

February 9, 2004

Mitsubishi Chemical Corporation
Condensed Consolidated Financial Information
For the Third Quarter of the Fiscal Year Ending March 31, 2004

1. Business Results for the Third Quarter of the Fiscal Year Ending March 31, 2004
(Business period: April 1, 2003 ~ December 31, 2003)

Millions of Yen	
The Third Quarter of the Fiscal Year	The Previous Fiscal Year
April 1, 2003 ~ December 31, 2003	April 1, 2002 ~ March 31, 2003

Thousands of U.S. Dollars
The Third Quarter of the Fiscal Year
April 1, 2003 ~ December 31, 2003

(1) Results of operations:

Net sales	1,416,730	1,887,493
Operating income	75,021	91,962
Income before Income taxes	58,845	43,821
Net income	29,333	21,386

(Note2)

13,240,467
701,131
549,953
274,140

(2) Financial position:

Total assets	2,051,963	2,117,002
Inventories	260,422	276,072
Property, plant and equipment and intangible assets	756,477	830,072
Short-term and long-term debt	935,005	962,197
Shareholders' equity	384,823	350,338
Ratio of shareholders' equity to total assets (%)	18.8	16.5

19,177,224
2,433,850
7,069,879
8,738,364
3,596,477

(3) Per Share:

	(Yen)		(U.S.Dollars)
Net income	13.47	9.75	0.126
Shareholders' equity	177.00	161.06	1.654

0.126
1.654

(4) Ratio of net income to:

	(%)	
Shareholders' equity	7.9	6.1
Total Assets	1.4	0.9
Net Sales	2.0	1.1

* Based on the average of each amounts at the beginning and the end of the respective period.

(5) Segment information:

[Net Sales by Segments]

Petrochemicals	549,545	679,106	5,135,935
Performance Products	336,226	451,830	3,142,299
Functional Products	248,171	320,699	2,319,355
Healthcare	216,898	319,970	2,027,084
Services	65,890	115,888	615,794
Total	1,416,730	1,887,493	13,240,467

[Operating income (loss) by Segments]

Petrochemicals	9,699	20,630	90,645
Performance Products	30,421	30,444	284,308
Functional Products	11,347	10,829	106,047
Healthcare	28,503	30,501	266,383
Services	5,133	9,849	47,972
Elimination & Corporate Costs	(10,082)	(10,291)	(94,224)
Total	75,021	91,962	701,131

Notes:

1. The accompanying consolidated financial information has been prepared by using partially simplified accounting methods from those adopted for the latest fiscal year;
2. The Corporation and its domestic consolidated subsidiaries maintain their accounting recorded in Japanese yen. The U.S. dollar amounts are included solely for convenience and have been translated, as a matter of arithmetical computation only, at the rate of 107Yen to US\$1, the approximate exchange rate prevailing in the Tokyo foreign exchange market at the end of December, 2003.

2. The Prospects for the Current Fiscal Year (Disclosed on November 12, 2003)

The Current Fiscal Year
April 1, 2003~ March 31, 2004

(Millions of Yen)

Net Sales	1,940,000
Operating Income	92,000
Net Income	30,000

(Yen)

Net income Per Share	13.72
----------------------	-------

3. Business Performances and Financial Position

(1) Business Performances

Consolidated Performance for the Third Quarter of the Fiscal Year Ending March 31, 2004 (From April 1, 2003 to December 31, 2003)

In the third quarter of the fiscal year ending March 31, 2004, the Japanese economy showed some signs of recovery due to increase in export reflecting economic upturns in the US, China and other Asian countries. A full-scale recovery, however, was not observed owing to sluggish consumer spending and only a slight growth in capital investment.

In our business environments, signs of improvement were observed due to growth of demand in IT and steel related businesses. Still, our environments were under severe conditions affected by high prices of crude oil and naphtha and strong yen.

Under these circumstances, the consolidated business results for the third quarter of the fiscal year ending March 31, 2004, resulted in net sales of ¥1,416.7 billion, operating income amounted to ¥75.0 billion, income before income taxes amounted to ¥63.9 billion, and net income amounted to ¥29.3 billion.

(2) Overview of Business Segments

Petrochemicals

Businesses in basic petrochemicals, chemical products, and synthetic fiber intermediates were buoyed mainly by overseas active demands, while they were considerably affected by high price of naphtha and yen's sharp rise against the dollar. A part of synthetic resins remained in severe condition reflecting prolonged high price of raw materials, and continued rationalization was executed.

As a result, net sales of the segment for the third quarter of the fiscal year ending March 31, 2004 was ¥549.5 billion and the operating income was ¥9.7 billion.

Major action taken for the Petrochemicals Segment during this third fiscal quarter (from October 1, 2003 to December 31, 2003) is as follows:

- Japan Polychem Corp. and Chisso Corp. integrated their polypropylene businesses and established Japan Polypropylene Corp. (October 2003)

Performance Products

Favorable business results in sales continued for performance polymers and epoxy resins. Information and electronics related products achieved significant results, and especially optical disc business recorded favorable results despite a fall in price, reflecting strong sales due to market expansion of DVD. Also, sales in organic photo conductor (OPC) drums continued successfully. The production volume of cokes remained favorable owing to continued high production level of crude steel both in domestic and overseas. Carbon black business was also satisfactory mainly due to active demands in tyre industry. Profits decreased, however, in ammonia products among inorganic products owing to insufficient price adjustment of raw materials. Profits from fertilizers improved as a result of increase of high-value-added products in sales and efforts to decrease fixed costs.

As a result, net sales of the segment for the third quarter of the fiscal year ending March 31, 2004 was ¥336.2 billion and the operating income was ¥30.4 billion.

Major actions taken for the Performance Products Segment during this third fiscal quarter are as follows:

- Mitsubishi Chemical Corporation launched the high-contrast optical filter for plasma display panels. (November 2003)
- Mitsubishi Chemical Corporation acquired 40% of the outstanding shares of Japan Epoxy Resins Co., Ltd. from a subsidiary of Resolution Performance Products LLC, Resolution Holdings B.V. [As a result, Mitsubishi Chemical Corporation acquired 90% of the outstanding shares of Japan Epoxy Resins Co., Ltd.] (November 2003)
- Mitsubishi Kagaku Media Co., Ltd. announced the launch of UDO (Ultra Density Optical) disc scheduled for autumn 2004. (December 2003)
- Taiyo Toyo Sanso Co., Ltd. reached agreement on merger with Nippon Sanso Corp. as of October 1, 2004. (December 2003)

Functional Products

Industrial application of polyester films and other films and sheets achieved a satisfactory level of results reflecting favorable business condition such as active demands in IT-related industry. Also, composite materials and alumina fibers were in overall good condition, while some products were affected by strong yen.

As a result, net sales of the segment for the third quarter of the fiscal year ending March 31, 2004 was ¥248.2 billion and the operating income was ¥11.3 billion.

Major action taken for the Functional Products Segment during this third fiscal quarter is as follows:

- Mitsubishi Chemical Functional Products, Inc. launched supply of fullerene-applied construction chemicals products. (December 2003)

Health Care

Pharmaceuticals business slowed down by decrease in sales of a neuroprotective agent, “Radicut” which is one of the key products for Mitsubishi Pharma Corporation. However, it showed recovery by large orders of pharmaceuticals including “Radicut” in this third fiscal quarter. Clinical testing business was in severe condition reflecting intense competition in the market.

As a result, net sales of the segment for the third quarter of the fiscal year ending March 31, 2004 was ¥216.9 billion and the operating income was ¥28.5 billion.

Major actions taken for the Health Care Segment during this third fiscal quarter is as follows:

- Mitsubishi Chemical Corporation launched TOB of common shares of Mitsubishi Pharma Corporation. [As a result, Mitsubishi Chemical Corporation acquired 58.94% of the outstanding shares of Mitsubishi Pharma Corporation at ¥53.5 billion.] (November 2003)

Services

Engineering service business was affected by decrease in orders and profits decreased. Logistics service business increased in sales through acquisition of new customers.

As a result, net sales of the segment for the third quarter of the fiscal year ending March 31, 2004 was ¥65.9 billion and the operating income was ¥5.1 billion.

Others

- Mitsubishi Chemical Corporation issued the 28th domestic straight bond. [Total bond issue: ¥20.0 billion] (November 2003)

(3) Consolidated Financial Position

Interest-bearing debt

In this third fiscal quarter, interest-bearing debt decreased, compared with the previous fiscal year ended March 31, 2003. This reduction was due to increase of net income before taxes which amounted to ¥58.8 billion, income from business divestiture of plasma fractionation business in the US, condensed assets, and restructuring of polyethylene business, despite a cash outflow of ¥53.5 billion in TOB of Mitsubishi Pharma Corporation.

In the fourth quarter of the fiscal year ending March 31, 2004, the interest-bearing debt is expected to be further decreased by reduction of operating capital and others.

Others

At the end of the third quarter of the fiscal year ending March 31, 2004, excess of cost over equity in net assets acquired was recorded by ¥24.6 billion to the TOB of Mitsubishi Pharma Corporation, and it will be amortized from the fourth quarter of the fiscal year ending March 31, 2004.

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 effects of industry competition. The company expectations for the forward-looking statements are described in Page [2] and Page [6] hereof.