

October 4, 2007

Mitsubishi Chemical Holdings Corporation

Notice of Cancellation of Treasury Stock
(Cancellation of Treasury Stock Pursuant to Article 178 of the Company Law)

Mitsubishi Chemical Holdings Corporation (Head office: Minato-ku, Tokyo; President: Yoshimitsu Kobayashi; hereinafter referred to as “MCHC”) passed a resolution at the meeting of its Board of Directors held on October 4, 2007 to cancel shares of its common stock pursuant to Article 178 of the Company Law as follows:

1. Reasons for the cancellation

Of the treasury stock we currently own (436,796,907 shares as of September 30, 2007), 434,049,642 shares were originally issued to Mitsubishi Chemical Corporation and Mitsubishi Pharma Corporation in connection with the establishment of MCHC as a holding company in October 2005 pursuant to a stock-for-stock exchange, and such shares were purchased by MCHC in September 2006 from the two subsidiaries.

Although we initially planned to utilize the above treasury stock in connection with strategic investments, we consummated our high-priority alliance relating to our pharmaceutical business and Mitsubishi Tanabe Pharma Corporation was established on October 1, 2007 without the distribution of any treasury stock, and thus we resolved to cancel shares of treasury stock at this timing as set forth below.

In addition, we plan to continue holding the remaining treasury stock for purposes of utilizing them in connection with the exercise of stock acquisition rights related to the Euro yen guaranteed convertible bonds due 2011 and 2013.

2. Description of cancellation

- | | | |
|-----|-----------------------------------|--------------------------------------------------------------------------------------|
| (1) | Type of stock to be cancelled: | Common Stock of MCHC |
| (2) | Number of shares to be cancelled: | 300,000,000 shares (representing 16.6% of total issued shares prior to cancellation) |
| (3) | Scheduled date of cancellation: | October 31, 2007 |

[Reference]

1. Prior to the cancellation

- (1) Number of issued shares: 1,806,288,107 shares
- (2) Number of shares of treasury stock: 436,796,907 shares^(*1)

(*1) The above number of shares of treasury stock is as of September 30, 2007.

2. After the cancellation

- (1) Number of issued shares: 1,506,288,107 shares
- (2) Number of shares of treasury stock: 129,463,647 shares (scheduled)^(*2)

(*2) The above number of shares of treasury stock after the cancellation is based on the number of shares of treasury stock as of September 30, 2007, or 436,796,907 shares, minus the number of shares distributed in connection with the exchange with shares of Mitsubishi Plastics on October 1, 2007, or 7,333,260 shares (theoretical figure).

For further information, please contact:

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