

Operational Summary

for the First Quarter of the Fiscal Year Ending March 31, 2013

August 1, 2012

Mitsubishi Chemical Holdings Corporation

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List of Abbreviations

FY2012:	April 1, 2012 - March 31, 2013	}	1st Half ("1H") of FY2012
	1st Quarter ("1Q") of FY2012: April 1, 2012 - June 30, 2012		
	2nd Quarter ("2Q") of FY2012: July 1, 2012 - September 30, 2012		
FY2011:	April 1, 2011 - March 31, 2012		
	1st Quarter ("1Q") of FY2011: April 1, 2011 - June 30, 2011		
Previous Forecast:	Company's forecasts announced on May 10, 2012		
Revised Forecast:	Company's forecasts announced on August 1, 2012		

(Note)

Divisional numbers into 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, Clinical Testing and API

Petrochemicals

Carbon

Polyolefins and Advanced Polymers

MMA Monomers and Polymers

Consolidated Statements of Operations

	79.8	81.2	
Exchange rate for transactions in US\$ (¥/US\$)	79.8	81.2	
Exchange rate to translate foreign statements with calendar-year accounting period (¥/US\$)	79.8	82.3	
Naphtha price (¥/kl)	60,000	59,000	
	(Billions of Yen)		
	1Q of FY2012	1Q of FY2011	Change
Net sales	760.3	772.4	(12.1)
Operating income	15.6	59.8	(44.2)
Income (expenses) on financing activities	(0.8)	(1.0)	0.2
[Dividend income included in above]	[2.4]	[2.4]	[0.0]
Equity in earnings of non-consolidated subsidiaries and affiliates	0.7	5.3	(4.6)
Other non-operating income (expenses)	(3.5)	(2.5)	(1.0)
Ordinary income	12.0	61.6	(49.6)
Extraordinary gain	2.8	4.7	(1.9)
Extraordinary loss	(7.1)	(12.4)	5.3
Income before income taxes and minority interests	7.7	53.9	(46.2)
Current and deferred income taxes	(8.7)	(18.4)	9.7
Income (Loss) before minority interests	(1.0)	35.5	(36.5)
Minority interests in consolidated subsidiaries	(4.6)	(11.0)	6.4
Net income (loss)	(5.6)	24.5	(30.1)
Comprehensive income attributable to :	14.6	49.5	(34.9)
Shareholders of the parent	7.6	37.6	(30.0)
Minority interests	7.0	11.9	(4.9)

Major reasons for the change

Equity in earnings of non-consolidated subsidiaries and affiliates (4.6) billion yen: Sam Nam Petrochemical Co., Ltd.
 Minority interests in consolidated subsidiaries +6.4 billion yen: Foreign subsidiaries for PTA business

Consolidated Net Sales and Operating Income by Business Segment

		(Billions of Yen)		
		1Q of FY2012	1Q of FY2011	Change
Total	Net Sales	760.3	772.4	(12.1)
	Operating Income	15.6	59.8	(44.2)
Electronics Applications	Net Sales	30.8	36.5	(5.7)
	Operating Income	(0.4)	0.1	(0.5)
Designed Materials	Net Sales	167.2	176.9	(9.7)
	Operating Income	3.8	*1 10.5	(6.7)
Health Care	Net Sales	127.6	125.2	2.4
	Operating Income	20.9	24.7	(3.8)
Chemicals	Net Sales	219.6	218.7	0.9
	Operating Income	(7.7)	16.0	(23.7)
Polymers	Net Sales	171.1	170.0	1.1
	Operating Income	0.6	*1 10.9	(10.3)
Others	Net Sales	44.0	45.1	(1.1)
	Operating Income	0.3	(0.2)	0.5
Corporate	Net Sales	-	-	-
	Operating Income	(1.9)	(2.2)	0.3

Included in the change reclassification of (0.6) billion yen for expenses for certain basic research activities *2

Impact of the earthquake	(12.3)
Operating income excluding the impact of the earthquake	72.1

*1 Effective as from FY2012, segmentation for certain consolidated subsidiaries has changed from the Polymers segment to the Designed Materials segment. The segment information for FY2011 is accordingly restated.

*2 Effective as from FY2012, expenses for certain basic research activities, previously included in the Corporate, are stated in the Designed Materials segment due to progress in the research. The expenses for the 1Q of FY2012 were 0.6 billion yen.

Consolidated Net Sales and Operating Income by Business Sub-segment

		(Billions of Yen)			
		1Q of FY2012	1Q of FY2011	Change	
Electronics Applications		Net Sales	30.8	36.5	(5.7)
		Operating Income	(0.4)	0.1	(0.5)
Designed Materials	Functional Products	Net Sales	115.6	125.4	(9.8)
		Operating Income	0.7	*1 6.0	(5.3) (a)
	Performance Chemicals	Net Sales	51.6	51.5	0.1
		Operating Income	3.1	4.5	(1.4)
Health Care	Pharmaceuticals	Net Sales	104.4	102.2	2.2
		Operating Income	20.0	23.8	(3.8) (b)
	Diagnostics, Clinical Testing and API	Net Sales	23.2	23.0	0.2
		Operating Income	0.9	0.9	0.0

Included in the change reclassification of (0.6) billion yen for expenses for certain basic research activities *2

*1 Effective as from FY2012, segmentation for certain consolidated subsidiaries has changed from the Polymers segment to the Designed Materials segment. The segment information for FY2011 is accordingly restated.

*2 Effective as from FY2012, expenses for certain basic research activities, previously included in the Corporate, are stated in the Designed Materials segment due to progress in the research. The expenses for the 1Q of FY2012 were 0.6 billion yen.

Major reasons for the change:

- (a) Decreased sales for polyester films
- (b) NHI drug price revisions and a decrease in SG & A expenses

Consolidated Net Sales and Operating Income by Business Sub-segment

(Billions of Yen)

		1Q of FY2012	1Q of FY2011	Change	
Chemicals	Petrochemicals	Net Sales	158.9	147.4	11.5
		Operating Income	(9.9)	10.1	(20.0) (a)
	Carbon	Net Sales	60.7	71.3	(10.6)
		Operating Income	2.2	5.9	(3.7) (b)
Polymers	Polyolefins and Advanced Polymers	Net Sales	105.8	95.8	10.0
		Operating Income	(1.6)	1.3	(2.9) (c)
	MMA Monomers and Polymers	Net Sales	65.3	74.2	(8.9)
		Operating Income	2.2	9.6	(7.4) (d)

*1 Effective as from FY2012, segmentation for certain consolidated subsidiaries has changed from the Polymers segment to the Designed Materials segment. The segment information for FY2011 is accordingly restated.

*2 Effective as from FY2012, expenses for certain basic research activities, previously included in the Corporate, are stated in the Designed Materials segment due to progress in the research. The expenses for the 1Q of FY2012 were 0.6 billion yen.

Inventory valuation gain/loss	1Q of FY2012	1Q of FY2011	Change
Chemicals (Petrochemicals)	1.5	4.6	(3.1)
Chemicals (Carbon)	(0.2)	2.1	(2.3)
Polymers (Polyolefins and Advanced Polymers)	4.2	5.7	(1.5)
Total	5.5	12.4	(6.9)

Major reasons for the change:

- (a) Decreased margin for PTA
- (b) Decreased export margin for blast furnace coke
- (c) Decreased margin for phenol-polycarbonate chain, inventory valuation for polyolefins (see above)
- (d) Decreased margin for MMA

Analysis of Operating Income

(1Q of FY2012 vs. 1Q of FY2011)

(Billions of Yen)

	1Q of FY2012	1Q of FY2011	Change	Analysis			
				Price	Volume	Cost reduction	Others
Total	15.6	59.8	(44.2)	(36.9)	(3.1)	4.8	(9.0)
Electronics Applications	(0.4)	0.1	(0.5)	(0.9)	(0.7)	1.1	0.0
Designed Materials	3.8	10.5	(6.7)	(1.9)	(6.4)	1.6	0.0
Health Care	20.9	24.7	(3.8)	(5.1)	3.9	0.2	(2.8)
Chemicals	(7.7)	16.0	(23.7)	(16.4)	(2.1)	0.2	(5.4)
Polymers	0.6	10.9	(10.3)	(12.6)	2.0	1.4	(1.1)
Others	0.3	(0.2)	0.5	–	0.2	0.3	0.0
Corporate	(1.9)	(2.2)	0.3	–	–	–	0.3

Effective as from FY2012, segmentation for certain consolidated subsidiaries has changed from the Polymers segment to the Designed Materials segment. The segment information for FY2011 is accordingly restated.

Consolidated Extraordinary Gain (Loss)

(Billions of Yen)			
	1Q of FY2012	1Q of FY2011	Change
Total	(4.3)	(7.7)	3.4
Extraordinary gain	2.8	4.7	(1.9)
Gain on negative goodwill	1.7	-	1.7
Gain on sales of investment securities	0.5	1.8	(1.3)
Others	0.6	2.9	(2.3)
Extraordinary loss	(7.1)	(12.4)	5.3
Impairment loss	(4.1)	(2.9)	(1.2)
Loss on valuation of investment securities	(1.8)	(1.7)	(0.1)
Others	(1.2)	(7.8)	6.6

Consolidated Cash Flows

	Based on statements of cash flows		Adjusted by excluding financial investments of cash in hands	
	1Q of FY2012	1Q of FY2011	1Q of FY2012 Excluded 0.5 billion yen	1Q of FY2011 Excluded 24.2 billion yen
	(Billions of Yen)			
Net cash provided by operating activities	38.1	58.5	38.1	58.5
Income before income taxes and minority interests	7.7	53.9	7.7	53.9
Depreciation and amortization	31.2	35.1	31.2	35.1
Amortization of goodwill	2.9	3.1	2.9	3.1
Change in operating receivables/payables	10.4	30.6	10.4	30.6
Change in Inventories	(7.6)	(33.2)	(7.6)	(33.2)
Others	(6.5)	(31.0)	(6.5)	(31.0)
Net cash (used in) provided by investment activities	(30.8)	5.4	(31.3)	(18.8)
Capital expenditure	(30.4)	(27.6)	(30.4)	(27.6)
Investment and loans receivables, etc.	(0.4)	33.0	(0.9)	8.8
Free cash flow	7.3	63.9	6.8	39.7
Net cash used in financing activities	(20.5)	(82.7)		
Interest bearing debts	(4.0)	(66.1)		
Dividends, etc.	(16.5)	(16.6)		
Increase (decrease) in cash and cash equivalents	(13.2)	(18.8)		
Cash and cash equivalents at the end of the period	123.9	128.2		

Consolidated Balance Sheets

(Billions of Yen)

	Jun. 30, 2012	Mar. 31, 2012	Change
Cash and deposits	108.8	114.8	(6.0)
Inventories	529.1	516.1	13.0
Trade receivables	582.1	593.4	(11.3)
Others	157.8	153.5	4.3
Current assets	1,377.8	1,377.8	0.0
Fixed assets	1,111.5	1,099.1	12.4
Goodwill	139.4	141.8	(2.4)
Investment and Others	539.9	555.3	(15.4)
Fixed assets	1,790.8	1,796.2	(5.4)
Total assets	3,168.6	3,174.0	(5.4)

(Billions of Yen)

	Jun. 30, 2012	Mar. 31, 2012	Change
Interest-bearing debts	1,156.8	1,164.1	(7.3)
Trade payables	413.8	411.3	2.5
Others	455.1	453.6	1.5
Liabilities	2,025.7	2,029.0	(3.3)
Shareholders' equity	820.7	831.6	(10.9)
Accumulated other comprehensive income	(47.7)	(60.8)	13.1
Minorities interests, etc.	369.9	374.2	(4.3)
Net assets	1,142.9	1,145.0	(2.1)
Total liabilities and net assets	3,168.6	3,174.0	(5.4)

Interest-bearing debts (incl. notes)	1,157.1	1,164.5	(7.4)
Debt-equity ratio	1.50	1.51	(0.01)
Net interest-bearing debts (*1)	939.1	936.8	2.3
Net debt-equity ratio	1.21	1.22	(0.01)
Shareholders' equity (*2)	773.0	770.7	2.3
Shareholders' equity ratio	24.3%	24.2%	0.1%

*1. Net interest-bearing debts (939.1 billion yen)

= interest bearing debts, including discounted notes (1,157.1 billion yen)

- (cash and cash equivalents (123.9 billion yen) + financial investments of cash-in-hands (94.1 billion yen))

*2. Represents the sum of shareholders' equity and accumulated other comprehensive income per the above B/S.

Consolidated Statements of Comprehensive Income

Exchange rates to translate balances in foreign statements	(Mar. 2012)	(Dec. 2011)
	Jun. 2012	Mar. 2012
For foreign statements with calendar-year accounting period (¥/US\$)	(82.2)	(77.7)
For foreign statements with April-March accounting period (¥/US\$)	79.3	82.2
For foreign statements with calendar-year accounting period (¥/€)	(109.8)	(100.7)
For foreign statements with April-March accounting period (¥/€)	98.7	109.8

	(Billions of Yen)		
	1Q of FY2012	1Q of FY2011	Change
Net income	(5.6)	24.5	(30.1)
Minority interests in consolidated subsidiaries	4.6	11.0	(6.4)
Income before minority interests	(1.0)	35.5	(36.5)
Other comprehensive income (loss):			
Net unrealized holding gain (loss) on other securities	(7.4)	(3.0)	(4.4)
Gain (loss) on deferred hedges	(0.5)	(0.1)	(0.4)
Foreign currency translation adjustments	22.7	15.7	7.0
Unfunded retirement benefit obligation with respect to a foreign subsidiary	0.5	0.3	0.2
Other comprehensive income of affiliates accounted for using equity method	0.4	1.1	(0.7)
Other comprehensive income, net	15.7	14.0	1.7
Total comprehensive income	14.6	49.5	(34.9)
Total comprehensive income attributable to :			
Shareholders of the parent	7.6	37.6	(30.0)
Minority interests	7.0	11.9	(4.9)

Consolidated Statement of Operations

(Revised Forecast for 1st Half of FY2012)

Forecast

Exchange rate for transactions in US\$ (¥/US\$)	79.8	80.0	79.9	81.0
Naphtha price (¥/kl)	60,000	48,000	54,000	62,000

	1Q of FY2012 (Actual)	2Q of FY2012 (Forecast)	1H of FY2012 (Revised Forecast)	1H of FY2012 (Previous Forecast)	(Billions of Yen) Change
Net sales	760.3	824.7	1,585.0	1,653.0	(68.0)
Operating income	15.6	24.4	40.0	52.0	(12.0)
Income (expenses) on financing activities	(0.8)	(3.2)	(4.0)	(5.0)	1.0
[Dividend income included in above]	[2.4]	[0.1]	[2.5]	[2.0]	[0.5]
Equity in earnings of non-consolidated subsidiaries and affiliates	0.7	3.3	4.0	6.0	(2.0)
Other non-operating income (expenses)	(3.5)	(4.5)	(8.0)	(8.0)	0.0
Ordinary income	12.0	20.0	32.0	45.0	(13.0)
Extraordinary gain	2.8	0.2	3.0	2.0	1.0
Extraordinary loss	(7.1)	(4.9)	(12.0)	(10.0)	(2.0)
Income before income taxes and minority interests	7.7	15.3	23.0	37.0	(14.0)
Current and deferred income taxes	(8.7)	(4.3)	(13.0)	(14.0)	1.0
Income (Loss) before minority interests	(1.0)	11.0	10.0	23.0	(13.0)
Minority interests in consolidated subsidiaries	(4.6)	(5.4)	(10.0)	(12.0)	2.0
Net income (loss)	(5.6)	5.6	0.0	11.0	(11.0)

Consolidated Net Sales and Operating Income by Business Segment (Revised Forecast for 1st Half of FY2012)

Forecast

(Billions of Yen)

		1Q of FY2012 (Actual)	2Q of FY2012 (Forecast)	1H of FY2012 (Revised Forecast)	1H of FY2012 (Previous Forecast)	Change
Total	Net Sales	760.3	824.7	1,585.0	1,653.0	(68.0)
	Operating Income	15.6	24.4	40.0	52.0	(12.0)
Electronics Applications	Net Sales	30.8	33.2	64.0	65.0	(1.0)
	Operating Income	(0.4)	(0.6)	(1.0)	(2.0)	1.0
Designed Materials	Net Sales	167.2	185.8	353.0	370.0	(17.0)
	Operating Income	3.8	7.2	11.0	12.0	(1.0)
Health Care	Net Sales	127.6	125.4	253.0	253.0	0.0
	Operating Income	20.9	11.1	32.0	32.0	0.0
Chemicals	Net Sales	219.6	224.4	444.0	475.0	(31.0)
	Operating Income	(7.7)	1.7	(6.0)	7.0	(13.0)
Polymers	Net Sales	171.1	197.9	369.0	390.0	(21.0)
	Operating Income	0.6	5.4	6.0	7.0	(1.0)
Others	Net Sales	44.0	58.0	102.0	100.0	2.0
	Operating Income	0.3	1.7	2.0	1.0	1.0
Corporate	Net Sales	-	-	-	-	-
	Operating Income	(1.9)	(2.1)	(4.0)	(5.0)	1.0

Consolidated Net Sales and Operating Income by Business Sub-segment (Revised Forecast for 1st Half of FY2012)

Forecast

(Billions of Yen)

			1Q of FY2012 (Actual)	2Q of FY2012 (Forecast)	1H of FY2012 (Revised Forecast)	1H of FY2012 (Previous Forecast)	Change
Electronics Applications		Net Sales	30.8	33.2	64.0	65.0	(1.0)
		Operating Income	(0.4)	(0.6)	(1.0)	(2.0)	1.0
Designed Materials	Functional Products	Net Sales	115.6	127.4	243.0	255.0	(12.0)
		Operating Income	0.7	3.3	4.0	5.0	(1.0)
	Performance Chemicals	Net Sales	51.6	58.4	110.0	115.0	(5.0)
		Operating Income	3.1	3.9	7.0	7.0	0.0
Health Care	Pharmaceuticals	Net Sales	104.4	98.6	203.0	203.0	0.0
		Operating Income	20.0	10.0	30.0	30.0	0.0
	Diagnostics, Clinical Testing and API	Net Sales	23.2	26.8	50.0	50.0	0.0
		Operating Income	0.9	1.1	2.0	2.0	0.0

Consolidated Net Sales and Operating Income by Business Sub-segment (Revised Forecast for 1st Half of FY2012)

Forecast

(Billions of Yen)

			1Q of FY2012 (Actual)	2Q of FY2012 (Forecast)	1H of FY2012 (Revised Forecast)	1H of FY2012 (Previous Forecast)	Change
Chemicals	Petrochemicals	Net Sales	158.9	164.1	323.0	355.0	(32.0)
		Operating Income	(9.9)	(2.1)	(12.0)	1.0	(13.0)
	Carbon	Net Sales	60.7	60.3	121.0	120.0	1.0
		Operating Income	2.2	3.8	6.0	6.0	0.0
Polymers	Polyolefins and Advanced Polymers	Net Sales	105.8	123.2	229.0	245.0	(16.0)
		Operating Income	(1.6)	1.6	0.0	1.0	(1.0)
	MMA Monomers and Polymers	Net Sales	65.3	74.7	140.0	145.0	(5.0)
		Operating Income	2.2	3.8	6.0	6.0	0.0

	1Q of FY2012 (Actual)	2Q of FY2012 (Forecast)	1H of FY2012 (Revised Forecast)	1H of FY2012 (Previous Forecast)	Change
Inventory valuation gain/loss					
Chemicals (Petrochemicals)	1.5	(3.8)	(2.3)	0.3	(2.6)
Chemicals (Carbon)	(0.2)	(0.4)	(0.6)	1.3	(1.9)
Polymers (Polyolefins and Advanced Polymers)	4.2	(5.5)	(1.3)	4.4	(5.7)
Total	5.5	(9.7)	(4.2)	6.0	(10.2)

Consolidated Operating Income by Business Sub-segment (1Q Actual vs. 2Q Forecast)

Reference Forecast

(Billions of Yen)

		1Q of FY2012 (Actual)	2Q of FY2012 (Forecast)	1H of FY2012 (Revised Forecast)	Change from 1Q to 2Q	Major reasons expected for the change	1H of FY2012 (Previous Forecast)
Electronics Applications		(0.4)	(0.6)	(1.0)	(0.2)		(2.0)
Designed Materials	Functional Products	0.7	3.3	4.0	2.6	- Improvement in products margin - Increase in sales	5.0
	Performance Chemicals	3.1	3.9	7.0	0.8		7.0
Health Care	Pharmaceuticals	20.0	10.0	30.0	(10.0)	- Increase in SG & A expenses - Seasonality	30.0
	Diagnostics, Clinical Testing and API	0.9	1.1	2.0	0.2		2.0
Chemicals	Petrochemicals	(9.9)	(2.1)	(12.0)	7.8	- Improvement in PTA margin - Periodic plant maintenance in 1Q	1.0
	Carbon	2.2	3.8	6.0	1.6	- Improvement in export margin for blast furnace coke	6.0
Polymers	Polyolefins and Advanced Polymers	(1.6)	1.6	0.0	3.2	- Periodic plant maintenance in 1Q - Improvement in products margin	1.0
	MMA Monomers and Polymers	2.2	3.8	6.0	1.6	- Improvement in market condition for foreign subsidiaries (for which 1Q represents Jan. - Mar.)	6.0

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.