

# Operational Summary

for the First Nine Months of the Fiscal Year Ending March 31, 2010

February 4, 2010

Mitsubishi Chemical Holdings Corporation

# Table of Contents

Consolidated Financial Statements for the First Nine Months of FY2009	Page No.
Statements of Operations	3
Net Sales by Business Segments	4
Operating Income by Business Segments	5
Extraordinary Gain (Loss)	6
Balance Sheets	7
Cash Flows	8

**Notes:**

FY2008: April 1, 2008 - March 31, 2009

FY2009: April 1, 2009 - March 31, 2010

1Q of FY2009: April 1, 2009 - June 30, 2009

2Q of FY2009: July 1, 2009 - September 30, 2009

3Q of FY2009: October 1, 2009 - December 31, 2009

4Q of FY2009: January 1, 2010 - March 31, 2010

} } First Half of FY2009  
 } } First Nine Months of FY2009  
 } } Second Half of FY2009

# Consolidated Statements of Operations

Exchange rate (¥/US\$)	95	97	93	95	105
Naphtha price (¥/kl)	33,300	41,300	42,500	39,000	69,600

  

					(Billions of Yen)	
	1Q	2Q	3Q	First Nine Months of FY2009 Actual	First Nine Months of FY2008 Actual	Change
<b>Net sales</b>	549.7	596.1	646.6	1,792.4	2,331.1	(538.7)
<b>Operating income</b>	(10.6)	12.7	45.0	47.1	50.3	(3.2)
<b>Income (expenses) on financing activities</b>	(1.1)	(2.1)	(1.7)	(4.9)	(1.8)	(3.1)
[Dividend income included in above]	[1.7]	[0.5]	[0.9]	[3.1]	[5.7]	[(2.6)]
<b>Other non-operating income (expenses)</b>	(6.6)	0.0	(2.3)	(8.9)	0.0	(8.9)
Equity in Earnings of non-consolidated subsidiaries and affiliates	1.1	2.0	1.2	4.3	(1.7)	6.0
<b>Ordinary income</b>	(17.2)	12.6	42.2	37.6	46.8	(9.2)
Extraordinary gain	2.9	23.7	2.6	29.2	8.5	20.7
Extraordinary loss	(4.5)	(19.6)	(5.7)	(29.8)	(22.2)	(7.6)
<b>Income before income taxes</b>	(18.8)	16.7	39.1	37.0	33.1	3.9
Current and deferred income taxes	2.1	2.7	(14.3)	(9.5)	(31.4)	21.9
Minority interests in consolidated subsidiaries	(0.1)	(5.2)	(12.0)	(17.3)	(13.1)	(4.2)
<b>Net income</b>	(16.8)	14.2	12.8	10.2	(11.4)	21.6

## Consolidated Net Sales by Business Segments

(Billions of Yen)

					First Nine Months of FY2009 Actual	First Nine Months of FY2008 Actual	Change
	1Q	2Q	3Q				
<b>Total</b>	<b>549.7</b>	<b>596.1</b>	<b>646.6</b>	<b>1,792.4</b>	<b>2,331.1</b>	<b>(538.7)</b>	
<b>Electronics Applications</b>	<b>66.8</b>	<b>73.5</b>	<b>76.6</b>	<b>216.9</b>	<b>262.8</b>	<b>(45.9)</b>	
<b>Designed Materials</b>	<b>57.4</b>	<b>61.9</b>	<b>85.5</b>	<b>204.8</b>	<b>220.0</b>	<b>(15.2)</b>	
<b>Health Care</b>	<b>126.5</b>	<b>123.1</b>	<b>146.7</b>	<b>396.3</b>	<b>386.5</b>	<b>9.8</b>	
<b>Chemicals</b>	<b>174.2</b>	<b>197.6</b>	<b>199.8</b>	<b>571.6</b>	<b>890.7</b>	<b>(319.1)</b>	
<b>Polymers</b>	<b>92.1</b>	<b>102.2</b>	<b>103.5</b>	<b>297.8</b>	<b>457.0</b>	<b>(159.2)</b>	
<b>Others</b>	<b>32.7</b>	<b>37.8</b>	<b>34.5</b>	<b>105.0</b>	<b>114.1</b>	<b>(9.1)</b>	

# Consolidated Operating Income by Business Segments

(Billions of Yen)

					First Nine Months of FY2009 Actual	First Nine Months of FY2008 Actual	Change
	1Q	2Q	3Q				
<b>Total</b>	<b>(10.6)</b>	<b>12.7</b>	<b>45.0</b>	<b>47.1</b>	<b>50.3</b>	<b>(3.2)</b>	
<b>Electronics Applications</b>	<b>(0.9)</b>	<b>1.3</b>	<b>2.7</b>	<b>3.1</b>	<b>11.4</b>	<b>(8.3)</b>	
<b>Designed Materials</b>	<b>(0.8)</b>	<b>2.4</b>	<b>4.8</b>	<b>6.4</b>	<b>2.5</b>	<b>3.9</b>	
<b>Health Care</b>	<b>25.2</b>	<b>6.9</b>	<b>35.8</b>	<b>67.9</b>	<b>70.0</b>	<b>(2.1)</b>	
<b>Chemicals</b>	<b>(2.9)</b>	<b>0.6</b>	<b>3.6</b>	<b>1.3</b>	<b>(22.8)</b>	<b>24.1</b>	
<b>Polymers</b>	<b>(28.1)</b>	<b>2.2</b>	<b>(0.3)</b>	<b>(26.2)</b>	<b>(8.7)</b>	<b>(17.5)</b>	
<b>Others</b>	<b>0.3</b>	<b>2.3</b>	<b>1.3</b>	<b>3.9</b>	<b>8.5</b>	<b>(4.6)</b>	
<b>Corporate</b>	<b>(3.4)</b>	<b>(3.0)</b>	<b>(2.9)</b>	<b>(9.3)</b>	<b>(10.6)</b>	<b>1.3</b>	
<b>Inventory valuation gain/loss</b>	<b>(17.7)</b>	<b>(0.7)</b>	<b>2.3</b>	<b>(16.1)</b>	<b>18.8</b>	<b>(34.9)</b>	
<b>Chemicals (Carbon business)</b>	<b>(2.8)</b>	<b>(0.4)</b>	<b>(0.1)</b>	<b>(3.3)</b>	<b>10.8</b>	<b>(14.1)</b>	
<b>Chemicals (Petrochemicals business)</b>	<b>1.6</b>	<b>3.4</b>	<b>1.6</b>	<b>6.6</b>	<b>(7.6)</b>	<b>14.2</b>	
<b>Polymers</b>	<b>(16.5)</b>	<b>(3.7)</b>	<b>0.8</b>	<b>(19.4)</b>	<b>15.6</b>	<b>(35.0)</b>	
<b>Losses by inventory valuation method</b>	<b>(9.2)</b>	<b>13.4</b>	<b>4.0</b>	<b>8.2</b>	<b>(7.1)</b>	<b>15.3</b>	
<b>Chemicals (Carbon business)</b>	<b>1.3</b>	<b>1.0</b>	<b>0.5</b>	<b>2.8</b>	<b>0.0</b>	<b>2.8</b>	
<b>Chemicals (Petrochemicals business)</b>	<b>2.0</b>	<b>0.5</b>	<b>0.1</b>	<b>2.6</b>	<b>(3.8)</b>	<b>6.4</b>	
<b>Polymers</b>	<b>(12.5)</b>	<b>11.9</b>	<b>3.4</b>	<b>2.8</b>	<b>(3.3)</b>	<b>6.1</b>	

## Consolidated Extraordinary Gain (Loss)

					(Billions of Yen)	
	1Q	2Q	3Q	First Nine Months of FY2009 Actual	First Nine Months of FY2008 Actual	
<b>Total</b>	<b>(1.6)</b>	<b>4.1</b>	<b>(3.1)</b>	<b>(0.6)</b>	<b>(13.7)</b>	
<b>Extraordinary gain</b>	<b>2.9</b>	<b>23.7</b>	<b>2.6</b>	<b>29.2</b>	<b>8.5</b>	
Gain on negative goodwill	0.3	13.3	—	13.6	—	
Gain on step acquisitions	—	6.6	—	6.6	—	
Gain on transfer of business	—	2.9	—	2.9	—	
Gain on change in equity	—	—	1.8	1.8	—	
Gain on sales of investment securities	1.8	0.3	—	2.1	0.2	
Others	0.8	0.6	0.8	2.2	8.3	
<b>Extraordinary loss</b>	<b>(4.5)</b>	<b>(19.6)</b>	<b>(5.7)</b>	<b>(29.8)</b>	<b>(22.2)</b>	
Loss on allowance of the waste treatment facility's settlement	—	(12.5)	—	(12.5)	—	
Impairment loss / Non recurring depreciation on noncurrent assets	(2.0)	(2.0)	(1.3)	(5.3)	(3.9)	
Loss on sales or valuation of investment securities	(0.4)	(2.5)	(0.1)	(3.0)	(6.5)	
Loss related to business suspension	(0.5)	(1.2)	(0.6)	(2.3)	—	
PCB disposal expense	—	—	(1.5)	(1.5)	—	
Others	(1.6)	(1.4)	(2.2)	(5.2)	(11.8)	

# Consolidated Balance Sheets

(Billions of Yen)

Debitor	December 31, 2009	March 31, 2009	Change
Cash and deposits	127.1	96.4	30.7
Inventories	418.3	463.3	(45.0)
Trade receivables	578.8	499.7	79.1
Others	147.3	265.3	(118.0)
<b>Current assets</b>	<b>1,271.5</b>	<b>1,324.7</b>	<b>(53.2)</b>
Fixed assets	1,007.1	947.3	59.8
Investment and others	505.5	468.9	36.6
<b>Fixed assets</b>	<b>1,512.6</b>	<b>1,416.2</b>	<b>96.4</b>
<b>Total assets</b>	<b>2,784.1</b>	<b>2,740.9</b>	<b>43.2</b>

Creditor	December 31, 2009	March 31, 2009	Change
Interest-bearing debts	1,076.5	1,033.2	43.3
Trade payables	351.4	368.0	(16.6)
Others	379.5	399.6	(20.1)
<b>Liabilities</b>	<b>1,807.4</b>	<b>1,800.8</b>	<b>6.6</b>
Shareholders' equity	691.9	692.3	(0.4)
Valuation and others	(26.2)	△ 23.3	(2.9)
Minorities interests	311.0	271.1	39.9
<b>Net assets</b>	<b>976.7</b>	<b>940.1</b>	<b>36.6</b>
<b>Total liabilities and net asset</b>	<b>2,784.1</b>	<b>2,740.9</b>	<b>43.2</b>

	December 31, 2009	March 31, 2009	Change
Interest-bearing debts (incl. notes)	1,076.5	1,033.8	42.7
Debt-equity ratio	1.6	1.6	0.0
Net debt-equity ratio	1.3	1.1	0.2

Shareholders' equity (*1)	665.7	669.0	(3.3)
Shareholders' equity ratio	23.9%	24.4%	(0.5%)

(\*1) Net assets -minority interests-stock warrant

## Consolidated Cash Flows

	First Nine Months of FY2009 Actual	(excluding financial investments of cash in hands)			First Nine Months of FY2009 Actual	(Billions of Yen) First Nine Months of FY2008 Actual
		1Q	2Q	3Q		
<b>Net cash provided by operating activities</b>	<b>31.4</b>	<b>5.9</b>	<b>14.2</b>	<b>11.3</b>	<b>31.4</b>	<b>13.7</b>
Income before income taxes	37.0	(18.8)	16.7	39.1	37.0	33.1
Depreciation	89.5	27.5	28.6	33.4	89.5	85.7
Operating cash flow	(93.5)	(54.6)	(13.1)	(25.8)	(93.5)	(14.8)
			(Due to a bank holiday (24.0))			
Inventories	64.2	49.3	20.2	(5.3)	64.2	(80.2)
Others	(65.8)	2.5	(38.2)	(30.1)	(65.8)	(10.1)
<b>Net cash used in investment activities</b>	<b>(124.8)</b>	<b>(31.3)</b>	<b>(29.1)</b>	<b>(29.9)</b>	<b>(90.3)</b>	<b>(96.7)</b>
Capex	(83.2)	(29.1)	(27.6)	(26.5)	(83.2)	(102.3)
investment and loans receivable, etc.	(41.6)	(2.2)	(1.5)	(3.4)	(7.1)	5.6
<b>Free cash flows</b>	<b>(93.4)</b>	<b>(25.4)</b>	<b>(14.9)</b>	<b>(18.6)</b>	<b>(58.9)</b>	<b>(83.0)</b>
<b>Net cash provided by finance activities</b>	<b>(17.9)</b>	<b>(9.4)</b>	<b>(22.8)</b>	<b>14.3</b>	<b>(17.9)</b>	<b>83.7</b>
Interest bearing debt	2.0	0.8	(22.3)	23.5	2.0	114.3
Dividends, etc.	(19.9)	(10.2)	(0.5)	(9.2)	(19.9)	(30.6)
<b>Increase (decrease) in cash and cash equivalent</b>	<b>(111.3)</b>	<b>(34.8)</b>	<b>(37.7)</b>	<b>(4.3)</b>	<b>(76.8)</b>	<b>0.7</b>
<b>Balance of cash and cash equivalents</b>	<b>116.9</b>	<b>290.7</b>	<b>252.9</b>	<b>248.5</b>	<b>248.5</b>	<b>204.4</b>

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.