

Mitsubishi Chemical Holdings Corporation
Condensed Consolidated Financial Information
for the First Quarter of the Fiscal Year Ending March 31, 2015



1. Business Results for the First Quarter of the Fiscal Year Ending March 31, 2015 ("FY2014")
(Business period: April 1, 2014 to June 30, 2014)

Millions of Yen		Thousands of U.S. Dollars
The First Quarter of the Current Fiscal Year ("FY2014") April 1, 2014 - June 30, 2014	The First Quarter of the Previous Fiscal Year ("FY2013") April 1, 2013 - June 30, 2013	The First Quarter of the Current Fiscal Year ("FY2014") April 1, 2014 - June 30, 2014

(1) Results of Operations:

Net sales	810,909	781,258	8,028,802
Operating income	29,503	23,530	292,109
Income before income taxes and minority interests in consolidated subsidiaries	23,453	28,552	232,208
Net income	5,858	11,015	58,000
Comprehensive income	13,015	45,543	128,861

(Yen)

(U.S. Dollars)

Net income per share -Basic	3.97	7.47	0.04
Net income per share -Diluted	3.97	7.18	0.04

(2) Segment Information:

[Net Sales by Segment]

Electronics Applications	28,545	28,433	282,624
Designed Materials	194,823	179,182	1,928,941
Health Care	122,844	125,607	1,216,277
Chemicals	211,798	223,235	2,097,010
Polymers	203,608	180,812	2,015,921
Others	49,291	43,989	488,030
Total	810,909	781,258	8,028,802

[Operating Income (loss) by Segment]

Electronics Applications	(368)	(1,211)	(3,644)
Designed Materials	12,944	11,481	128,158
Health Care	15,964	18,249	158,059
Chemicals	501	(1,392)	4,960
Polymers	1,530	(1,414)	15,149
Others	309	(467)	3,059
Elimination & corporate	(1,377)	(1,716)	(13,634)
Total	29,503	23,530	292,109

Millions of Yen		Thousands of U.S. Dollars
As of June 30, 2014	As of March 31, 2014	As of June 30, 2014

(3) Financial Position:

Total assets	3,475,613	3,479,359	34,412,010
Inventories	588,097	591,107	5,822,743
Property, plant and equipment	1,107,090	1,118,050	10,961,287
Short-term and long-term debts	1,278,804	1,258,186	12,661,426
Shareholders' equity*	887,319	900,803	8,785,337
Ratio of shareholders' equity to total assets (%)	25.5	25.8	

* Net assets excluding share subscription rights and minority interests

Millions of Yen	
The First Quarter of FY2014	The First Quarter of FY2013
April 1, 2014 - June 30, 2014	April 1, 2013 - June 30, 2013

Thousands of U.S. Dollars
The First Quarter of FY2014
April 1, 2014 - June 30, 2014

(4) Cash Flows:

	Millions of Yen	Millions of Yen	Thousands of U.S. Dollars
Net cash provided by operating activities	71,935	30,022	712,228
Net cash used in investing activities	(68,565)	(24,154)	(678,861)
Net cash provided by financing activities	9,109	3,378	90,188
Cash and cash equivalents at end of the period	190,393	171,021	1,885,079

(5) Ratio of Net Income to:

(%)

Shareholders' equity**	0.6	1.3
Total assets**	0.1	0.3
Net sales	0.7	1.4

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

Notes:

- From the first quarter of FY2014, the Company applied the "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26, May 17, 2012) and the "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, May 17, 2012), in accordance with the provisions stated in paragraph 35 of "Accounting Standard for Retirement Benefits" and paragraph 67 of "Guidance on Accounting Standard for Retirement Benefits". According to the transitional treatment provided in paragraph 37 of "Accounting Standard for Retirement Benefits", the effect of this change was recognized by adjusting retained earnings at the beginning of the first quarter of FY2014. As a result, retained earnings decreased by 13,343 million yen at the beginning of the first quarter of FY2014. The effect of this change on operating income, ordinary income, and income before income taxes and minority interests in consolidated subsidiaries is immaterial.
- Effective from FY2014, certain businesses (including businesses in consolidated subsidiaries) have been reclassified from the Health Care segment to the Designed Materials segment. Accordingly, segment information for FY2013 is restated to match.
- 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 101 yen to US\$1, the approximate exchange rate prevailing in the Tokyo foreign exchange market at the end of June 2014.

2. Forecast for the Current Fiscal Year

	Millions of Yen	
	The First Half of FY2014	FY2014
	April 1, 2014 - June 30, 2014	April 1, 2014 - June 30, 2013
Net sales	1,720,000	3,530,000
Operating income	56,500	136,000
Net income	10,000	38,000
		(Yen)
Net income per share -Basic	6.79	25.81

Thousands of U.S. Dollars	
The First Half of FY2014	FY2014
April 1, 2014 - September 30, 2014	April 1, 2014 - March 31, 2015
17,029,703	34,950,495
559,406	1,346,535
99,010	376,238
	(U.S. dollar)
0.07	0.26

Note:

There is no revision to the forecast for FY2014 from those announced on May 12, 2014.

3. Business Performance and Financial Position

(1) Business Performance

1) Consolidated Performance for the First Quarter of the Fiscal Year Ending March 31, 2015 (Fiscal 2014)

Overview of General Performance

In the business environment surrounding the Mitsubishi Chemical Holdings Group during the first quarter of fiscal 2014, the Performance Products and Industrial Materials domains continued trends toward a mild recovery in demand due to the effect of monetary and fiscal policies in Japan among other factors, despite ongoing concerns about the outlook for overseas economies. The Health Care domain faced severe conditions with drug price revisions implemented this April, the expansion of generic drug use, and other factors in Japan, despite favorable sales figures of license-out products in overseas markets.

Under the circumstances, the consolidated financial results for the first quarter of fiscal 2014 compared to the same period of the previous fiscal year were as follows. Net sales increased by ¥29.6 billion, or 3.8%, to ¥810.9 billion. Owing to strong demand for items such as display-related products centering on touch panels, in addition to a differential improvement between raw material costs and product prices in the Industrial Materials domain, operating income increased by ¥6.0 billion, or 25.4%, to ¥29.5 billion, and ordinary income increased by ¥4.3 billion, or 17.7%, to ¥28.8 billion. Net income decreased by ¥5.1 billion, or 46.8%, to ¥5.9 billion, due to extraordinary losses associated with the shutdown of the No. 1 ethylene production facility and the No. 1 benzene production facility at the Mitsubishi Chemical Corporation Kashima Plant in May 2014 and other factors.

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 increased by ¥0.2 billion, or 0.7%, to ¥28.6 billion. Operating losses decreased by ¥0.8 billion, to ¥0.4 billion.

In recording media, net sales decreased due to an overall decline in sales volumes, which was due partly to reduction in the size of the DVD market. In Information and electronics-related materials, net sales increased due to higher sales volumes despite the downward trend of sales pricing in phosphors

for LEDs and display materials and demand for precision cleaning and recycling for semiconductors remained in recovery trend In imaging supplies, net sales increased as domestic demand remained generally strong for OPC drums, toners, and chemical toners.

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 increased by ¥15.6 billion, or 8.7%, to ¥194.8 billion. Operating income increased by ¥1.4 billion, or 12.2%, to ¥12.9 billion.

In food ingredients, business continued favorably. In battery materials, net sales increased due to an increase in sales volumes in materials for automobile batteries, despite trends toward decreasing selling prices in general. In fine chemicals, net sales increased due to continued generally strong demand for coating materials for automobiles, and so on. In polymer processing products, net sales increased due to higher sales volumes of engineering plastic-related products and continued generally strong demand of films for touch panel displays. In composite materials, net sales increased significantly due to continuing strength in sales of carbon fibers and alumina fibers. In inorganic chemicals, net sales increased due to trends toward recovery in demand. In fibers, net sales remained the same level as the demand situation remained generally favorable.

Major initiatives in the Designed Materials segment during the first quarter of fiscal 2014 included:

- Mitsubishi Chemical Corporation and its consolidated subsidiaries — The Nippon Synthetic Chemical Industry Co., Ltd. and Chuo Rika Kogyo Corporation — announced establishment of a new company to strengthen emulsion business operations of Nippon Synthetic Chemical Industry and Chuo Rika Kogyo by merging their manufacturing divisions. (April)
- Mitsubishi Rayon Co., Ltd. announced that the company has decided to expand production capacity of the carbon fiber plant at Mitsubishi Rayon Carbon Fiber and Composites, Inc. to serve the growing global demand especially in the North American market. (Production capacity: 2,000t/y; capacity increase: 2,000t/y) (June)

Health Care Segment, Health Care Domain

(Pharmaceuticals, Diagnostic reagents and instruments, Clinical testing, Pharmaceutical formulation materials)

Net sales in this segment decreased by ¥2.8 billion, or 2.2%, to ¥122.8 billion. Operating income decreased by ¥2.2 billion, or 12.1%, to ¥16.0 billion.

In the pharmaceutical business, net sales decreased due to drug price revisions implemented this April, the expanding impact of generic drugs, and other factors, despite an increase in royalty revenues of *Gilenya*, a treatment for multiple sclerosis, and *Invokana*, a treatment for type 2 diabetes mellitus. In diagnostic reagents and instruments and clinical testing, net sales decreased due to a decline in sales volume of the new pharmaceutical development support business, despite continued strong sales in diagnostics. Net sales of pharmaceutical formulation materials in Qualicaps Co., Ltd., which became a consolidated subsidiary of Mitsubishi Chemical Holdings Corporation as of March 2013, have been included since the first half of fiscal 2013 and its sales remained strong.

Major initiatives in the Health Care segment during the first quarter of fiscal 2014 included:

- Mitsubishi Tanabe Pharma Corporation announced that the company has reached an agreement with Sawai Pharmaceutical Co., Ltd. regarding the transfer of the Kashima Plant of Mitsubishi Tanabe Pharma Factory Ltd., which is a consolidated subsidiary of Mitsubishi Tanabe Pharma, to Sawai Pharmaceutical. (June)

Chemicals Segment, Industrial Materials Domain

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

Net sales in this segment decreased by ¥11.5 billion, or 5.2%, to ¥211.8 billion. Operating income increased by ¥1.9 billion, to ¥0.5 billion mainly due to the differential improvement between raw material costs and product prices.

The production volume of ethylene, a basic raw material of petrochemicals, was 194 thousand tons, a decrease of 20.8%, due mainly to the shutdown of the No. 1 ethylene production facility and the No. 1 benzene production facility at the Mitsubishi Chemical Corporation Kashima Plant in May 2014 and a scale-up of regular maintenance of production facilities, despite trends toward recovery in demand. In basic petrochemicals and chemical derivatives, net sales decreased, primarily due to a decrease in sales volumes associated with the scale-up of regular maintenance of production facilities. In synthetic fiber materials, net sales for terephthalic acid decreased due to the sluggish market situation brought about in part by a surplus of supply capacity, despite an increase in sales volumes in India. In carbon products, net sales of blast furnace coke decreased due to lower selling prices responding to a drop in coking coal prices, even though demand remained generally favorable.

Polymers Segment, Industrial Materials Domain

(Synthetic resins)

Net sales in this segment increased by ¥22.8 billion, or 12.6%, to ¥203.6 billion. Operating income increased by ¥2.9 billion, to ¥1.5 billion, due mainly to a differential improvement between raw material

costs and product prices, primarily in polyolefins.

In synthetic resins, net sales increased considerably, due mainly to trends toward a gradual recovery in domestic demand for polyolefins, an overall selling price adjustment stemming from raw material and fuel price increases for polyolefins and MMA monomers, and despite a decrease in sales volume associated with a scale-up of regular maintenance of production facilities in the phenol/polycarbonate chain.

Major initiatives in the Polymers segment during the first quarter of fiscal 2014 included:

- Mitsubishi Rayon Co., Ltd. and Mitsui & Co., Ltd. have signed a memorandum of understanding to commence detailed feasibility studies on the possibility of establishing a joint venture in the U.S. to produce methyle methacrylate (MMA) monomer. Mitsubishi Rayon and Mitsui have also entered into a non-binding material terms agreement with The Dow Chemical Company concerning potential partial supply of feedstock from Dow to the joint venture through Mitsui for the production of MMA monomer and the potential supply of MMA monomer from the joint venture to Dow. (June)
- Mitsubishi Rayon Co., Ltd. announced establishment of The Saudi Methacrylates Company, a joint venture with Saudi Basic Industries Corporation. The joint venture will manufacture MMA monomer (capacity: 250,000t/y) and PMMA (capacity: 40,000t/y) in Al-Jubail, Saudi Arabia. Orders for construction of the related plants have been placed with the CTCL Corporation in Taiwan. (June)

Others

(Engineering, Logistics, and Warehousing)

Net sales in this segment increased by ¥5.3 billion, or 12.0%, to ¥49.3 billion. Operating income increased by ¥0.8 billion, to ¥0.3 billion.

In engineering and logistics, net sales increased primarily due to the steady performance of engineering and logistics in general.

Group in general

A major initiative in the Group in general other than the above-mentioned segments during the first quarter of fiscal 2014 included:

- Mitsubishi Chemical Holdings Corporation and Taiyo Nippon Sanso Corporation announced that each company executed a master agreement to further enhance their mutual capital and business alliance relationships and to improve the corporate value of both companies. Mitsubishi Chemical Holdings will take steps to acquire majority voting rights in Taiyo Nippon Sanso through a tender

offer for the company's common shares. (May)

- Mitsubishi Chemical Holdings Corporation announced that the company would voluntarily adopt the International Financial Reporting Standards (IFRS) beginning in fiscal 2016, in place of the Japanese Generally Accepted Accounting Principles currently used. The company will disclose its consolidated financial statements under IFRS beginning in fiscal 2016. (May)

4. Consolidated Financial Position

At the end of the first quarter of fiscal 2014, total assets amounted to ¥3,475.6 billion, a decrease of ¥3.8 billion compared to the end of fiscal 2013, due primarily to a decrease in the yen equivalent of overseas subsidiary assets in accordance with the appreciation of the yen.

5. Consolidated Financial Results Forecasts for Fiscal 2014

The consolidated financial results forecasts for fiscal 2014 announced on May 12, 2014 have not been revised.

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 [7] hereof.