

November 15, 2005

Mitsui Chemicals Announces the First Half 2005 Performance

Mitsui Chemicals, Inc. (MCI) of Japan announced its group consolidated financial performance for the First Half of Fiscal 2005 (1H/05) covering April 1 through September 30, 2005.

Summary of the announcement is as follows:

1. First Half Performance (April 1, 2005 ~ September 30, 2005)

(1) Summary of Income Statement

100million yen

Items	2005.4.1 ~ 2005.9.30 (1H/05)	2004.4.1 ~ 2004.9.30 (1H/04)	Increase (Decrease)
Net sales	6,936	5,888	1,048
Operating income	233	295	(62)
Recurring income	242	281	(39)
Net income	172	(58)	230

(2) Summary of Balance Sheet

	2005.9.30	2005.3.31		2005.9.30	2005.3.31
Current assets	537,652	497,287	Current liabilities	446,957	440,566
Property, plant & equipment	537,744	520,886	Long-term liabilities	322,994	313,389
Investments & other non-current assets	192,715	187,012	Minority interests	69,245	45,457
			Stockholders' equity	428,915	405,773
Total assets	1,268,111	1,205,185	Total liabilities, Minority interests & Stockholders' equity	1,268,111	1,205,185

(3) Segment Information

million yen

Segment		2005.4.1 ~ 2005.9.30 (1H/05)	2004.4.1 ~ 2004.9.30 (1H/04)	Increase (Decrease)
Functional Chemicals & Engineered Materials	Net sales	90,795	90,321	474
	Operating income	3,282	3,699	(417)
Functional Polymeric Materials	Net sales	129,486	124,209	5,277
	Operating income	(198)	2,717	(2,915)
Basic Chemicals	Net sales	232,837	209,239	23,598
	Operating income	13,387	13,067	320
Petrochemicals	Net sales	223,193	146,260	76,933
	Operating income	7,118	9,539	(2,421)
Others	Net sales	17,313	18,781	(1,468)
	Operating income	(418)	239	(657)
Eliminations	Net sales	—	—	—
	Operating income	158	195	(37)
Total	Net sales	693,624	588,810	104,814
	Operating income	23,329	29,456	(6,127)

(4) Overseas Sales

million yen

	Asia	North America & Latin America	Europe	Others	Total overseas sales
2005.4.1 ~ 2005.9.30 (1H/05)	198,417	31,779	16,385	3,206	249,787
2004.4.1 ~ 2004.9.30 (1H/04)	157,713	30,139	18,327	3,494	209,673

2. Fiscal Year (FY2005) Performance Forecast (April 1, 2005 ~ March 31, 2006)

(1) Summary of Income Statement

100million yen

Items	2005.4.1 ~ 2006.3.31 (FY05, Forecast)	2004.4.1 ~ 2005.3.31 (FY04)	Increase (Decrease)
Net sales	15,000	12,275	2,725
Operating income	700	805	(105)
Recurring income	700	797	(97)
Net income	420	262	158

(2) Segment Information

100million yen

Segment		2005.4.1 ~ 2006.3.31 (FY05. Forecast)	2004.4.1 ~ 2005.3.31 (FY04)	Increase (Decrease)
Functional Chemicals & Engineered Materials	Net sales	2,000	1,834	166
	Operating income	100	91	9
Functional Polymeric Materials	Net sales	2,800	2,628	172
	Operating income	70	85	(15)
Basic Chemicals	Net sales	4,900	4,272	628
	Operating income	270	360	(90)
Petrochemicals	Net sales	4,900	3,166	1,734
	Operating income	250	254	(4)
Others	Net sales	400	375	25
	Operating income	10	13	(3)
Eliminations	Net sales	—	—	—
	Operating income	—	2	(2)
Total	Net sales	15,000	12,275	2,725
	Operating income	700	805	(105)

3. Consolidated Accounting Fundamentals

Items	2005.4.1- 2005.9.30	2004.4.1- 2004.9.30	2005.4.1- 2006.3.31 (estimate)	2004.4.1- 2005.3.31	
R & D expenses	100 million yen	189	175	400	349
Depreciation & amortization	100 million yen	334	284	700	568
Capital expenditures	100 million yen	544	196	1200	471
Number of Employees	-	12,444	12,136	12,500	12,228
Exchange rate	yen per US\$	109	110	110	108
Domestic naphtha price	yen per kiloliter	38,000	30,200	42,500	32,150

Note: The above-mentioned outlook constitutes projection based on information available at this point in time, and therefore involves certain risk and uncertainty. Therefore, there is a possibility that actual performance figures would differ largely from the outlook due to various factors that may arise henceforth.