

Operational Summary

for the First Quarter of the Fiscal Year Ending March 31, 2014

August 1, 2013

Mitsubishi Chemical Holdings Corporation

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List of Abbreviations

FY2013: April 1, 2013 - March 31, 2014
1st Quarter ("1Q") of FY2013: April 1, 2013 - June 30, 2013
1st Half ("1H") of FY2013: April 1, 2013 – September 30, 2013

FY2012: April 1, 2012 - March 31, 2013
1st Quarter ("1Q") of FY2012: April 1, 2012 - June 30, 2012

(Note)

Divisional numbers of following "business sub-segments" under the business segments of Designed Materials, Health Care, Chemicals, or Polymers are approximation for reference purpose only:

Functional Products

Performance Chemicals

Pharmaceuticals

Diagnostics and Pharmaceutical Ingredients/Formulations

Petrochemicals

Carbon

Polyolefins and Advanced Polymers

MMA Monomers and Polymers

Consolidated Statements of Operations

	99.2	79.8	19.4	95.0	
Exchange rate (¥/US\$)					
Exchange rate used to convert income statements for foreign subsidiaries with calendar-year accounting period (¥/US\$)	92.6	79.8	12.8	93.8	
Naphtha price (¥/kl)	65,500	60,600	4,900	64,000	
	(Billions of Yen)			(Reference)	
	1Q of FY2013	1Q of FY2012	Change	1H of FY2013 (forecast on May 9)	% to 1H forecast
Net sales	781.3	760.3	21.0	1,660.0	47%
Operating income	23.5	15.6	7.9	57.0	41%
Income (Expenses) on financing activities	(1.0)	(0.8)	(0.2)	(4.0)	
[Dividend income included in above]	[2.3]	[2.4]	[(0.1)]	[3.0]	
Equity in earnings of non-consolidated subsidiaries and affiliates	0.7	0.7	0.0	1.5	
Other non-operating income (expenses)	1.3	(3.5)	4.8 (a)	(5.0)	
Ordinary income	24.5	12.0	12.5	49.5	49%
Extraordinary gain	4.7	2.8	1.9	6.0	
Extraordinary loss	(0.6)	(7.1)	6.5	(6.0)	
Income before income taxes and minority interests	28.6	7.7	20.9	49.5	
Current and deferred income taxes	(12.8)	(8.7)	(4.1)	(22.0)	
Income (Loss) before minority interests	15.8	(1.0)	16.8	27.5	
Minority interests in consolidated subsidiaries	(4.8)	(4.6)	(0.2)	(13.0)	
Net income (loss)	11.0	(5.6)	16.6	14.5	76%
Comprehensive income attributable to:	45.5	14.6	30.9		
Shareholders of the parent	36.0	7.6	28.4		
Minority interests	9.5	7.0	2.5		

Major reasons for the change:

(a) Other non-operating income (expenses) +4.8: Net of foreign exchange gain and loss +5.9

Consolidated Net Sales and Operating Income by Business Segment

(Billions of Yen)

		1Q of FY2013	1Q of FY2012	Change
Total	Net Sales	781.3	760.3	21.0
	Operating income	23.5	15.6	7.9
Electronics Applications	Net Sales	28.4	30.8	(2.4)
	Operating income	(1.2)	(0.4)	(0.8)
Designed Materials	Net Sales	177.2	167.2	10.0
	Operating income	11.1	3.8	7.3
Health Care	Net Sales	127.6	127.6	0.0
	Operating income	18.6	20.9	(2.3)
Chemicals	Net Sales	223.3	219.6	3.7
	Operating income	(1.4)	(7.7)	6.3
Polymers	Net Sales	180.8	171.1	9.7
	Operating income	(1.4)	0.6	(2.0)
Others	Net Sales	44.0	44.0	0.0
	Operating income	(0.5)	0.3	(0.8)
Corporate	Net Sales	-	-	-
	Operating income	(1.7)	(1.9)	0.2

Consolidated Net Sales and Operating Income by Business Sub-segment

(Billions of Yen)

			1Q of FY2013	1Q of FY2012	Change
Electronics Applications		Net Sales	28.4	30.8	(2.4)
		Operating income	(1.2)	(0.4)	(0.8)
Designed Materials	Functional Products	Net Sales	121.6	115.6	6.0
		Operating income	5.5	0.7	4.8 (a)
	Performance Chemicals	Net Sales	55.6	51.6	4.0
		Operating income	5.6	3.1	2.5 (b)
Health Care	Pharmaceuticals	Net Sales	103.9	104.4	(0.5)
		Operating income	17.4	20.0	(2.6) (c)
	Diagnostics and Pharmaceutical Ingredients/Formulations	Net Sales	23.7	23.2	0.5
		Operating income	1.2	0.9	0.3

Major reasons for the change:

- (a) Increased margin of export products due to the depreciation of yen and increased sales for polyester films and carbon fiber
- (b) Increased margin of export products due to the depreciation of yen and increased sales for OPL film
- (c) Decreased margin due to product mix and increase in research and development cost as opposed to increased royalty revenues from abroad.

Consolidated Net Sales and Operating Income by Business Sub-segment (Continued)

(Billions of Yen)

			1Q of FY2013	1Q of FY2012	Change
Chemicals	Petrochemicals	Net Sales	171.7	158.9	12.8
		Operating income	(3.9)	(9.9)	6.0
	Carbon	Net Sales	51.6	60.7	(9.1) (a)
		Operating income	2.5	2.2	0.3
Polymers	Polyolefins and Advanced Polymers	Net Sales	112.7	105.8	6.9
		Operating income	(1.2)	(1.6)	0.4
	MMA Monomers and Polymers	Net Sales	68.1	65.3	2.8
		Operating income	(0.2)	2.2	(2.4) (b)

Inventory valuation gain/loss	1Q of FY2013	1Q of FY2012	Change
Chemicals (Petrochemicals)	(1.4)	1.5	(2.9)
Chemicals (Carbon)	0.2	(0.2)	0.4
Polymers (Polyolefins and Advanced Polymers)	3.6	4.2	(0.6)
Total	2.4	5.5	(3.1)

Major reasons for the change:

- (a) Increased margin for Benzene due to market recovery, increased margin and cost reduction for PTA.
 (b) Decreased margin for MMA due to the stagnant market in Asia.

Analysis of Operating Income

(1Q of FY2013 vs. 1Q of FY2012)

(Billions of Yen)

	1Q of FY2013	1Q of FY2012	Change	Analysis			
				Price	Volume	Cost reduction	Others *1
Total	23.5	15.6	7.9	3.1	3.6	5.6	(4.4)
Electronics Applications	(1.2)	(0.4)	(0.8)	(0.7)	(1.0)	1.1	(0.2)
Designed Materials	11.1	3.8	7.3	1.2	3.6	1.2	1.3
Health Care	18.6	20.9	(2.3)	(0.2)	(0.8)	0.2	*2 (1.5)
Chemicals	(1.4)	(7.7)	6.3	4.2	2.5	1.9	(2.3)
Polymers	(1.4)	0.6	(2.0)	(1.4)	(0.1)	1.0	(1.5)
Others	(0.5)	0.3	(0.8)	0.0	(0.6)	0.2	(0.4)
Corporate	(1.7)	(1.9)	0.2	0.0	0.0	0.0	0.2

*1 Others contain impact of the unification of depreciation method.

*2 Included increase in research and development cost and the impact of the transfer of the plasma fractionation operations

Consolidated Extraordinary Gain (Loss)

	(Billions of Yen)		
	1Q of FY2013	1Q of FY2012	Change
Net of extraordinary gain and loss	4.1	(4.3)	8.4
Extraordinary gain	4.7	2.8	1.9
Gain on sales of investment securities	2.7	0.5	2.2
Gain on negative goodwill	1.6	1.7	(0.1)
Others	0.4	0.6	(0.2)
Extraordinary loss	(0.6)	(7.1)	6.5
Loss on sales and retirement of property, plant and equipment	(0.5)	(0.4)	(0.1)
Others	(0.1)	* (6.7)	6.6

*Included 4.0 billion yen of business structure improvement expenses.

Consolidated Cash Flows

	Based on statements of cash flows		Adjusted by excluding cash flows from investment of surplus funds	
	1Q of FY2013	1Q of FY2012	1Q of FY2013 Excluded 14.2 billion yen	1Q of FY2012 Excluded 0.5 billion yen
Net cash provided by operating activities	30.0	38.1	30.0	38.1
Income before income taxes and minority interests	28.6	7.7	28.6	7.7
Depreciation and amortization	28.8	31.2	28.8	31.2
Amortization of goodwill	3.1	2.9	3.1	2.9
Change in operating receivables/payables	(13.8)	10.4	(13.8)	10.4
Change in Inventories	6.5	(7.6)	6.5	(7.6)
Others	(23.2)	(6.5)	(23.2)	(6.5)
Net cash used in investment activities	(24.2)	(30.8)	(38.4)	(31.3)
Capital expenditure	(26.2)	(30.4)	(26.2)	(30.4)
Sales of fixed assets and investment securities	11.4	1.9	11.4	1.9
Investment and loans receivable etc.	(9.4)	(2.3)	(23.6)	(2.8)
Free cash flow	5.8	7.3	(8.4)	6.8
Net cash used in financing activities	3.4	(20.5)		
Interest-bearing debts	19.3	(4.0)		
Dividends, etc.	(15.9)	(16.5)		
Increase (Decrease) in cash and cash equivalents	9.2	(13.2)		
Effect of exchange rate changes and change in scope of consolidation	8.7	4.1		
Cash and cash equivalents at the end of the period	171.0	123.9		

(Billions of Yen)

Consolidated Balance Sheets

(Billions of Yen)

	Jun. 30, 2013	Mar. 31, 2013	Change
Cash and deposits	125.1	116.0	9.1
Inventories	551.8	547.0	4.8
Trade receivables	589.8	588.2	1.6
Others	197.4	205.5	(8.1)
Current assets	1,464.1	1,456.7	7.4
Tangible and intangible fixed assets	1,168.4	1,126.8	41.6
Goodwill	175.6	179.9	(4.3)
Investment and Others	541.2	544.4	(3.2)
Non-current assets	1,885.2	1,851.1	34.1
Total assets	3,349.3	3,307.8	41.5

(Billions of Yen)

	Jun. 30, 2013	Mar. 31, 2013	Change
Interest-bearing debts	1,234.2	1,198.8	35.4
Trade payables	406.4	417.0	(10.6)
Others	479.7	488.7	(9.0)
Liabilities	2,120.3	2,104.5	15.8
Shareholders' equity	837.6	835.5	2.1
Accumulated other comprehensive income	5.0	(20.0)	25.0
Minorities interests, etc.	386.4	387.8	(1.4)
Net assets	1,229.0	1,203.3	25.7
Total liabilities and net assets	3,349.3	3,307.8	41.5

Net interest-bearing debts (*1)	970.4	938.6	31.8
Net D/E ratio	1.15	1.15	0.00
Net D/E ratio (incl. Minority interests in the denominator)	0.79	0.78	0.01

Shareholders' equity (*2)	842.6	815.5	27.1
Shareholders' equity ratio	25.1%	24.6%	0.5%

*1. Net interest-bearing debts (970.4 billion yen)
 = interest-bearing debts (1,234.2 billion yen)
 - (cash and cash equivalents (171.0 billion yen) + investments of surplus funds (92.8 billion yen))

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

Consolidated Statements of Comprehensive Income

Exchange rates	Mar. 2013	Dec. 2012
	Jun. 2013	Mar. 2013
For subsidiaries with calendar-year accounting period (¥/US\$)	94.1	86.6
For subsidiaries with April-March accounting period (¥/US\$)	98.6	94.1
For subsidiaries with calendar-year accounting period (¥/€)	120.7	114.7
For subsidiaries with April-March accounting period (¥/€)	128.5	120.7

(Billions of Yen)

	1Q of FY2013	1Q of FY2012	Change
Net income (loss)	11.0	(5.6)	16.6
Minority interests in consolidated subsidiaries	4.8	4.6	0.2
Income (Loss) before minority interests	15.8	(1.0)	16.8
Other comprehensive income (loss):			
Net unrealized holding gain (loss) on other securities	6.5	(7.4)	13.9
Gain (Loss) on deferred hedges	(0.2)	(0.5)	0.3
Foreign currency translation adjustments	21.3	22.7	(1.4)
Unfunded retirement benefit obligation with respect to a foreign subsidiary	0.2	0.5	(0.3)
Other comprehensive income of affiliates accounted for using equity method	1.9	0.4	1.5
Other comprehensive income, net	29.7	15.7	14.0
Total comprehensive income	45.5	14.6	30.9
Total comprehensive income attributable to:			
Shareholders of the parent	36.0	7.6	28.4
Minority interests	9.5	7.0	2.5

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, marketing conditions and the effects of industry competition.