

Operational Summary

For the First Half of the Fiscal Year ended March 31, 2006

November 10, 2005

Mitsubishi Chemical Holdings Corporation

Table of Contents

< Mitsubishi Chemical Corporation >

Consolidated Financial Results Statement for the First Half of the FY2005

• Consolidated Interim Sales and Profits	... 3
• Improvement of Financial Position	... 4
• Statements of Operations	... 5
• Net Sales by Segments	... 6
• Operating Income by Segments	... 7
• Extraordinary Gain (Loss)	... 8
• Major Subsidiaries (1)	... 9
• Major Subsidiaries (2)	... 10
• Balance Sheets	... 11
• Statements of Cash Flows	... 12

< Mitsubishi Chemical Holdings Corporation >

Projected Consolidated Financial Information for the FY2005

• Notice Regarding the F/S	... 13
• Historical Summary	... 14
• Statements of Operations	... 15
• Net Sales by Segments	... 16
• Operating Income by Segments	... 17
• Extraordinary Gain (Loss)	... 18
• Major Subsidiaries (1)	... 19
• Major Subsidiaries (2)	... 20

< Mitsubishi Chemical Corporation >

Reference Materials, Consolidated

• Number of Affiliates	... 21
• Total Assets, Capital Expenditure and Depreciation and Amortization by Segments	... 22
• R&D Expenses and Number of Employees by Segments	... 23

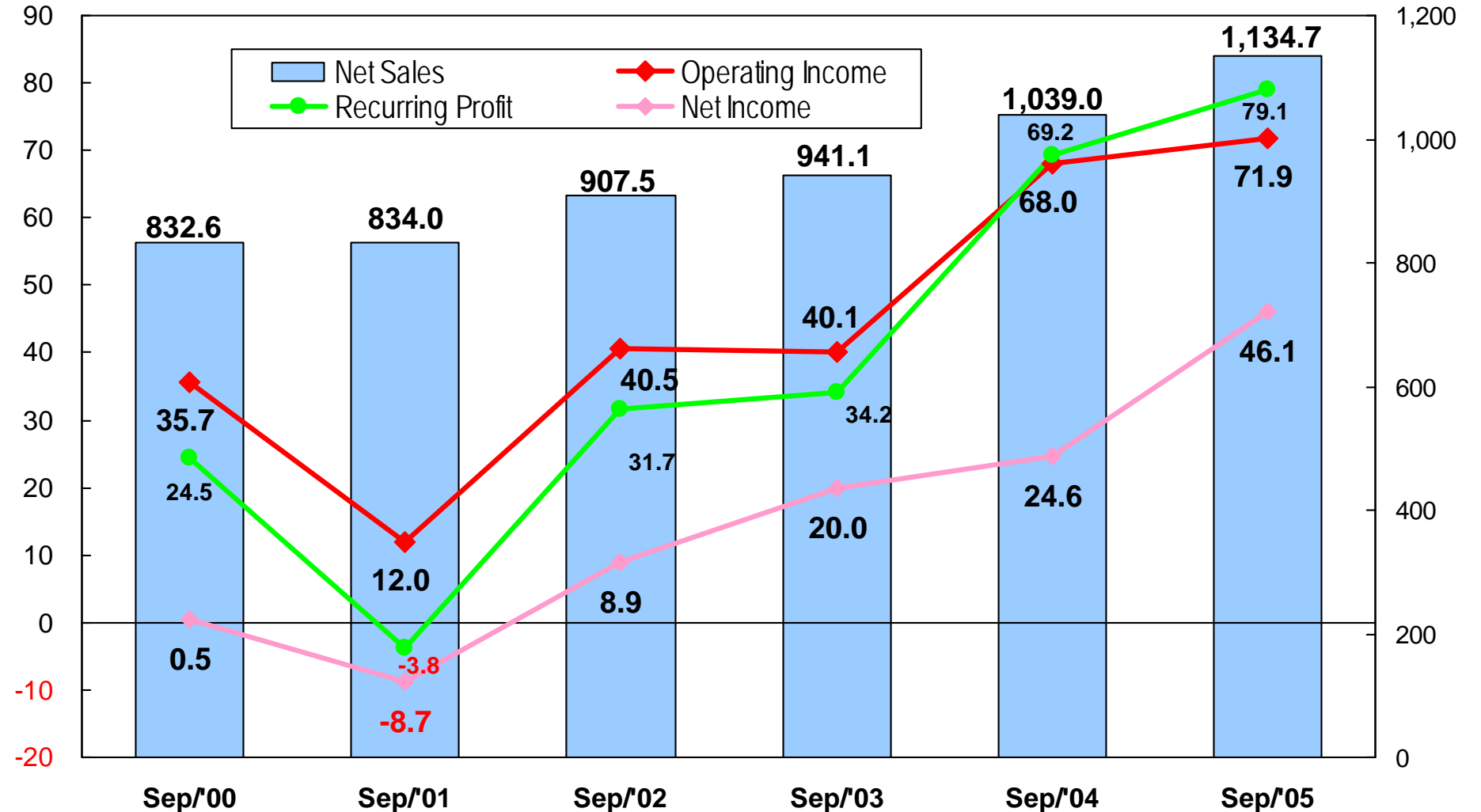
Note 2004: Fiscal year ending March 31, 2005

2003: Fiscal year ended March 31, 2004

Consolidated Interim Sales and Profits

Profits (Billions of Yen)

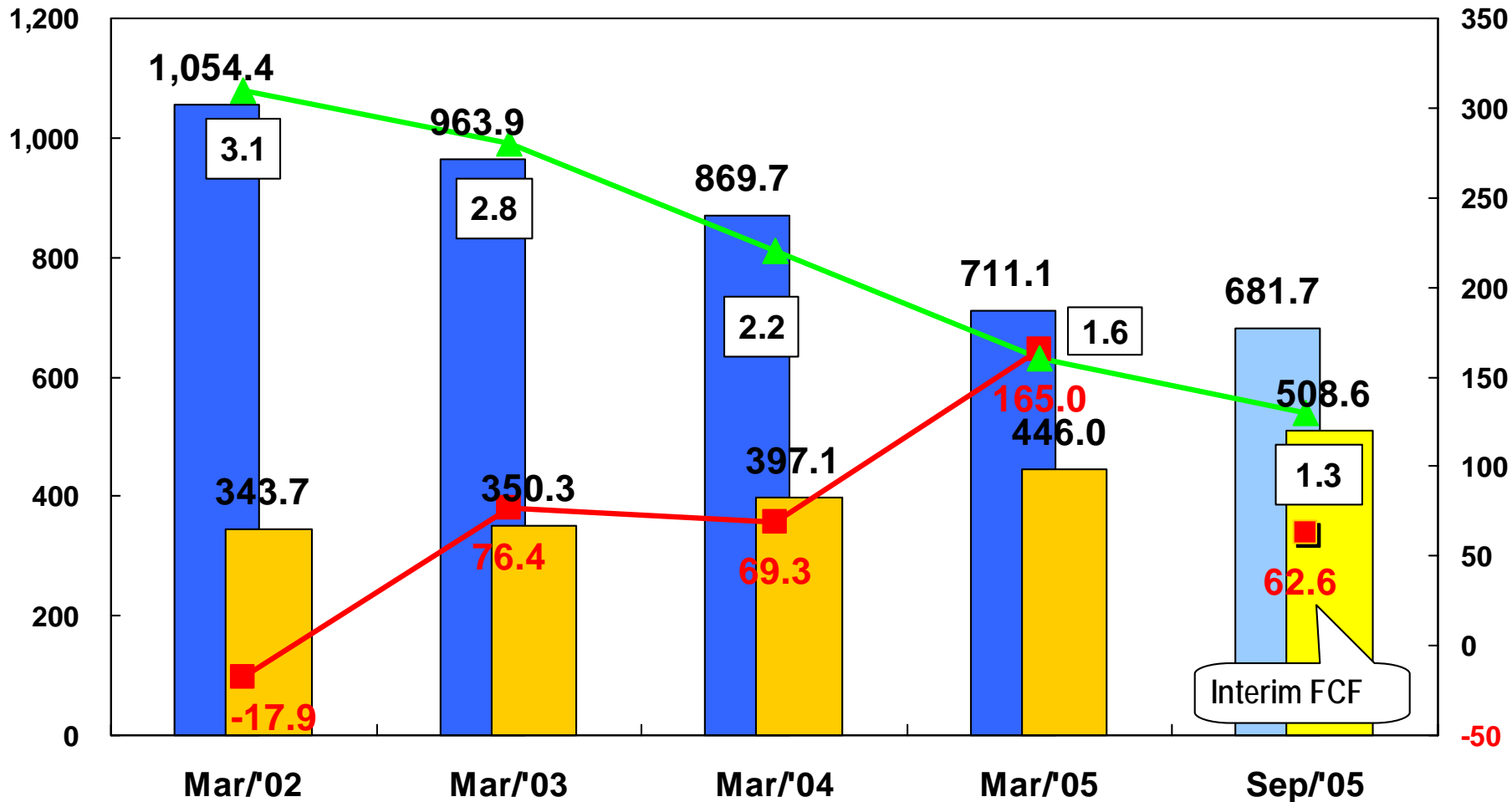
Net Sales (Billions of Yen)



Improvement of Financial Position

Debt & Equity
(Billions of yen)

FCF (Billions of yen)



■ Interest-bearing debt
 ■ Shareholders' equity
 ■ FCF
 ▲ D/E ratio
 ■ FCF(Interim)

Consolidated Statement of Operations

(Billions of Yen)

	1st half of FY 2005	1st half of FY 2004	Differences	増減率
Net sales	1,134.7	1,039.0	95.7	9.2%
Operating income	71.9	68.0	3.9	5.8%
Income (Expenses) on financing activities	(1.9)	(3.1)	1.2	
[Dividend income included in above]	[2.8]	[2.0]	[0.8]	
Other non-operating income (expenses)	2.8	(0.3)	3.1	
Equity in earnings of non-consolidated subsidiaries and affiliates	6.3	4.6	1.7	
Ordinary income	79.1	69.2	9.9	14.2%
Extraordinary gain (loss)	(2.6)	(17.8)	15.2	
Income before income taxes	76.5	51.4	25.1	49.0%
Current and deferred income taxes	(23.0)	(22.2)	(0.8)	
Minority interests in consolidated subsidiaries	(7.4)	(4.6)	(2.8)	
Net income	46.1	24.6	21.5	87.0%

Consolidated Net Sales by Business Segments

(Billions of Yen)

	1st half of FY2005	1st half of FY2004	Differences	Comments
Total	1,134.7	1,039.0	95.7	
Petrochemicals	489.3	427.9	61.4	Increase in sales due to price correction corresponding to soaring naphtha prices and bullish overseas market.
Performance Products	258.5	233.9	24.6	Increase in sales of coke due to price correction corresponding to surging coal prices and increase in sales volume of active pharmaceutical ingredients.
Functional Products	180.2	174.7	5.5	Increase in sales of plastics due to price correction corresponding to surging material prices. Sound sales of polyester film for LCD-related demands.
Health Care	141.2	137.9	3.3	Increase in sales of clinical testing business and pharmaceuticals.
Services	65.5	64.6	0.9	Increase in sales for logistics business.

Note:

From this period, one consolidated subsidiary was reclassified from the Health Care Segment to the Performance Products Segment to reflect its performance in the appropriate segment. On the table above, the actual sales in the 1st half of FY2004 is changed corresponding to the reclassification.

Performance Products Segment : +0.4 billion yen

Health Care Segment : -0.4 million yen

Consolidated Operating Income by Business Segments

(Billions of Yen)

	1st half of FY2005	1st half of FY2004	Differences	Analysis (roughly estimated)			
				Price	Volume	Costs	Others
Total	71.9	68.0	3.9	(6.2)	5.3	3.6	1.2
Petrochemicals	15.7	23.4	(7.7)	1.0	(4.6)	(2.8)	(1.3)
Performance Products	27.4	21.7	5.7	(3.0)	6.4	(0.2)	2.5
Functional Products	11.1	11.0	0.1	(3.7)	0.9	2.9	0.0
Health Care	16.6	12.9	3.7	(0.6)	2.2	2.1	0.0
Services	5.6	4.8	0.8	0.1	0.4	0.3	0.0
Corporate	(4.5)	(5.8)	1.3	0.0	0.0	1.3	0.0

Note:

From this period, one consolidated subsidiary was reclassified from the Health Care Segment to the Functional Products Segment to reflect its performance in the appropriate segment. The impact on the operating income of both segments is immaterial.

Consolidated Extraordinary Gain (Loss)










(Billions of Yen)

	1st half of FY2005	1st half of FY2004	Differences
Total	(2.6)	(17.8)	15.2
Extraordinary gain	2.4	5.0	(2.6)
Gain on sale of property, plant and equipment	1.3	0.8	0.5
Gain on sale of securities and investment securities	0.8	1.3	(0.5)
Decrease of post-employment benefits obligation	-	2.4	(2.4)
Others	0.3	0.5	(0.2)
Extraordinary loss	(5.0)	(22.8)	17.8
Additional benefit for employees' early retirement	(1.7)	-	(1.7)
Write-down/off of investment securities	(1.0)	(1.7)	0.7
Loss on sale and disposal of property, plant and equipment etc.	(0.6)	(1.4)	0.8
Impairment loss on fixed assets	(0.3)	(13.9)	13.6
Amortization of transition amount under post-employment benefits accounting	-	(4.0)	4.0
Others	(1.4)	(1.8)	0.4

Major Subsidiaries (1) Sales Results for the First Half of the Current Fiscal Year

Segment	Company	Fiscal period	Net sales (Billions of Yen)	Operating income (vs. the previous 1st half)	Comments
Petrochemicals	V-Tech Corporation	Jun.	16.1	↗	Increase in profit due to price correction.
	Japan Polypropylene Corporation	Jun.	74.9	↗	Increase in profit due to price correction and streamlining.
	PT. Mitsubishi Chemical Indonesia	Jun.	28.5	↘	Decrease in profit due to drop in PTA margin.
	MCC PTA India Corp. Private Limited	Jun.	21.8	↘	Decrease in profit due to drop in PTA margin.
	Yuka Seraya Private Limited	Jun.	33.0	↘	Increase in loss due to soaring raw material cost.
Performance Products	The Kansai Coke and Chemicals Co., Ltd.	Sep.	35.7	↗	Steady profit by price correction corresponding to surging coal prices.
	Mitsubishi Chemical Agri Inc.	Sep.	9.8	↗	Increase in profit due to streamlining.
	Mitsubishi Kagaku Media Co., Ltd.	Sep.	7.8	↘	Decrease in profit due to price fall.
	Verbatim Corporation	Jun.	29.6	↗	Increase in profit due to increase in sales volume of DVD and CD-R, despite price fall.
	Mitsubishi Chemical America, Inc. (toners and organic photoconductors)	Jun.	10.1	↘	Decrease in profit due to price fall.
	Nippon Kasei Chemical Co., Ltd.	Sep.	16.3	↗	Contribution of ammonia and synthetic silica business that were transferred from MCC
	API Corporation	Sep.	19.6	↗	Increase in profit due to increase in sales volume.

Major Subsidiaries (2) Sales Results for the First Half of the Current Fiscal Year

Segment	Company	Fiscal period	Net sales (Billions of Yen)	Operating income (vs. the previous 1st half)	Comments
Functional Products	Mitsubishi Plastics, Inc.	Sep.	65.0		Decrease in profit because of high level previous FY profit due to weather conditions such as heat wave and typhoons.
	Mitsubishi Polyester Film Corporation	Jun.	18.2		Offset high raw material costs by increase in sales volume.
	Mitsubishi Polyester Film, LLC	Jun.	12.5		Increase in profit due to shift to high margin products.
	Mitsubishi Polyester Film GmbH	Jun.	10.1		Increase in profit due to streamlining.
	Mitsubishi Chemical Functional Products, Inc.	Sep.	21.2		Offset increase in sales volume by drop in sales margin due to high raw material costs.
Health Care	Mitsubishi Pharma Corporation	Sep.	100.5		Increase in profit due to decrease in fixed costs.
	Mitsubishi Kagaku Bio-Clinical Laboratories, Inc.	Sep.	24.8		Offset increase in fixed costs by increase in sales volume.
Services	Mitsubishi Chemical Logistics Corporation	Sep.	42.0		Offset increase in sales volume by increase in fixed costs.
	Mitsubishi Chemical Engineering Corporation	Sep.	55.8		Increase in profit due to increase in sales and streamlining.

Consolidated Balance Sheets

	September 30, 2005	March 31, 2005	Differences
Cash and cash equivalents	72.6	55.2	17.4
Inventories	309.9	277.7	32.2
Trade receivables and others	549.2	582.0	(32.8)
Property, plant and equipment	702.8	702.7	0.1
Investments and other assets	376.5	352.9	23.6
Total assets	2,011.0	1,970.5	40.5
Short-term and long-term debt	369.8	421.9	(52.1)
Commercial paper	60.0	15.0	45.0
Bonds	244.7	267.1	(22.4)
Other liabilities	675.3	681.1	(5.8)
(Total liabilities)	1,349.8	1,385.1	(35.3)
Minority interests	152.6	139.4	13.2
Common stock	145.1	145.1	0.0
Additional paid-in capital	117.1	117.1	0.0
Retained earnings	195.8	163.0	32.8
Unrealized gains on investment securities etc.	50.6	20.8	29.8
(Total shareholders' equity)	508.6	446.0	62.6
Total liabilities and shareholders' equity	2,011.0	1,970.5	40.5

(Billions of Yen)

Net differences
17.1
30.3
(38.4)
(5.3)
22.2
25.9
(54.4)
45.0
(22.5)
(13.4)
(45.3)
13.2
0.0
0.0
32.8
25.2
58.0
25.9

	September 30, 2005	March 31, 2005	Differences
Short-term and long-term debt, Commercial paper and Bonds	674.5	704.0	(29.5)
Discounted notes payable	7.2	7.1	0.1
Interest bearing debt	681.7	711.1	(29.4)
Ratio of shareholders' equity to total assets	25.3%	22.6%	2.7%
Debt-equity ratio	1.34	1.59	(0.25)

Excluded the effect of newly consolidated companies and fluctuation of foreign exchange rate.

Consolidated Statements of Cash Flows

(Billions of Yen)

	Sep.30 2005	Sep.30 2004	March 31 2005
Income before income taxes	76.5	51.4	106.6
Depreciation and amortization	40.8	42.3	87.7
Decrease(Increase) in trade receivables and increase(decrease) in trade payables	13.4	22.7	62.0
Increase in inventories	(30.1)	(20.3)	(25.1)
Others	(20.1)	(2.8)	(8.4)
Net cash provided by operating activities	80.5	93.3	222.8
Payments for purchases of property, plant and equipment	(46.5)	(37.6)	(70.0)
Payments for purchases of investment securities	(0.3)	(2.9)	(9.9)
Proceeds from sale of fixed assets and investment securities etc.	13.9	9.2	23.5
Others	15.0	11.1	(1.2)
Net cash used in investing activities	(17.9)	(20.2)	(57.6)
Free cash flows	62.6	73.1	165.2
Decrease in debts	(32.0)	(65.8)	(158.3)
Cash dividends paid and others	(11.0)	(11.0)	(13.0)
Net cash used in financing activities	(43.0)	(76.8)	(171.3)
Newly consolidated etc.	0.2	0.1	1.2
Decrease in cash and cash equivalents	19.8	(3.6)	(4.9)
Cash and cash equivalents at beginning of the period	52.6	57.5	57.5
Cash and cash equivalents at end of the period	72.4	53.9	52.6
Differences	19.8	(3.6)	(4.9)

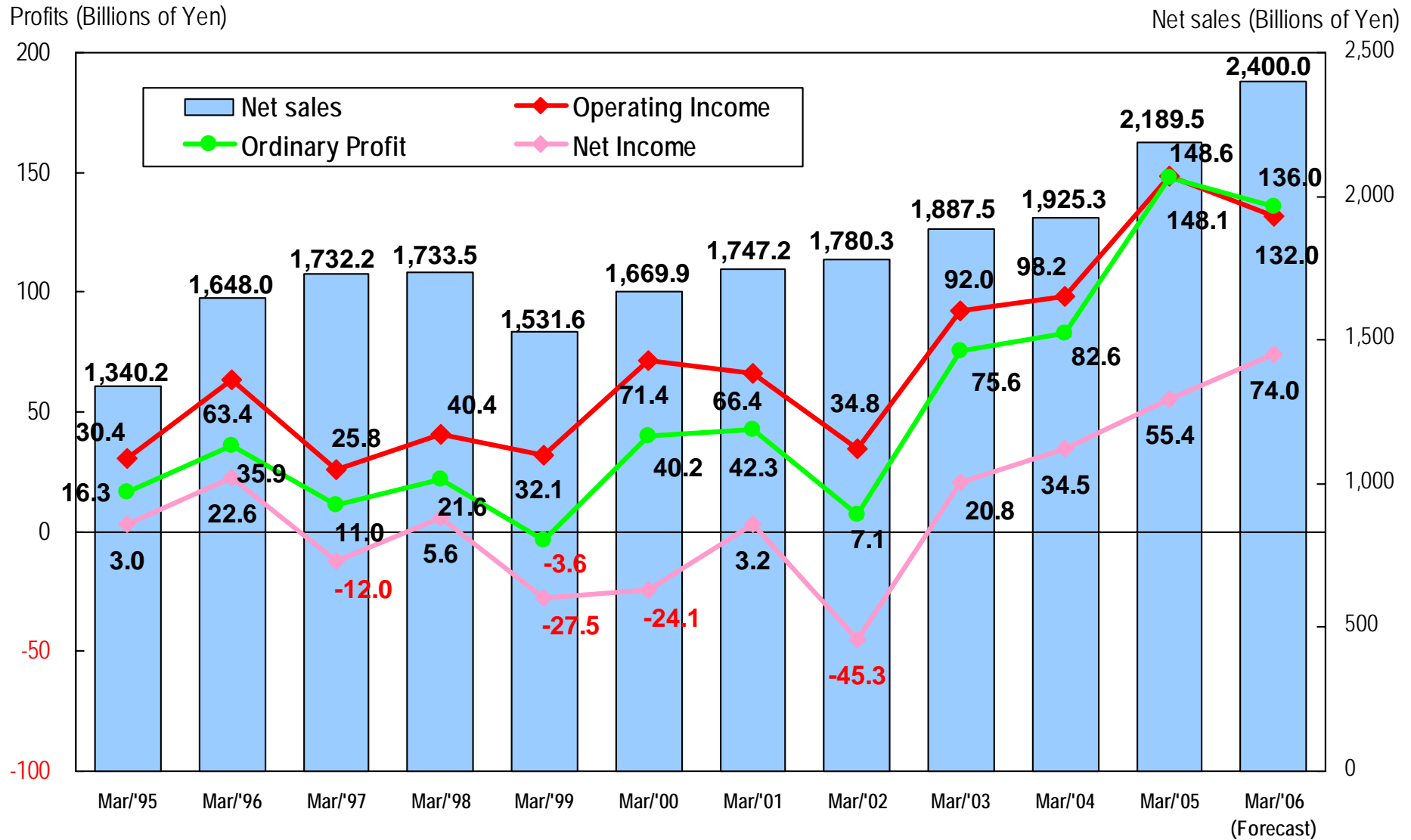
Notice Regarding the Financial Statements of Mitsubishi Chemical Holdings Corporation

The consolidated financial statements of Mitsubishi Chemical Holdings Corporation will be created by succeeding the ending balance of consolidated retained earnings of Mitsubishi Chemical Corporation as of September 30, 2005.

- Accordingly, the income statements of Mitsubishi Chemical Holdings Corporation for the fiscal year ending March 31, 2006 will consist of the first half of consolidated income of Mitsubishi Chemical Corporation and the second half of consolidated income of Mitsubishi Chemical Holdings Corporation.
- The subsidiaries and affiliates for the consolidated financial statements of Mitsubishi Chemical Holdings Corporation would be basically the same as those of Mitsubishi Chemical Corporation, which included Mitsubishi Pharma Corporation Group in its consolidation.

Therefore the prospected consolidated income statements of Mitsubishi Chemical Holdings Corporation for the current fiscal year ending March 31, 2006 is comparable with the income statements of Mitsubishi Chemical Corporation for the fiscal year ended March 31, 2005.

Historical Summary



Consolidated Statements of Operations (FY2005 Forecast)

for Mitsubishi Chemical Holdings Corporation

(Billions of Yen)

	FY2005 forecast			FY2004 Actual	Differences
	Full year	1st half	2nd half		
Net sales	2,400.0	1,134.7	1,265.3	2,189.5	210.5
Operating income	132.0	71.9	60.1	148.6	(16.6)
Income (Expenses) on financing activities	(5.0)	(1.9)	(3.1)	(6.1)	1.1
[Dividend income included in above]	[4.5]	[2.8]	[1.7]	[3.6]	[0.9]
Other non-operating income (expenses)	(3.0)	2.8	(5.8)	(3.4)	0.4
Equity in earnings of non-consolidated subsidiaries and affiliates	12.0	6.3	5.7	9.0	3.0
Ordinary Profit	136.0	79.1	56.9	148.1	(12.1)
Extraordinary gain (loss)	(10.0)	(2.6)	(7.4)	(41.5)	31.5
Income before income taxes	126.0	76.5	49.5	106.6	19.4
Income taxes	(43.0)	(23.0)	(20.0)	(40.8)	(2.2)
Minority interests in consolidated subsidiaries	(9.0)	(7.4)	(1.6)	(10.4)	1.4
Net income	74.0	46.1	27.9	55.4	18.6

Note:

Financial projections of Mitsubishi Chemical Holdings for the FY2005 is calculated by taking over Mitsubishi Chemical Corporation's consolidated financial results for the first half of FY2005.

Consolidated Net Sales by Business Segments (FY2005 Forecast)

(Billions of Yen)

	FY2005 forecast			FY2004 Actual	Differences
	Full year	1st half	2nd half		
Total	2,400.0	1,134.7	1,265.3	2,189.5	210.5
Petrochemicals	1,052.0	489.3	562.7	933.4	118.6
Performance Products	539.0	258.5	280.5	470.8	68.2
Functional Products	364.0	180.2	183.8	356.6	7.4
Health Care	283.0	141.2	141.8	277.0	6.0
Services	162.0	65.5	96.5	151.7	10.3

Note:

From April 2005, one consolidated subsidiary was reclassified from the Health Care Segment to the Performance Products Segment to reflect its performance in the appropriate segment.

Consolidated Operating Income by Business Segments (FY2005 Forecast)

(Billions of Yen)

	FY2005 forecast			FY2004 Actual	Differences
	Full year	1st half	2nd half		
Total	132.0	71.9	60.1	148.6	(16.6)
Petrochemicals	34.0	15.7	18.3	58.6	(24.6)
Performance Products	46.0	27.4	18.6	40.9	5.1
Functional Products	22.0	11.1	10.9	21.5	0.5
Health Care	31.0	16.6	14.4	28.4	2.6
Services	11.0	5.6	5.4	11.2	(0.2)
Corporate	(12.0)	(4.5)	(7.5)	(12.0)	0.0

Note:

From April 2005, one consolidated subsidiary was reclassified from the Health Care Segment to the Functional Products Segment to reflect its performance in the appropriate segment. The impact on the operating income of both segments is immaterial.

Consolidated Extraordinary Gain (Loss) (FY2005 Forecast)

(Billions of Yen)

	FY2005 forecast			FY2004 Actual	Differences
	Full year	1st half	2nd half		
Total	(10.0)	(2.6)	(7.4)	(41.5)	31.5
Extraordinary gain	3.0	2.4	0.6	9.6	(6.6)
Gain on sale of property, plant and equipment	1.9	1.3	0.6	3.1	(1.2)
Gain on sale of investment securities	0.8	0.8	0.0	2.0	(1.2)
Others	0.3	0.3	0.0	4.5	(4.2)
Extraordinary loss	(13.0)	(5.0)	(8.0)	(51.1)	38.1
Loss on sale and disposal of property, plant and equipment	(4.3)	(0.6)	(3.7)	(10.9)	6.6
Additional benefits for employees' early retirement	(1.7)	(1.7)	-	(3.3)	1.6
Revaluation loss on investment securities	(1.0)	(1.0)	-	(3.5)	2.5
Impairment loss on fixed assets	(0.3)	(0.3)	-	(18.8)	18.5
Amortization of transition amount under Post-employment benefits accounting	-	-	-	(8.1)	8.1
Others	(5.7)	(1.4)	(4.3)	(6.5)	0.8

Wholly Owned Subsidiaries Sales Results for FY2005 (Forecast)

	Fiscal Period	Net sales (Billions of Yen)	Operating income (vs. FY2004)	Comments
Mitsubishi Chemical Corporation	Mar.	976.0		Decrease in profit due to regular plant maintenance and shrink of margin by surging raw material price.
Mitsubishi Pharma Corporation	Mar.	198.0		Slight decrease in profit as drop in margin is offset by increase in sales and cost reduction.

Major Subsidiaries (1) Sales Results for FY2005 (Forecast)

Segment	Company	Fiscal period	Net sales (Billions of Yen)	Operating income (vs. FY2004)	Comments
Petrochemicals	V-Tech Corporation	Dec.	35.5		Keep up profit as previous year by maintaining margin.
	Japan Polypropylene Corporation	Dec.	153.5		Keep up profit by improving margin and streamlining.
	PT. Mitsubishi Chemical Indonesia	Dec.	59.5		Decrease in profit due to shrink of margin.
	MCC PTA India Corp. Private Limited	Dec.	44.0		Decrease in margin due to lowered tariff.
	Yuka Seraya Private Limited	Dec.	74.0		Increase in loss due to soaring raw material cost.
Performance Products	The Kansai Coke and Chemicals Co., Ltd.	Mar.	74.6		Maintain profit due to sound sales of coke.
	Mitsubishi Chemical Agri Inc.	Mar.	20.7		Decrease in profit due to high raw material cost and drop in sales volume.
	Mitsubishi Kagaku Media Co., Ltd.	Mar.	14.6		Unable to offset deteriorating margin by increase in sales volume.
	Verbatim Corporation	Dec.	60.0		Offset low margin by increase in sales volume.
	Mitsubishi Chemical America, Inc. (toners and organic photoconductors)	Dec.	20.8		Unable to offset price fall by increase in sales volume.
	Nippon Kasei Chemical Co., Ltd.	Mar.	31.5		Increase in profit due to transfer of ammonia and Synthetic Silica businesses from MCC.
	API Corporation	Mar.	40.3		Increase in profit due to increase in sales volume and streamlining.

Major Subsidiaries (2) Sales Results for FY2005 (Forecast)

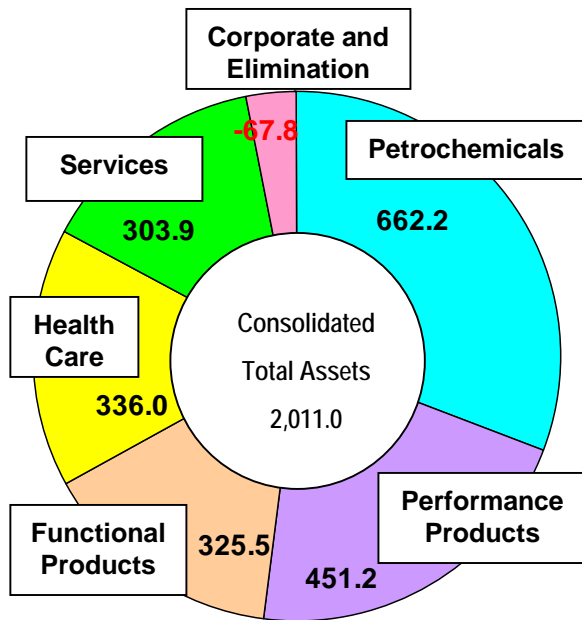
Segment	Company	Fiscal period	Net sales (Billions of Yen)	Operating income (vs. FY2004)	Comments
Functional Products	Mitsubishi Plastics, Inc.	Mar.	133.0	➡	Offset surging raw material costs by streamlining.
	Mitsubishi Polyester Film Corporation	Dec.	36.2	➡	Maintain profit as previous year by rise in raw material costs despite sales increase.
	Mitsubishi Polyester Film, LLC	Dec.	24.8	➡	Decrease in profit due to weak market and soaring raw material costs caused by hurricanes.
	Mitsubishi Polyester Film GmbH	Dec.	18.9	➡	Decrease in profit due to weak market.
	Mitsubishi Chemical Functional Products, Inc.	Mar.	43.9	➡	Slight increase in profitability by expanding sales to industrial fields.
Health Care	Mitsubishi Kagaku Bio-Clinical Laboratories, Inc.	Mar.	49.6	➡	Increase in profit due to expansion of business.
Services	Mitsubishi Chemical Logistics Corporation	Mar.	83.7	➡	Maintain increase trend in sales.
	Mitsubishi Chemical Engineering Corporation	Mar.	138.4	➡	Increase in profit by reduction of fixed costs.

Number of Affiliates

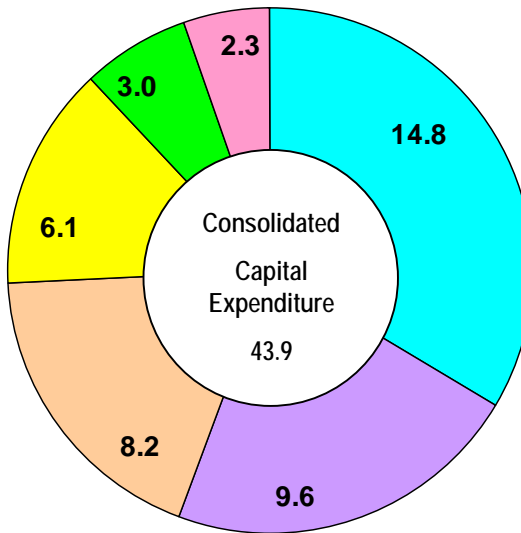
	Sep.30 2005	Mar.31 2005	Differences
Consolidated subsidiaries	163	167	-4
Japan	103	106	-3
Overseas	60	61	-1
Affiliates accounted for by the equity method	83	85	-2
Total	246	252	-6

Interim Data by Segments

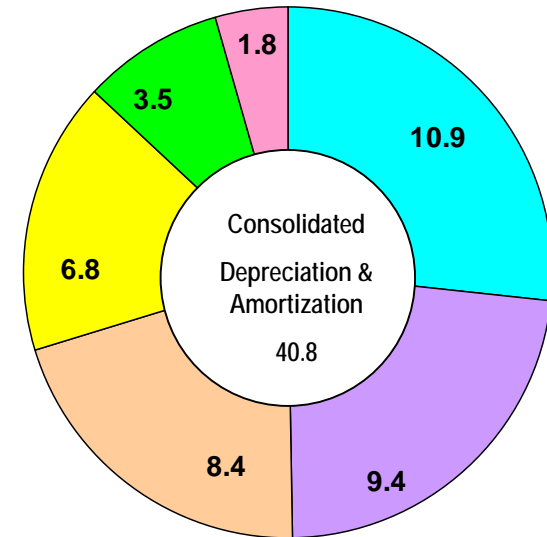
Total Assets



Capital Expenditures



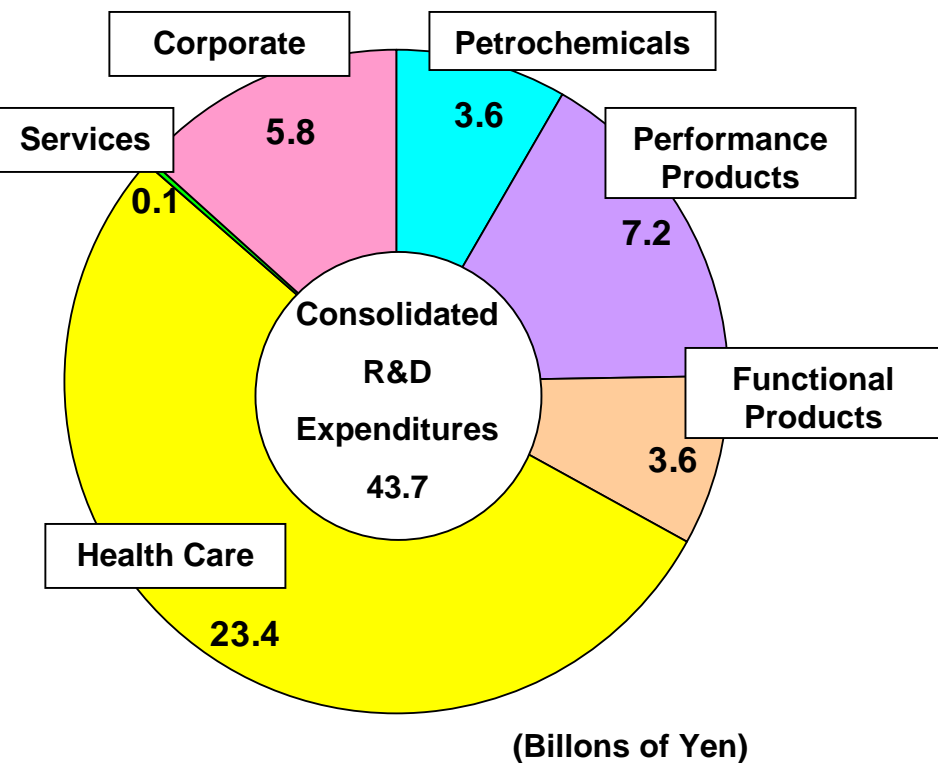
Depreciation & Amortization



(Billions of Yen)

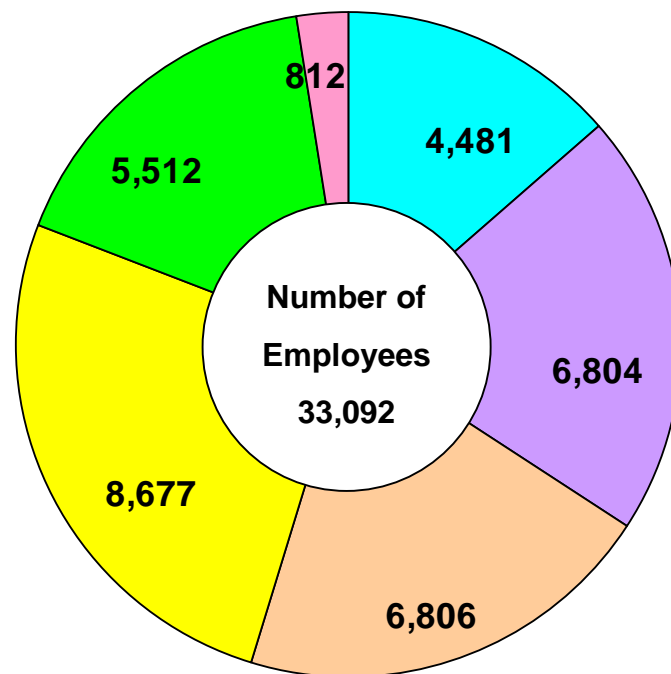
Interim Data by Segments

R&D Expenditures



Number of Employees (Consolidated)

As of Sep. 30, 2005



The forward-looking statements are based largely on information available as of the date hereof, and are subject to risks and uncertainties which may be beyond company control. Actual results could differ largely, due to numerous factors, including but not limited to the following: Group companies execute businesses in many different fields, such as petrochemicals, carbon and inorganic products, information and electronics, pharmaceuticals, polymers and processed products, and these business results are subjected to influences of world demands, exchange rates, price and procurement volume of crude oil and naphtha, trend of market price, speed in technology innovation, National Health Insurance price revision, product liabilities, lawsuits, laws and regulations.