

Operational Summary

for the First Quarter of the Fiscal Year Ending March 31, 2011

August 4, 2010

Mitsubishi Chemical Holdings Corporation

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List of Abbreviations

FY2010:	April 1, 2010 - March 31, 2011	
	1st Quarter ("1Q") of FY2010: April 1, 2010 - June 30, 2010	} 1st Half ("1H") of FY2010
	2nd Quarter ("2Q") of FY2010: July 1, 2010 - September 30, 2010	
	2nd Half ("2H") of FY2010: October 1, 2010 - March 31, 2011	
FY2009:	April 1, 2009 - March 31, 2010	
	1st Quarter ("1Q") of FY2009: April 1, 2009 - June 30, 2009	} 1st Half ("1H") of FY2009
	2nd Quarter ("2Q") of FY2009: July 1, 2009 - September 30, 2009	
	2nd Half ("2H") of FY2009: October 1, 2009 - March 31, 2010	

Previous Forecast: Company's forecasts disclosed on May 13, 2010

Consolidated Statements of Operations

	91	95		90	
Exchange rate (¥/US\$)					
Naphtha price (¥/KI)	49,800	33,300		51,000	
	(Billions of Yen)			(Reference)	
	1Q of FY2010	1Q of FY2009	Change	1Q of FY2010 (Previous Forecast)	Change
Net sales	776.2	549.7	226.5	761.6	14.6
Operating income	60.8	(10.6)	71.4	32.3	28.5
Income (expenses) on financing activities	(1.4)	(1.1)	(0.3)	(2.5)	1.1
[Dividend income included in above]	[2.0]	[1.7]	[0.3]	[1.8]	[0.2]
Equity in Earnings of non-consolidated subsidiaries and affiliates	4.0	1.1	2.9	2.0	2.0
Other non-operating income (expenses)	(3.6)	(6.6)	3.0	(3.2)	(0.4)
Ordinary income	59.8	(17.2)	77.0	28.6	31.2
Extraordinary gain	1.5	2.9	(1.4)	(3.9)	(1.6)
Extraordinary loss	(7.0)	(4.5)	(2.5)		
Income before income taxes and minority interests	54.3	(18.8)	73.1	24.7	29.6
Current and deferred income taxes	(18.9)	2.1	(21.0)	(10.6)	(8.3)
Minority interests in consolidated subsidiaries	(10.9)	(0.1)	(10.8)	(7.3)	(3.6)
Net income	24.5	(16.8)	41.3	6.8	17.7

Consolidated Net Sales by Business Segment

	(Billions of Yen)			(Reference)	
	1Q of FY2010	1Q of FY2009	Change	1Q of FY2010 (Previous Forecast)	Change
Total	776.2	549.7	226.5	761.6	14.6
Electronics Applications	44.0	37.9	6.1	44.6	(0.6)
Designed Materials	161.7	86.3	75.4	162.6	(0.9)
Functional Products*	107.6	66.0	41.6	108.8	(1.2)
Performance Chemicals*	54.1	20.3	33.8	53.8	0.3
Health Care	132.2	126.5	5.7	119.5	12.7
Pharmaceuticals*	108.8	100.6	8.2	95.0	13.8
Diagnostics, Clinical Testing and API*	23.4	25.9	(2.5)	24.5	(1.1)
Chemicals	207.3	174.2	33.1	196.2	11.1
Petrochemicals*	152.4	113.6	38.8	141.8	10.6
Carbon*	54.9	60.6	(5.7)	54.4	0.5
Polymers	179.8	92.1	87.7	180.1	(0.3)
Polyolefins and Advanced Polymers*	114.9	92.1	22.8	116.0	(1.1)
MMA Monomers and Polymers*	64.9	–	64.9	64.1	0.8
Others	51.2	32.7	18.5	58.6	(7.4)

Notes:

Some businesses and subsidiaries were reclassified in response to adoption of new accounting standards, and therefore the results in 1Q of FY2009 were adjusted accordingly.

*Approximation for reference purpose only

Consolidated Operating Income by Business Segment

	(Billions of Yen)			(Reference)	
	1Q of FY2010	1Q of FY2009	Change	1Q of FY2010 (Previous Forecast)	Change
Total	60.8	(10.6)	71.4	32.3	28.5
Electronics Applications	2.9	(1.3)	4.2	1.3	1.6
Designed Materials	9.9	(1.4)	11.3	6.1	3.8
Functional Products*	3.5	(1.4)	4.9	0.6	2.9
Performance Chemicals*	6.4	0.0	6.4	5.5	0.9
Health Care	29.0	25.1	3.9	15.8	13.2
Pharmaceuticals*	27.2	23.8	3.4	15.0	12.2
Diagnostics, Clinical Testing and API*	1.8	1.3	0.5	0.8	1.0
Chemicals	12.1	(3.0)	15.1	5.9	6.2
Petrochemicals*	5.2	(3.5)	8.7	0.7	4.5
Carbon*	6.9	0.5	6.4	5.2	1.7
Polymers	9.4	(28.3)	37.7	6.0	3.4
Polyolefins and Advanced Polymers*	5.2	(28.3)	33.5	1.5	3.7
MMA Monomers and Polymers*	4.2	-	4.2	4.5	(0.3)
Others	(0.4)	0.3	(0.7)	(0.9)	0.5
Corporate	(2.1)	(2.0)	(0.1)	(1.9)	(0.2)

Notes:

Some businesses and subsidiaries were reclassified in response to adoption of new accounting standards, and therefore the results in 1Q of FY2009 were adjusted accordingly.

*Approximation for reference purpose only

Inventory valuation gain/loss	1Q of FY2010	1Q of FY2009	Change
Chemicals (Petrochemicals)	1.2	1.6	(0.4)
Chemicals (Carbon)	1.0	(2.8)	3.8
Polymers (Polyolefins and Advanced Polymers)	3.1	(16.4)	19.5
Total	5.3	(17.6)	22.9

Inventory valuation gain/loss - LCM	1Q of FY2010	1Q of FY2009	Change
Chemicals (Petrochemicals)	(0.2)	2.0	(2.2)
Chemicals (Carbon)	0.1	1.3	(1.2)
Polymers	0.3	(12.5)	12.8
Total	0.2	(9.2)	9.4

Consolidated Extraordinary Gain (Loss)

	(Billions of Yen)		
	1Q of FY2010	1Q of FY2009	Change
Total	(5.5)	(1.6)	(3.9)
Extraordinary gain	1.5	2.9	(1.4)
Gain related to acquisitions and divestments	1.1	—	1.1
Others	0.4	2.9	(2.5)
Gain on sales of investment securities	0.1	1.8	(1.7)
Others	0.3	1.1	(0.8)
Extraordinary loss	(7.0)	(4.5)	(2.5)
Business structure improvement expenses	(2.4)	(3.0)	0.6
Others	(4.6)	(1.5)	(3.1)
Loss on valuation of investment securities	(1.6)	(0.3)	(1.3)
Loss on adjustment for changes of accounting standard for asset retirement obligations	(1.5)	—	(1.5)
Others	(1.5)	(1.2)	(0.3)

Consolidated Balance Sheets

	(Billions of Yen)		
	June 30, 2010	March 31, 2010	Change
Cash and deposits	112.7	119.1	(6.4)
Inventories	476.3	474.7	1.6
Trade receivables	596.6	595.7	0.9
Others	162.8	179.6	(16.8)
Current assets	1,348.4	1,369.1	(20.7)
Fixed assets	1,198.1	1,209.8	(11.7)
Goodwill	169.3	171.7	(2.4)
Investment and Others	602.5	604.5	(2.0)
Fixed assets	1,969.9	1,986.0	(16.1)
Total assets	3,318.3	3,355.1	(36.8)

(Reference)	Target as of March 31, 2011
Net interest-bearing debts (*1)	1,125.0
Net debt-equity ratio	1.50
Shareholders' equity (*2)	751.0

	(Billions of Yen)		
	June 30, 2010	March 31, 2010	Change
Interest-bearing debts	1,404.1	1,454.1	(50.0)
Trade payables	373.5	370.8	2.7
Others	484.2	497.3	(13.1)
Liabilities	2,261.8	2,322.2	(60.4)
Shareholders' equity	714.2	693.9	20.3
Valuation and others	(22.5)	(20.3)	(2.2)
Minorities interests, etc.	364.8	359.3	5.5
Net assets	1,056.5	1,032.9	23.6
Total liabilities and net assets	3,318.3	3,355.1	(36.8)

Interest-bearing debts (incl. notes)	1,404.1	1,454.1	(50.0)
Debt-equity ratio	2.03	2.16	(0.13)
Net interest-bearing debts (*1)	1,145.6	1,190.1	(44.5)
Net debt-equity ratio	1.66	1.77	(0.11)
Shareholders' equity (*2)	691.7	673.6	18.1
Shareholders' equity ratio	20.8%	20.0%	0.8%

*1. Net interest-bearing debts (1,145.6 billion yen)
 = interest bearing debts, including discounted notes (1,404.1 billion yen)
 - {cash and cash equivalents (111.9 billion yen + financial investments of cash-in-hands (146.6 billion yen))}

*2. Represents net assets excluding share subscription rights and minority interests

Consolidated Cash Flows

	Based on statements of cash flows		Excluding financial investments		(Reference)
	1Q of FY2010	1Q of FY2009	1Q of FY2010 With adjustment (4.8) billion yen for financial investment	1Q of FY2009 With adjustment 32.6 billion yen for financial investment	
Net cash provided by operating activities	75.7	5.9	75.7	5.9	217.0
Income before income taxes	54.3	(18.8)	54.3	(18.8)	116.0
Depreciation	35.6	27.5	35.6	27.5	151.0
Amortization of goodwill	3.1	2.0	3.1	2.0	13.0
Change in operating receivables/payables	(1.5)	(54.6)	(1.5)	(54.6)	(4.0)
Change in Inventories	2.1	49.3	2.1	49.3	
Others	(17.9)	0.5	(17.9)	0.5	(59.0)
Net cash used in investment activities	(19.7)	(63.9)	(24.5)	(31.3)	(132.0)
Capital expenditure	(25.4)	(29.1)	(25.4)	(29.1)	(140.0)
Investment and loans receivables, etc.	5.7	(34.8)	0.9	(2.2)	8.0
Free cash flow	56.0	(58.0)	51.2	(25.4)	85.0
Net cash provided by financing activities	(54.4)	(9.4)			
Interest bearing debt	(43.9)	0.8			
Dividends, etc.	(10.5)	(10.2)			
Increase (decrease) in cash and cash equivalents	1.6	(67.4)			
Balance of cash and cash equivalents	111.9	161.5			

Consolidated Statement of Operations

(1st Half of FY2010 Forecast)

Exchange rate (VUS\$)	91	90	90	—	—	90	96
Naphtha price (VKI)	49,800	43,000	46,400	—	—	51,000	37,300

				(Reference) (Reference)			(Billions of Yen)			(Reference)
	1Q of FY2010 (Actual)	2Q of FY2010 (Forecast)	1H of FY2010 (Revised Forecast)	1Q of FY2010 (Forecast)	2Q of FY2010 (Forecast)	1H of FY2010 (Previous Forecast)	1Q of FY2010	2Q of FY2010	Change	1H of FY2009 (Actual)
Net sales	776.2	813.8	1,590.0	761.6	808.4	1,570.0	14.6	5.4	20.0	1,145.8
Operating income	60.8	32.2	93.0	32.3	37.7	70.0	28.5	(5.5)	23.0	2.1
Income (expenses) on financing activities (Dividend income included in above)	(1.4) [2.0]	(3.6) [0.5]	(5.0) [2.5]	(2.5) [1.8]	(4.5) [0.4]	(7.0) [2.2]	1.1 [0.2]	0.9 [0.1]	2.0 [0.3]	(3.2) [2.2]
Equity in Earnings of non-consolidated subsidiaries and affiliate	4.0	2.0	6.0	2.0	2.0	4.0	2.0	0.0	2.0	3.1
Other non-operating income (expenses)	(3.6)	(5.4)	(9.0)	(3.2)	(2.8)	(6.0)	(0.4)	(2.6)	(3.0)	(6.6)
Ordinary income	59.8	25.2	85.0	28.6	32.4	61.0	31.2	(7.2)	24.0	(4.6)
Extraordinary gain (loss)	(5.5)	(3.5)	(9.0)	(3.9)	(6.1)	(10.0)	(1.6)	2.6	1.0	2.5
Income before income taxes and minority interests	54.3	21.7	76.0	24.7	26.3	51.0	29.6	(4.6)	25.0	(2.1)
Current and deferred income taxes	(18.9)	(8.1)	(27.0)	(10.6)	(10.4)	(21.0)	(8.3)	2.3	(6.0)	4.8
Minority interests in consolidated subsidiaries	(10.9)	(6.1)	(17.0)	(7.3)	(6.7)	(14.0)	(3.6)	0.6	(3.0)	(5.3)
Net income	24.5	7.5	32.0	6.8	9.2	16.0	17.7	(1.7)	16.0	(2.6)

Consolidated Operating Income by Business Segment (1st Half of FY2010 Forecast)

(Billions of Yen)

				(Reference) (Reference)			(Reference)			
	1Q of FY2010 (Actual)	2Q of FY2010 (Forecast)	1H of FY2010 (Revised Forecast)	1Q of FY2010 (Forecast)	2Q of FY2010 (Forecast)	1H of FY2010 (Previous Forecast)	1Q of FY2010	2Q of FY2010	Change	1H of FY2009 (Actual)
Total	60.8	32.2	93.0	32.3	37.7	70.0	28.5	(5.5)	23.0	2.1
Electronics Applications	2.9	0.1	3.0	1.3	0.7	2.0	1.6	(0.6)	1.0	(2.6)
Designed Materials	9.9	10.1	20.0	6.1	6.9	13.0	3.8	3.2	7.0	2.2
Functional Products (*)	3.5	3.5	7.0	0.6	1.4	2.0	2.9	2.1	5.0	0.6
Performance Chemicals (*)	6.4	6.6	13.0	5.5	5.5	11.0	0.9	1.1	2.0	1.6
Health Care	29.0	6.0	35.0	15.8	16.2	32.0	13.2	(10.2)	3.0	31.9
Pharmaceuticals (*)	27.2	5.8	33.0	15.0	15.0	30.0	12.2	(9.2)	3.0	29.2
Diagnostics, Clinical Testing and API (*)	1.8	0.2	2.0	0.8	1.2	2.0	1.0	(1.0)	0.0	2.7
Chemicals	12.1	6.9	19.0	5.9	8.1	14.0	6.2	(1.2)	5.0	(2.5)
Petrochemicals (*)	5.2	1.8	7.0	0.7	4.3	5.0	4.5	(2.5)	2.0	(4.1)
Carbon (*)	6.9	5.1	12.0	5.2	3.8	9.0	1.7	1.3	3.0	1.6
Polymers	9.4	11.6	21.0	6.0	7.0	13.0	3.4	4.6	8.0	(26.4)
Polyolefins and Advanced Polymers (*)	5.2	3.8	9.0	1.5	2.5	4.0	3.7	1.3	5.0	(26.4)
MMA Monomers and Polymers (*)	4.2	7.8	12.0	4.5	4.5	9.0	(0.3)	3.3	3.0	—
Others	(0.4)	(0.6)	(1.0)	(0.9)	(0.1)	(1.0)	0.5	(0.5)	0.0	2.6
Corporate	(2.1)	(1.9)	(4.0)	(1.9)	(1.1)	(3.0)	(0.2)	(0.8)	(1.0)	(3.1)

* Approximation for reference purpose only

Consolidated Net Sales by Business Segment (1st Half of FY2010 Forecast)

Reference

(Billions of Yen)

	(Reference)			(Reference)			(Reference)			(Reference)
	1Q of FY2010 (Actual)	2Q of FY2010 (Forecast)	1H of FY2010 (Revised Forecast)	1Q of FY2010 (Forecast)	2Q of FY2010 (Forecast)	1H of FY2010 (Previous Forecast)	1Q of FY2010	2Q of FY2010	Change	
Total	776.2	813.8	1,590.0	761.6	808.4	1,570.0	14.6	5.4	20.0	1,145.8
Electronics Applications	44.0	37.5	81.5	44.6	40.4	85.0	(0.6)	(2.9)	(3.5)	78.6
Designed Materials	161.7	176.1	337.8	162.6	167.4	330.0	(0.9)	8.7	7.8	181.1
Functional Products (*)	107.6	118.3	225.9	108.8	111.2	220.0	(1.2)	7.1	5.9	139.1
Performance Chemicals (*)	54.1	57.8	111.9	53.8	56.2	110.0	0.3	1.6	1.9	42.0
Health Care	132.2	114.0	246.2	119.5	120.5	240.0	12.7	(6.5)	6.2	249.5
Pharmaceuticals (*)	108.8	89.2	198.0	95.0	95.0	190.0	13.8	(5.8)	8.0	198.1
Diagnostics, Clinical Testing and API (*)	23.4	24.8	48.2	24.5	25.5	50.0	(1.1)	(0.7)	(1.8)	51.4
Chemicals	207.3	222.0	429.3	196.2	243.8	440.0	11.1	(21.8)	(10.7)	371.7
Petrochemicals (*)	152.4	158.4	310.8	141.8	188.2	330.0	10.6	(29.8)	(19.2)	253.8
Carbon (*)	54.9	63.6	118.5	54.4	55.6	110.0	0.5	8.0	8.5	117.9
Polymers	179.8	194.8	374.6	180.1	184.9	365.0	(0.3)	9.9	9.6	194.4
Polyolefins and Advanced Polymers (*)	114.9	122.7	237.6	116.0	119.0	235.0	(1.1)	3.7	2.6	194.4
MMA Monomers and Polymers (*)	64.9	72.1	137.0	64.1	65.9	130.0	0.8	6.2	7.0	—
Others	51.2	69.4	120.6	58.6	51.4	110.0	(7.4)	18.0	10.6	70.5

* Approximation for reference purpose only

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.