.34

(U.S. Dollars)

(2) Segment Information:

[Net Sales by Segment]

Electronics Applications	58,316	57,518	485,967
Designed Materials	411,994	399,674	3,433,283
Health Care	261,173	255,801	2,176,442
Chemicals	648,189	428,688	5,401,575
Polymers	404,828	435,142	3,373,567
Others	100,127	95,442	834,392
Total	1,884,627	1,672,265	15,705,225

[Operating Income (loss) by Segment]

Electronics Applications	95	(1,126)	792
Designed Materials	36,078	27,095	300,650
Health Care	47,496	39,862	395,800
Chemicals	30,916	1,536	257,633
Polymers	22,159	7,501	184,658
Others	2,850	2,182	23,750
Elimination & corporate costs	(3,243)	(3,336)	(27,025)
Total	136,351	73,714	1,136,258

Millions of Yen		Thousands of U.S. Dollars
As of September 30, 2015	As of March 31, 2015	As of September 30, 2015

(3) Financial Position:

Total assets	4,246,750	4,323,038	35,389,583
Inventories	602,789	595,505	5,023,242
Property, plant and equipment	1,489,094	1,498,146	12,409,117
Short-term and long-term debts	1,537,882	1,603,595	12,815,683
Shareholders' equity*	1,015,549	980,993	8,462,908
Ratio of shareholders' equity to total assets (%)	23.9	22.6	

* Net assets excluding share subscription rights and minority interests

Millions of Yen		Thousands of U.S. Dollars
The First Half of FY2015	The First Half of FY2014	The First Half of FY2015
April 1, 2015 - September 30, 2015	April 1, 2014 - September 30, 2014	April 1, 2015 - September 30, 2015

(4) Cash Flows:

	Millions of Yen	Thousands of U.S. Dollars
Net cash provided by operating activities	167,909	1,399,242
Net cash provided by (used in) investing activities	5,921	49,342
Net cash used in financing activities	(96,189)	(801,575)
Cash and cash equivalents at end of the period	321,154	2,676,283

(5) Ratio of Net Income to:

	Millions of Yen	Thousands of U.S. Dollars
Shareholders' equity**	5.9	3.6
Total assets**	1.3	0.9
Net sales	3.1	1.9

** Based on the average of the beginning and ending balances of the respective periods.

Notes:

1 From the first quarter of FY2015, the Company applied the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, September 13, 2013) "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No.22, September 13, 2013), "Accounting Standard for Business Divestitures" (ASBJ Statement No.7, September 13, 2013) and others. As a result, any change resulting from the Company's ownership interests in its subsidiary when the Company retains control over the subsidiary is accounted for as Capital surplus, and acquisition related costs are expensed in the year in which the costs are incurred. For any business combinations on or after the beginning of the current first quarter, subsequent measurement of the provisional amount recognized based on the purchase price allocation due to the completion of accounting for the business combination are reflected in the quarterly consolidated financial statements for the period to which the date of that business combination occurs. In addition, the presentation method of Net income was amended as well as "Minority interests" to "Non-controlling interests." To reflect these changes in presentation, adjustments have been made to the consolidated financial statements for the prior first half and the prior fiscal year presented herein.

In the quarterly consolidated statements of cash flows for the current first half, cash flows from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation are recognized under "cash flows from financing activities," whereas cash flows concerning the costs related to the purchase of ownership interests in subsidiaries that result in a change in the scope of consolidation are recognized under "cash flows from operating activities."

The aforementioned accounting standards are adopted as of the beginning of the current first quarter and thereafter, according to the transitional treatment provided for in Paragraph 58-2 (4) of the Accounting Standard for Business Combinations, Paragraph 44-5 (4) of the Consolidated Accounting Standard and Paragraph 57-4 (4) of the Accounting Standard for Business Divestitures.

The effects of these changes on operating income, ordinary income, and income before income taxes are immaterial.

2 Effective from FY2015, certain businesses of one consolidated subsidiary have been reclassified from "Chemicals" segment to "Polymers" segment or "Designed Materials" segment. In addition, certain three consolidated subsidiaries in "Other" segment have changed to "Polymers" segment. Accordingly, segment information for FY2014 is restated to match.

3 The Company and its domestic consolidated subsidiaries maintain their accounting record in Japanese yen. The U.S. dollar amounts presented in this document are solely for convenience and have been translated, as a matter of arithmetical computation only, at the rate of 120 yen to US\$1, the approximate exchange rate prevailing in the Tokyo foreign exchange market at the end of September 2015.

2. Forecast for the Current Fiscal Year

	Millions of Yen	Thousands of U.S. Dollars
	FY2015 - revised	FY2015 - revised
	April 1, 2015 - 31-Mar-16	April 1, 2015 - 31-Mar-16
Net sales	3,940,000	32,833,333
Operating income	248,000	2,066,667
Net income attributable to Shareholders of the parent	65,000	541,667
	(Yen)	(U.S. dollar)
Net income per share -Basic	44.37	0.37

Notes:

The profit and loss forecast for FY2015 has been revised to the above from those announced on May 13, 2015.

3. Business Performance and Financial Position

(1) Business Performance

1) Consolidated Performance for the First Half of the Fiscal Year Ending March 31, 2016 (Fiscal 2015): Six Months Ended September 30, 2015

Overview of General Performance

Concerning the business environment surrounding the Mitsubishi Chemical Holdings Group during the first half of fiscal 2015, the Performance Products and Industrial Materials domains generally saw favorable conditions, while economies in Japan and overseas showed an overall trend toward a moderate recovery, despite the slowdown of the Chinese economy. The Health Care domain remained favorable due in part to higher royalty revenues, despite the unfavorable impact of measures to reduce spending on pharmaceuticals and other factors.

Under these circumstances, net sales for the first half of fiscal 2015 increased by ¥212.3 billion, or 12.7%, year on year to ¥1,884.6 billion due primarily to the conversion of Taiyo Nippon Sanso Corporation as a consolidated subsidiary since the third quarter of fiscal 2014. Operating income rose sharply by 62.7 billion, or 85.0%, year on year to 136.4 billion, and ordinary income showed a significant increase of 58.9 billion, or 77.1%, year on year to 135.2 billion. Net income attributable to Shareholders to the parent increased by ¥25.8 billion, or 77.7%, year on year to ¥59.1 billion.

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

Net sales in this segment increased by ¥0.8 billion, to ¥58.3 billion. Due mainly to reduction of fixed costs, operating loss improved by ¥1.2 billion, and operating income of ¥0.1 billion recorded.

In recording media, the optical disc market continues to contract. In imaging supplies, sales volumes for OPC drums, toners, and chemical toners declined. On the contrary, in information and electronics-related materials, sales volumes of display materials increased, and demand for precision cleaning and recycling of wafers for semiconductors remained steady.

Designed Materials Segment, Performance Products Domain

Net sales in this segment increased by ¥12.3 billion, to ¥412.0 billion. Operating income increased by ¥9.0 billion, to ¥36.1 billion.

In polymer processing products, despite some weakness in expansion of demand for polyester film for flat panel display applications and touch panel display applications, sales volumes of engineering plastic-related products and aluminum composite materials increased and a drop in raw material prices contributed to profit. In composite materials, demand for carbon fibers continued steady and sales volumes of alumina fibers increased. In battery materials, sales volumes for automobile batteries increased. In fine chemicals, sales of coating materials and other products generally remained strong.

Health Care Segment, Health Care Domain

Net sales in this segment increased by ¥5.4 billion, to ¥261.2 billion. Operating income increased by ¥7.7 billion, to ¥47.5 billion.

In pharmaceuticals, royalty revenues for *Gilenya*, a treatment for multiple sclerosis and *Invokana*, a treatment agent for type 2 diabetes mellitus increased significantly, in addition to an increase in sales volumes in priority products including *Tenelia*, a treatment agent for type 2 diabetes mellitus, despite the expansion of generic drug use and a decline in sales associated with the ending of the sales alliance for plasma fractionation products in March 2015. In pharmaceutical formulation materials, sales volumes of pharmaceutical equipment declined. In diagnostics and support for new pharmaceutical development, sales increased.

A major initiative in the Health Care segment during the first half of fiscal 2015 included:

- Life Science Institute, Inc. acquired all shares of Clio, Inc., which is engaged in the development of regenerative medicine using Multilineage-differentiating Stress Enduring (Muse) cells, and made the company a consolidated subsidiary in June 2015, aiming to enter the regenerative medicine field, which is positioned as a core business in advanced medicine.
- Mitsubishi Tanabe Pharma Corporation and Biogen concluded a license agreement for MT-1303, a therapeutic agent for autoimmune diseases, which was discovered and developed by Mitsubishi Tanabe Pharma, in September 2015. The agreement will accelerate development of the drug both in Japan and overseas, maximize its product value, and enable earlier market launch of the new drug. With this agreement, Mitsubishi Tanabe Pharma grants to Biogen the exclusive right to develop and market the drug worldwide, except in Japan and in Asia.
- Due to Amgen, Inc.'s acquisition of Dezima Pharma B.V., Mitsubishi Tanabe Pharma Corporation, Amgen, and Dezima concluded patent, know-how transfer and future agreements for TA-8995, a treatment agent for dyslipidemia discovered by Mitsubishi Tanabe Pharma.

Chemicals Segment, Industrial Materials Domain

Net sales in this segment increased by ¥219.5 billion, to ¥648.2 billion. Operating income by increased ¥29.4 billion, to ¥30.9 billion

In basic petrochemicals, chemical derivatives, sales decreased due to lower sales prices brought about by a drop in raw material prices. On the other hand, amid a drop in raw material prices, operating income increased significantly due mainly to continued strong market conditions for some products, reduced costs resulting from scale-down regular maintenance at production facilities and other factors. In terephthalic acid (a synthetic fiber raw material), sales significantly decreased due to sluggish market conditions, amid continued weak supply-demand balance. In carbon products including coke and others, the business generally remained steady, despite sales prices decreased in response to a drop in the coking coal prices. Industrial gases have been included since the third quarter of fiscal 2014.

Major initiatives in the Chemicals segment during the first half of fiscal 2015 included:

- Mitsubishi Chemical Corporation and Asahi Kasei Chemicals Corporation have concluded an agreement to establish a joint venture for the operation of a unified naphtha cracker in Mizushima, slated to start operation in April 2016, based on the agreement announced in a press release dated February 25, 2014.
- Taiyo Nippon Sanso Corporation acquired additional shares of Air Products Industry Co., Ltd. and made it a consolidated subsidiary in May 2015. By aggressively infusing the Group's business resources, Taiyo Nippon Sanso plans to expand the scope of Air Products Industry's business and products as the Thai economy grows to maturity and also take advantage of synergies with other Group companies throughout Southeast Asia.
- Taiyo Nippon Sanso Corporation acquired Renegade Gas Pty Ltd, an LPG and industrial gas company in Australia and made the company a consolidated subsidiary in July 2015. Through the acquisition of Renegade, Taiyo Nippon Sanso establishes the first footprint in the Australian and Oceanian industrial gas market. Taiyo Nippon Sanso plans to increase sales of industrial gas products by using Renegade's existing distribution network, thereby expanding its business.

Polymers Segment, Industrial Materials Domain

Net sales in this segment decreased by ¥30.3 billion, to ¥404.8 billion. Operating income increased by ¥14.7 billion, to ¥22.2 billion.

In synthetic resins including polyolefin, MMA monomer, and other products, net sales decreased, due to lower sales prices in response to a drop in raw material prices, while operating income increased significantly due to an improvement in price differences between raw materials and

products.

Others

Net sales in this segment increased by ¥4.6 billion, to ¥100.1 billion. Operating income increased by ¥0.6 billion, to ¥2.8 billion.

In engineering, external orders increased. In logistics, business remained strong.

Group in General

A major initiative in the Group in general other than the above-mentioned segments during the first half of fiscal 2015 included:

- Mitsubishi Chemical Holdings Corporation decided that the Group will conduct a detailed review regarding the reorganization of the Group with an eye toward the integration of its three chemical operating companies – Mitsubishi Chemical Corporation, Mitsubishi Plastics, Inc., and Mitsubishi Rayon Co., Ltd. – into one company by April 2017. The move is expected to accelerate the growth and globalization of MCHC businesses. The company plans to complete the study by the end of fiscal 2015.

4. Consolidated Financial Position

At the end of the first half of fiscal 2015, total assets amounted to ¥4,246.8 billion, a decrease of ¥76.2 billion compared to the end of fiscal 2014, due primarily to a decrease in operating receivables and a decrease in investment securities due to a drop in market value.

5. Consolidated Financial Results Forecasts for Fiscal 2015

We have made a revision of our forecasts for consolidated financial results for fiscal 2015 that were announced on May 13, 2015, as detailed below.

Concerning net sales, we have made a downward revision in our forecast in anticipation of a decline in selling prices brought about by lower raw material prices and other factors. Operating income and ordinary income in the first half of fiscal 2015 exceeded the revised financial results forecasts for the period announced on August 5, 2015, due primarily to continued strong market conditions in petrochemicals. In addition, operating income and ordinary income for fiscal 2015 are expected to exceed the previous forecasts overall, despite the deteriorating market conditions in petrochemicals in the Chemicals and Polymers segments expected in the second half of the fiscal year. As a result, we have made upward revisions in our forecasts for operating income and ordinary income for fiscal 2015.

Net income attributable to Shareholders of the parent remain unchanged from the previous forecast at this time, since the influence achieved through progress in the structural reforms implemented in the second half of fiscal 2015 remains uncertain, despite an expected increase in ordinary income.

Revision to consolidated financial results forecasts for fiscal 2015
(April 1, 2015 – March 31, 2016)

(Unit: Billions of yen; unless otherwise noted)

	Net sales	Operating income	Ordinary income	Net income attributable to Shareholders of the parent	Net income per share
Previous forecasts (A) (Announced on May 13, 2015)	4,000.0	227.0	214.0	65.0	44.21 yen
Revised forecasts (B)	3,940.0	248.0	237.0	65.0	44.37 yen
Difference (B – A)	(60.0)	21.0	23.0	-	-
Difference (%)	(1.5)	9.3	10.7	-	-
Reference: Results of fiscal 2014	3,656.3	165.7	163.1	60.9	41.40 yen

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], [6], and [7] hereof.