

Mitsubishi Chemical Holdings Corporation
Condensed Consolidated Financial Information
for the First Quarter of the Fiscal Year Ending March 31, 2014



1. Business Results for the First Quarter of the Fiscal Year Ending March 31, 2014 ("FY2013")
(Business period: April 1, 2013 to June 30, 2013)

	Millions of Yen		Thousands of U.S. Dollars
	The First Quarter of the Current Fiscal Year ("FY2013")	The First Quarter of the Previous Fiscal Year ("FY2012")	The First Quarter of the Current Fiscal Year ("FY2013")
	April 1, 2013 - June 30, 2013	April 1, 2012 - June 30, 2012	April 1, 2013 - June 30, 2013
(1) Results of Operations:			
Net sales	781,258	760,254	7,891,495
Operating income	23,530	15,638	237,677
Income before income taxes and minority interests in consolidated subsidiaries	28,552	7,654	288,404
Net income (loss)	11,015	(5,579)	111,263
Comprehensive income	45,543	14,647	460,030
		(Yen)	(U.S. Dollars)
Net income (loss) per share -Basic	7.47	(3.78)	0.08
Net income per share -Diluted	7.18	-	0.07

(2) Segment Information:

[Net Sales by Segment]

	Millions of Yen	Millions of Yen	Thousands of U.S. Dollars
Electronics Applications	28,433	30,817	287,202
Designed Materials	177,230	167,165	1,790,202
Health Care	127,559	127,587	1,288,475
Chemicals	223,235	219,555	2,254,899
Polymers	180,812	171,095	1,826,384
Others	43,989	44,035	444,333
Total	781,258	760,254	7,891,495

[Operating Income (loss) by Segment]

	Millions of Yen	Millions of Yen	Thousands of U.S. Dollars
Electronics Applications	(1,211)	(357)	(12,232)
Designed Materials	11,099	3,833	112,111
Health Care	18,631	20,883	188,192
Chemicals	(1,392)	(7,739)	(14,061)
Polymers	(1,414)	643	(14,283)
Others	(467)	295	(4,717)
Elimination & corporate costs	(1,716)	(1,920)	(17,333)
Total	23,530	15,638	237,677

	Millions of Yen		Thousands of U.S. Dollars
	As of June 30, 2013	As of March 31, 2013	As of June 30, 2013
(3) Financial Position:			
Total assets	3,349,280	3,307,758	33,831,111
Inventories	551,768	546,965	5,573,414
Property, plant and equipment	1,082,766	1,061,551	10,937,030
Short-term and long-term debts	1,234,175	1,198,799	12,466,414
Shareholders' equity*	842,590	815,503	8,511,010
Ratio of shareholders' equity to total assets (%)	25.1	24.6	

* Net assets excluding share subscription rights and minority interests

Millions of Yen		Thousands of U.S. Dollars
The First Quarter of FY2013	The First Quarter of FY2012	The First Quarter of FY2013
April 1, 2013 - June 30, 2013	April 1, 2012 - June 30, 2012	April 1, 2013 - June 30, 2013

(4) Cash Flows:

	Millions of Yen	Millions of Yen	Thousands of U.S. Dollars
Net cash provided by operating activities	30,022	38,065	303,253
Net cash used in investing activities	(24,154)	(30,840)	(243,980)
Net cash provided (used in) by financing activities	3,378	(20,463)	34,121
Cash and cash equivalents at end of the period	171,021	123,892	1,727,485

(5) Ratio of Net Income to:

		(%)
Shareholders' equity**	1.3	(0.7)
Total assets**	0.3	(0.1)
Net sales	1.4	(0.7)

** Based on the average of the beginning and ending balances of the respective periods.

Notes:

- Effective as from FY2013, domestic consolidated subsidiaries using declining-balance method to depreciate their property, plant and equipment have changed the depreciation method to the straight-line method. This change increased "operating income" and "income before income taxes and minority interests in consolidated subsidiaries" by 2,798 million yen and 2,847 million yen, respectively, for the 1Q of FY2013.
- The Company and its domestic consolidated subsidiaries maintain their accounting record in Japanese yen. The U.S. dollar amounts presented in this document are solely for convenience and have been translated, as a matter of arithmetical computation only, at the rate of 99 yen to US\$1, the approximate exchange rate prevailing in the Tokyo foreign exchange market at the end of June 2013.

2. Forecast for the Current Fiscal Year

	Millions of Yen		Thousands of U.S. Dollars	
	The First Half of FY2013	FY2013	The First Half of FY2013	FY2013
	April 1, 2013 - September 30, 2013	April 1, 2013 - March 31, 2014	April 1, 2013 - September 30, 2013	April 1, 2013 - March 31, 2014
Net sales	1,660,000	3,570,000	16,767,677	36,060,606
Operating income	57,000	158,000	575,758	1,595,960
Net income	14,500	51,000	146,465	515,152
		(Yen)		(U.S. dollar)
Net income per share -Basic	9.84	34.61	0.10	0.35

Notes:

There is no revision to the forecast for FY2013 from those announced on May 9, 2013.

3. Business Performance and Financial Position

(1) Business Performance

1) Consolidated Performance for the First Quarter of the Fiscal Year Ending March 31, 2014 (Fiscal 2013) : Three months ended June 30, 2013

Overview of General Performance

In the business environment surrounding the Mitsubishi Chemical Holdings Group during the first quarter of fiscal 2013, the Performance Products and Industrial Materials domains saw weak overseas demand remaining in both Chinese and European markets against a background of delayed recovery in those economies, but domestic demand saw trends toward recovery as well as an improvement in the export environment, which was brought about by monetary policies that resulted in depreciation of the high yen. The Health Care domain was mostly favorable, buoyed by firm demand despite the expanding generic drug market and other factors.

Under the circumstances, the consolidated financial results for the first quarter of fiscal 2013 were as follows. Net sales increased by ¥21.0 billion, or 2.8%, to ¥781.3 billion compared to the same period of the previous fiscal year. Owing to recovery in demand for items such as flat panel display-related products and to large reductions in costs as well as the yen's depreciation, income resulted as follows. Operating income increased by ¥7.9 billion, or 50.5%, to ¥23.5 billion compared to the same period of the previous fiscal year. Ordinary income increased by ¥12.5 billion, or 103.4%, to ¥24.5 billion compared to the same period of the previous fiscal year. Net income increased by ¥16.6 billion, to ¥11.0 billion compared to the same period of the previous fiscal year.

Overview of Business Segments

Note: In the following section, all comparisons are with the same period of the previous fiscal year unless stated otherwise.

Electronics Applications Segment, Performance Products Domain

(Recording media, Information and electronics-related materials, Imaging supplies)

Net sales in this segment decreased by ¥2.4 billion, or 7.8%, to ¥28.4 billion. Operating loss increased by ¥0.8 billion, to ¥1.2 billion.

In recording media, net sales significantly decreased due to a decline in sales volumes in DVDs and flash memory devices, which were affected by slowdowns in European economies, and lower prices in general, among other factors. In information and electronics-related materials, net sales decreased due

to the downward trend of sales pricing despite an increase in sales volumes in display materials and phosphors for LEDs and to the fact that precision cleaning and recycling of wafers for semiconductors, etc. remained at low levels. In imaging supplies, net sales increased due to the yen's depreciation, etc., despite a decrease in sales volumes in OPC drums, toners, and chemical toners.

A major initiative in the Electronics Applications segment during the first quarter of fiscal 2013 included:

- Mitsubishi Chemical Corporation and Pioneer Corporation established a joint venture company, MC Pioneer OLED Lighting Corporation, to market OLED lighting panels. By integrating both companies' OLED lighting panel sales and marketing functions into the new joint venture company, they plan to speed up application and market development for OLED lighting panels. (June)

Designed Materials Segment, Performance Products Domain

(Food ingredients, Battery materials, Fine chemicals, Polymer processing products, Composite materials, Inorganic chemicals, Fibers)

Net sales in this segment increased by ¥10.0 billion, or 6.0%, to ¥177.2 billion. Operating income increased by ¥7.3 billion, or 192.1%, to ¥11.1 billion.

In food ingredients, business continued favorably. In battery materials, net sales decreased due to a decline in sales prices, in addition to continuing sluggish sales for consumer batteries. In fine chemicals, net sales increased due to continued strong sales in coating materials for automobiles, etc., although demand remained at almost the same level. In polymer processing products, net sales increased, as an increase in sales volumes of films for flat panel displays and favorable sales of films for touch panel displays were offset by sluggish overseas demand for general-use polyester films and engineering plastics related products, as well as a piping business* transfer completed in December 2012. In composite materials, net sales of alumina fibers continued favorably, and net sales of carbon fibers also increased due to an increase in sales volumes brought about by a trend toward recovery in demand, mainly for sports and leisure, and the yen's depreciation. In inorganic chemicals, net sales increased due to a sales price adjustment in response to an increase in raw material prices, although demand remained generally flat. In fibers, net sales increased due to continued favorable sales and the yen's depreciation.

*excluding business in piping made of PE-X materials

Major initiatives in the Designed Materials segment during the first quarter of fiscal 2013 included:

- Mitsubishi Rayon Co., Ltd. announced that the company transferred part of stocks of its subsidiary, Toyama Filter Tow Co. Ltd., which produces acetate tow for cigarette filters, to Daicel Corporation,

thus establishing a joint venture company. Through this joint venture company, an internationally competitive production system for acetate tow for cigarette filters can be set up. (May)

- Mitsubishi Plastics, Inc. announced the purchase of 50% of the issued and outstanding stock in Aquamit B.V., the holding company of Quadrant AG. This action makes Quadrant AG a wholly owned subsidiary of Mitsubishi Plastics. (May)
- Mitsubishi Rayon Co., Ltd. announced the founding of a joint research and development center with Yangtze Delta Region Institute of Tsinghua University, Zhejiang, PRC, to establish technologies for industrial waste water treatment using membrane bio reactors, and to develop optimal filtering materials and other products for household water purifiers. (June)

Health Care Segment, Health Care Domain

(Pharmaceuticals, Diagnostic reagents and instruments, Clinical testing, Pharmaceutical formulation materials)

Net sales in this segment was ¥127.6 billion. Operating income decreased by ¥2.3 billion, or 11.0%, to ¥18.6 billion, primarily due to an increase in R&D expenses.

In the pharmaceutical business, net sales remained the same due to the expanding impact of generic drugs, dissolution of partnerships in some businesses, and others, despite the contribution of new products such as *Simponi*, anti-rheumatoid arthritis, *Tetrabik*, a combined vaccine, in addition to expanded sales of *Remicade*, an anti-TNF α monoclonal antibody. In diagnostic reagents and instruments and clinical testing, net sales remained unchanged.

Major initiatives in the Health Care segment during the first quarter of fiscal 2013 included:

- Mitsubishi Chemical Holdings Corporation established Healthy Life Compass Corporation and announced that the new company now offers health status self-check services called *Jibun Karada Club* at drugstores. (April)
- Mitsubishi Tanabe Pharma Corporation obtained approval for partial changes relating to an additional indication of atrial fibrillation (tachycardiac) for selective β 1 blocker, *MAINTATE* Tablets. (June)
- Mitsubishi Chemical Medience Corporation announced collaboration with Laboratory Corporation of America Holdings for the purpose of creating a stronger base for global joint clinical trials in support of global development of new pharmaceuticals. (June)
- Mitsubishi Tanabe Pharma Corporation announced that VIVUS obtained marketing authorization from the European Commission for TA-1790, a phosphodiesterase type 5 inhibitor that Mitsubishi Tanabe Pharma developed as a treatment of erectile dysfunction. (June)

Chemicals Segment, Industrial Materials Domain

(Basic petrochemicals, Chemical derivatives, Synthetic fiber materials, Carbon products)

Net sales in this segment increased by ¥3.7 billion, or 1.7%, to ¥223.3 billion. Operating loss decreased by ¥6.3 billion, to ¥1.4 billion mainly due to an improvement in price variance between raw material and product and a decrease in fixed costs.

The production volume of ethylene, a basic raw material of petrochemicals, was 245 thousand tons, a mere 0.4% decrease. In basic petrochemicals and chemical derivatives, net sales increased mainly due to a sales price adjustment in response to an increase in price of raw materials and fuels, despite that demand stayed almost the same. In synthetic fiber materials, net sales for terephthalic acid increased considerably due to an increase in sale volumes in India and the yen's depreciation, although the sluggish market condition against the backdrop of imbalance between supply and demand brought by an increase in supply capacity. In carbon products, net sales of blast furnace coke significantly decreased due to lower sales prices responding to a decline in coking coal price, despite continued favorable sales.

Polymers Segment, Industrial Materials Domain

(Synthetic resins)

Net sales in this segment increased by ¥9.7 billion, or 5.7%, to ¥180.8 billion. Operating income decreased by ¥2.0 billion, and the segment posted operating loss of ¥1.4 billion due to a shrinking price variance between raw materials and products in methyl methacrylate (MMA) monomers and polyolefin.

In synthetic resins, amidst an overall decline in demand, net sales increased. MMA monomers showed a decrease in sales volumes but were able to forge ahead with a sales price adjustment as a result of raw material and fuel price increases and with the yen's depreciation. Sales of phenol-polycarbonate chain and polyolefin increased due to a sales price adjustment as a result of raw material and fuel price increases.

Major initiatives in the Polymers segment during the first quarter of fiscal 2013 included:

- Mitsubishi Chemical Corporation announced acquisition of compounding business from Comtrex LLC to strengthen its performance polymers business base for the automotive industry in North America. (April)
- Mitsubishi Chemical Corporation, Japan Polychem Corporation, and JNC Corporation announced that they transferred their polypropylene compound-related businesses to Japan Polypropylene Corporation in order to achieve integral management of polypropylene compound-related

business in Japan and overseas as well as develop the business further in global markets. (April)

Others

(Engineering, Logistics, and Warehousing)

Net sales in this segment was ¥44.0 billion. Operating income decreased by ¥0.8 billion, and the segment posted operating loss of ¥0.5 billion.

In engineering and logistics, despite a decrease in external sales, net sales remained unchanged primarily due to the yen's depreciation in businesses other than the above.

4. Consolidated Financial Position

At the end of the first quarter of fiscal 2013, total assets amounted to ¥3,349.3 billion, an increase of ¥41.5 billion compared to the end of fiscal 2012, primarily due to an increase in an equivalent amount in the yen in assets of overseas subsidiaries in accordance with a correction of the yen's appreciation.

5. Consolidated Financial Results Forecasts for Fiscal 2013

The consolidated financial results forecasts for fiscal 2013 announced on May 9, 2013 have not been revised.

Forward-looking Statements

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 market conditions, and the effect of industry competition. The company expectations for the forward-looking statements are described in page [2] and [7] hereof.