

Operational Summary

for the First Nine Months of the Fiscal Year Ending March 31, 2013

February 5, 2013

Mitsubishi Chemical Holdings Corporation

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List of Abbreviations

FY2012: April 1, 2012 - March 31, 2013
1st Quarter ("1Q") of FY2012: April 1, 2012 - June 30, 2012
2nd Quarter ("2Q") of FY2012: July 1, 2012 - September 30, 2012
3rd Quarter ("3Q") of FY2012: October 1, 2012 - December 31, 2012
First Nine Months of FY2012: April 1, 2012 - December 31, 2012

FY2011: April 1, 2011 - March 31, 2012
1st Quarter ("1Q") of FY2011: April 1, 2011 - June 30, 2011
2nd Quarter ("2Q") of FY2011: July 1, 2011 - September 30, 2011
3rd Quarter ("3Q") of FY2011: October 1, 2011 - December 31, 2011
First Nine Months of FY2011: April 1, 2011 - December 31, 2011

MCHC: Mitsubishi Chemical Holdings Corporation

(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

Exchange rate for transactions in US\$ (¥/US\$)	82.8	80.2	77.4	78.6	
Exchange rate to translate foreign statements with calendar-year accounting period (¥/US\$)	78.1	79.2	77.1	80.2	
Naphtha price (¥/kl)	55,800	55,400	51,700	55,200	
	(Billions of Yen)				
	3Q	First Nine Months of FY2012	3Q	First Nine Months of FY2011	Change
Net sales	776.0	2,305.8	787.3	2,357.5	(51.7)
Operating income	32.4	73.5	28.8	124.5	(51.0)
Income (expenses) on financing activities	(2.0)	(3.3)	(2.0)	(6.1)	2.8
[Dividend income included in above]	[1.2]	[6.5]	[1.3]	[4.0]	[2.5]
Equity in earnings of non-consolidated subsidiaries and affiliates	2.6	2.8	2.7	11.2	(8.4) (a)
Other non-operating income (expenses)	(c) 3.3	(2.8)	(c) 0.1	(7.1)	4.3
Ordinary income	36.3	70.2	29.6	122.5	(52.3)
Extraordinary gain	(d) 1.0	9.9	(d) 9.7	16.7	(6.8) (b)
Extraordinary loss	(8.8)	(21.4)	(6.4)	(22.9)	1.5
Income before income taxes and minority interests	28.5	58.7	32.9	116.3	(57.6)
Current and deferred income taxes	(e)(13.7)	(29.4)	(e)(21.5)	(47.7)	18.3
Income before minority interests	14.8	29.3	11.4	68.6	(39.3)
Minority interests in consolidated subsidiaries	(8.9)	(20.1)	(16.9)	(36.6)	16.5
Net income (loss)	5.9	9.2	(5.5)	32.0	(22.8)
Comprehensive income attributable to :	20.9	31.5	(14.1)	46.3	(14.8)
Shareholders of the parent	10.5	10.0	(27.6)	13.1	(3.1)
Minority interests	10.4	21.5	13.5	33.2	(11.7)

Major reasons for the change (First Nine Months of FY2012 vs. First Nine Months of FY2011)

- (a) Equity in earnings of non-consolidated subsidiaries and affiliate (8.4) : Sam Nam Petrochemical Co., Ltd., and TAIYO NIPPON SANZO CORPORATION
- (b) Extraordinary gain (6.8) : Gain on forgiveness of debts for 3Q of FY2011 relating to liquidation of a subsidiary (5.7)

Major reasons for the change (3Q of FY2012 vs. 3Q of FY2011)

- (c) Other non-operating income 3.2 : Net of foreign exchange gain and loss 4.9, Decrease in insurance income (2.4)
- (d) Extraordinary gain (8.7) : Gain on forgiveness of debts for 3Q of FY2011 relating to liquidation of a subsidiary (5.7), Decrease in insurance income (1.2)
- (e) Current and deferred income taxes 7.8: Deferred tax expenses increased for 3Q of FY2011 due to change in tax laws 12.8

Consolidated Net Sales and Operating Income by Business Segment

(Billions of Yen)

		1Q	2Q	3Q	First Nine Months of FY2012	First Nine Months of FY2011	Change
Total	Net Sales	760.3	769.5	776.0	2,305.8	2,357.5	(51.7)
	Operating Income	15.6	25.5	32.4	73.5	124.5	(51.0)
Electronics Applications	Net Sales	30.8	29.7	28.3	88.8	101.4	(12.6)
	Operating Income	(0.4)	(0.9)	(1.9)	(3.2)	(3.5)	0.3
Designed Materials	Net Sales	167.2	173.3	175.1	515.6	*1 524.1	(8.5)
	Operating Income	3.8	6.7	6.5	17.0	*1 22.7	(5.7)
Health Care	Net Sales	127.6	123.2	142.4	393.2	386.2	7.0
	Operating Income	20.9	15.1	28.2	64.2	66.1	(1.9)
Chemicals	Net Sales	219.6	224.0	222.2	665.8	704.0	(38.2)
	Operating Income	(7.7)	2.3	3.0	(2.4)	18.2	(20.6)
Polymers	Net Sales	171.1	170.8	164.6	506.5	*1 497.0	9.5
	Operating Income	0.6	2.3	(2.4)	0.5	*1 25.6	(25.1)
Others	Net Sales	44.0	48.5	43.4	135.9	144.8	(8.9)
	Operating Income	0.3	2.2	1.1	3.6	2.6	1.0
Corporate	Net Sales	-	-	-	-	-	-
	Operating Income	(1.9)	(2.2)	(2.1)	(6.2)	(7.2)	1.0

Included in the change reclassification of (1.9) billion yen for expenses for certain basic research activities *2

Impact of the earthquake

(16.2)
140.7

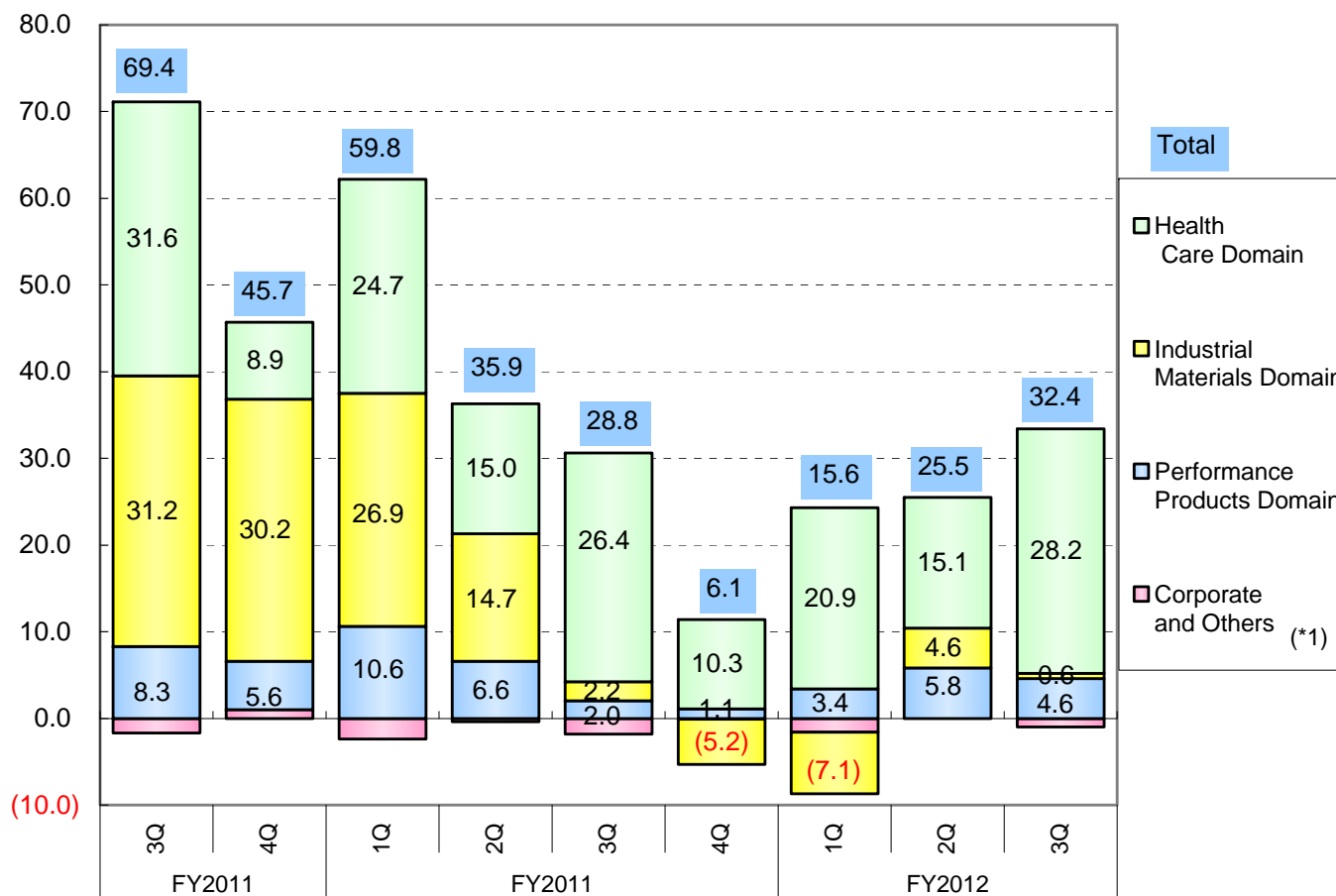
Operating income excluding the impact of the earthquake

*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 1.9 billion yen.

Trend of Operating Income

(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

Consolidated Net Sales and Operating Income by Business Sub-segment

(Billions of Yen)

		1Q	2Q	3Q	First Nine Months of FY2012	First Nine Months of FY2011	Change	
Electronics Applications	Net Sales	30.8	29.7	28.3	88.8	101.4	(12.6)	
	Operating Income	(0.4)	(0.9)	(1.9)	(3.2)	(3.5)	0.3	
Designed Materials	Functional Products	Net Sales	115.6	121.5	120.7	357.8	372.0	(14.2)
		Operating Income	0.7	2.3	2.4	5.4	12.8	(7.4)
	Performance Chemicals	Net Sales	51.6	51.8	54.4	157.8	152.1	5.7
		Operating Income	3.1	4.4	4.1	11.6	9.9	1.7
Health Care	Pharmaceuticals	Net Sales	104.4	99.4	118.7	322.5	315.7	6.8
		Operating Income	20.0	14.6	27.7	62.3	62.7	(0.4)
	Diagnostics, Clinical Testing and API	Net Sales	23.2	23.8	23.7	70.7	70.5	0.2
		Operating Income	0.9	0.5	0.5	1.9	3.4	(1.5)

Included in the change reclassification of (1.9) 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 1H of FY2011 were 1.9 billion yen.

Major reasons for the change:

- (a) Decreased margin for carbon fiber and decreased overseas sales for polyester films
- (b) Increased sales of polyester films and OPL films for FPD
- (c) Adverse effect of NHI drug price revisions and generics, almost offset by an increase in royalty revenues and sales expansion in *Remicade* and new drugs
- (d) Decreased sales in drug discovery support business

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

(Billions of Yen)

		1Q	2Q	3Q	First Nine Months of FY2012	First Nine Months of FY2011	Change	
Chemicals	Petrochemicals	Net Sales	158.9	164.8	165.8	489.5	500.5	(11.0)
		Operating Income	(9.9)	(0.9)	(2.2)	(13.0)	7.2	(20.2) (a)
	Carbon	Net Sales	60.7	59.2	56.4	176.3	203.5	(27.2)
		Operating Income	2.2	3.2	5.2	10.6	11.0	(0.4) (b)
Polymers	Polyolefins and Advanced Polymers	Net Sales	105.8	105.3	104.7	315.8	289.1	26.7
		Operating Income	(1.6)	(0.4)	(2.6)	(4.6)	0.2	(4.8) (c)
	MMA Monomers and Polymers	Net Sales	65.3	65.5	59.9	190.7	207.9	(17.2)
		Operating Income	2.2	2.7	0.2	5.1	25.4	(20.3) (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.

Inventory valuation gain/loss	1Q of FY2012	2Q of FY2012	3Q of FY2012	First Nine Months of FY2012	First Nine Months of FY2011	Change
Chemicals (Petrochemicals)	1.5	(2.9)	2.6	1.2	2.2	(1.0)
Chemicals (Carbon)	(0.2)	(0.2)	(0.1)	(0.5)	1.5	(2.0)
Polymers (Polyolefins and Advanced Polymers)	4.2	(3.3)	1.9	2.8	3.4	(0.6)
Total	5.5	(6.4)	4.4	3.5	7.1	(3.6)

Major reasons for the change:

- (a) Decreased margin for PTA
- (b) Adverse effect of inventory valuation for coking coal, almost offset by royalty revenues
- (c) Decreased margin for polyolefins and phenol-polycarbonate chain
- (d) Decreased margin for MMA

Analysis of Operating Income

(Billions of Yen)

	First Nine Months of FY2012	First Nine Months of FY2011	Change	Analysis			
				Price	Volume	Cost reduction	Others
Total	73.5	124.5	(51.0)	(82.4)	14.7	21.0	(4.3)
Electronics Applications	(3.2)	(3.5)	0.3	(2.8)	(1.3)	4.4	0.0
Designed Materials	17.0	22.7	(5.7)	(4.9)	(6.7)	5.9	0.0
Health Care	64.2	66.1	(1.9)	(14.6)	12.8	0.4	(0.5)
Chemicals	(2.4)	18.2	(20.6)	(26.8)	7.3	1.9	(3.0)
Polymers	0.5	25.6	(25.1)	(33.3)	2.6	6.2	(0.6)
Others	3.6	2.6	1.0	-	0.0	1.2	(0.2)
Corporate	(6.2)	(7.2)	1.0	-	-	1.0	0.0

* 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)

	3Q	First Nine Months of FY2012	First Nine Months of FY2011	Change
Net of extraordinary gain and loss	(7.8)	(11.5)	(6.2)	(5.3)
Extraordinary gain	1.0	9.9	16.7	(6.8)
Gain on sales of property, plant and equipment	0.2	3.9	2.1	1.8
Gain on sales of investment securities	0.1	2.0	2.4	(0.4)
Others	0.7	4.0	12.2	(8.2)
Extraordinary loss	(8.8)	(21.4)	(22.9)	1.5
Business structure improvement expenses	(4.3)	(10.9)	(2.8)	(8.1)
Others	(4.5)	(10.5)	(20.1)	9.6
Loss on valuation of investment securities	1.8	(0.7)	(10.0)	9.3
Others	(6.3)	(9.8)	(10.1)	0.3

Consolidated Cash Flows

	Based on statements of cash flows		Adjusted by excluding financial investments of cash in hands	
	First Nine Months of FY2012	First Nine Months of FY2011	First Nine Months of FY2012 Excluded 6.3 billion yen	First Nine Months of FY2011 Excluded 48.2 billion yen
	(Billions of Yen)			
Net cash provided by operating activities	143.4	109.9	143.4	109.9
Income before income taxes and minority interests	58.7	116.3	58.7	116.3
Depreciation and amortization	96.4	107.3	96.4	107.3
Amortization of goodwill	8.8	9.3	8.8	9.3
Change in operating receivables/payables	7.3	23.4	7.3	23.4
Change in Inventories	(10.1)	(68.4)	(10.1)	(68.4)
Others	(17.7)	(78.0)	(17.7)	(78.0)
Net cash used in investing activities	(79.4)	(37.6)	(85.7)	(85.8)
Capital expenditure	(98.5)	(79.1)	(98.5)	(79.1)
Investment and loans receivables, etc.	19.1	41.5	12.8	(6.7)
Free cash flow	64.0	72.3	57.7	24.1
Net cash used in financing activities	(60.3)	(100.6)		
Interest bearing debts	(26.9)	(68.5)		
Dividends, etc.	(33.4)	(32.1)		
Increase (decrease) in cash and cash equivalents	3.7	(28.3)		
Cash and cash equivalents at the end of the period	136.9	113.0		

Consolidated Balance Sheets

(Billions of Yen)

	Dec. 31, 2012	Mar. 31, 2012	Change
Cash and deposits	104.9	114.8	(9.9)
Inventories	517.2	516.1	1.1
Trade receivables	582.3	593.4	(11.1)
Others	170.2	153.5	16.7
Current assets	1,374.6	1,377.8	(3.2)
Tangible and Intangible fixed assets	1,090.6	1,099.1	(8.5)
Goodwill	137.3	141.8	(4.5)
Investment and Others	543.1	555.3	(12.2)
Non-current assets	1,771.0	1,796.2	(25.2)
Total assets	3,145.6	3,174.0	(28.4)

(Billions of Yen)

	Dec. 31, 2012	Mar. 31, 2012	Change
Interest-bearing debts	1,144.4	1,164.1	(19.7)
Trade payables	412.5	411.3	1.2
Others	448.4	453.6	(5.2)
Liabilities	2,005.3	2,029.0	(23.7)
Shareholders' equity	826.5	831.6	(5.1)
Accumulated other comprehensive income	(60.0)	(60.8)	0.8
Minority interests, etc.	373.8	374.2	(0.4)
Net assets	1,140.3	1,145.0	(4.7)
Total liabilities and net assets	3,145.6	3,174.0	(28.4)

Net interest-bearing debts (*1)	919.2	936.8	(17.6)
Net debt-equity ratio	1.20	1.22	(0.02)
Shareholders' equity (*2)	766.5	770.7	(4.2)
Shareholders' equity ratio	24.3%	24.2%	0.1%

*1. Net interest-bearing debts (919.2 billion yen)
 = interest bearing debts (1,144.4 billion yen, including discounted notes)
 - {cash and cash equivalents (136.9 billion yen) + financial investments of cash-in-hands (88.4 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	(Sep. 2012)	(Dec. 2011)
	Dec. 2012	Mar. 2012
For foreign statements with calendar-year accounting period (¥/US\$)	(77.6)	(77.7)
For foreign Statements with April-March accounting period (¥/US\$)	86.6	82.2
For foreign statements with calendar-year accounting period (¥/€)	(100.2)	(100.7)
For foreign Statements with April-March accounting period (¥/€)	114.7	109.8

(Billions of Yen)

	First Nine Months of FY2012	First Nine Months of FY2011	Change
Net income	9.2	32.0	(22.8)
Minority interests in consolidated subsidiaries	20.1	36.6	(16.5)
Income before minority interests	29.3	68.6	(39.3)
Other comprehensive income (loss):			
Net unrealized holding gain (loss) on other securities	(0.9)	(8.0)	7.1
Gain (loss) on deferred hedges	1.1	(0.4)	1.5
Foreign currency translation adjustments	0.0	(10.7)	10.7
Unfunded retirement benefit obligation with respect to a foreign subsidiary	0.5	(0.3)	0.8
Other comprehensive income (loss) of affiliates accounted for using equity method	1.5	(2.9)	4.4
Other comprehensive income, net	2.2	(22.3)	24.5
Total comprehensive income	31.5	46.3	(14.8)
Total comprehensive income attributable to :			
Shareholders of the parent	10.0	13.1	(3.1)
Minority interests	21.5	33.2	(11.7)

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.