

NOTE:

Please note that this is a summary translation of the Notice of Meeting in Japanese only for the reference of foreign investors and is not official texts and the voting form is not attached. The official Notice has been mailed to the custodian in Japan of each foreign shareholder. The company is not responsible for the accuracy or completeness of the translation.

June 7, 2007

To Shareholders:

Notice of the Second Ordinary General Meeting of Shareholders

On behalf of the Board, I would like to thank you, our shareholders, for your continued support.

Mitsubishi Chemical Holdings Corporation (hereinafter the "Company") cordially invites you to attend the Second Ordinary General Meeting of Shareholders to be held on the date and at the venue specified below.

If you are unable to attend the meeting, please read the "Reference Materials for the General Meeting of Shareholders" attached hereto and exercise your voting rights by one of the following methods.

1. Vote-By-Mail:

If you vote by mail, please indicate your approval or disapproval of the proposals on the enclosed Card for Exercise of Voting Rights and return it to the company to arrive by 5:00 p.m. on June 25, 2007.

2. Vote-By-Internet:

If you vote by Internet, please access the Company's voting website (<http://www.evotep.jp/>) from your personal computer and indicate your approval or disapproval of the proposals by 5:00 p.m. on June 25, 2007.

(Supplemental Note: Foreign investors, who hold the Company's shares through custodians in Japan, may not vote by mail or Internet. The official Notice and the CARD FOR EXERCISE OF VOTING RIGHTS have been mailed to each custodian in Japan. The foreign investors are kindly requested to indicate their agreement or disagreement on the proposals to the custodians.)

Sincerely yours,

Yoshimitsu Kobayashi
President
Mitsubishi Chemical Holdings Corporation

1. **Date:** Tuesday, June 26, 2007, at 10:00 a.m.
2. **Venue:** Mitsubishi Chemical Holdings Bldg.8th Floor Conference Hall
14-1, Shiba 4-chome, Minato-ku, Tokyo

3. **Agenda:**

Matters to be Reported:

- Item 1. The contents of Business Report, Consolidated Financial Statements, and results of audit by Accounting Auditors and Board of Corporate Auditors of Consolidated Financial Statements for the second fiscal year from April 1, 2006, to March 31, 2007.
- Item 2 The contents of Financial Statements for the second fiscal year from April 1, 2006, to March 31, 2007.

Matters to be Resolved:

- Agendum 1. Appropriation of Retained Earnings
- Agendum 2. Election of 9 Directors
- Agendum 3. Election of 1 Corporate Auditor
- Agendum 4. Election of Accounting Auditor

4. **Guidance Notes on the Exercise of Voting Rights**

Please refer to “Exercise of Voting Rights” attached hereto.

(When attending the meeting, please submit the enclosed Card for Exercise of Voting Rights to reception at the meeting venue.)

(Supplemental Note to foreign investors who hold the Company’s shares through custodians in Japan:

The official Notice and the Card for Exercise of Voting Rights have been mailed to each custodian in Japan. The foreign investors are kindly requested to indicate their agreement or disagreement on the proposals to the custodians.)

Exercise of Voting Rights

1. Exercising Voting Rights by Proxy

If you are unable to attend the Ordinary General Meeting of Shareholders, you may have another shareholder with voting rights attend the meeting as your proxy. Please be aware that a written statement attesting to the right of proxy must be submitted.

2. Handling of Redundant Voting

In the case the Card for Exercise of Voting Rights is submitted by mail and voting rights are exercised via the Internet, votes placed over the Internet will be considered effective.

If voting rights are exercised multiple times over the Internet, the final vote cast will be considered effective.

3. Notification Method for Revisions to Information Contained in the Reference Materials for the General Meeting of Shareholders, Business Report, Financial Statements, or Consolidated Financial Statements

Please be aware that if it becomes necessary to revise information contained in the Reference Materials for the General Meeting of Shareholders, Business Report, Financial Statements, or Consolidated Financial Statements, the revised information will be posted on the Company's website (<http://www.mitsubishichem-hd.co.jp>).

4. How to Exercise Voting Rights Using the Internet

- 1) Only exercise your voting rights via the Internet after reviewing the following information. If anything is unclear, please contact the help desk stated in section 2) below.
 - a. Voting rights can be exercised via the Internet only by using a computer to access the voting website designated by the Company (<http://www.evotep.jp>). (However, votes cannot be cast from 2:00 a.m. to 5:00 a.m. each day.)
 - b. You may not be able to vote through the website depending on your Internet usage environment, such as if you connect to the Internet through a firewall, have anti-virus software installed, or use a proxy server. Also, please be aware that you will not be able to vote when using a mobile phone, PDA, game console, or other such device to access the Internet.
 - c. Use the Login ID and Temporary Password indicated on the right-hand side of the Card for Exercise of Voting Rights and indicate your approval or disapproval following the instructions on the screen. Please be aware that in order to prevent improper access or vote altering by non-shareholders you will be asked to change your Temporary Password on the voting site the first time you log in. The Login ID and Temporary Password are only effective for this General Meeting of Shareholders.
 - d. In exercising your voting rights via the Internet you may be required to pay connection charges to your Internet provider or communications charges (phone charges) to your communications carrier. Please be aware that you are responsible for such charges.

2) Inquiries

- a. Inquiries regarding the exercise of voting rights via the Internet
Mitsubishi UFJ Trust and Banking Corporation
Corporate Agency Division
(Help Desk)
Phone: 0120-173-027 (toll-free)
Hours: 9:00 a.m. to 9:00 p.m. (including weekends and holidays)
- b. Other inquiries
Bank of Tokyo-Mitsubishi UFJ Corporate Agency Division
Phone: 0120-232-711 (toll-free)
Hours: 9:00 a.m. to 5:00 p.m. (excluding weekends and holidays)

(Attached Documents)

Business Report
(From April 1, 2006, to March 31, 2007)

1. Group Overview of Operation

1) Mitsubishi Chemical Holdings Group

Mitsubishi Chemical Holdings Corporation (“MCHC”) serves as the pure holding company for the Mitsubishi Chemical Holdings Group (“the Group”). Under MCHC, business activities are conducted in three primary areas of business, petrochemicals, performance and functional products, and health care, centering on the two core operating companies of Mitsubishi Chemical Corporation (“MCC”) and Mitsubishi Pharma Corporation (“MPC”).

MCHC works to further improve the corporate value of the Group by formulating group-wide strategy, optimally allocating management resources, supervising business administration, and conducting other related activities.

2) Business Development and Performance

Despite crude oil prices rising and staying high, the Japanese economy in the year under review was marked by gradual expansion owing to increasing exports driven by continuing strong economic conditions in the United States and China, increased capital expenditure against a backdrop of strong corporate earnings, and a recovery in consumer spending.

The operating environment for the Group was generally favorable. Although crude oil and naphtha prices remained high, there was solid demand domestically and overseas.

Amid such conditions, the Group worked to adjust product prices in line with rising raw material prices, increase sales, and make across-the-board reductions to production costs. The year under review was the middle year of the Group’s three-year medium-term management plan, “KAKUSHIN Plan: Phase 2.” In accordance with this plan, the Group as a whole endeavored to actively promote R&D and make capital investments in priority market areas, strengthen solutions-based marketing while leveraging the overall strengths of the Group, and carry out the other policies of the plan.

As a result of these management measures, consolidated performance by the Group for the year was as follows. Net sales increased 8.8% over the previous fiscal year, to ¥2,622.8 billion, owing in part to adjusting product prices, petrochemical products in particular, in

connection with rising prices for crude oil and naphtha. On the profit side, operating income declined 3.7% year-on-year, to ¥128.5 billion, due to a soft overseas market for certain petrochemical products, taking valuation losses on inventory in association with changes in raw materials prices, and other factors. Ordinary income inched down 1.5% from the previous fiscal year, to ¥141.2 billion, despite improvement in equity earnings in affiliates. Net income, however, climbed 17.2% over last year, to ¥100.3 billion, owing to lower extraordinary losses and other factors.

Information for each segment follows below.

Petrochemicals Segment

Production of ethylene, a key material for the Petrochemicals Segment, increased 6% over the previous term, to 1.35 million tons. Although there was a temporary production stoppage due to equipment trouble at MCC's Kashima Plant, the effect of regular maintenance was smaller than in the previous year. Basic petrochemicals, industrial chemicals, synthetic fiber intermediates, and synthetic resins continued to enjoy strong demand domestically and overseas, and prices were adjusted in line with surging raw material prices, so sales increased substantially.

As a result of these developments, net sales for the Petrochemicals Segment increased 18.2% over the previous year, to ¥1,246.3 billion. Operating income, however, declined 8.6%, to ¥28.1 million, due to a soft overseas market for synthetic fiber intermediates such as terephthalic acid and ethylene glycol, the impact of trouble at production facilities, and other factors.

Ningbo Mitsubishi Chemical Co., Ltd completed construction on manufacturing facilities for purified terephthalic acid in the Ningbo Daxie Development Zone in Zhejiang Province, China and launched operations in February of this year. In addition, in April of last year MCC began work on augmenting manufacturing facilities for polycarbonate resin, which is projected to see increased demand going forward in the area of automotive materials, at the company's Kurosaki Plant. The project is scheduled to be completed by March 2008.

Performance and Functional Products Segment

• Performance Products

Food ingredients continued to sell well and sales figures increased. In the area of information and electronics related products, sales prices of optical disks fell, but demand for DVDs remained strong, leading to an increase in overall sales. Sales prices fell for materials of printing supplies such as organic photo conductor (OPC) drums and toner,

materials of printing supplies such as organic photo conductor (OPC) drums and toner, but sales volumes increased, so sales stayed at the same level as the previous year. In the carbon business, coke sales dropped slightly due to a decline in export prices, though steel demand remained solid. With demand slumping, fertilizer sales stayed even with the previous year thanks to earning new production contracts. In the Environment Solution business, precision cleaning and wafer reclamation services performed well on the back of demand in the semiconductor and liquid crystal display (LCD) industries, leading to a substantial increase in sales for this business.

• **Functional Products**

Film and sheet products for industrial applications saw increased sales on strong demand for products for semiconductor and LCD applications, while sales of film and sheet products for packaging materials stayed even with the previous year despite soft demand, thanks to developing new applications and promoting sales. In the processed resin products field, sales of civil engineering and construction related products increased on a recovery in housing construction while enduring low levels of public-sector investment, and sales of information and electronics related products also rose thanks to strong demand. Industrial materials and construction materials, which include carbon fiber and alumina fiber, enjoyed a major increase in sales on the back of continuing buoyant demand.

Overall sales of the Performance and Functional Products Segment edged up 0.3% over the previous year, to ¥925.2 million. This total was affected by transferring portions of the performance products business to the Petrochemicals Segment and the Health Care Segment. Operating income declined 14.4% year-on-year, to ¥59.3 billion, due in part to steeper valuation losses on coking coal inventory in the carbon business.

Mitsubishi Chemical Functional Products, Inc. completed construction on alumina fiber production facilities at the company's Sakaide Plant in order to accommodate demand increases in the area of automotive products. Operations were commenced in November of last year. Also, the decision was made in February of this year to reorganize and consolidate Mitsubishi Plastics, Inc., Mitsubishi Polyester Film Corporation, Mitsubishi Chemical Functional Products, Inc., Mitsubishi Chemical MKV Company, and the functional products business of MCC, and make the resulting company a wholly-owned subsidiary of MCHC in order to further strengthen the functional products business. This move is scheduled to be completed by April 2008. As a part of the procedures involved, a tender offer on shares in Mitsubishi Plastics was made by MCC between February and March of this year. MCHC concluded a share exchange agreement with Mitsubishi Plastics on April 23 of this year in order to make the company a wholly-owned subsidiary

of MCHC as of October 1.

Health Care Segment

In the pharmaceuticals business, sales volumes of mainstay products like an anti-platelet agent 'ANPLAG' and an ethical neuroprotective agent 'RADICUT inj.' increased, but sales declined slightly due in part to the impact of the National Health Insurance drug price revisions. In the area of clinical testing, contracting unit prices fell, but there was an increase in new transactions, so sales rose slightly. Sales also edged up in the area of testing for clinical trials, thanks to an increase in testing associated with new drug development.

Overall sales in the Health Care Segment increased 8.6% over the previous year, to ¥304.7 billion, owing in part to a portion of the performance products business being transferred to the segment. Operating income increased 16.6% year-on-year, to ¥39.6 billion, due to higher sales volumes of mainstay pharmaceutical products as well as lower sales commissions and other selling, general, and administrative expenses.

In February of this year, MCHC and MPC inked a basic agreement with Tanabe Seiyaku Co., Ltd. regarding the merger of MPC and Tanabe Seiyaku on October 1, 2007, in order to expand and strengthen the pharmaceutical business, which is the main pillar of the Health Care Segment. On the basis of this agreement, MPC concluded a merger agreement with Tanabe Seiyaku on April 27, 2007. In addition, on April 1 of this year Mitsubishi Kagaku Iatron, Inc. and Mitsubishi Chemical Safety Institute, Ltd. became wholly-owned subsidiaries of Mitsubishi Kagaku Bio-Clinical Laboratories, Inc. through a share exchange, and the three companies integrated operations in order to strengthen existing businesses and facilitate the development of new ones. Also as of April 1, Mitsubishi Kagaku Bio-clinical Laboratories, Inc. changed its name to Mitsubishi Chemical Medience Corporation.

Others

Sales of engineering services declined due to a drop in external orders, but logistics sales were flat with the previous year owing to securing external orders on par with last year.

As a result of these developments, overall sales of the Others decreased 3.9% from the previous year, to ¥146.4 billion, and operating income edged up 0.6% year-on-year, to ¥10.5 billion.

Notes:

1. MCHC's business operations were re-segmented starting April 1, 2006, with a view to focusing on the priority market areas indicated in the medium-term management plan, "KAKUSHIN Plan: Phase 2." The former five segments—Petrochemicals, Performance Products, Functional Products, Health Care, and Services—were reclassified into four segments: Petrochemicals, Performance and Functional Products, Health Care, and Others.
2. Year-on-year comparisons for the Performance and Functional Products Segment are made with the former Performance Products Segment and Functional Products Segment. Comparisons for the Others Segment are made with the previous Services Segment. In addition, figures for the previous term inherit figures from the interim consolidated financial statements of MCC for fiscal 2005 due to the fact that MCHC was established on October 3, 2005 to serve as the joint holding company for MCC and its former subsidiary, MPC.

3) Outstanding Issues

Despite concerns over prices for raw materials, including crude oil, rising and remaining high and over a potential slowdown in the U.S. economy, the Japanese economy is expected to continue to enjoy gradual growth against a backdrop of active corporate capital investment and solid consumer spending.

In this operating environment, the MCHC Group intends to work together to bring the "KAKUSHIN Plan: Phase 2," the Group's medium-term management plan, to a successful conclusion in fiscal 2007, the final year of the plan.

First of all, in the five priority markets indicated by the plan—automobile, information technology, environment and energy, daily necessities, and health care—the Group will further accelerate the process of selecting out businesses and focusing resources in them, investing management resources on a priority basis in research and development and in capital investment, for example. The Group will also actively continue to work to improve its financial position and otherwise strengthen its operating foundations.

Enhancing group management and innovation (in the form of new product and new market development) are two important management agendas. The technological strength and marketing capability of the Group as a whole will be bolstered through reorganizing and consolidating Group companies. Through resulting synergies the Group will endeavor to develop and provide the competitive products and technologies with high added value that are required to meet customer needs and solve customer problems.

In fiscal 2007 the Group will formulate its next medium-term management plan for the three-year period beginning with fiscal 2008. This new medium-term management plan will make projections for societal conditions in the future, anticipate the ideals the Group should be aspiring to over the long term, and lay out medium-term policies and concrete measures to realize the ideals. The entire Group will work to achieve the goals of the plan.

Further, guided by the principle expressed in the words “*Good Chemistry for Tomorrow—Creating better relationships among people, society, and our planet,*” the MCHC Group will continue to contribute to the realization of an affluent, highly livable society by strengthening CSR activities and providing society with useful products and services. In addition, out of a commitment to being a corporate group that is trusted by society, the Group will work to further promote responsible care, which refers to giving consideration to the environment and safety in every business activity, appropriately establish and implement internal controls, and work to ensure more thoroughgoing compliance and risk management.

Under MCHC, the holding company, the Group as a whole will tackle these management agendas together and work to further raise corporate value for the Group, and in so doing endeavor to meet the expectations of shareholders. The Group therefore requests your continuing support and guidance.

MITSUBISHI CHEMICAL HOLDINGS CORPORATION

Consolidated Balance Sheet March 31, 2007

Assets	Millions of yen	Thousands of U.S. dollars (Note 3)
Current assets:		
Cash and cash equivalents	¥68,014	\$576,389
Short-term investments	1,514	12,830
Securities	47	398
Trade receivables	661,140	5,602,881
Inventories:		
Finished goods	174,464	1,478,508
Work in process	73,171	620,093
Raw materials and supplies	109,655	929,279
Land held for sale	5,173	43,838
Deferred taxes - current	31,708	268,711
Prepaid expenses and other current assets	22,594	191,474
Allowance for doubtful accounts	(1,682)	(14,254)
Total current assets	<u>1,145,798</u>	<u>9,710,152</u>
Property, plant and equipment, at cost:		
Land	172,396	1,460,983
Buildings	631,340	5,350,338
Machinery and equipment	1,540,388	13,054,135
Construction in progress	84,764	718,338
	<u>2,428,888</u>	<u>20,583,796</u>
Accumulated depreciation	(1,704,450)	(14,444,491)
Net property, plant and equipment	<u>724,438</u>	<u>6,139,305</u>
Investments and other assets		
Investment securities	337,724	2,862,067
Long-term loans	8,135	68,940
Deferred taxes - non-current	17,331	146,872
Other	86,736	735,050
Allowance for doubtful accounts	(1,330)	(11,271)
Total investments and other assets	<u>448,596</u>	<u>3,801,661</u>
Total assets	<u><u>¥2,318,832</u></u>	<u><u>\$19,651,118</u></u>

See notes to consolidated financial statements.

MITSUBISHI CHEMICAL HOLDINGS CORPORATION

Consolidated Balance Sheet, continued March 31, 2007

<u>Liabilities and shareholders' equity</u>	<u>Millions of yen</u>	<u>Thousands of U.S. dollars (Note 3)</u>
Current liabilities:		
Short-term debt	¥244,871	\$2,075,177
Current portion of long-term debt	82,765	701,398
Trade payables	557,785	4,726,991
Accrued expenses	58,820	498,474
Accrued income taxes	16,468	139,559
Other current liabilities	49,998	423,711
Total current liabilities	<u>1,010,707</u>	<u>8,565,313</u>
Long-term liabilities:		
Long-term debt	412,037	3,491,838
Accrued retirement benefits	86,274	731,135
Other non-current liabilities	51,062	432,728
Total long-term liabilities	<u>549,373</u>	<u>4,655,703</u>
Shareholders' equity:		
Common stock:		
Authorized—6,000,000 thousand shares;		
Issued—1,806,288 thousand shares at March 31, 2007 and		
1,806,288 thousand shares at March 31, 2006	50,000	423,728
Additional paid-in capital	379,793	3,218,584
Retained earnings	322,049	2,729,228
Treasury stock at cost—		
436,895 thousand shares at March 31, 2007 and		
436,198 thousand shares at March 31, 2006	(120,693)	(1,022,822)
Total shareholders' equity	<u>631,149</u>	<u>5,348,720</u>
Valuation and adjustments:		
Valuation gain on investment securities after tax effect	80,016	678,101
Deferred gain or loss from derivatives	(16)	(135)
Revaluation surplus	1,858	15,745
Foreign currency translation adjustments	3,179	26,940
Other comprehensive loss	(4,026)	(34,118)
Total valuation and adjustments	<u>81,011</u>	<u>686,533</u>
Warrant:	543	4,601
Minority interests:	46,049	390,245
Total net assets	<u>758,752</u>	<u>6,430,101</u>
Total liabilities and net assets	<u>¥2,318,832</u>	<u>\$19,651,118</u>

MITSUBISHI CHEMICAL HOLDINGS CORPORATION

Consolidated Statement of Income Year ended March 31, 2007

	Millions of yen	Thousands of U.S. dollars (Note 3)
Net sales:	¥2,622,820	\$22,227,288
Cost of sales	2,104,642	17,835,949
Gross profit	518,178	4,391,338
Selling, general and administrative expenses	389,589	3,301,601
Operating income	128,589	1,089,737
Other income (expenses):		
Interest expenses	(12,432)	(105,355)
Interest income	1,785	15,127
Dividend income	4,460	37,796
Equity in earnings of non-consolidated subsidiaries and affiliates	15,210	128,898
Exchange gain (loss)	5,118	43,372
Provision for loss on the disposal of businesses	(3,115)	(26,398)
Provision for prospective loss on removal of fixed assets	(2,987)	(25,313)
Gain (Loss) on sale and disposal of property, plant and equipment, net	(2,615)	(22,161)
Provision for allowance of lawsuits, etc	(2,092)	(17,728)
Impairment loss on fixed assets	(1,191)	(10,093)
Write-down of securities and investment securities	(692)	(5,864)
Write-down of property, plant and equipment	(353)	(2,991)
Additional benefits for employees' early retirement	(300)	(2,542)
Gain on sale of securities and investment securities	6,905	58,516
Personnel expenses of employees on secondment charged by affiliated and unaffiliated companies	2,022	17,135
Other, net	(510)	(4,322)
Income before income taxes	137,802	1,167,813
Income taxes:		
Current	5,745	48,686
Deferred	27,606	233,949
	33,351	282,635
Minority interests in consolidated subsidiaries	(4,113)	(34,855)
Net income	100,338	850,322
Per share:		
Net income (loss)	¥73.25	\$0.620
Cash dividends applicable to the year	14.00	0.118

See notes to consolidated financial statements.

MITSUBISHI CHEMICAL HOLDINGS CORPORATION

Consolidated Statement of Shareholders' Equity Year ended March 31, 2007

	Number of outstanding shares of common stock (Thousands)	Common stock	Additional paid-in capital	Retained earnings	Treasury stock at cost	Millions of Yen Valuation gain on investment securities after tax effect
Balance at March 31, 2006	1,806,288	¥50,000	¥412,876	¥227,836	¥(120,120)	¥87,355
Cash dividends	-	-	(10,964)	(9,591)	-	-
Bonuses to directors	-	-	-	(162)	-	-
Net income	-	-	-	100,338	-	-
Increase by change in the scope of the consolidation	-	-	-	120	-	-
Increase by change in the scope of the equity method	-	-	-	358	-	-
Purchase of treasury stock	-	-	-	-	(671)	-
Disposal of treasury stock	-	-	28	-	98	-
Decrease surplus by purchase of treasury stock from the consolidated subsidiaries	-	-	(22,147)	-	-	-
Net change in the items other than shareholders' equity	-	-	-	3,150	-	(7,339)
Balance at March 31, 2007	1,806,288	¥50,000	¥379,793	¥322,049	¥(120,693)	¥80,016

	Deferred gain or loss from derivatives	Revaluation surplus	Foreign currency translation adjustments	Other comprehen sive loss	Warrant	Minority interests
Balance at March 31, 2006	-	¥1,886	¥(3,773)	-	-	¥68,867
Cash dividends	-	-	-	-	-	-
Bonuses to directors	-	-	-	-	-	-
Net income	-	-	-	-	-	-
Increase by change in the scope of the consolidation	-	-	-	-	-	-
Increase by change in the scope of the equity method	-	-	-	-	-	-
Purchase of treasury stock	-	-	-	-	-	-
Disposal of treasury stock	-	-	-	-	-	-
Decrease surplus by purchase of treasury stock from the consolidated subsidiaries	-	-	-	-	-	-
Net change in the items other than shareholders' equity	(16)	(28)	6,952	(4,026)	543	(22,818)
Balance at March 31, 2007	¥(16)	¥1,858	¥3,179	¥(4,026)	¥543	¥46,049

	Number of outstanding shares of common stock (Thousands)	Common stock	Additional paid-in capital	Retained earnings	Treasury stock at cost	Thousands of U.S. Dollars (Note 3) Valuation gain on investment securities after tax effect
Balance at March 31, 2006	1,806,288	\$423,728	\$3,498,949	\$1,930,813	\$(1,017,966)	\$740,296
Cash dividends	-	-	(92,915)	(81,279)	-	-
Bonuses to directors	-	-	-	(1,372)	-	-
Net income	-	-	-	850,322	-	-
Increase by change in the scope of the consolidation	-	-	-	1,016	-	-
Increase by change in the scope of the equity method	-	-	-	3,033	-	-
Purchase of treasury stock	-	-	-	-	(5,686)	-
Disposal of treasury stock	-	-	237	-	830	-
Decrease surplus by purchase of treasury stock from the consolidated subsidiaries	-	-	(187,686)	-	-	-
Net change in the items other than shareholders' equity	-	-	-	26,694	-	(62,194)
Balance at March 31, 2007	1,806,288	\$423,728	\$3,218,584	\$2,729,228	\$(1,022,822)	\$678,101

	Deferred gain or loss from derivatives	Revaluation surplus	Foreign currency translation adjustments	Other comprehen sive loss	Warrant	Minority interests
Balance at March 31, 2006	-	\$15,983	\$(31,974)	-	-	\$583,618
Cash dividends	-	-	-	-	-	-
Bonuses to directors	-	-	-	-	-	-
Net income	-	-	-	-	-	-
Increase by change in the scope of the consolidation	-	-	-	-	-	-
Increase by change in the scope of the equity method	-	-	-	-	-	-
Purchase of treasury stock	-	-	-	-	-	-
Disposal of treasury stock	-	-	-	-	-	-
Decrease surplus by purchase of treasury stock from the consolidated subsidiaries	-	-	-	-	-	-
Net change in the items other than shareholders' equity	(135)	(237)	58,915	(34,118)	4,601	(193,372)
Balance at March 31, 2007	\$(135)	\$15,745	\$26,940	\$(34,118)	\$4,601	\$390,245

Notes to Consolidated Financial Statements

1. Accounting policies

The accompanying consolidated financial statements as of and for the Year ended March 31, 2007 have been prepared in accordance with generally accepted accounting standards in Japan that are applicable to such financial statements.

2. Reclassification of items

Certain items presented in the original financial statements have been reclassified for the convenience of readers outside Japan.

3. U.S. dollar amounts

The Corporation and its domestic consolidated subsidiaries maintain their accounting records in Japanese yen. The U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been translated, as a matter of arithmetical computation only, at the rate of ¥118 to US\$1, the approximate exchange rate prevailing in the Tokyo foreign exchange market at the end of March 2007. This translation should not be construed as a representation that the yen amounts actually represent, or have been or could be converted into U.S. dollars at this or at any other rate.

4. Contingent liabilities

As of March 31, 2007, the Corporation and its consolidated subsidiaries were contingently liable as a guarantor or a legally construed guarantor for below borrowings incurred by non-consolidated subsidiaries, affiliates, and others.

[¥ in millions] [US\$ in thousands]	Gross including a third party's liabilities		Net Corporation's and its consolidated subsidiaries' own liabilities					
Guarantee	¥	21,912	(US\$	185,694)	¥	19,061	(US\$	161,533)
Stand-by guarantee	¥	1,104	(US\$	9,355)	¥	1,104	(US\$	9,355)
Other construed guarantee	¥	8,461	(US\$	71,703)	¥	4,149	(US\$	35,161)

Reference Materials for the General Meeting of Shareholders

Agenda and References

Agendum 1. Appropriation of Retained Earnings

Regarding the year-end dividend, the Company proposes to pay the following dividend based on consolidated financial results for the current fiscal year and a comprehensive consideration of the medium- to long-term stability of dividends, the augmentation of retained earnings as a group for the purpose of preparing for future business activities, and other factors.

Since an interim dividend of 7 yen per share was paid, the total annual dividend will be 14 yen per share.

(1) Type of dividend

Cash

(2) Matters concerning appropriation of dividend property and total amount thereof

7 yen per share of the Company's common stock

Total dividends: 9,588,206,978 yen

(3) Date on which distribution of retained earnings takes effect

June 27, 2007

Agendum 2. Election of Nine Directors

The terms of office of all eight directors will expire at the conclusion of this General Meeting of Shareholders. It is therefore proposed that eight directors be elected. The candidates for directors are as described in No.1 to 8 below.

Mitsubishi Pharma Corporation, a wholly owned subsidiary of the Company, concluded a merger agreement with Tanabe Seiyaku Co., Ltd. on April 27, 2007, with October 1, 2007, as the effective date of merger (the two companies, however, may alter this date through consultation as required by merger procedures or for any other reason). Accordingly, it is proposed that one director be elected in advance to be appointed on the aforesaid effective date on condition that the new merged company is launched on that date (if this date is altered, then on the altered date).

The candidate is as mentioned in No.9 below.

No.	Name (Date of birth)	Personal history, position and duty at the Company, and status of representation at other corporations	Number of the Company's shares held
1	Ryuichi Tomizawa (August 21, 1941)	<p>Apr. 1965 Joined Mitsubishi Kasei Industries Corporation (present-day Mitsubishi Chemical Corporation)</p> <p>June 1996 Member of the Board of Mitsubishi Chemical Corporation</p> <p>June 1999 Managing Executive Officer of Mitsubishi Chemical Corporation</p> <p>Oct. 1999 Managing Director of Mitsubishi-Tokyo Pharmaceuticals, Inc. (present-day Mitsubishi Pharma Corporation)</p> <p>Apr. 2000 President of Mitsubishi-Tokyo Pharmaceuticals, Inc.</p> <p>Oct. 2001 Member of the Board, Executive Vice President of Mitsubishi Pharma Corporation</p> <p>Apr. 2002 Member of the Board, Deputy Chief Executive Officer of Mitsubishi Chemical Corporation</p> <p>June 2002 Member of the Board, President and Chief Executive Officer of Mitsubishi Chemical Corporation (until March 2007)</p> <p>June 2004 Member of the Board, Chairman of Mitsubishi Pharma Corporation (until October 2005)</p> <p>Oct. 2005 Member of the Board, President of Mitsubishi Chemical Holdings</p>	66,839 shares

		<p>Apr. 2007 to present</p> <p>Corporation Member of the Board, Chairman of Mitsubishi Chemical Holdings Corporation Member of the Board of Mitsubishi Chemical Corporation</p> <p>(Status of representation at other corporations) Chairman of Japan Chemical Industry Association</p>	
2	Yoshimitsu Kobayashi (November 18, 1946)	<p>Dec. 1974</p> <p>June 2003</p> <p>Apr. 2005</p> <p>June 2006</p> <p>Feb. 2007</p> <p>Apr. 2007 to present</p> <p>Joined Mitsubishi Kasei Industries Corporation (present-day Mitsubishi Chemical Corporation) Executive Officer of Mitsubishi Chemical Corporation Managing Executive Officer of Mitsubishi Chemical Corporation (until March 2007) Member of the Board of Mitsubishi Chemical Holdings Corporation (until March 2007) Member of the Board of Mitsubishi Chemical Corporation Member of the Board, President of Mitsubishi Chemical Holdings Corporation Member of the Board, President, and Chief Executive Officer of Mitsubishi Chemical Corporation</p> <p>(Status of representation at other corporations) Representative Director of Mitsubishi Chemical Corporation (Member of the Board, President and Chief Executive Officer) Chairman of Mitsubishi Kagaku Institute of Life Sciences</p>	7,500 shares
3	Takeshi Komine (April 14, 1947)	<p>Apr. 1971</p> <p>June 1999</p> <p>June 2000</p> <p>June 2001</p> <p>June 2002</p> <p>June 2004</p> <p>Oct. 2005</p> <p>Joined Yoshitomi Pharmaceutical Industries, Ltd. (present-day Mitsubishi Pharma Corporation) Executive Officer of Yoshitomi Pharmaceutical Industries, Ltd. Member of the Board of Welfide Corporation (present-day Mitsubishi Pharma Corporation) Managing Director of Welfide Corporation Senior Managing Director of Mitsubishi Pharma Corporation Member of the Board, President of Mitsubishi Pharma Corporation (current) Member of the Board of Mitsubishi</p>	32,747 shares

		to present	Chemical Holdings Corporation (Status of representation at other corporations) Representative Director (Member of the Board, President) of Mitsubishi Pharma Corporation	
4	Shotaro Yoshimura (February 13, 1949)	Apr. 1972 June 2002 June 2003 Oct. 2005 Apr. 2006 June 2006 to present	Joined Mitsubishi Kasei Industries Corporation (present-day Mitsubishi Chemical Corporation) Corporate Auditor of Mitsubishi Pharma Corporation (current) Executive Officer of Mitsubishi Chemical Corporation (until March 2006) Executive Officer of Mitsubishi Chemical Holdings Corporation Managing Executive Officer of Mitsubishi Chemical Holdings Corporation (current) Managing Executive Officer of Mitsubishi Chemical Corporation (current) Member of the Board of Mitsubishi Chemical Holdings Corporation Member of the Board of Mitsubishi Chemical Corporation (Scheduled to resign as corporate auditor of Mitsubishi Pharma Corporation on June 22, 2007)	8,000 shares
5	Kunihiko Shimojuku (March 24, 1945)	Apr. 1968 June 2000 June 2002 Jan. 2003 June 2004 June 2005 Oct. 2005 to present	Joined Mitsubishi Petrochemical Co., Ltd. (present-day Mitsubishi Chemical Corporation) Executive Officer of Mitsubishi Chemical Corporation Member of the Board of Mitsubishi Pharma Corporation Managing Director of Mitsubishi Pharma Corporation Member of the Board, Executive Vice President and Deputy Chief Executive Officer of Mitsubishi Pharma Corporation Member of the Board and Deputy Chief Executive Officer of Mitsubishi Pharma Corporation (current) Member of the Board of Mitsubishi Chemical Holdings Corporation (Status of representation at other corporations) Representative Director (Deputy Chief Executive Officer) of Mitsubishi Pharma Corporation	12,760 shares

6	Atsushi Baba (September 26, 1945)	<p>Apr. 1970 Joined Mitsubishi Kasei Industries Corporation (present-day Mitsubishi Chemical Corporation)</p> <p>June 2002 Executive Officer of Mitsubishi Chemical Corporation</p> <p>June 2005 Managing Executive Officer of Mitsubishi Chemical Corporation (current)</p> <p>Apr. 2007 to present Managing Executive Officer of Mitsubishi Chemical Holdings Corporation</p> <p>(Scheduled to be appointed Member of the Board of Mitsubishi Chemical Corporation on June 25, 2007)</p>	18,375 shares
7	Kiyoshi Nakayama (December 24, 1945)	<p>Apr. 1968 Joined Mitsubishi Kasei Industries Corporation (present-day Mitsubishi Chemical Corporation)</p> <p>June 2001 Executive Officer of Mitsubishi Chemical Corporation</p> <p>June 2004 Managing Executive Officer of Mitsubishi Chemical Corporation (current)</p> <p>Member of the Board of Mitsubishi Pharma Corporation (current)</p> <p>Oct. 2005 to present Managing Executive Officer of Mitsubishi Chemical Holdings Corporation</p>	7,000 shares
8	Etsujiro Koge (July 20, 1946)	<p>Apr. 1969 Joined Mitsubishi Petrochemical Co., Ltd. (present-day Mitsubishi Chemical Corporation)</p> <p>Apr. 2002 Executive Officer of Mitsubishi Chemical Corporation</p> <p>Apr. 2005 to present Managing Executive Officer of Mitsubishi Chemical Corporation</p> <p>(Status of representation at other corporations)</p> <p>Representative Director (Member of the Board, President) of Kashima Kita Electric Power Corporation</p> <p>(Scheduled to be appointed Member of the Board of Mitsubishi Chemical Corporation on June 25, 2007)</p>	19,000 shares
9	Natsuki Hayama (June 28, 1939)	<p>Apr. 1962 Joined Tanabe Seiyaku Co., Ltd.</p> <p>June 1996 Director of Tanabe Seiyaku Co., Ltd.</p> <p>June 1998 Managing Director of Tanabe Seiyaku Co., Ltd.</p> <p>June 1999 Senior Managing Director of Tanabe Seiyaku Co., Ltd.</p> <p>June 2001 Director and Executive Vice President of Tanabe Seiyaku Co., Ltd.</p> <p>June 2002 Director and President of Tanabe Seiyaku Co., Ltd. (current)</p> <p>June 2005 to present President & CEO of Tanabe Seiyaku Co., Ltd.</p>	0 shares

		(Status of representation at other corporations) Representative Director (Director & President) of Tanabe Seiyaku Co., Ltd.	
--	--	--	--

If this proposal is approved, among the candidates mentioned above, Kunihiko Shimojuku is due to resign as a member of the Board on the day Natsuki Hayama is appointed a member of the Board.

Agendum 3. Election of One Corporate Auditor

Since Corporate Auditor Yoshikazu Takagaki has informed the Company of his wish to resign at the conclusion of this General Meeting of Shareholders, it is proposed that one corporate auditor be elected.

The consent of the Board of Corporate Auditors has been obtained regarding the submission of this proposal.

The candidate for corporate auditor is as follows.

Name (Date of birth)	Personal history, position and duty at the Company, and status of representation at other corporations	Number of the Company's shares owned
Takashi Nishida (September 28, 1953)	Apr. 1976 Joined Mitsubishi Bank, Ltd. (present-day Bank of Tokyo-Mitsubishi UFJ, Ltd.) Sept. 2002 Executive Officer of Mitsubishi Securities Co., Ltd. (present-day Mitsubishi UFJ Securities Co., Ltd.) June 2003 Senior Executive Officer of Mitsubishi Securities Co., Ltd. June 2004 Executive Officer of Bank of to present Tokyo-Mitsubishi, Ltd. (present-day Bank of Tokyo-Mitsubishi UFJ, Ltd.) (Scheduled to resign from Bank of Tokyo-Mitsubishi UFJ, Ltd. and be appointed Corporate Auditor of Mitsubishi Chemical Corporation on June 25, 2007)	0 shares

Notes:

1. Takashi Nishida is an outside corporate auditor candidate.
2. The Company's evaluation is that the candidate will conduct fair audit as an outside corporate auditor based on his wealth of experience in the banking and securities industry and knowledge he cultivated there. The Company therefore proposes that the candidate be elected.
3. In the event that the candidate is elected corporate auditor, pursuant to the provisions of Article 427, Paragraph 1 of the Corporation Law, the Company plans to conclude an agreement with the candidate that limits liabilities for damages as provided in Article 423, Paragraph 1 of the Corporation Law. The limit of liabilities for damages under such agreement is due to be the amount prescribed in Article 425, Paragraph 1 of the Corporation Law.

Agendum 4. Election of Accounting Auditor

ChuoAoyama PricewaterhouseCoopers (which changed its name to MISUZU Audit Corporation on September 1, 2006), which was the Company's accounting auditor, was ordered by the Financial Services Agency on May 10, 2006, to suspend its operations for two months (from July 1, 2006, through August 31, 2006). As such, pursuant to the provisions of Article 337, Paragraph 3, Item 1 of the Corporation Law, ChuoAoyama PricewaterhouseCoopers lost its qualification and resigned as the Company's accounting auditor on July 1, 2006.

Following this, in order to prevent the absence of an accounting auditor and ensure the continuity of audit, and considering accounting firms' past track record of audit of the Mitsubishi Chemical Holdings Group, Ernst & Young ShinNihon was appointed the temporary accounting auditor on July 3, 2006, by a resolution of the Board of Corporate Auditors pursuant to the provisions of Article 346, Paragraphs 4 and 6 of the Corporation Law. Also, MISUZU Audit Corporation was additionally appointed a temporary accounting auditor on September 1, 2006, and the Company has been jointly audited by both accounting firms since then.

Based on the status of execution of audit by Ernst & Young ShinNihon as a temporary accounting auditor and the fact that it is difficult for MISUZU Audit Corporation to continue audit of the Company due to personnel transfer, the Company holds the view that Ernst & Young ShinNihon is suited to the position of the Company's accounting auditor. Pursuant to the provisions of Article 329, Paragraph 1 of the Corporation Law, the appointment of Ernst & Young ShinNihon as the Company's accounting auditor is proposed.

The consent of the Board of Corporate Auditors has been obtained regarding the submission of this proposal.

The candidate for accounting auditor is as follows.

Name	Ernst & Young ShinNihon														
Main office	Hibiya Kokusai Bldg. 2-2-3 Uchisaiwai-cho, Chiyoda-ku, Tokyo														
History	<p>Apr. 2000 Showa Ota & Co. and Century Audit Corporation merged to form Century Ota Showa & Co.</p> <p>July 2001 Century Ota Showa & Co. merged with TKA TAKESHI IIZUKA & Co. and Takachiho Audit Corporation, and changed its name to Shin Nihon & Co.</p> <p>Apr. 2004 Firm's English name changed to Ernst & Young ShinNihon</p>														
Profile (as of March 31, 2007)	<p>Capital <u>1,694</u> million yen</p> <p>Workforce (excluding part-time staff)</p> <table> <tr> <td>Partners (Certified Public Accountants)</td> <td>534</td> </tr> <tr> <td>Professional Staffs</td> <td></td> </tr> <tr> <td>(Certified Public Accountants)</td> <td>1,214</td> </tr> <tr> <td>(Junior Accountants)</td> <td>978</td> </tr> <tr> <td>(Administrators & Others)</td> <td>1,106</td> </tr> <tr> <td colspan="2"><hr/></td> </tr> <tr> <td>Total</td> <td>3,832</td> </tr> </table> <p>Number of audit clients 4,517</p>	Partners (Certified Public Accountants)	534	Professional Staffs		(Certified Public Accountants)	1,214	(Junior Accountants)	978	(Administrators & Others)	1,106	<hr/>		Total	3,832
Partners (Certified Public Accountants)	534														
Professional Staffs															
(Certified Public Accountants)	1,214														
(Junior Accountants)	978														
(Administrators & Others)	1,106														
<hr/>															
Total	3,832														

Note: The candidate has received compensation from Mitsubishi Chemical Corporation and other subsidiaries of the Company within the past two years for consulting and other services provided in connection with the establishment of an internal control system over financial reporting.