

February 8, 2007

Mitsubishi Chemical Holdings Corporation
Mitsubishi Chemical Corporation

**The Restructuring and Consolidation of the Functional Products Businesses
of the Mitsubishi Chemical Holdings Group
and the Announcement of a Tender Offer for Shares of Mitsubishi Plastics, Inc.**

Mitsubishi Chemical Holdings Corporation (Head office: Minato-ku, Tokyo; President: Ryuichi Tomizawa; hereinafter referred to as "MCHC", and together with MCHC, including all other subsidiaries and affiliates, collectively referred to as "MCHC Group") and its wholly-owned subsidiary, Mitsubishi Chemical Corporation (Head office: Minato-ku, Tokyo; President: Ryuichi Tomizawa; hereinafter referred to as "MCC" or "Company") passed resolutions on taking measures in restructuring and consolidating the functional products businesses of the MCHC Group at the respective meetings of the Board of Directors held today. Here are the measures to take:

- (1) MCC will acquire all the outstanding shares of Mitsubishi Plastics, Inc. (Head office: Chiyoda-ku, Tokyo; President: Akira Kano; hereinafter referred to as "MPI"), excluding any treasury shares held by MPI, through a tender offer (hereinafter referred to as "Tender Offer").
- (2) After completion of the Tender Offer, MCC plans to transfer all the shares of MPI held by MCC to its holding company, MCHC with a target transfer date sometime during the final ten days of September 2007 (hereinafter referred to as "Share Transfer"). Upon the completion of the Share Transfer, MCHC shall directly hold the shares of MPI.

In the event that MCC is unable to acquire all the outstanding shares of MPI in the Tender Offer, MCHC intends to conduct a share exchange subsequent to the Share Transfer in which the remaining outstanding shares of MPI will be exchanged for shares of MCHC in order to make MPI, a wholly-owned subsidiary of MCHC (hereinafter referred to as "Share Exchange"). The proposed effective date of the Share Exchange is October 1, 2007.

- (3) Furthermore, in conjunction with the plans to make MPI, a wholly-owned subsidiary through the Tender Offer, the Share Transfer, and if necessary, the Share Exchange, MCC and the four subsidiaries of the MCHC Group operating within the functional products businesses (hereinafter collectively referred to as "Four Functional Products Business Subsidiaries"): MPI, Mitsubishi Polyester Film Corporation (hereinafter referred to as "MFJ"), Mitsubishi Chemical Functional Products, Inc. (hereinafter referred to as "MKS") and Mitsubishi Chemical MKV Company (hereinafter referred to as "MKV") have entered into a basic agreement relating to the restructuring and consolidation of the Four Functional Products Business Subsidiaries, as well as the functional products businesses currently operated by MCC into a wholly-owned subsidiary of MCHC (hereinafter referred to as "Proposed Restructuring and Consolidation"). The targeted completion date of the Proposed Restructuring and Consolidation is April 1, 2008, with further details to be determined based upon future discussions among the relevant parties.

The objectives and other aspects of the Tender Offer and the Proposed Restructuring and Consolidation of the functional products businesses are described below:

1. Objectives of the Tender Offer and the Proposed Restructuring and Consolidation of the functional products businesses

(1) Background of this Tender Offer

In October 2005, the Company and Mitsubishi Pharma Corporation jointly established a holding company by means of a stock-for-stock exchange.

The MCHC Group is currently implementing various measures directed toward rapid future growth, thoroughgoing business selection and focus on the three business pillars: petrochemicals, performance and functional products, and healthcare in accordance with the mid-term management plan, "KAKUSHIN Plan: Phase 2" (April 1, 2005 to March 31, 2008).

1) Necessity of the Proposed Restructuring and the Consolidation of the Functional Products Businesses in the MCHC Group

As a driver for the growth of the MCHC Group, the Performance and Functional Products Segment accounts for approximately half of the operating profits of the entire Group. The functional products businesses are operated by the Company and the major consolidated subsidiaries of the MCHC Group: MPI (the target of the Tender Offer and in which the Company holds 52.61% of its outstanding shares); MFJ; MKS; MKV. These companies deliver various services, products, and materials, so as to be solution partners for the customers in information and electronics, automobiles, housing and construction, civil engineering, packaging, and products for daily necessities.

In recent years, customers' needs have become increasingly varied, sophisticated, and complex. Within this business environment, the MCHC Group has been delivering new values to the customers with integrated solutions based on technology platforms and accumulated businesses know-how.

In order to be continuously the preferred solution partner under increasingly competitive and complex business environment, the MCHC Group has decided that it is essential to restructure and consolidate the Four Functional Products Business Subsidiaries and the Company's functional products businesses.

2) Details of the Proposed Restructuring and Consolidation and its Effect

In order to realize the Proposed Restructuring and Consolidation, the Company, MCHC, MPI, MFJ, MKS and MKV have reached a basic agreement dated February 8, 2007 that after MCHC makes MPI a wholly-owned subsidiary, the Four Functional Products Business Subsidiaries including the functional products businesses of the Company will be restructured and consolidated into a direct wholly-owned subsidiary (hereinafter referred to as "Consolidated New Company") of MCHC. The Consolidated New Company will be positioned as the core of functional products businesses in the MCHC Group with a target completion date of April 1, 2008 and the details shall be determined later in discussions between the concerned parties.

As the result, the Consolidated New Company will be a subsidiary of the functional products businesses under the overall control of MCHC, its holding company. In order for the Consolidated New Company to be continuously the preferred solution partner under increasingly competitive and complex business environment, it will

accelerate combining businesses and managing resources in the MCHC Group, and bolster in delivering integrated solutions based on technology platforms and accumulated businesses know-how. The Proposed Restructuring and Consolidation is in line with the growth strategy of the MCHC Group.

(2) Regarding MCHC making MPI, a Wholly-Owned Subsidiary

MPI is the core company for the MCHC Group's functional products businesses and is a top class firm having a history of over 60 years as well as having both real abilities and a proven track record in the plastics processing industry. Further, MPI is the Company's directly held consolidated subsidiary to which the Company has maintained a close relationship through the dispatch of directors, officers and others as the largest shareholder since the company's founding.

Prior to launching the Consolidated New Company, MCHC intends to make MPI a wholly-owned subsidiary through the Tender Offer and the series of procedures following it (note that the series of procedures following the Tender Offer set forth below are only proposed and there is no guarantee they will occur). Specifically, as the first stage, the Company shall implement the Tender Offer with the objective of acquiring all the outstanding shares of MPI (however, excluding the shares of MPI already held by the Company and the treasury shares held by MPI. The same being applicable hereinafter). In the Tender Offer no upper or lower limit on the number of shares to be purchased has been established, so the Company will purchase all shares tendered.

Next, as the second stage, following the Tender Offer during or around the later part of September 2007, the Company shall transfer all the shares of MPI held as of that date (hereinafter is referred to as "Transfer") to MCHC, the Company's parent company. MCHC plans to directly hold the shares of MPI.

It is proposed that in the event that all the outstanding shares of MPI cannot be acquired by the Company through the Tender Offer, MCHC shall, after the Transfer with respect to the shares which could not be acquired, as the third stage undertake a share exchange (hereinafter referred to as "Share Exchange") with MPI with MCHC's shares as consideration on October 1, 2007, which will be the effective date of the Share Exchange. Through the proposed Share Exchange, MCHC will make MPI, a wholly-owned subsidiary.

(3) In Regard to the Tender Offer

1) Regarding the determination of the purchase price

The Tender Offer provides an opportunity for all shareholders of MPI to sell the shares they hold at a price more advantageous than the recent market share price. The Company determined the share purchase price of the Tender Offer of 410 yen per share by referring to a share valuation conducted by Nikko Citigroup Limited, a third party appraiser. Nikko Citigroup Limited conducted the valuation of MPI's shares using the historical trading range analysis method, the public market comparables method, and the discounted cash flow method (hereinafter referred to as "DCF method").

The Company made a comparative study of the share valuation using the above noted historical trading range method, public market comparable method, and DCF method. Through such study, because the MPI is a direct subsidiary of the Company and the Company is familiar with its operations, it was decided that the share valuation using the DCF method based on earnings capacity through the future should be taken into consideration. Further, due to the possible existence of factors that could cause fluctuation in the share price of the MPI over the short term, it was decided to also take into consideration each of the share valuation using the public market comparables method. In addition, the Company made a comparative study of the results of the two valuations, and using 1) the lowest value of the share

valuation results based on the DCF method; 2) the average of the lowest value of each share valuation results based on the public market comparables method; 3) the highest value of the share valuation results based on the DCF method; and 4) the average of the highest value of each share valuation results based on the public market comparables method as the basis, the Company determined the range from 375 yen (the average of 1) and 2)) to 413 yen (the average of 3) and 4)) as the share value range for MPI's shares. Further, since it was considered desirable to add a premium to the MPI's market share price level because the purpose of this Tender Offer is to purchase all of MPI's outstanding shares, reference was made to the premium level used for similar transactions in the past, and in addition, as a result of taking into consideration of various factors such as the expected synergies among the Four Functional Products Business Subsidiaries, including MPI, as a result of their consolidation, whether MPI would approve the Tender Offer, the prospects for the results of the Tender Offer, and other factors, the Company has resolved that 410 yen per share is an appropriate tender offer price. This price of the Tender Offer would be an approximate 22% premium to the 336 yen closing share price average of the MPI's shares on the First Section of the Tokyo Stock Exchange for the past 3 month period ended on February 7, 2007.

Because MPI is a subsidiary (hereinafter the term "Subsidiary" shall have the meaning prescribed in Article 2, Item 3 of the Company Law) of the Company as the tender offeror, MPI separately requested Mitsubishi UFJ Securities Co., Ltd., a third party appraiser, to evaluate MPI's share value and obtained such a share valuation report on February 7, 2007. MPI, referring to the contents of this valuation, held a meeting of its board of directors on February 8, 2007 and, as a result of careful examination of the various conditions of the Tender Offer, the five members of the board unanimously concluded that the various conditions of the Tender Offer were appropriate and endorsed the Tender Offer. The directors, at the same time, passed a resolution recommending that all shareholders of the company positively respond to the Tender Offer. Note that there are no directors and officers of the Company serving concurrently as directors of MPI. Also note that Shigeyoshi Murase, who is an executive officer of the Company and is serving concurrently as the outside auditor of MPI, did not participate in the above noted meeting of the board of directors.

- 2) Regarding the proposed Share Exchange and other matters following the Tender Offer (the so-called "Two-Step Acquisition")

In the event that the Company is unable to acquire all of the outstanding shares of MPI, after the Transfer, MCHC is proposing to undertake a Share Exchange (including when undertaken without having obtained approval at a general meeting of shareholders in accordance with the relevant laws and ordinances) with MPI with the effective date of the Share Exchange being October 1, 2007, and through the Share Exchange to make MPI a wholly-owned subsidiary. In the event that a resolution for the approval of the share exchange agreement relating to this Share Exchange is proposed at a general meeting of the shareholders of MPI, the Company plans to support said resolution. At that time, based on the results of the Tender Offer, there may be circumstances, pursuant to Article 784, Paragraph 1 of the Company Law (a so-called summary share exchange), under which the approval of the share exchange agreement relating to this Share Exchange at a general meeting of the shareholders of MPI would be unnecessary.

Based on the Share Exchange, all common stock of MPI not tendered in the Tender Offer shall be exchanged for shares of MCHC and the shareholders of MPI who will be allotted one share or more of MCHC will become shareholders of MCHC on the effective date of the Share Exchange. The share exchange ratio in the Share Exchange shall be determined by an agreement between MCHC and MPI following

the conclusion of the Tender Offer. In the event that a Share Exchange should occur, MCHC currently plans to propose the delivery of MCHC's shares which have an economic value equivalent to the purchase price paid in the Tender Offer for one share of MPI. However, the final share exchange ratio shall be determined through discussion between MCHC and MPI considering the interests of their own shareholders sufficiently in addition to various other factors. The factors to be considered primarily when both parties determine the share exchange ratio will be the valuation of MPI's share used as reference for the determination of the share purchase price of the Tender Offer, the share price trends of MCHC, the third party assessment of the share exchange ratio, the financial conditions and business results of MCHC as well as the financial conditions and business results of MPI going forward, the results of the Tender Offer, and the share price trends of MPI after the Tender Offer. Therefore, there is a possibility that the economic value received by shareholders of MPI in the Share Exchange may exceed, be equivalent to, or be less than the tender offer price of the Tender Offer. Also, at the time of the Share Exchange, the purchase price in the event shareholders of MPI request an appraisal remedy in accordance with the pertinent laws and ordinances, may differ from the share purchase price of the Tender Offer or the economic value received by shareholders of MPI through the Share Exchange.

Furthermore, as set forth in (1) 2) above, after MPI becomes a wholly-owned subsidiary of MCHC, it is planned, with a target completion date of or around April 1, 2008, to restructure and consolidate the Four Functional Products Business Subsidiaries and the functional products businesses currently being operated by the Company into the Consolidated New Company, which will be positioned as the core of the functional products businesses of the MCHC Group. The details of the Proposed Restructuring and Consolidation shall be determined later in discussions between the concerned parties.

3) Delisting of MPI's Shares

The shares of MPI are currently listed on the First Sections of the Tokyo Stock Exchange and the Osaka Securities Exchange. However, if, as a result of the proposed Tender Offer, the "number of shares owned by the special few" as defined in the securities listing regulations of both stock exchanges exceeds 90% of the shares listed at the end of March 2007, the shares of MPI will fall within the share delisting standards of the securities listing regulations of both stock exchanges and that the shares of MPI will be delisted through the prescribed procedures.

It is proposed that in the event all the outstanding shares of MPI cannot be acquired by the Company through the Tender Offer, MCHC shall, with respect to the shares which could not be acquired, undertake a share exchange with MPI using MCHC's shares as consideration in order to make MPI a wholly-owned subsidiary of MCHC. The proposed effective date of the Share Exchange is October 1, 2007. In the event that the Share Exchange is undertaken following the conclusion of the Tender Offer, the shares of MPI will be delisted through the prescribed procedures.

2. Outline of the Tender Offer

(1) Outline of Mitsubishi Plastics, Inc. (as of September 30, 2006)

1) Trade name Mitsubishi Plastics, Inc.

2) Date of incorporation January 1943

3) Description of the business

Manufacturing and sale of food packaging materials, packaging distribution materials, industrial materials, electronic materials, construction and civil engineering materials, building equipment materials, housing materials and environmental materials.

- 4) Location of head office 2-5, 2-chome, Marunouchi, Chiyoda-ku, Tokyo
 5) Name of Representative Akira Kano, President
 6) Capital stock 21,503 million yen
- 7) Major shareholders Mitsubishi Chemical Corporation 52.61%
 Japan Trustee Service Bank, Ltd. Trust Service 2.48%
- 8) Relationship between MCC and MPI
 (Capital relationships) MCC owns 52.61% of the total number of issued shares of MPI.
 (Personnel relationships) MCC has sent one external auditor to MPI.
 (Transactional relationship) MPI has bought 1,614 million yen worth of synthetic resin materials from MCC in FY2005.
 (Relevant status to related parties) MCC places MPI as company subject to consolidation based on principles of consolidated financial statements and standards of power for domination.

(2) Type of Share Certificate being Purchased
 Common Stock

(3) Duration of the Tender Offer
 From Friday, February 9, 2007 through Monday, March 12, 2007 (21business days)

(4) Tender Offer Price
 410 yen per share

(5) Basis of Calculation of Tender Offer Price

[1] The Company determined the share purchase price of the Tender Offer of 410 yen per share by referring to the share valuation conducted by Nikko Citigroup Limited, a third party appraiser. Nikko Citigroup Limited conducted a valuation of the MPI's shares using the historical trading range analysis method, the public market comparables method, and the DCF method.

- i) Using the historical trading range analysis method with February 2, 2007 as the base date, the share price range was set at 334 yen to 363 yen per share. This was based on one-month, three-months and six-months average closing prices and the base date closing price of MPI's shares
- ii) Using the public market comparables method based on a valuation of MPI's shares obtained by comparing market share price and financial indicators, such as profitability, of other listed companies engaged in businesses similar to those engaged in by MPI, the theoretical share price range using the fiscal year ending March 31, 2007 estimated EBITDA multiple was calculated at 396 yen to 419 yen per share, using the fiscal year ending March 31, 2008 estimated EBITDA multiple was calculated at 366 yen to 389 yen per share, and using the fiscal year ending March 31, 2007 estimated PER multiple was calculated at 382 yen to 399 yen per share, and using the fiscal year ending March 31, 2008 estimated PER multiple was calculated at 341 yen to 345 yen per share.
- iii) Using the DCF method, the theoretical share price range was calculated at 379 yen to 437 yen per share. This method calculated firm value and share value by discounting the free cash flow that MPI is expected to produce in the future to present values at a set discount rate, on the basis of MPI's earnings forecasts, capital expenditure plans, and other factors.

[2] The Company made a comparative study of the share valuation using the above noted historical trading range method, public market comparable method, and DCF method. Through such study, because MPI is a direct subsidiary of the Company and the Company is familiar with its operations, it was decided that the

share valuation using the DCF method based on earnings capacity through the future should be taken into consideration. Further, due to the possible existence of factors that could cause fluctuation in the share price of MPI over the short term, it was decided to also take into consideration each of the share valuations using the public market comparables method. In addition, the Company made a comparative study of the results of the two valuations, and using 1) the lowest value of the share valuation results based on the DCF method; 2) the average of the lowest value of each share valuation results based on the public market comparables method; 3) the highest value of the share valuation results based on the DCF method; and 4) the average of the highest value of each share valuation results based on the public market comparables method as the basis, the Company determined the range from 375 yen (the average of 1) and 2)) to 413 yen (the average 3) and 4)) as the share value range of MPI. Further, since it was considered desirable to add a premium to the MPI's market share price level because the purpose of this Tender Offer is to purchase all of MPI's outstanding shares, reference was made to the premium level used for similar transactions in the past, and in addition, as a result of taking into consideration of various factors such as the expected synergies among the Four Functional Products Business Subsidiaries, including MPI, as a result of their consolidation, whether MPI would approve the Tender Offer, the prospects for the results of the Tender Offer, and other factors, the Company has resolved that 410 yen per share is an appropriate tender offer price. This price of the Tender Offer would be an approximate 22% premium to the 336 yen closing share price average of MPI's shares on the First Section of the Tokyo Stock Exchange for the past 3 month period ended on February 7, 2007.

(6) Number of shares to be purchased

101,769,072 shares

(Note 1) The Company will purchase all of the tendered share certificates.

(Note 2) The Company does not plan to acquire treasury shares owned by MPI (297,419 shares as of September 30, 2006) through the Tender Offer.

(Note 3) Shares constituting less than a whole lot shall also be subject to purchase through the Tender Offer. To apply, it is necessary to submit the relevant share certificates (unless such share certificates are kept in custody by the Japan Securities Depository Center, Inc. (the JSDC)) to the Tender Offer Agent or Deputy Agent.

(7) Change in Ownership Percentage of Share Certificates by the Tender Offer

Number of voting rights represented by share certificates owned by the Company on date of submission of notification form	113,299,859 shares	(Ownership percentage of share certificates and other securities before the Tender Offer: 52.61%)
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Number of voting rights represented by share certificates owned by the Company after the Tender Offer	215,068,931 shares	(Ownership percentage of share certificates and other securities after the Tender Offer: 100.00%)
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(Note 1) Ownership percentage of share certificates and other securities before the the Company is based on the number of MPI's issued shares as of September 30, 2006 of 215,366,350 shares.

(Note 2) Number of voting rights represented by share certificates owned by the Company after the Tender Offer is the numbers in the case of purchasing total number of shares to be purchased of 101,769,072 shares.

(Note 3) Ownership percentage of share certificates and other securities after the Tender Offer is calculated on the number (215,068,931 shares) that treasury shares owned by MPI of 297,419 shares are deducted from MPI's outstanding shares of as of September 30, 2006 of 21,366,350.

(8) Date of Public Announcement

Friday, February 9, 2007

The public announcement is to be made electronically and this fact is to be communicated via The Nihon Keizai Shimbun.

(URL for electronic public announcement: <https://info.edinet.go.jp/EdiHtml/main.htm>)

(9) Tender Offer Agent

Daiwa Securities SMBC Co. Ltd. 8-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo

Daiwa Securities Co. Ltd. 6-4, Otemachi 2-chome, Chiyoda-ku, Tokyo

(Note: Daiwa Securities is the subagent of Daiwa Securities SMBC Co. Ltd.)

(10) Capital Needed for Tender Offer

41,725 Million Yen (Scheduled)

(11) Commencement Date of Settlement

Monday, March 19, 2007

3. Existence of Agreement and the Content thereof between Tender Offeror and Target Entity

This Tender Offer and the Proposed Restructuring and Consolidation obtained the approval of the board of directors of MPI.

4. Future Outlook

MCC intends to transfer all of its shares of MPI to its parent company, MCHC sometime during or around the later part of September 2007, after which, MCHC shall directly hold the shares of MPI. In the event that MCC is unable to acquire all outstanding shares of MPI through the Share Transfer, MCHC intends to conduct a share exchange with MPI's shareholders with an effective date of October 1, 2007, using shares of MCHC to make MPI a wholly-owned subsidiary of MCHC. (Note – there may be cases when the share exchange is conducted without approval of the general shareholders' meeting, in accordance with Japanese law.)

The shares of MPI are currently listed on the First Sections of the Tokyo Stock Exchange and the Osaka Securities Exchange. However, if, as a result of the proposed Tender Offer, the "number of shares owned by the special few" as defined in the securities listing regulations of both stock exchanges exceeds 90% of the shares listed at the end of March 2007, the shares of MPI will fall within the share delisting standards of the securities listing regulations of both stock exchanges and that the shares of MPI will be delisted through the prescribed procedures. Moreover, in the event that the Share Exchange is undertaken following the conclusion of the Tender Offer, the shares of MPI will be delisted through the prescribed procedures.

This press release is not, or does not constitute a part of, a solicitation of an offer to sell or an offer to buy any securities. In addition, this press release (or any part thereof) or its distribution does not constitute grounds for any agreement relating to the Tender Offer and may not be relied upon when entering into any agreement.

Some countries or regions impose restrictions on the issue or distribution of this press release under laws or regulations. In such cases, please be aware of such restrictions and comply with such laws or regulations in these countries or regions.

The securities may not be offered or sold in any jurisdiction in which registration is required absent registration or an exemption from registration under the applicable securities laws. Any public offering of securities to be made in the United States must be registered under the U.S. Securities Act of 1933 and made by the means of an English language prospectus containing detailed information about the Company and management, as well as financial statements.

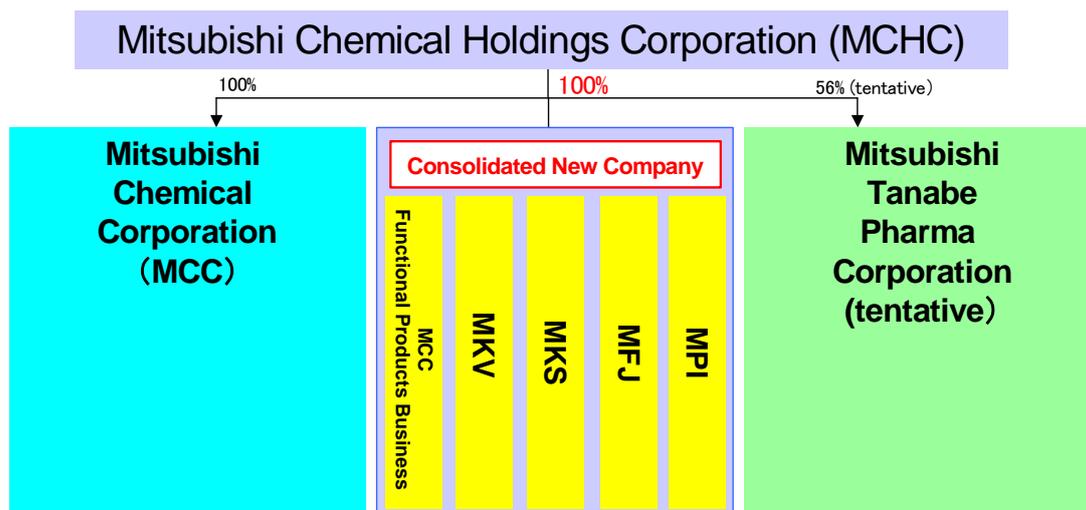
This press release contains “forward looking statements” as defined in Section 27A of the U.S. Securities Act of 1933 and in Section 21E of the U.S. Securities Act of 1934. Forward looking statements are sometimes, but not always, identifiable by their reference to a date in the future or the inclusion of the words such as “anticipates”, “may”, “should”, “expects”, “believes”, “intends”, “plans”, “targets”, “goal”, or “estimates”. Due to known and unknown risks, uncertainties and other factors, actual results may vary materially from the estimates and expectations explicitly or impliedly set forth in the “forward looking statements.” The Company and its affiliated companies make no guarantees regarding the consequent accuracy of the estimates and expectations explicitly or impliedly set forth in the “forward looking statements.” The “forward looking statements” in this press release were prepared based on information held by the Tender Offeror at the time of the date of this press release and, unless otherwise obligated by laws and ordinances, the Tender Offeror and its affiliated companies shall bear no obligation to revise or amend these statements to reflect future events and circumstances.

Notice

Please be advised that anybody who has seen this press release relating to the announcement of MCC's Tender Offer and subsequently purchases shares of MPI of the Tender Offer within 12 hours after the time this press release is first disseminated (February 8, 2007 at 3:15 P.M. (Tokyo time)) can be in violation of the insider trading provisions set forth in Article 167 of Japan's Securities and Exchange Law.

1. New Structure of the MCHC Group

New Structure of the MCHC Group (as of April 2008)



- * MPI: Mitsubishi Plastics Inc. (Group)
- * MFJ: Mitsubishi Polyester Film Corporation (Group)
- * MKS: Mitsubishi Chemical Functional Products, Inc. (Group)
- * MKV: Mitsubishi Chemical MKV Company (Group)

2. Outline of the Consolidated New Company

Net sales*: 388.0 billion yen
 Number of employees: Approximately 6,800
 New company name: Mitsubishi Plastics, Inc. (tentative)
 Establishment date: April 1, 2008 (scheduled)

* The figure is the FY2006 projected MCHC consolidated net sales for the functional products businesses in the Performance and Functional Products Segment. Therefore, the figure does not show the net sales of the Consolidated New Company at the time of establishment.