

Mitsubishi Chemical Holdings Corporation
Condensed Consolidated Financial Information
for the First Nine Months of the Fiscal Year Ending March 31, 2013



1. Business Results for the First Nine Months of the Fiscal Year Ending March 31, 2013 ("FY2012")
(Business period: April 1, 2012 to December 31, 2012)

Millions of Yen	
The First Nine Months of the Current Fiscal Year ("FY2012")	The First Nine Months of the Previous Fiscal Year ("FY2011")
April 1, 2012 - December 31, 2012	April 1, 2011 - December 31, 2011

Thousands of U.S. Dollars
The First Nine Months of the Current Fiscal Year ("FY2012")
April 1, 2012 - December 31, 2012

(1) Results of Operations:

	2,305,782	2,357,505
Net sales		
Operating income	73,549	124,544
Income before income taxes and minority interests in consolidated subsidiaries	58,651	116,295
Net income	9,162	32,023
Comprehensive income	31,507	46,365

26,503,241
845,391
674,149
105,310
362,149

	(Yen)		(U.S. Dollars)
Net income per share -Basic	6.21	21.72	0.07
Net income per share -Diluted	5.96	20.33	0.07

0.07
0.07

(2) Segment Information:

[Net Sales by Segment]

Electronics Applications	88,761	101,419
Designed Materials	515,601	524,110
Health Care	393,163	386,237
Chemicals	665,804	703,934
Polymers	506,566	497,051
Others	135,887	144,754
Total	2,305,782	2,357,505

1,020,241
5,926,448
4,519,115
7,652,920
5,822,598
1,561,920
26,503,241

[Operating Income (loss) by Segment]

Electronics Applications	(3,155)	(3,469)
Designed Materials	16,988	22,683
Health Care	64,242	66,189
Chemicals	(2,432)	18,219
Polymers	500	25,511
Others	3,637	2,631
Adjustments	(6,231)	(7,220)
Total	73,549	124,544

(36,264)
195,264
738,414
(27,954)
5,747
41,805
(71,621)
845,391

Millions of Yen	
As of December 31, 2012	As of March 31, 2012

Thousands of U.S. Dollars
As of December 31, 2012

(3) Financial Position:

Total assets	3,145,622	3,173,970
Inventories	517,195	516,096
Property, plant and equipment	1,027,606	1,032,738
Short-term and long-term debts	1,144,439	1,164,128
Shareholders' equity*	766,526	770,729
Ratio of shareholders' equity to total assets (%)	24.3	24.2

36,156,575
5,944,770
11,811,563
13,154,471
8,810,644

*Represents the sum of total shareholders' equity and total accumulated other comprehensive income.

Millions of Yen	
The First Nine Months of FY2012	The First Nine Months of FY2011
April 1, 2012 - December 31, 2012	April 1, 2011 - December 31, 2011

Thousands of U.S. Dollars
The First Nine Months of FY2012
April 1, 2012 - December 31, 2012

(4) Cash Flows:

	Millions of Yen	Millions of Yen	Thousands of U.S. Dollars
Net cash provided by operating activities	143,387	109,912	1,648,126
Net cash (used in) provided by investing activities	(79,348)	(37,560)	(912,046)
Net cash (used in) provided by financing activities	(60,352)	(100,562)	(693,701)
Cash and cash equivalents at end of the period	136,903	113,041	1,573,598

(5) Ratio of Net Income to:

		(%)
Shareholders' equity**	1.1	4.2
Total assets**	0.2	0.9
Net sales	0.3	1.3

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

Notes:

- Effective as from FY2012, Mitsubishi Tanabe Pharma Corporation and its subsidiaries in Japan, all of which are subsidiaries of Mitsubishi Chemical Holdings Corporation ("MCHC"), have changed depreciation method for their property, plant and equipment, from the declining-balance method to the straight-line method, resulting in increase in "operating income" and "income before income taxes and minority interests in consolidated subsidiaries" by 1,815 million yen and 1,845 million yen, respectively, for the first nine months of FY2012 for MCHC.
- Effective as from FY2012, domestic consolidated subsidiaries using declining-balance method to depreciate their property, plant and equipment have changed the depreciation method according to amendments of Japanese corporate tax laws for assets acquired on and after April 1, 2012. This change increased "operating income" and "income before income taxes and minority interests in consolidated subsidiaries" by 1,086 million yen and 1,098 million yen, respectively, for the first nine months of FY2012 for MCHC.
- Effective as from FY2012, segmentation for certain consolidated subsidiaries has changed from the Polymers segment to the Designed Materials segment. The segment information for FY2011 is accordingly restated.
- Effective as from FY2012, expenses for certain basic research activities, previously included in the Corporate, are stated in the Designed Materials segment due to progress in the research. The expenses for the first nine months of FY2011 were 1,962 million yen.
- 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 87 yen to US\$1, the approximate exchange rate prevailing in the Tokyo foreign exchange market at the end of December 2012.

2. Forecast for the Current Fiscal Year

	Millions of Yen	Thousands of U.S. Dollars
	FY2012	FY2012
	April 1, 2012 - March 31, 2013	April 1, 2012 - March 31, 2013
Net sales	3,200,000	36,781,609
Operating income	120,000	1,379,310
Net income	21,000	241,379
	(Yen)	(U.S. dollar)
Net income per share -Basic	14.24	0.16

Notes:

There is no revision to the forecast for FY2012 from those announced on November 1, 2012.

3. Business Performance and Financial Position

(1) Business Performance

Consolidated Performance for the Third Quarter of the Fiscal Year Ending March 31, 2013 (Fiscal 2012): Nine Months Ended December 31, 2012

Overview of General Performance

Concerning the Mitsubishi Chemical Holdings Group's business environment in the third quarter of fiscal 2012, sluggish demand in overseas markets such as China and continued appreciation of the yen affected by a slowdown in overseas economies resulted in a severe environment for the Performance Products and Industrial Materials domains. On the other hand, despite the unfavorable impact of NHI drug price revisions in April 2012 and the influence of the expansion of the generic drug market, steady demand had a favorable impact on the Health Care domain.

Under the circumstances, the consolidated results for the third quarter of fiscal 2012 were as follows. Net sales decreased by ¥51.7 billion, or 2.2%, to ¥2,305.8 billion compared to the same period of the previous fiscal year. Operating income decreased by ¥51.0 billion, or 40.9%, to ¥73.5 billion compared to the same period of the previous fiscal year, and ordinary income decreased by ¥52.3 billion, or 42.7%, to ¥70.2 billion compared to the same period of the previous fiscal year. Net income decreased by ¥22.8 billion, or 71.4%, to 9.2 billion compared to the same period of the previous fiscal year.

(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 ¥12.6 billion, or 12.4%, to ¥88.8 billion. Operating income increased by ¥0.3 billion, and posted operating loss of ¥3.2 billion.

In recording media, net sales significantly decreased due to DVD market shrinkage and a decline in sales volumes in external hard disk drives due to product shortages caused by floods in Thailand in the latter half of 2011. In information and electronics-related materials, net sales increased due to continued strong sales volumes in display materials and phosphors for LEDs. In imaging supplies, net sales substantially decreased due to a decrease in sales volumes in OPC drums, toners, and chemicals toners.

Major initiative in the Electronics Applications segment during the third quarter of fiscal 2012 included:

- Mitsubishi Chemical Corporation and Pioneer Corporation successfully developed organic light emitting diode elements using a coating process for the light-emitting layer in addition to the under layer. The two companies have also agreed to set up a testing facility with an eye to establishing mass production technology. (June)
- Mitsubishi Chemical Corporation announced the launch of a new color tunable/dimmable organic light emitting diode (OLED) panel *VELVE*, which is an OLED element that employs the coating process for the under layer. This new product is about 1.5 times as power-efficient and generates about twice the brightness of current products. This product will be marketed through Mitsubishi Kagaku Media Co., Ltd. (September)

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 decreased by ¥8.5 billion, or 1.6%, to ¥515.6 billion. Operating income decreased by ¥5.7 billion, or 25.1%, to ¥17.0 billion.

In food ingredients, business continued favorably. In battery materials, net sales significantly decreased due to a decrease in sales volumes associated with the end of substitute shipment caused by the Great East Japan Earthquake and the downward trend of sales pricing. In fine chemicals, net sales increased due to that Chuo Rika Kogyo Corporation became a consolidated subsidiary in December 2011, despite that demand generally stayed flat. In polymer processing products, net sales remained unchanged due to an increase in sales volumes of polyester films for flat panel displays and favorable sales in films for touch panel displays. On the other hand, sale volumes in non-optical polyester films and engineering plastics related products decreased considerably due to a decline in overseas demand. In composite materials, net sales of alumina fibers continued favorably, although net sales of carbon fibers decreased due to lowering market prices brought by a decline in demand. In inorganic chemicals, net sales increased so that adverse effects such as a substantial decline in sales as a result of the earthquake were virtually eliminated, despite an overall downturn in demand. In fibers, net sales decreased due to a decrease in sales volumes.

Major initiatives in the Designed Materials segment during the third quarter of fiscal 2012 included:

- Mitsubishi Rayon Co., Ltd. and Toyota Tsusho Corporation announced their agreement on a joint investment into Fengxin JDL Environmental Protection, Ltd. Through the investment,

- Mitsubishi Rayon and Toyota Tsusho will establish their first water treatment operation and maintenance (O&M) business at a major Chinese engineering firm. (April)
- Mitsubishi Plastics, Inc. announced establishment of a subsidiary, Wuxi Lingshu Agricultural Film & Material Technology Co., Ltd., to manufacture and sell high-performance films for agricultural greenhouse use in PRC. (June)
 - Mitsubishi Rayon Co., Ltd. announced successful development of a new space-saving, energy-efficient hollow-fiber membrane product called *Sterapore* for the Membrane Bioreactor (MBR) system. Production is scheduled to begin in 2013. (July)
 - Mitsubishi Plastics, Inc. announced conclusion of a comprehensive agreement to transfer its piping business (excluding business in piping made of PE-X materials) to SEKISUI CHEMICAL CO., LTD. (July)
 - The Nippon Synthetic Chemical Industry Co., Ltd., a consolidated subsidiary of Mitsubishi Chemical Corporation, resolved to expand the production facility for *OPL Films* for polarizing film at its Kumamoto Plant. (Production capacity: 70 million m²/y; increased production capacity: 18 million m²/y). (September)
 - Mitsubishi Rayon Co., Ltd. announced improvements in a facility that produces carbon fiber at its wholly-owned subsidiary, Grafil Inc. in the U.S. The carbon fiber is used in producing pressure vessels for compressed natural gas. (October)
 - Mitsubishi Rayon Co., Ltd. announced acquisition of all outstanding shares of Challenge Co., Ltd., which produces and markets CFRP composites, and all outstanding shares of TK Industries GmbH, which produces and markets carbon fiber-based multi-axial non-crimp fabric in Germany. These steps were taken in order to strengthen Mitsubishi Rayon's carbon fiber composite business in both automotive and industrial sectors. (November)
 - Mitsubishi Rayon Co., Ltd. announced conclusion of a merger agreement in which the company acquires U.S. based Aldila, Inc., which produces and markets graphite golf shafts as well as carbon fiber intermediate materials, and others. (December)
 - Mitsubishi Rayon Co., Ltd. announced formation of a strategic business alliance with SK Chemicals Co., Ltd., which owns and operates carbon fiber prepreg businesses. (December)
 - The Nippon Synthetic Chemical Industry Co., Ltd. (NSCI), a subsidiary of Mitsubishi Chemical Corporation, resolved to expand its production facility for *Soarnol*, a high gas barrier EVOH resin, at its subsidiary, Noltex, L.L.C. (total capacity in the NSCI Group: 51kt/y; capacity increase: 15kt/y) (December)

Health Care Segment, Health Care Domain

(Pharmaceuticals, Diagnostic reagents and instruments, Clinical testing)

Net sales in this segment increased by ¥7.0 billion, or 1.8%, to ¥393.2 billion. Operating income decreased by ¥1.9 billion, or 2.9%, to ¥64.2 billion, due partly to a sales decrease in the drug discovery support business, in addition to the unfavorable impact of NHI drug price revisions.

From the third quarter of fiscal 2012, posting of royalty revenues of a treatment for multiple sclerosis was reviewed, and as a result, revenues for six months were posted in that quarter.

In the pharmaceutical business, net sales increased due to the contribution of new products such as *TENELIA*, for the treatment of type 2 diabetes mellitus and an increase in royalty revenues from a treatment for multiple sclerosis, in addition to expanded sales of *Remicade*, an anti-TNF α monoclonal antibody, despite an expanding impact of generic drugs and NHI drug price revisions in April 2012. In diagnostic reagents and instruments and clinical testing, net sales decreased due to a sales decrease in the drug discovery support business.

Major initiatives in the Health Care segment during the third quarter of fiscal 2012 included:

- Mitsubishi Tanabe Pharma Corporation announced that VIVUS obtained NDA approval in the US for TA-1790, which Mitsubishi Tanabe Pharma developed as a therapy for erectile dysfunction. Mitsubishi Tanabe Pharma licensed VIVUS worldwide rights, except for Japan and certain parts of Asia, to develop and market the compound. (May)
- Mitsubishi Tanabe Pharma Corporation received approval to manufacture and market *TENELIA*, for the treatment of type 2 diabetes mellitus in Japan. The company and Daiichi Sankyo Co., Ltd., plan to begin joint marketing efforts. (June)
- Mitsubishi Tanabe Pharma Corporation concluded an agreement with Nipro Corporation regarding the dissolution of the joint venture for recombinant human serum albumin preparations between the two companies involving Bipha Corporation. Under the terms of the new agreement, Mitsubishi Tanabe Pharma will acquire all the shares of Bipha held by Nipro, and Bipha will become a wholly owned subsidiary of Mitsubishi Tanabe Pharma. (August)
- Mitsubishi Tanabe Pharma Corporation announced transfer of all shares of Choseido Pharmaceutical Co., Ltd. held by the company to the President and CEO of Choseido Pharmaceutical, a subsidiary of Mitsubishi Tanabe Pharma that operates business in the field of generic drugs. (October)
- Mitsubishi Tanabe Pharma Corporation announced launch of *TETRABIK*, Subcutaneous Injection Syringe, a combined vaccine that immunizes against acute poliomyelitis (polio), pertussis, diphtheria, and tetanus. Marketing approval for the new combined vaccine was obtained by the Research Foundation for Microbial Diseases of Osaka University. (October)
- Mitsubishi Chemical Holdings Corporation concluded a share sale agreement with Carlyle Group, the controlling shareholders of Qualicaps Co., Ltd., to acquire all outstanding shares of Qualicaps. (December)

Chemicals Segment, Industrial Materials Domain

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

Net sales in this segment decreased by ¥38.2 billion, or 5.4%, to ¥665.8 billion. Operating income decreased by ¥20.6 billion, and posted operating loss of ¥2.4 billion mainly due to a significant shrinking price variance between raw material and product in terephthalic acid.

The production volume of ethylene, a basic raw material of petrochemicals, increased by 22.4% to 837 thousand tons due primarily to that the ethylene production facilities at the Kashima Plant of Mitsubishi Chemical Corporation stopped operations in the wake of the earthquake and the scale of regular maintenance was reduced, despite production cutbacks associated with the demand decrease. In basic petrochemicals and chemical derivatives, net sales increased due to that the adverse effect such as a significant decline in sales volumes by the impact of the earthquake was virtually eliminated, in spite of sluggish demand. In synthetic fiber materials, net sales for terephthalic acid considerably decreased due to a considerable drop in market price associated with imbalance between supply and demand brought by an increase in supply capacity. In carbon products, net sales of blast furnace coke significantly decreased due to lower sales prices responding to a decline in coking coal price.

Major initiatives in the Chemicals segment during the third quarter of fiscal 2012 included:

- Mitsubishi Chemical Corporation announced expansion of its production facility for ethylene carbonate at the Kashima Plant. (Current capacity: 3,000t/y; capacity increase: 5,000t/y) (June)
- Mitsubishi Chemical Corporation announced shutdown of its No. 1 ethylene production facility and No. 1 benzene production facility at its Kashima Plant. To counter the shutdowns, the company will expand its No. 2 ethylene production facility and others, thereby aiming to establish a structure that will allow the company to quickly respond to an anticipated trend toward high-performance and high-value added petrochemical products. (June)

Polymers Segment, Industrial Materials Domain

(Synthetic resins)

Net sales in this segment increased by ¥9.5 billion, or 1.9%, to 506.5 billion. Operating income decreased by ¥25.1 billion, or 98.0%, to 0.5 billion mainly due to a shrinking price variance between raw material and product in methyl methacrylate monomer and others.

In synthetic resins, phenol-polycarbonate chain and polyolefin were able to recover from the adverse effects of the 2011 earthquake while markets for methyl methacrylate monomer, acrylic

resin, and other products declined due to falling demand. Nevertheless, as a whole, net sales of the synthetic resins remained unchanged.

Major initiatives in the Polymers segment during the third quarter of fiscal 2012 included:

- Mitsubishi Chemical Corporation's subsidiaries: Japan Polypropylene Corporation and Japan Polyethylene Corporation announced shutdown of No. 3 polypropylene production facility and No.2 high-density polyethylene production facility at their Kawasaki Plant, respectively. (June)
- Mitsubishi Chemical Corporation signed an agreement with Faurecia, which produces automotive interior components, regarding joint research and development of bioplastics to be used in those components. (November)

Others

(Engineering, Logistics)

Net sales in this segment decreased by ¥8.9 billion, or 6.1%, to ¥135.9 billion. Operating income increased by ¥1.0 billion, or 38.5%, to ¥3.6 billion partly due to a decrease in fixed costs.

Net sales decreased due to segmentation change in certain businesses excluding engineering and logistics effective from fiscal 2012 and a decrease in purchase and resale, although net sales of engineering and logistics continued favorably in general.

4. Consolidated Financial Position

At the end of the first quarter of fiscal 2012, total assets amounted to ¥3,145.6 billion, a decrease of ¥28.4 billion compared to the end of fiscal 2011 primarily due to a decrease in investment securities caused by a decline in market share price and sale of shares of affiliated companies.

5. Consolidated Financial Results Forecasts for Fiscal 2012

The forecasts for the consolidated financial results and dividend for fiscal 2012 have not been revised from the previous announcement made on November 1, 2012.

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.