

# Operational Summary

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

November 1, 2012

Mitsubishi Chemical Holdings Corporation

# Table of Contents

<b>Consolidated Financial Statements for 1H of FY2012</b>	Page No.	<b>Consolidated Revised Forecasts for FY2012</b>	Page No.
<b>Statements of Operations</b>	4	<b>Statements of Operations</b>	13
<b>Net Sales and Operating Income by Business Segment</b>	5	<b>Net Sales and Operating Income by Business Segment</b>	14
<b>Net Sales and Operating Income by Business Sub-segment</b>	6	<b>Net Sales and Operating Income by Business Sub-segment</b>	15
<b>Analysis of Operating Income (1H of FY2012 vs. 1H of FY2011)</b>	8	<b>Trend of Operating Income</b>	17
<b>Extraordinary Gain/Loss</b>	9	<b>Trend of Operating Income (Chemicals &amp; Polymers Segments only)</b>	18
<b>Cash Flows</b>	10	<b>Operating Income by Business Sub-segment (1H vs. 2H under Revised Forecast)</b>	19
<b>Balance Sheets</b>	11	<b>Cash Dividends</b>	20
<b>Statements of Comprehensive Income</b>	12		
		<b>Reference</b>	
		<b>Capital Expenditure, Depreciation &amp; Amortization, R&amp;D Expenses, and Number of Employees by Business Segment</b>	21
		<b>Major Subsidiaries</b>	22

# List of Abbreviations

<b>FY2012:</b>	April 1, 2012 - March 31, 2013	
	<b>1st Quarter ("1Q") of FY2012:</b> April 1, 2012 - June 30, 2012	} <b>1st Half ("1H") of FY2012</b>
	<b>2nd Quarter ("2Q") of FY2012:</b> July 1, 2012 - September 30, 2012	
	<b>3rd Quarter ("3Q") of FY2012:</b> October 1, 2012 - December 31, 2012	} <b>2nd Half ("2H") of FY2012</b>
	<b>4th Quarter ("4Q") of FY2012:</b> January 1, 2013 - March 31, 2013	
<b>FY2011:</b>	April 1, 2011 - March 31, 2012	
	<b>1st Quarter ("1Q") of FY2011:</b> April 1, 2011 - June 30, 2011	} <b>1st Half ("1H") of FY2011</b>
	<b>2nd Quarter ("2Q") of FY2011:</b> July 1, 2011 - September 30, 2011	
	<b>3rd Quarter ("3Q") of FY2011:</b> October 1, 2011 - December 31, 2011	} <b>2nd Half ("2H") of FY2011</b>
	<b>4th Quarter ("4Q") of FY2011:</b> January 1, 2012 - March 31, 2012	
<b>Forecast on May 10:</b>	Company's forecasts for FY2012, 1H of FY2012, and 2H of FY2012 announced on May 10, 2012	
<b>Forecast on Aug. 1:</b>	Company's forecasts for 1H of FY2012 announced on August 1, 2012	
<b>Revised Forecast:</b>	Company's forecasts for FY2012 and 2H of FY2012 announced on November 1, 2012	
<b>MCHC:</b>	Mitsubishi Chemical Holdings Corporation	
<b>MCC:</b>	Mitsubishi Chemical Corporation	
<b>MTPC:</b>	Mitsubishi Tanabe Pharma Corporation	
<b>MPI:</b>	Mitsubishi Plastics, Inc.	
<b>MRC:</b>	Mitsubishi Rayon Co., Ltd.	
<b>Nippon Gohsei:</b>	The Nippon Synthetic Chemical Industry Co., Ltd.	
<b>Nippon Kasei:</b>	Nippon Kasei Chemical Company Limited	

(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	78.1	79.0	79.2		79.9
	79.8	79.8	79.8	81.8		79.9
	60,600	50,000	55,300	57,000		54,000
	(Billions of Yen)				(Reference)	
	1Q	2Q	1H of FY2012	1H of FY2011	Change	1H of FY2012 (Forecast on Aug. 1)
Exchange rate for transactions in US\$ (¥/US\$)						
Exchange rate to translate foreign statements with calendar-year accounting period (¥/US\$)						
Naphtha price (¥/kl)						
<b>Net sales</b>	760.3	769.5	1,529.8	1,570.2	(40.4)	1,585.0
<b>Operating income</b>	15.6	25.5	41.1	95.7	(54.6)	40.0
Income (expenses) on financing activities	(0.8)	(0.5)	(1.3)	(4.1)	2.8	(4.0)
[Dividend income included in above]	[2.4]	[2.9]	[5.3]	[2.7]	[2.6]	[2.5]
Equity in earnings of non-consolidated subsidiaries and affiliates	0.7	(0.5)	0.2	8.5	(8.3)	4.0
Other non-operating income (expenses)	(3.5)	(2.6)	(6.1)	(7.2)	1.1	(8.0)
<b>Ordinary income</b>	12.0	21.9	33.9	92.9	(59.0)	32.0
Extraordinary gain	2.8	6.1	8.9	7.0	1.9	3.0
Extraordinary loss	(7.1)	(5.5)	(12.6)	(16.5)	3.9	(12.0)
<b>Income before income taxes and minority interests</b>	7.7	22.5	30.2	83.4	(53.2)	23.0
Current and deferred income taxes	(8.7)	(7.0)	(15.7)	(26.2)	10.5	(13.0)
<b>Income (Loss) before minority interests</b>	(1.0)	15.5	14.5	57.2	(42.7)	10.0
Minority interests in consolidated subsidiaries	(4.6)	(6.6)	(11.2)	(19.7)	8.5	(10.0)
<b>Net income (loss)</b>	(5.6)	8.9	3.3	37.5	(34.2)	0.0
<b>Comprehensive income attributable to :</b>	14.6	(4.0)	10.6	60.4	(49.8)	
Shareholders of the parent	7.6	(8.1)	(0.5)	40.7	(41.2)	
Minority interests	7.0	4.1	11.1	19.7	(8.6)	

(a) Major affiliates to account for the change (8.3) billion yen:  
Sam Nam Petrochemical Co., Ltd., and TAIYO NIPPON SANSO CORPORATION

# Consolidated Net Sales and Operating Income by Business Segment

		(Billions of Yen)					(Reference)
		1Q	2Q	1H of FY2012	1H of FY2011	Change	1H of FY2012 (Forecast on Aug. 1)
<b>Total</b>	Net Sales	760.3	769.5	1,529.8	1,570.2	(40.4)	1,585.0
	Operating Income	15.6	25.5	41.1	95.7	(54.6)	40.0
<b>Electronics Applications</b>	Net Sales	30.8	29.7	60.5	69.8	(9.3)	64.0
	Operating Income	(0.4)	(0.9)	(1.3)	(1.2)	(0.1)	(1.0)
<b>Designed Materials</b>	Net Sales	167.2	173.3	340.5	355.0	(14.5)	353.0
	Operating Income	3.8	6.7	10.5	*1 18.4	(7.9)	11.0
<b>Health Care</b>	Net Sales	127.6	123.2	250.8	246.7	4.1	253.0
	Operating Income	20.9	15.1	36.0	39.7	(3.7)	32.0
<b>Chemicals</b>	Net Sales	219.6	224.0	443.6	466.2	(22.6)	444.0
	Operating Income	(7.7)	2.3	(5.4)	19.4	(24.8)	(6.0)
<b>Polymers</b>	Net Sales	171.1	170.8	341.9	335.5	6.4	369.0
	Operating Income	0.6	2.3	2.9	*1 22.2	(19.3)	6.0
<b>Others</b>	Net Sales	44.0	48.5	92.5	97.0	(4.5)	102.0
	Operating Income	0.3	2.2	2.5	1.6	0.9	2.0
<b>Corporate</b>	Net Sales	-	-	-	-	-	-
	Operating Income	(1.9)	(2.2)	(4.1)	(4.4)	0.3	(4.0)

Included in the change reclassification of (1.2) billion yen for expenses for certain basic research activities \*2

Impact of the earthquake

(14.6)

Operating income excluding the impact of the earthquake

110.3

\*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 1H of FY2011 were 1.2 billion yen.

# Consolidated Net Sales and Operating Income by Business Sub-segment

		(Billions of Yen)					(Reference)	
		1Q	2Q	1H of FY2012	1H of FY2011	Change	1H of FY2012 (Forecast on Aug. 1)	
	<b>Electronics Applications</b>	Net Sales	30.8	29.7	60.5	69.8	(9.3)	64.0
		Operating Income	(0.4)	(0.9)	(1.3)	(1.2)	(0.1)	(1.0)
Designed Materials	<b>Functional Products</b>	Net Sales	115.6	121.5	237.1	251.5	(14.4)	243.0
		Operating Income	0.7	2.3	3.0	*1 10.4	(7.4)	(4.0)
	<b>Performance Chemicals</b>	Net Sales	51.6	51.8	103.4	103.5	(0.1)	110.0
		Operating Income	3.1	4.4	7.5	8.0	(0.5)	7.0
Health Care	<b>Pharmaceuticals</b>	Net Sales	104.4	99.4	203.8	200.3	3.5	203.0
		Operating Income	20.0	14.6	34.6	37.8	(3.2)	30.0
	Diagnostics, Clinical Testing and API	Net Sales	23.2	23.8	47.0	46.4	0.6	50.0
		Operating Income	0.9	0.5	1.4	1.9	(0.5)	2.0

(a) Included in the change reclassification of (1.2) billion yen for expenses for certain basic research activities

(b) \*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 1H of FY2011 were 1.2 billion yen.

**Major reasons for the change:**

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

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

			(Billions of Yen)					(Reference)
			1Q	2Q	1H of FY2012	1H of FY2011	Change	1H of FY2012 (Forecast on Aug. 1)
Chemicals	Petrochemicals	Net Sales	158.9	164.8	323.7	329.3	(5.6)	323.0
		Operating Income	(9.9)	(0.9)	(10.8)	11.0	(21.8)	(12.0)
	Carbon	Net Sales	60.7	59.2	119.9	136.9	(17.0)	121.0
		Operating Income	2.2	3.2	5.4	8.4	(3.0)	6.0
Polymers	Polyolefins and Advanced Polymers	Net Sales	105.8	105.3	211.1	190.7	20.4	229.0
		Operating Income	(1.6)	(0.4)	(2.0)	2.8	(4.8)	0.0
	MMA Monomers and Polymers	Net Sales	65.3	65.5	130.8	144.8	(14.0)	140.0
		Operating Income	2.2	2.7	4.9	19.4	(14.5)	6.0

\*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.

Inventory valuation gain/loss	1Q of FY2012	2Q of FY2012	1H of FY2012	1H of FY2011	Change
Chemicals (Petrochemicals)	1.5	(2.9)	(1.4)	3.2	(4.6)
Chemicals (Carbon)	(0.2)	(0.2)	(0.4)	1.7	(2.1)
Polymers (Polyolefins and Advanced Polymers)	4.2	(3.3)	0.9	5.2	(4.3)
Total	5.5	(6.4)	(0.9)	10.1	(11.0)

**Major reasons for the change:**

- (a) Decreased margin for PTA
- (b) Adverse effect of inventory valuation for coal, Decreased export margin for blast furnace coke
- (c) Decreased margin (combined with adverse effect of inventory valuation) for polyolefins  
Decreased margin for phenol-polycarbonate chain
- (d) Decreased margin for MMA

# Analysis of Operating Income

## (1H of FY2012 vs. 1H of FY2011)

(Billions of Yen)

	1H of FY2012	1H of FY2011	Change	Analysis			
				Price	Volume	Cost reduction	Others
<b>Total</b>	<b>41.1</b>	<b>95.7</b>	<b>(54.6)</b>	(58.6)	2.9	13.7	(12.6)
Electronics Applications	(1.3)	(1.2)	(0.1)	(2.3)	(1.1)	3.3	0.0
Designed Materials	10.5	18.4	(7.9)	(2.8)	(8.4)	3.3	0.0
Health Care	36.0	39.7	(3.7)	(9.6)	7.4	0.3	(1.8)
Chemicals	(5.4)	19.4	(24.8)	(22.7)	2.9	1.7	(6.7)
Polymers	2.9	22.2	(19.3)	(21.2)	1.7	4.5	(4.3)
Others	2.5	1.6	0.9	-	0.4	0.5	0.0
Corporate	(4.1)	(4.4)	0.3	-	-	0.1	0.2

\* 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 and Loss

(Billions of Yen)

			1H of	1H of	Change
	1Q	2Q	FY2012	FY2011	
<b>Net of extraordinary gain and loss</b>	<b>(4.3)</b>	<b>0.6</b>	<b>(3.7)</b>	<b>(9.5)</b>	<b>5.8</b>
<b>Extraordinary gain</b>	<b>2.8</b>	<b>6.1</b>	<b>8.9</b>	<b>7.0</b>	<b>1.9</b>
Gain on sales of property, plant and equipment	0.4	3.3	3.7	1.5	2.2
Gain on sales of investment securities	0.5	1.4	1.9	2.3	(0.4)
Gain on negative goodwill	1.7	0.1	1.8	0.3	1.5
Others	0.2	1.3	1.5	2.9	(1.4)
<b>Extraordinary loss</b>	<b>(7.1)</b>	<b>(5.5)</b>	<b>(12.6)</b>	<b>(16.5)</b>	<b>3.9</b>
<b>Business structure improvement expenses</b>	<b>(4.0)</b>	<b>(2.6)</b>	<b>(6.6)</b>	<b>(0.8)</b>	<b>(5.8)</b>
<b>Others</b>	<b>(3.1)</b>	<b>(2.9)</b>	<b>(6.0)</b>	<b>(15.7)</b>	<b>9.7</b>
Loss on valuation of investment securities	(1.8)	(0.7)	(2.5)	(1.9)	(0.6)
Others	(1.3)	(2.2)	(3.5)	(13.8)	10.3

## Consolidated Cash Flows

	Based on statements of cash flows		Adjusted by excluding financial investments of cash in hands	
	1H of FY2012	1H of FY2011	1H of FY2012 Excluded (12.8) billion yen	1H of FY2011 Excluded 40.0 billion yen
	(Billions of Yen)			
<b>Net cash provided by operating activities</b>	<b>94.9</b>	<b>89.6</b>	<b>94.9</b>	<b>89.6</b>
Income before income taxes and minority interests	30.2	83.4	30.2	83.4
Depreciation and amortization	63.6	70.4	63.6	70.4
Amortization of goodwill	5.8	6.2	5.8	6.2
Change in operating receivables/payables	11.9	37.8	11.9	37.8
Change in Inventories	(6.2)	(56.6)	(6.2)	(56.6)
Others	(10.4)	(51.6)	(10.4)	(51.6)
<b>Net cash used in investing activities</b>	<b>(67.0)</b>	<b>(13.0)</b>	<b>(54.2)</b>	<b>(53.0)</b>
Capital expenditure	(60.6)	(53.1)	(60.6)	(53.1)
Investment and loans receivables, etc.	(6.4)	40.1	6.4	0.1
<b>Free cash flow</b>	<b>27.9</b>	<b>76.6</b>	<b>40.7</b>	<b>36.6</b>
<b>Net cash used in financing activities</b>	<b>(51.0)</b>	<b>(83.9)</b>		
Interest bearing debts	(30.3)	(63.3)		
Dividends, etc.	(20.7)	(20.6)		
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(23.1)</b>	<b>(7.3)</b>		
<b>Cash and cash equivalents at the end of the period</b>	<b>110.4</b>	<b>138.7</b>		

# Consolidated Balance Sheets

(Billions of Yen)

	Sep. 30, 2012	Mar. 31, 2012	Change
Cash and deposits	91.3	114.8	(23.5)
Inventories	520.4	516.1	4.3
Trade receivables	565.6	593.4	(27.8)
Others	170.2	153.5	16.7
<b>Current assets</b>	<b>1,347.5</b>	<b>1,377.8</b>	<b>(30.3)</b>
Tangible and Intangible fixed assets	1,094.8	1,099.1	(4.3)
Goodwill	139.9	141.8	(1.9)
Investment and Others	522.1	555.3	(33.2)
<b>Non-current assets</b>	<b>1,756.8</b>	<b>1,796.2</b>	<b>(39.4)</b>
<b>Total assets</b>	<b>3,104.3</b>	<b>3,174.0</b>	<b>(69.7)</b>

(Billions of Yen)

	Sep. 30, 2012	Mar. 31, 2012	Change
Interest-bearing debts	1,124.5	1,164.1	(39.6)
Trade payables	403.0	411.3	(8.3)
Others	444.0	453.6	(9.6)
<b>Liabilities</b>	<b>1,971.5</b>	<b>2,029.0</b>	<b>(57.5)</b>
Shareholders' equity	829.6	831.6	(2.0)
Accumulated other comprehensive income	(64.7)	(60.8)	(3.9)
Minority interests, etc.	367.9	374.2	(6.3)
<b>Net assets</b>	<b>1,132.8</b>	<b>1,145.0</b>	<b>(12.2)</b>
<b>Total liabilities and net assets</b>	<b>3,104.3</b>	<b>3,174.0</b>	<b>(69.7)</b>

Interest-bearing debts (*1)	1,124.5	1,164.5	(40.0)
Debt-equity ratio	1.47	1.51	(0.04)
Net interest-bearing debts (*1) (*2)	906.7	936.8	(30.1)
Net debt-equity ratio	1.19	1.22	(0.03)
Shareholders' equity (*3)	764.8	770.7	(5.9)
Shareholders' equity ratio	24.6%	24.2%	0.4%

\*1. Discounted notes included

\*2. Net interest-bearing debts (906.7 billion yen)

= interest bearing debts (1,124.5 billion yen)

- {cash and cash equivalents (110.4 billion yen) + financial investments of cash-in-hands (107.4 billion yen)}

\*3. 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	(Jun. 2012)	(Dec. 2011)
	Sep. 2012	Mar. 2012
For foreign statements with calendar-year accounting period (¥/US\$)	(79.3)	(77.7)
<b>For foreign Statements with April-March accounting period (¥/US\$)</b>	<b>77.6</b>	<b>82.2</b>
For foreign statements with calendar-year accounting period (¥/€)	(98.7)	(100.7)
<b>For foreign Statements with April-March accounting period (¥/€)</b>	<b>100.2</b>	<b>109.8</b>

(Billions of Yen)

	1H of FY2012	1H of FY2011	Change
<b>Net income</b>	<b>3.3</b>	<b>37.5</b>	<b>(34.2)</b>
<b>Minority interests in consolidated subsidiaries</b>	<b>11.2</b>	<b>19.7</b>	<b>(8.5)</b>
<b>Income before minority interests</b>	<b>14.5</b>	<b>57.2</b>	<b>(42.7)</b>
<b>Other comprehensive income (loss):</b>			
Net unrealized holding gain (loss) on other securities	(9.9)	(10.1)	0.2
Gain (loss) on deferred hedges	(0.5)	(0.8)	0.3
Foreign currency translation adjustments	7.0	13.3	(6.3)
Unfunded retirement benefit obligation with respect to a foreign subsidiary	0.2	0.2	0.0
Other comprehensive income (loss) of affiliates accounted for using equity method	(0.7)	0.6	(1.3)
<b>Other comprehensive income, net</b>	<b>(3.9)</b>	<b>3.2</b>	<b>(7.1)</b>
<b>Total comprehensive income</b>	<b>10.6</b>	<b>60.4</b>	<b>(49.8)</b>
<b>Total comprehensive income attributable to :</b>			
Shareholders of the parent	(0.5)	40.7	(41.2)
Minority interests	11.1	19.7	(8.6)

# Consolidated Statement of Operations (Revised Forecast for FY2012)

Forecast

Exchange rate for transactions in US\$ (¥/US\$)	79.8	78.1	79.0	80.0	79.5
Exchange rate to translate foreign statements with calendar-year accounting period (¥/US\$)	79.8	79.8	79.8	79.1	79.5
Naphtha price (¥/kl)	60,600	50,000	55,300	56,000	55,650

79.0	81.0
79.6	81.3
54,900	62,000

(Billions of Yen)

(Reference)

	1Q of FY2012 (Actual)	2Q of FY2012 (Actual)	1H of FY2012 (Actual)	2H of FY2012 (Revised Forecast)	FY2012 (Revised Forecast)	FY2011 (Actual)	FY2012 (Forecast on May 10)
<b>Net sales</b>	760.3	769.5	1,529.8	1,670.2	3,200.0	3,208.2	3,450.0
<b>Operating income</b>	15.6	25.5	41.1	78.9	120.0	130.6	160.0
Income (expenses) on financing activities	(0.8)	(0.5)	(1.3)	(4.7)	(6.0)	(6.7)	(9.0)
[Dividend income included in above]	[2.4]	[2.9]	[5.3]	[2.7]	[8.0]	[7.0]	[5.0]
Equity in earnings of non-consolidated subsidiaries and affiliates	0.7	(0.5)	0.2	3.8	4.0	14.9	12.0
Other non-operating income (expenses)	(3.5)	(2.6)	(6.1)	(6.9)	(13.0)	(5.2)	(15.0)
<b>Ordinary income</b>	12.0	21.9	33.9	71.1	105.0	133.6	148.0
Extraordinary gain	2.8	6.1	8.9	4.1	13.0	23.6	3.0
Extraordinary loss	(7.1)	(5.5)	(12.6)	(19.4)	(32.0)	(29.7)	(24.0)
<b>Income before income taxes and minority interests</b>	7.7	22.5	30.2	55.8	86.0	127.5	127.0
Current and deferred income taxes	(8.7)	(7.0)	(15.7)	(21.3)	(37.0)	(53.2)	(42.0)
<b>Income (Loss) before minority interests</b>	(1.0)	15.5	14.5	34.5	49.0	74.3	85.0
Minority interests in consolidated subsidiaries	(4.6)	(6.6)	(11.2)	(16.8)	(28.0)	(38.8)	(35.0)
<b>Net income (loss)</b>	(5.6)	8.9	3.3	17.7	21.0	35.5	50.0

# Consolidated Net Sales and Operating Income by Business Segment (Revised Forecast for FY2012)

**Forecast**

		(Billions of Yen)						(Reference)
		1Q of FY2012 (Actual)	2Q of FY2012 (Actual)	1H of FY2012 (Actual)	2H of FY2012 (Revised Forecast)	FY2012 (Revised Forecast)	FY2011 (Actual)	FY2012 (Forecast on May 10)
<b>Total</b>	Net Sales	760.3	769.5	1,529.8	1,670.2	3,200.0	3,208.2	3,450.0
	Operating Income	15.6	25.5	41.1	78.9	120.0	130.6	160.0
<b>Electronics Applications</b>	Net Sales	30.8	29.7	60.5	69.5	130.0	133.8	145.0
	Operating Income	(0.4)	(0.9)	(1.3)	0.3	(1.0)	(5.3)	0.0
<b>Designed Materials</b>	Net Sales	167.2	173.3	340.5	374.5	715.0	699.9	770.0
	Operating Income	3.8	6.7	10.5	17.5	28.0	23.1	33.0
<b>Health Care</b>	Net Sales	127.6	123.2	250.8	274.2	525.0	502.5	530.0
	Operating Income	20.9	15.1	36.0	43.0	79.0	76.4	79.0
<b>Chemicals</b>	Net Sales	219.6	224.0	443.6	456.4	900.0	1,007.5	985.0
	Operating Income	(7.7)	2.3	(5.4)	7.4	2.0	14.8	29.0
<b>Polymers</b>	Net Sales	171.1	170.8	341.9	378.1	720.0	658.6	810.0
	Operating Income	0.6	2.3	2.9	12.1	15.0	23.8	24.0
<b>Others</b>	Net Sales	44.0	48.5	92.5	117.5	210.0	205.9	210.0
	Operating Income	0.3	2.2	2.5	3.5	6.0	6.1	4.0
<b>Corporate</b>	Net Sales	-	-	-	-	-	-	-
	Operating Income	(1.9)	(2.2)	(4.1)	(4.9)	(9.0)	(8.3)	(9.0)

## Consolidated Net Sales and Operating Income by Business Sub-segment (Revised Forecast for FY2012)

Forecast

		(Billions of Yen)					(Reference)		
		1Q of FY2012 (Actual)	2Q of FY2012 (Actual)	1H of FY2012 (Actual)	2H of FY2012 (Revised Forecast)	FY2012 (Revised Forecast)	FY2011 (Actual)	FY2012 (Forecast on May 10)	
<b>Electronics Applications</b>	Net Sales	30.8	29.7	60.5	69.5	130.0	133.8	145.0	
	Operating Income	<b>(0.4)</b>	<b>(0.9)</b>	<b>(1.3)</b>	<b>0.3</b>	<b>(1.0)</b>	<b>(5.3)</b>	<b>0.0</b>	
<b>Designed Materials</b>	<b>Functional Products</b>	Net Sales	115.6	121.5	237.1	252.9	497.6	530.0	
		Operating Income	<b>0.7</b>	<b>2.3</b>	<b>3.0</b>	<b>6.0</b>	<b>9.0</b>	<b>11.2</b>	<b>14.5</b>
	<b>Performance Chemicals</b>	Net Sales	51.6	51.8	103.4	121.6	225.0	202.3	240.0
		Operating Income	<b>3.1</b>	<b>4.4</b>	<b>7.5</b>	<b>11.5</b>	<b>19.0</b>	<b>11.9</b>	<b>18.5</b>
<b>Health Care</b>	<b>Pharmaceuticals</b>	Net Sales	104.4	99.4	203.8	221.2	407.1	429.0	
		Operating Income	<b>20.0</b>	<b>14.6</b>	<b>34.6</b>	<b>39.9</b>	<b>74.5</b>	<b>73.1</b>	<b>74.5</b>
	<b>Diagnostics, Clinical Testing and API</b>	Net Sales	23.2	23.8	47.0	53.0	100.0	95.4	101.0
		Operating Income	<b>0.9</b>	<b>0.5</b>	<b>1.4</b>	<b>3.1</b>	<b>4.5</b>	<b>3.3</b>	<b>4.5</b>

## Consolidated Net Sales and Operating Income by Business Sub-segment (Continued) (Revised Forecast for FY2012)

Forecast

			(Billions of Yen)					(Reference)	
			1Q of FY2012 (Actual)	2Q of FY2012 (Actual)	1H of FY2012 (Actual)	2H of FY2012 (Revised Forecast)	FY2012 (Revised Forecast)	FY2011 (Actual)	FY2012 (Forecast on May 10)
Chemicals	<b>Petrochemicals</b>	Net Sales	158.9	164.8	323.7	346.3	670.0	737.0	740.0
		Operating Income	(9.9)	(0.9)	(10.8)	(1.2)	(12.0)	1.3	12.0
	<b>Carbon</b>	Net Sales	60.7	59.2	119.9	110.1	230.0	270.5	245.0
		Operating Income	2.2	3.2	5.4	8.6	14.0	13.5	17.0
Polymers	Polyolefins and Advanced Polymers	Net Sales	105.8	105.3	211.1	248.9	460.0	394.7	510.0
		Operating Income	(1.6)	(0.4)	(2.0)	4.5	2.5	(1.9)	7.0
	<b>MMA Monomers and Polymers</b>	Net Sales	65.3	65.5	130.8	129.2	260.0	263.9	300.0
		Operating Income	2.2	2.7	4.9	7.6	12.5	25.7	17.0

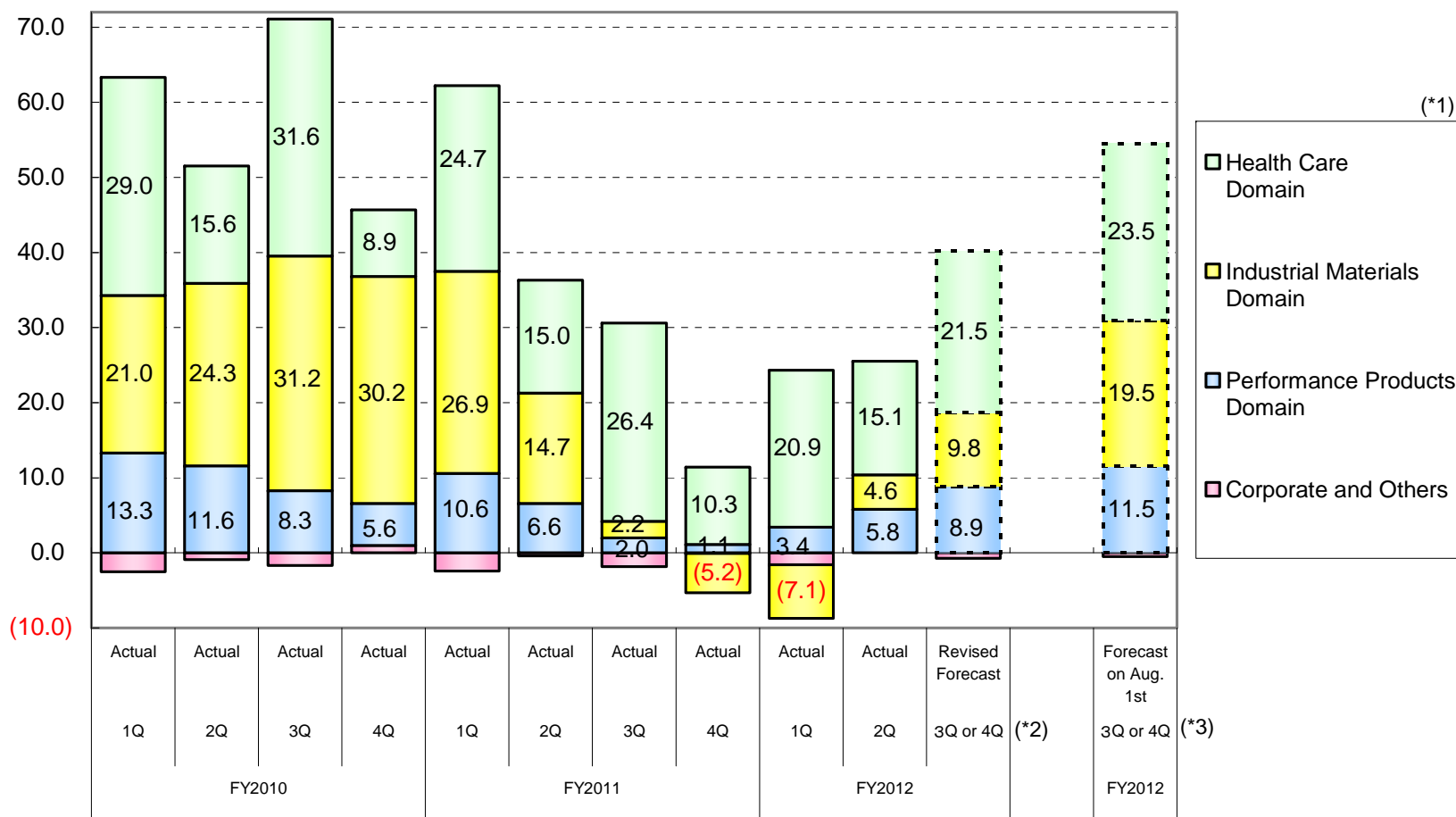
Inventory valuation gain/loss	1Q of FY2012 (Actual)	2Q of FY2012 (Actual)	1H of FY2012 (Actual)	2H of FY2012 (Revised Forecast)	FY2012 (Revised Forecast)
Chemicals (Petrochemicals)	1.5	(2.9)	(1.4)	1.5	0.1
Chemicals (Carbon)	(0.2)	(0.2)	(0.4)	(0.5)	(0.9)
Polymers (Polyolefins and Advanced Polymers)	4.2	(3.3)	0.9	2.4	3.3
<b>Total</b>	5.5	(6.4)	(0.9)	3.4	2.5



# Trend of Operating Income

Forecast

(Billions of Yen)



(\*1) Each "domain" represents business segments as below:

Performance Products domain: Electronics Applications segment and Designed Materials segment

Healthcare domain : Healthcare segment

Industrial Materials domain : Chemicals segment and Polymers segment

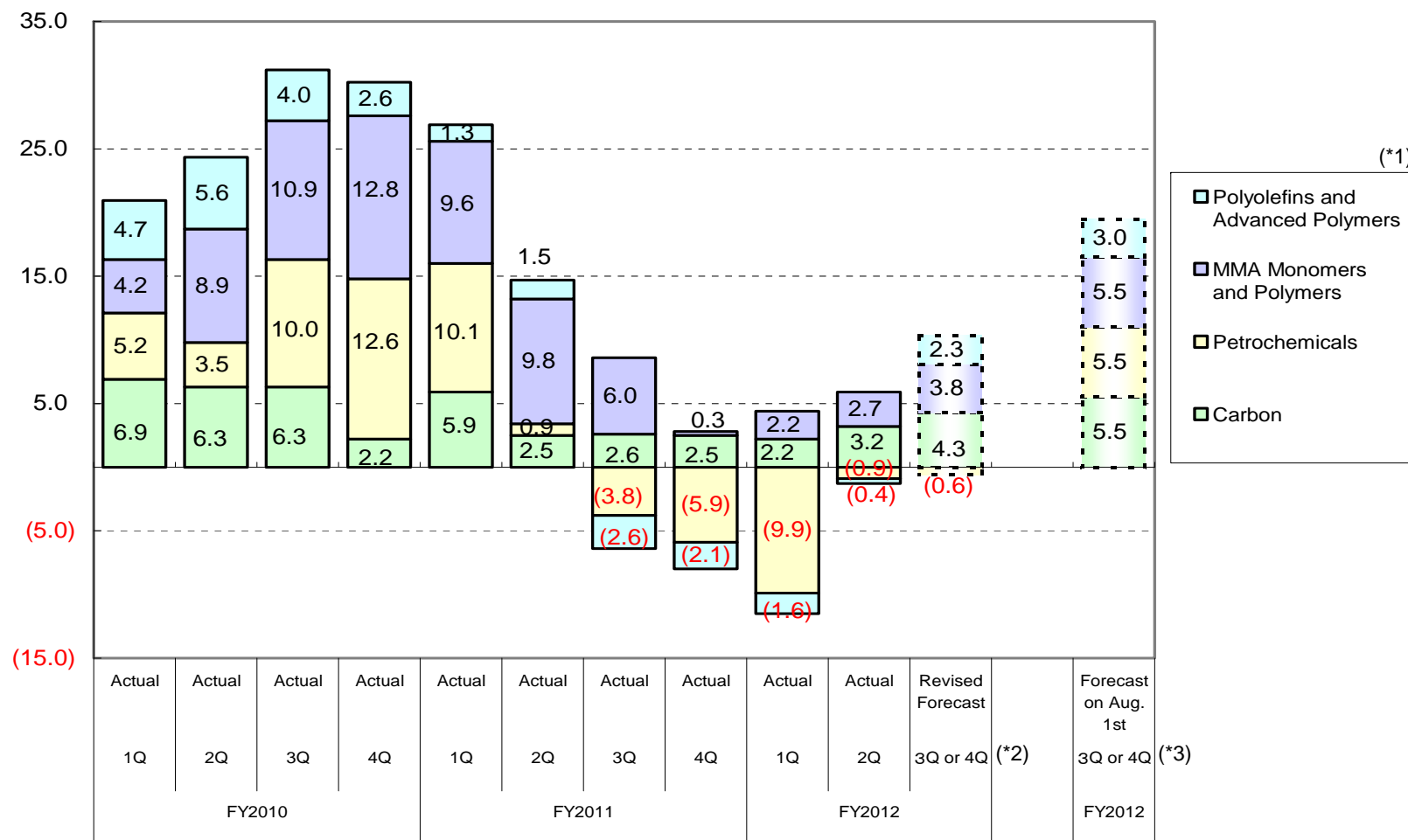
(\*2) Hypothesized that operating income for each of 3Q and 4Q as a half of the forecasted operating income for 2H under the Revised Forecast.

(\*3) Hypothesized that operating income for each of 3Q and 4Q as a half of the forecasted operating income for 2H under the Forecast on Aug. 1.

# Trend of Operating Income (Chemicals & Polymers Segments only)

Forecast

(Billions of Yen)



(\*1) Sub-segments under Polymers segment are "Polyolefins and Advanced Polymers" and "MMA Monomers and Polymers"  
Sub-segments under Chemicals segment are "Petrochemicals" and "Carbon"

(\*2) Hypothesized that operating income for each of 3Q and 4Q as a half of the forecasted operating income for 2H under the Revised Forecast.

(\*3) Hypothesized that operating income for each of 3Q and 4Q as a half of the forecasted operating income for 2H under the Forecast on Aug. 1.

# Reference: Consolidated Operating Income by Business Sub-segment (1H vs. 2H under Revised Forecast)

Forecast

(Billions of Yen)

		1H of FY2012 (Actual)	2H of FY2012 (Revised Forecast)	FY2012 (Revised Forecast)	Change from 1H to 2H	Major reasons expected for the change under the Revised Forecast
<b>Electronics Applications</b>		<b>(1.3)</b>	<b>0.3</b>	<b>(1.0)</b>	<b>1.6</b>	- Increase in sales of GaN substrates - Additional cost reduction
<b>Designed Materials</b>	<b>Functional Products</b>	<b>3.0</b>	<b>6.0</b>	<b>9.0</b>	<b>3.0</b>	- Seasonality - Irregular adverse factors in 1H
	<b>Performance Chemicals</b>	<b>7.5</b>	<b>11.5</b>	<b>19.0</b>	<b>4.0</b>	- Increase in sales of OPL film for Nippon Gohsei (with capacity increased in July) - Better performance for Nippon Kasei
<b>Health Care</b>	<b>Pharmaceuticals</b>	<b>34.6</b>	<b>39.9</b>	<b>74.5</b>	<b>5.3</b>	- Expansion of new drugs sales - Seasonality
	Diagnostics, Clinical Testing and API	<b>1.4</b>	<b>3.1</b>	<b>4.5</b>	<b>1.7</b>	- Seasonality - Additional cost reduction
<b>Chemicals</b>	<b>Petrochemicals</b>	<b>(10.8)</b>	<b>(1.2)</b>	<b>(12.0)</b>	<b>9.6</b>	- Periodic plant maintenance in 1H - Inventory valuation affects favorably - Improvement in plant operation for PTA
	<b>Carbon</b>	<b>5.4</b>	<b>8.6</b>	<b>14.0</b>	<b>3.2</b>	- Royalties to receive in 2H
<b>Polymers</b>	Polyolefins and Advanced Polymers	<b>(2.0)</b>	<b>4.5</b>	<b>2.5</b>	<b>6.5</b>	- Inventory valuation affects favorably - Royalties to receive in 2H - Periodic plant maintenance in 1H
	<b>MMA Monomers and Polymers</b>	<b>4.9</b>	<b>7.6</b>	<b>12.5</b>	<b>2.7</b>	- Better operation rate and margin for MMA - Additional cost reduction

# Cash Dividends

Forecast

		FY2012 Forecast	FY2011 Actual	FY2010 Actual	FY2009 Actual	FY2008 Actual
Cash dividends per share (Yen)	Interim	6	5	5	4	8
	Year-end	6	5	5	4	4
	Total (Annual)	12	10	10	8	12
Total of cash dividends (Billions of yen)	Interim	8.8	7.4	6.9	5.5	11.0
	Year-end	8.8	7.4	7.4	5.5	5.5
	Total (Annual)	17.6	14.8	14.3	11.0	16.5
Net income (loss) per share (Yen)	-	¥14.24	¥24.06	¥58.72	¥9.32	(¥48.81)
Consolidated dividend payout ratio	-	84.3%	41.6%	17.0%	85.8%	-

## Consolidated Capital Expenditure, Depreciation & Amortization, R&D Expenses, and Number of Employees by Business Segment

Reference

(Billions of yen)

	Capital Expenditure		Depreciation and Amortization		R&D Expenses		Number of Employees 1H of FY2012 (end of the period)
	1H of FY2012	1H of FY2011	1H of FY2012	1H of FY2011	1H of FY2012	1H of FY2011	
Electronics Applications	2.8	2.2	3.0	3.9	4.3	4.9	3,145
Designed Materials	25.3	19.1	21.3	22.4	12.0	11.4	15,309
Health Care	7.7	5.0	7.2	8.8	38.5	37.6	13,151
Chemicals	9.8	12.8	13.7	15.5	2.5	2.7	5,138
Polymers	11.8	6.9	15.7	15.2	6.9	7.3	7,462
Others	1.8	1.7	1.7	1.8	0.2	0.2	9,968
Corporate	4.8	1.3	1.0	1.3	2.3	3.2	892
<b>Total</b>	<b>64.0</b>	<b>49.0</b>	<b>63.6</b>	<b>68.9</b>	<b>66.7</b>	<b>67.3</b>	<b>55,065</b>

\* 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.

## Major Subsidiaries

**Reference**

Company (Consolidated)	Net Sales			Operating Income		
	(Billions of Yen)					
	1H of FY2012	1H of FY2011	Change	1H of FY2012	1H of FY2011	Change
MCC	966.9	989.6	*2 (22.7)	(1.6)	29.5	*2 (31.1)
MTPC	203.8	200.4	3.4	32.2	36.1	(3.9)
MPI	198.7	197.3	*2 1.4	6.0	8.8	*2 (2.8)
MRC	232.3	252.5	(20.2)	5.4	22.9	(17.5)
Adjustments *1	(71.9)	(69.6)	(2.3)	(0.9)	(1.6)	0.7
MCHC	1,529.8	1,570.2	(40.4)	41.1	95.7	(54.6)

\*1 Adjustments for MCHC consolidation

- Those for net sales represent elimination of internal transactions.
- Those for operating income represent primarily amortization of goodwill as well as elimination of internal transactions.

\*2 Effective as from FY2012, certain consolidated subsidiaries, for which net sales and operating income for 1H of FY2011 was 16.5 billion yen and 1.1 billion yen respectively, were transferred to MCC to MPI. The results for MCC and MPI in the above are not restated for 1H of FY2011.

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.