



# Financial Summary

Results of Nine Months of FY2005 & Forecast of FY2005

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< Remarks >

FY2005 indicates the fiscal year starting from April 1 of 2005 and ending at March 31 of 2006

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(April 1, 2005 – December 31, 2005)

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# 1. Results of Nine Months of FY2005

(April 1, 2005 – December 31, 2005)

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# 1) Consolidated Financial Highlights

(Billion Yen)

Items	Q1-Q3 of FY2004	Q1-Q3 of FY2005	Increase (Decrease)	%
Sales	903.0	1,072.7	169.7	19%
Operating income	50.5	40.2	(10.3)	( 20%)
(Equity in earnings of non-consolidated subsidiaries&affiliates)	5.1	6.2	1.1	22%
Recurring income	49.0	43.6	(5.4)	( 11%)
Net income(loss)	5.5	28.4	22.9	418%

Exchange Rate(Yen/US\$)	109	112	3
Domestic Standard Naphtha Price(Yen/KL)	31,800	41,100	9,300

Interest-bearing liabilities	456.5	467.2	10.7	2%
Stockholders' equity	386.8	442.3	55.5	14%
Total assets	1,209.6	1,354.4	144.8	12%

## 2) Sales (by Business Segment)

(Billion Yen)

Segment	Q1-Q3 of FY2004	Q1-Q3 of FY2005	Incr. (Decr.)	%
Functional Chemi'ls & Engineered Mat'ls	133.5	140.8	7.3	5%
Functional Polymeric Materials	192.0	206.0	14.0	7%
Basic Chemicals	318.2	348.2	30.0	9%
Petrochemicals	228.8	350.2	121.4	53%
Others	30.5	27.5	3.0	(10%)
<b>Total</b>	<b>903.0</b>	<b>1,072.7</b>	<b>169.7</b>	<b>65%</b>

### 3) Operating Income (by Business Segment)



(Billion Yen)

Segment	Q1-Q3 of FY2004	Q1-Q3 of FY2005	Incr. (Decr.)	%
Functional Chemi'l's & Engineered Functional Polymeric	6.0	7.0	1.0	17%
Basic Chemicals	21.5	17.5	(4.0)	(19%)
Petrochemicals	17.8	10.7	(7.1)	(40%)
Others	0.4	(0.3)	(0.7)	(175%)
Eliminations	0.1	(0.1)	(0.2)	(200%)
Total	50.5	40.2	(10.3)	(20%)

## 4) Consolidated Balance Sheets

(Billion Yen)

Items	End of 05/3	End of 05/12	Incr. (Decr.)	Items	End of 05/3	End of 05/12	Incr. (Decr.)
Current assets	497.3	622.7	125.4	Liabilities	753.9	839.6	85.7
Cash and cash equivalents	28.1	37.6	9.5	Notes and account payables	154.9	226.6	71.7
Notes and accounts receivables	225.4	298.9	73.5	Interest-bearing liabilities	422.3	467.2	44.9
Inventories	184.4	218.4	34.0	Other liabilities	176.7	145.8	(30.9)
Other current assets	59.4	67.8	8.4	Minority interests	45.5	72.5	27.0
Fixed assets	707.9	731.7	23.8	Stockholders' equity	405.8	442.3	36.5
Tangible fixed assets	520.9	534.8	13.9	Common stock	103.2	103.2	0.0
Intangible fixed assets	24.1	24.7	0.6	Additional paid-in capital	66.9	66.9	0.0
Investment securities and others	162.9	172.2	9.3	Retained earnings	231.5	253.5	22.0
				Others	4.2	18.7	14.5
Total	1,205.2	1,354.4	149.2	Total	1,205.2	1,354.4	149.2

# 5) Consolidated Statement of Cash Flows



(Billion Yen)

Items	First Half of FY2005	Q1-Q3 of FY2005	FY2004
I. Cash flows from operating activities[A]	44.4	28.5	96.5
Income before income taxes and minority interests	30.2	48.8	54.7
Depreciation and amortization	33.4	51.5	56.8
Increase in working capitals	(19.2)	(71.8)	(15.0)
II. Cash flows from investing activities[B]	(31.4)	(46.8)	(33.1)
Free cash flows[A+B]	13.0	(18.3)	63.4
III. Cash flows from financing activities	(15.1)	26.9	(63.2)
IV. Others	0.4	0.9	(0.1)
Net incr.(decr.) in cash and cash equivalents	(1.7)	9.5	0.1

## 2. Forecast of FY2005

(April 1, 2005 – March 31, 2006)

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This summary contains forward-looking statements about the future plans, strategies, belief and performance of the Mitsui Chemicals Group as a whole and its individual consolidated companies. These forward-looking statements are not historical facts. They are expectations, estimates, forecasts and projections based on information currently available to the Mitsui Chemicals Group and are subject to a number of risks, uncertainties and assumptions, which, without limitation, include economic trends, fluctuations in foreign currency exchange rates, fluctuations in the price of raw materials, competition in markets where the Company is active, personal consumption, market demand, the tax system and other legislation. As such, actual results may differ materially from those projected and the Mitsui Chemicals Group cannot guarantee that these forward-looking statements are accurate or will be achieved.

# 1) Consolidated Financial Highlights

(Billion Yen)

Items	FY2004	FY2005 Forecast	Increase (Decrease)	%
Sales	1,227.5	1,500.0	272.5	22%
Operating income	80.5	70.0	(10.5)	(13%)
(Equity in earnings of non-consolidated subsidiaries&affiliates)	6.9	8.4	1.5	22%
Recurring income	79.7	70.0	(9.7)	(12%)
Net income	26.2	42.0	15.8	60%
Exchange Rate(Yen/US\$)	108	110	2	
Domestic Standard Naphtha Price(Yen/KL)	32,150	42,500	10,350	

## 2) Sales (by Business Segment)

(Billion Yen)

Segment	FY2004	FY2005 Forecast	Incr. (Decr.)	%
Functional Chemi'ls & Engineered Mat'ls	183.4	200.0	16.6	9%
Functional Polymeric Materials	262.8	280.0	17.2	7%
Basic Chemicals	427.2	490.0	62.8	15%
Petrochemicals	316.6	490.0	173.4	55%
Others	37.5	40.0	2.5	7%
Total	1,227.5	1,500.0	272.5	22%

### 3) Operating Income (by Business Segment)

(Billion Yen)

Segment	FY2004	FY2005 Forecast	Incr. (Decr.)	%
Functional Chemi'ls & Engineered Mat'ls	9.1	10.0	0.9	10%
Functional Polymeric Materials	8.5	7.0	(1.5)	(18%)
Basic Chemicals	36.0	27.0	(9.0)	(25%)
Petrochemicals	25.4	25.0	(0.4)	(2%)
Others	1.3	1.0	(0.3)	(23%)
Eliminations	0.2	0.0	(0.2)	(100%)
<b>Total</b>	<b>80.5</b>	<b>70.0</b>	<b>(10.5)</b>	<b>(13%)</b>

## 4) Consolidated Accounting Fundamentals



Items		First Half of FY2004	FY2004	First Half of FY2005	FY2005 Forecast
Exchange Rate	Yen/US\$	110	108	109	110
Domestic Standard Naphtha Price	Yen/KL	30,200	32,150	38,000	42,500
R&D Expenditure	Billion Yen	17.5	34.9	18.9	40.0
Depreciation&Amortization	Billion Yen	28.4	56.8	33.4	70.0
Investments	Billion Yen	19.6	47.1	54.4	120.0
Interest and Dividend	Billion Yen	(2.5)	(4.9)	(2.0)	(4.5)
Dividend Income	Billion Yen	0.7	1.2	0.8	1.4
Interest-bearing liabilities	Billion Yen	459.4	422.3	419.9	430.0
Number of Employees	Person	12,136	12,228	12,444	12,500