



Financial Summary

Results of Nine Months of FY2008 & Outlook of FY2008

Mitsui Chemicals, Inc.

January 30, 2009

< Remarks >

FY2008 indicates the fiscal year starting from April 1 of 2008 to ending at March 31 of 2009

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1. Results of Nine Months of FY2008

(April 1, 2008 – December 31, 2008)

1) Operation Topics in 3rd Quarter of FY2008

Project	Action	Production Capacity	Location	Date
Performance Materials				
1) Expansion of EPT Production Capacity	Start commercial operation	+75K t/y (45 120K t/y)	Ichihara	Apr. 08
2) Establishment of Mitsui Chemicals India PVT LTD	Establish new subsidiary		India	Apr. 08
3) Expansion of Cycloolefin Copolymer(APEL™) Production Capacity	Start commercial operation	+3K t/y (3.4 6.4K t/y)	Osaka	May. 08
4) Commencement of Joint Development of Silane Gas Manufacturing Process (Mitsui Chemicals and Tokuyama Corporation)	Joint development of manufacturing process			Aug. 08
5) Expansion of Production Capacity of Solar Cell Encapsulant (Mitsui Chemicals Fabro, Inc)	Expand the production capacity	+11K t/y (9 20K t/y)	Nagoya	Oct. 08
6) Agreement with TOHCELLO CO.,LTD. to become a Wholly Owned Subsidiary through Share Exchange				Dec. 08
Advanced Chemicals				
7) Acquisition of SDC Technologies, Inc	Acquisition		USA	Jun. 08

1) Operation Topics in 3rd Quarter of FY2008

Project	Action	Production Capacity	Location	Date
Basic Chemicals				
8) Announcement of the Establishment of a Joint Venture to Construct of Nghi Son Complex	Decision to participate in joint venture		Vietnam	Apr. 08
9) Development of a Highly Active Catalyst for 1-Hexene Production (plan to establish a 1-Hexene Plant in 2010)		(30K t/y)	(Ichihara)	Jun. 08
10) New PP Automotive Materials Plant	Plant completed	15K t/y	India (ACI)	Oct. 08
11) New BPA Plant	Plant completed	120K t/y	Shanghai, China (SSMC)	Dec. 08

2) Number of Subsidiaries and Affiliates

Items	3rd Q of FY2007	FY2007 (a)	First Half of FY2008	3rd Q of FY2008 (b)	Incr. (Decr.) (b)-(a)
Number of consolidated subsidiaries	65	63	66	65	2
Number of non-consolidated subsidiaries and affiliates to which the equity method is applied	42	38	34	33	(5)
Total	107	101	100	98	(3)

3) Consolidated Financial Highlights

(Billions of Yen)

Items	3rd Q of FY2007	3rd Q of FY2008	Increase (Decrease)	%
Sales	1,337.8	1,252.1	(85.7)	(6%)
Operating income	70.3	12.0	(58.3)	(83%)
Non-Operating income/expenses	(2.5)	(3.0)	(0.5)	-
Recurring income	67.8	9.0	(58.8)	(87%)
Special gains/losses	(8.2)	(4.3)	3.9	-
Income before income taxes	59.6	4.7	(54.9)	(92%)
Net income	36.0	3.6	(32.4)	(90%)

Exchange Rate (Yen/US\$) 117 103 (14)

Domestic Standard Naphtha Price (Yen/KL) 59,700 69,730 10,030

Items	End of 08/3	End of 08/12	Increase (Decrease)	%
Interest-bearing liabilities	486.0	550.9	64.9	13%
D/E Ratio	0.97	1.20	0.23	-

4) Sales (by Business Segment)

(Billions of Yen)

Segment	3rd Q of FY2007	3rd Q of FY2008	Incr. (Decr.)	Breakdown	
				Volume	Price
Performance Materials	380.0	360.1	(19.9)	(33.9)	14.0
Advanced Chemicals	89.0	88.9	(0.1)	(0.2)	0.1
Basic Chemicals	830.8	783.2	(47.6)	(109.4)	61.8
Others	38.0	19.9	(18.1)	(18.5)	0.4
Total	1,337.8	1,252.1	(85.7)	(162.0)	76.3

5) Operating Income (by Business Segment)

(Billions of Yen)

Segment	3rd Q of FY2007	3rd Q of FY2008	Incr. (Decr.)	Breakdown		
				Volume	* Price	Costs
Performance Materials	31.6	9.8	(21.8)	(18.2)	(0.6)	(3.0)
Advanced Chemicals	7.7	5.1	(2.6)	(0.2)	(0.4)	(2.0)
Basic Chemicals	32.4	0.7	(31.7)	(9.9)	(18.7)	(3.1)
Others	(1.4)	(3.6)	(2.2)	(1.3)	(1.3)	0.4
Total	70.3	12.0	(58.3)	(29.6)	(21.0)	(7.7)

* Price ; including both selling and purchasing price variances

7) Non-Operating Income and Expenses

(Billions of yen)

Items	3rd Q of FY2007	3rd Q of FY2008	Incr. (Decr.)
Equity in earnings of non-consolidated subsidiaries and affiliates	4.8	3.9	(0.9)
Interest expenses, interest and dividend income	(4.4)	(4.1)	0.3
Gain (loss) on foreign exchange	(0.6)	(3.7)	(3.1)
Other net	(2.3)	0.9	3.2
Total	(2.5)	(3.0)	(0.5)

8) Special Gains and Losses

(Billions of yen)

Items	3rd Q of FY2007	3rd Q of FY2008	Incr. (Decr.)
Special gains	2.3	2.2	(0.1)
Gain on sales of fixed assets etc.	2.3	2.2	(0.1)
Special losses	(10.5)	(6.5)	4.0
Loss on sales and disposal of fixed assets	(2.6)	(2.5)	0.1
Impairment loss	0.0	(0.6)	(0.6)
Loss on restructuring of subsidiaries and affiliates etc.	(3.1)	(0.8)	2.3
Environmental measure expenses	(4.8)	(1.4)	3.4
Loss on valuation of investment securities	0.0	(1.2)	(1.2)

9) Consolidated Balance Sheet

(Billions of Yen)

Items	End of 08/3	End of 08/12	Incr. (Decr.)	Items	End of 08/3	End of 08/12	Incr. (Decr.)
Current assets	726.3	726.2	(0.1)	Liabilities	905.0	914.9	9.9
Cash and cash equivalents	25.5	29.9	4.4	Notes and accounts payables	239.5	206.4	(33.1)
Notes and accounts receivables	332.9	271.8	(61.1)	Interest-bearing liabilities	486.0	550.9	64.9
Inventories	269.2	328.7	59.5	Other liabilities	179.5	157.6	(21.9)
Other current assets	98.7	95.8	(2.9)				
				Net assets	564.2	517.6	(46.6)
Fixed assets	742.9	706.3	(36.6)	Shareholders' equity	479.5	463.1	(16.4)
Tangible fixed assets	564.8	537.8	(27.0)	Appraisal and Translation Differences	20.5	(3.4)	(23.9)
Investments & other non-current assets	178.1	168.5	(9.6)	Minority interest	64.2	57.9	(6.3)
Total	1,469.2	1,432.5	(36.7)	Total	1,469.2	1,432.5	(36.7)

10) Consolidated Statement of Cash Flow

(Billions of yen)

Items	3rd Q of FY2007	3rd Q of FY2008	Incr. (Decr.)
I. Cash flows from operating activities[A]	76.3	12.8	(63.5)
II. Cash flows from investing activities[B]	(57.6)	(61.0)	(3.4)
Free cash flows[A+B]	18.7	(48.2)	(66.9)
III. Cash flows from financing activities	(8.9)	54.8	63.7
IV. Others	(0.5)	(2.2)	(1.7)
Net incr.(decr.) in cash and cash equivalents	9.3	4.4	(4.9)

2. Outlook for FY2008

(April 1, 2008 – March 31, 2009)

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) Operation Topics in FY2008

Project	Action	Production Capacity	Location	Date
Advanced Chemicals				
1) Agreement to Split Agrochemicals Division and Integrate with Sankyo Agro Co.,Ltd				Jan. 09
Basic Chemicals				
2) Strengthen Added-Value Ethylene Derivative Products of Ichihara Works				
Terminate EOG plant	Board resolution	119Kton/year	Ichihara	Jan. 09
Establish New 1-hexene Plant	Board resolution	30Kton/year	Ichihara	Jan. 09
3) Establish a Pilot Facility to Study a Methanol Synthesis Process from CO2	Construction of pilot facility	100 tons/year (Translated into methanol production volume)	Osaka	Mar. 09
4) Terminate Aniline Production	Termination	66K t/y	Osaka	Mar. 09

2) Consolidated Financial Highlights

(Billions of yen)

Items	FY2007			Outlook for FY2008			Outlook for FY2008 at oct 31
	1st Half	3rd Q	Full Year	1st Half	3rd Q	Full Year	
Sales	881.6	1,337.8	1,786.7	905.6	1,252.1	1,450.0	1,880.0
Operating income	42.7	70.3	77.2	10.0	12.0	(25.0)	45.0
Non-Operating income/expenses	(2.2)	(2.5)	(11.1)	3.3	(3.0)	(5.0)	3.0
Recurring income	40.5	67.8	66.1	13.3	9.0	(30.0)	48.0
Special gains/losses	(8.0)	(8.2)	(21.5)	(1.8)	(4.3)	(10.0)	(8.0)
Net income	20.2	36.0	24.8	7.6	3.6	(13.0)	22.0
Exchange Rate (Yen/US\$)	119	117	114	106	103	100	103
Domestic Standard Naphtha Price (Yen/KL)	58,750	59,700	61,450	78,350	69,730	58,800	69,000
Dividend(Yen/Share)	6.0		12.0	6.0		9.0	13.0

3) Sales (by Business Segment)

(Billions of Yen)

Segment	FY2007	FY2008 Outlook	Incr. (Decr.)	Breakdown	
				Volume	Price
Performance Materials	504.1	410.0	(94.1)	(106.1)	12.0
Advanced Chemicals	122.1	120.0	(2.1)	(2.0)	(0.1)
Basic Chemicals	1,111.2	890.0	(221.2)	(249.9)	28.7
Others	49.3	30.0	(19.3)	(19.7)	0.4
Total	1,786.7	1,450.0	(336.7)	(377.7)	41.0

4) Operating Income (by Business Segment)

(Billions of Yen)

Segment	FY2007 (a)	FY2008 Outlook (b)	Incr. (Decr.) (b)-(a)	Breakdown			FY2008 Outlook oct.31(C)	Incr. (Decr.) (b)-(c)
				Volume	* Price	Costs		
Performance Materials	35.9	(6.0)	(41.9)	(24.0)	(7.5)	(10.4)	19.0	(25.0)
Advanced Chemicals	10.8	8.0	(2.8)	0.2	(0.6)	(2.4)	9.0	(1.0)
Basic Chemicals	33.4	(21.0)	(54.4)	(40.8)	(9.7)	(3.9)	22.0	(43.0)
Others	(2.9)	(6.0)	(3.1)	(2.0)	(1.5)	0.4	(5.0)	(1.0)
Total	77.2	(25.0)	(102.2)	(66.6)	(19.3)	(16.3)	45.0	(70.0)

* Price ; including both selling and purchasing price variances

4) Operating Income (by Business Segment)

(Billions of Yen)

Segment	Operating Income for FY2008				
	1st Q	2nd Q	3rd Q	4th Q (Forecast)	Full Year (Forecast)
Performance Materials	5.6	3.6	0.6	(15.8)	(6.0)
Advanced Chemicals	3.8	(0.2)	1.5	2.9	8.0
Basic Chemicals	12.4	(12.6)	0.9	(21.7)	(21.0)
Others	(1.1)	(1.5)	(1.0)	(2.4)	(6.0)
Total	20.7	(10.7)	2.0	(37.0)	(25.0)

5) Special Gains and Losses

(Billions of yen)

Items	FY2007	Outlook FY2008	Incr. (Decr.)
Special gains	2.9	3.0	0.1
Gain on sales of fixed assets etc.	2.9	3.0	0.1
Special losses	(24.4)	(13.0)	11.4
Loss on sales and disposal of fixed assets	(5.4)	(8.0)	(2.6)
Impairment loss	(0.7)	(1.0)	(0.3)
Loss on restructuring of subsidiaries and affiliates etc.	(3.2)	(1.0)	2.2
Loss on business withdrawal	(2.6)	(0.0)	2.6
Environmental measure expenses	(11.7)	(1.5)	10.2
Others	(0.8)	(1.5)	(0.7)

6) Consolidated Statement of Cash Flow

(Billions of yen)

Items	FY2007	Outlook FY2008	Incr. (Decr.)
I. Cash flows from operating activities[A]	92.4	40.0	(52.4)
II. Cash flows from investing activities[B]	(78.2)	(75.0)	3.2
Free cash flows[A+B]	14.2	(35.0)	(49.2)
III. Cash flows from financing activities	(28.7)	35.0	63.7
IV. Others	(0.4)	0.0	0.4
Net incr.(decr.) in cash and cash equivalents	(14.9)	0.0	14.9

3. Appendix

1) History of Main Products Prices

(PE, PP, PH, BPA : Change of Price and Raw Materials Price to Products Price / PTA, TDI : Asian Market Price)

Year	2006				2007				2008			
Month	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.
Naphtha (Yen/KL)	46,100	48,800	54,100	48,100	48,800	57,800	59,700	61,600	66,700	70,900	85,200	52,500
PE (Yen/KG)			about +12	about +10	about (10)	about +13	about +13		about +15		about +30	about (30)
(HN)			approx. 50,000	approx. 55,000	approx. 50,000	approx. 56,000	approx. 62,000		approx. 68,000		approx. 83,000	approx. 68,000
PP (Yen/KG)			about +12	about +10	about (10)	about +13	about +13		about +15		about +30	about (30)
(HN)			approx. 50,000	approx. 55,000	approx. 50,000	approx. 56,000	approx. 62,000		approx. 68,000		approx. 83,000	approx. 68,000
PH (Yen/KG)			+10 Base Price of Formula					+15 Base Price of Formula			+17 Base Price of Formula	
BZ(ACP) (US\$/T)	\$735	\$820	\$925	\$900	\$985	\$1,075	\$1,010	\$1,015	\$1,030	\$1,180	\$1,265	\$580
BPA (Yen/KG)			25		15	22		17			48	(10)
	negotiation based on BZ price and BPA market price											
BPA Price of Asian Market	\$1,450	\$1,450	\$1,500	\$1,700	\$1,850	\$2,000	\$2,000	\$2,000	\$2,030	\$1,970	\$2,020	\$1,200
PTA (US\$/T)	\$880	\$915	\$1,030	\$880	\$860	\$70 *	(\$30) *	(\$60) *	\$60 *	\$155 *	(\$30) *	(\$420) *
(PX)	\$1,010	\$1,070	\$1,320	\$1,160	\$1,110	\$120 *	(\$60) *	(\$30) *	\$40 *	\$200 *	\$40 *	(\$750) *
	* Change from a former quarter											
TDI (US\$/T)	\$2,500	\$2,500	\$2,500	\$3,100	\$3,500	\$3,500	\$3,600	\$4,000	\$4,000	\$4,200	\$4,300	\$2,900