

## Summary of Financial Results for the First Quarter Ended June 30, 2010

### Mitsui Chemicals, Inc. (4183)

#### Consolidated Financial Results (April 1, 2010–June 30, 2010)

##### 1. Consolidated Financial Results (1) Results of Operations

	Millions of Yen (Except per Share Data and Percentages)			
	First Quarter Ended June 30,			
	2010	%	2009	%
Net Sales	339,356	30.2	260,551	(42.6)
Operating Income (Loss)	11,769	—	(13,520)	—
Ordinary Income (Loss)	11,368	—	(14,027)	—
Net Income (Loss)	18,712	—	(16,444)	—
Net Income (Loss) per Share (yen)	18.67		(21.28)	
Net Income (Loss) per Share, Diluted (yen)	—		—	

\*Figures in the percentage column indicate the percentage increase/(decrease) for each item compared with the corresponding period of the previous fiscal year.

##### (2) Financial Position

	Millions of Yen (Except per Share Data and Percentages)	
	First Quarter Ended June 30, 2010	FY Ended March 31, 2010
Total Assets	1,263,563	1,238,086
Net Assets	430,346	419,004
Shareholders' Equity Ratio	30.7%	30.5%
Shareholders' Equity per Share (yen)	387.00	376.41

Note: Equity	First quarter ended June 30, 2010	387,882 million yen
	Fiscal year ended March 31, 2010	377,283 million yen

## 2. Dividends

	Fiscal Year Ended/Ending March 31,	
	2010	2011 (Forecast*)
Annual Dividends per Share		
First Quarter (yen)	—	—
Interim (yen)	0.00	3.00
Third Quarter (yen)	—	—
End of Term (yen)	3.00	3.00
Annual Dividends (yen)	3.00	6.00

Note: Revisions to dividend forecast in the quarter: None

## 3. Forecast of Operating Results for the Fiscal Year Ending March 31, 2011 (April 1, 2010–March 31, 2011)

	Millions of Yen (Except per Share Data and Percentages)			
	First Half	%	Full Fiscal Year	%
Net Sales	673,000	22.4	1,400,000	15.9
Operating Income	13,500	—	35,000	—
Ordinary Income	10,000	—	29,000	—
Net Income	14,000	—	24,000	—
Net Income per Share (yen)	13.97		23.94	

Note: Revisions to forecast of operating results in the quarter: None

\*Figures in the percentage column indicate the percentage increase/(decrease) for each item compared with the corresponding period of the previous fiscal year.

## 4. Others

(For more details, please refer to “Other Information” on pages 6 and 7 of the attached documents)

(1) Significant changes in subsidiaries during the period: None

\*Changes in certain subsidiaries may or may not result in changes in the scope of consolidation in this quarter.

(2) Adoption of simplified accounting and special accounting treatments: Yes

\*Simplified accounting and special accounting treatments in the preparation of quarterly consolidated financial statements may or may not be applied.

(3) Change in accounting principles, procedures, and presentation for consolidated financial statements

1) Changes due to revisions of accounting standards, etc: Yes

2) Changes other than 1): None

\*Accounting principles, procedures, and presentation that are fundamental to the preparation of quarterly consolidated financial statements may or may not be subject to change.

(4) Number of shares outstanding (common stock)

1) Number of shares outstanding at term-end (including treasury stock):

Fiscal quarter ended June 30, 2010: 1,022,020,076 shares

Fiscal year ended March 31, 2010: 1,022,020,076 shares

2) Number of shares of treasury stock at term-end:

Fiscal quarter ended June 30, 2010: 19,752,672 shares

Fiscal year ended March 31, 2010: 19,701,571 shares

3) Average number of shares (Quarterly cumulative period)

Fiscal quarter ended June 30, 2010: 1,002,280,539 shares

Fiscal year ended March 31, 2010: 772,748,770 shares

Cautionary Statement and Other Explanatory Notes

*\*Presentation of quarterly review procedure implementation status*

*This quarterly earnings report is exempt from quarterly review procedure based upon the Financial Instruments and Exchange Act.*

*\*The aforementioned forecasts are based on management's assumptions and beliefs in light of currently available information and, accordingly, entail risks and uncertainties. Actual results may differ materially from forecasts due to a variety of factors. Please refer to 1. Qualitative Information Concerning Quarterly Consolidated Results (3) Qualitative Information Concerning Consolidated Results Forecasts on page 5 of the attached documents.*

## Attached Documents

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\*The Company held Internet conferences with institutional investors and analysts on Friday, July 30, 2010. The Company displays documents related to and recordings in Japanese of these Internet conferences on its website.

## 1. Qualitative Information Concerning Quarterly Consolidated Results

### (1) Qualitative Information Concerning Consolidated Operating Results

#### (Overview)

In the fiscal period under review (the three-month period from April 1, 2010 to June 30, 2010, hereafter called “the Quarter”), the operating environment experienced an ongoing recovery primarily due to an increase in overseas demand, centered on China. In addition, domestic demand recovered among important business partners in such sectors as automotive and electronic information materials. Under these conditions, the Mitsui Chemicals Group reported the following operating results for the Quarter.

(Billions of Yen)

	Net Sales	Operating Income (Loss)	Ordinary Income (Loss)	Net Income (Loss)
First Quarter of the Current Fiscal Year	339.4	11.8	11.4	18.7
First Quarter of the Previous Fiscal Year	260.6	(13.5)	(14.0)	(16.4)
Change	78.8	25.3	25.4	35.1
Change (%)	30.2	—	—	—

**Net Sales** rose 78.8 billion yen, or 30.2%, compared with the first quarter of the previous fiscal year to 339.4 billion yen. This was attributable to a 41.7 billion yen rise in sales primarily from increasing sales prices in the petrochemical and basic chemicals segments as well as a 37.1 billion yen increase in sales due mainly to a rise in sales volume on the back of a recovery in demand, particularly in Asia.

**Operating income** for the Quarter was 11.8 billion yen, an increase of 25.3 billion yen year on year. This was mainly the result of an improvement in inventory valuations loss in the petrochemicals segment, an improvement of trading conditions in the basic chemicals segment, and an increase in sales volume accompanying a recovery in demand, beginning with the automotive sector.

Operating income for the Quarter includes 3.2 billion yen due to changes in inventory valuation methods following the application of the Accounting Standard for Measurement of Inventories.

**Ordinary income** was 11.4 billion yen, a rise of 25.4 billion yen year on year. This was due to a 0.1 billion yen improvement in non-operating income year on year, stemming from an increase in equity in earnings of non-consolidated subsidiaries and affiliates.

**Extraordinary income** amounted to 12.6 billion yen, a year-on-year improvement of 15.2 billion yen. This was due to a reversal of provision for retirement benefits of 14.6 billion yen, which is listed on page 7 of “Other Information.” This improvement occurred despite the recording of 1.0 billion yen in losses due to this being the first fiscal year that the Accounting Standard for Asset Retirement Obligations has been applied.

As a result of the aforementioned factors, **net income before income taxes and minority interests** amounted to 24.0 billion yen, up 40.6 billion yen year on year.

**Net income** after accounting for income taxes and minority interests in income improved 35.1 billion yen compared with the same period of the previous fiscal year to 18.7 billion yen, which translated to a net income per share for the period of 18.67 yen.

#### (Quarterly results by segment)

Mitsui Chemicals restructured its organization in April 1, 2010 in order to implement management strategies that respond to dramatically changing operating environments even faster and, thereby, ensure its leading position in Japan and expand overseas businesses. Consequently, from the fiscal period under review onward, the Company’s business segments have changed. Please refer to “4. Supplemental Information” on page 13 for more details about the major products and important affiliated companies in each segment.

Comparisons with the corresponding period of the previous fiscal year are adjusted to correspond to segments following the change.

## Petrochemicals

The Petrochemicals segment enjoyed steady overall sales.

In **ethylene and propylene**, production volume fell for both of these products due to the impact of periodic maintenance that was undertaken sequentially, starting from May 2010, by both Osaka Petrochemical Industries, Ltd. and Keiyo Ethylene Co., Ltd.

In **polyethylene and polypropylene**, net sales were strong due to the positive impact of a rise in sales prices on the back of a recovery in demand and a hike in raw material and fuel prices.

As a result of the above, sales for this segment rose 32.3 billion yen compared with the same period of the previous fiscal year to 110.3 billion yen, comprising 32% of total sales. Operating income increased 10.7 billion yen year on year to 5.8 billion yen. This was attributable to an increase in sales volume following a rebound in demand, as well as an improvement in valuation of inventories.

## Basic Chemicals

The Basic Chemicals segment recorded favorable overall sales.

In **phenols**, net sales remained strong due to a recovery in demand in Asia, particularly in China, and favorable markets.

In **bisphenol A**, net sales were robust owing to the impact of a rebound in demand for its main application, focusing polycarbonate resin, as well as strong markets.

In **purified terephthalic acid (PTA)**, net sales were favorable thanks to recovering demand and a rise in sales prices in the wake of increased raw material and fuel prices.

In **polyethylene terephthalate (PET)** resins, sluggish domestic demand for PET bottles caused a continuous fall in net sales.

In **ethylene oxide and derivatives**, net sales increased owing to a rise in sales prices accompanying a rise in raw material and fuel prices.

As a result, net sales for this segment rose 28.4 billion yen to 102.3 billion yen year on year, accounting for 30% of total sales. Operating income improved 5.8 billion yen year on year to 3.6 billion yen thanks to a rise in sales volume (excluding certain products) and strong markets.

## Polyurethane

The Polyurethane segment experienced robust overall sales.

In **polyurethane materials**, net sales increased due to an upswing in demand in the automotive market as well as the overseas TDI market.

In **coating materials**, net sales were steady owing to the impact of a recovery in demand in the Asian automotive and consumer electronics markets, particularly in China.

In **adhesive materials**, net sales were robust. This was attributable to steady demand for adhesives used in soft packaging in Japan, as well as an increase in demand in China and the ASEAN region.

In **molding materials**, net sales were favorable thanks to steady domestic demand for waterproofing and housing equipment-related materials—in light of the expanding housing renovation market—as well as a rebound in demand in the IT-related market.

As a result, net sales in this segment increased 5.6 billion yen compared with the corresponding period of the previous fiscal year to 35.9 billion yen, comprising 11% of total sales. Turning to profits, although operating income improved 2.1 billion yen year on year due to a rise in sales volume, this increase was unable to cover fixed costs, leading to an operating loss of 1.3 billion yen.

### Functional Polymeric Materials

The Functional Polymeric Materials segment enjoyed strong overall sales.

In **elastomers**, which are used primarily in automotive components and resin modifiers, net sales were robust due to a steady increase in demand for industrial materials and a recovery in demand in the automotive market, particularly in Asia.

In **performance compounds**, which are used mainly in packaging materials, as well as in automotive and electronic components, net sales were strong. This was attributable to a rebound in demand in the automotive and electronic component segments.

In **specialty polyolefin and engineering plastics**, net sales were favorable due to a significant recovery in demand centering on IT-related applications.

As a result, net sales of this segment increased 8.2 billion yen compared with the period of the previous fiscal year to 25.9 billion yen, accounting for 8% of total sales. Operating income improved 4.8 billion yen to 2.3 billion yen year on year, primarily owing to a rise in sales volume.

### Fabricated Products

The Fabricated Products segment experienced strong overall net sales.

In **hygiene materials**, net sales were steady thanks to an increase in demand for disposable diapers in China and Southeast Asia.

In **semiconductor materials**, net sales were robust due to a recovery in demand in the semiconductor market.

In **energy materials**, net sales were strong thanks to expanding demand in the solar cell encapsulant market.

In **packaging films**, net sales were robust due to efforts to expand sales amid slumping demand.

As a result, net sales of this segment increased 4.1 billion yen compared with the same period of the previous fiscal year to 32.5 billion yen, comprising 10% of total sales. Operating income improved 1.3 billion yen year on year to 0.9 billion yen due to such factors as a rise in sales volume.

### Functional Chemicals

The Functional Chemicals segment experienced steady overall net sales.

In **optical lens materials and healthcare materials**, which include medical materials, net sales were strong thanks to a rebound in demand, which began in the second half of the previous fiscal year.

In **chemical products** and **specialty gas**, net sales fell compared with the corresponding period of the previous fiscal year due to changes made to unprofitable items in the product portfolio and an accident that occurred in the autumn of the previous fiscal year, respectively.

In **catalysts**, net sales were robust thanks to an upswing in demand that began during the previous fiscal year.

In **agrochemical products**, the net sales situation was severe because of stagnant sales of such products as insecticides.

As a result, this segment experienced a 2.0 billion yen increase in sales year on year to 27.8 billion yen, accounting for 8% of total sales. Operating income rose 0.9 billion yen compared with the same period of the previous fiscal year to 1.4 billion yen. This was primarily attributable to a recovery in demand for certain products and an improvement in the terms of trade.

## Others

In the Others segment, net sales decreased 1.8 billion yen year on year to 4.7 billion yen, comprising 1% of total sales. Operating income deteriorated 0.4 billion yen year on year to report a loss of 0.2 billion yen.

## (2) Qualitative Information Concerning Consolidated Financial Position Status of Assets, Liabilities and Net Assets

**Total assets** at the end of the Quarter stood at 1,263.6 billion yen, up 25.5 billion yen compared with the end of the previous fiscal year.

**Total liabilities** at the end of the Quarter increased 14.1 billion yen compared with the previous fiscal year-end to 833.2 billion yen. **Interest-bearing debt** amounted to 490.1 billion yen, a drop of 4.1 billion yen compared with March 31, 2010. As a result, the interest-bearing debt ratio was 38.8%, an improvement of 1.1 percentage points.

**Net assets** stood at 430.4 billion yen, a rise of 11.4 billion yen compared with the previous fiscal year-end. The **ratio of shareholders' equity to total assets** was 30.7%, an improvement of 0.2 percentage points from the previous fiscal year-end.

Accounting for the aforementioned factors, the **debt-equity ratio** stood at 1.26 as of the end of the Quarter, an improvement of 0.05 of a percentage point compared with the end of the previous fiscal year.

### Cash Flow Status

Cash and cash equivalents (hereafter called "cash") decreased 16.4 billion yen to 56.6 billion yen as of the end of the Quarter.

### Cash Flows from Operating Activities

Net cash provided by operating activities was 1.7 billion yen, a decline of 14.6 billion yen compared with the same period of the previous fiscal year. Despite recording net income before income taxes and minority interests for the period, factors contributing to the decrease included an increase in working capital savings following a rise in inventories as well as a rise in income taxes paid.

### Cash Flows from Investing Activities

Net cash used in investing activities decreased 9.4 billion yen compared with the same period of the previous fiscal year to 9.0 billion yen. This decline was mainly attributable to lower payments for the purchase of property, plant and equipment year on year.

### Cash Flows from Financing Activities

Net cash used in financing activities amounted to 9.0 billion yen. Contributing factors included the progressive repayment of interest-bearing debt and the payment of dividends. Net cash provided by financing activities in the same period of the previous fiscal year totaled 6.1 billion yen. This was attributable to the procurement of interest-bearing debt.

## (3) Qualitative Information Concerning Consolidated Results Forecasts

Consolidated earnings projections for both interim and full-year results for the fiscal year ending March 31, 2011 have not changed since being announced on May 11, 2010.

## 2. Other Information

- (1) Overview of Significant Changes in Subsidiaries  
Not applicable
- (2) Overview of Simplified Accounting and Special Accounting Treatments
  - (a) Simplified Accounting Treatments  
Not applicable
  - (b) Special Accounting Treatments for Quarterly Consolidated Financial Statements  
The effective tax rate after the adoption of tax effect accounting applicable to the whole fiscal year, including the period under review, was reasonably estimated against pretax net income. Then, tax expenses for the quarter were calculated by multiplying the quarterly pretax net income by the estimated effective tax rate. The deferred income taxes were included in the “income taxes.”
- (3) Overview of Changes in Accounting Principles, Procedures, and Presentation  
(Changes in accounting principles)
  - (a) Application of Accounting Standard for Equity Method of Accounting for Investments and Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method  
Effective from the first quarter of the current fiscal year, the Company has adopted new accounting standards, “Accounting Standard for Equity Method of Accounting for Investments” (Accounting Standards Board of Japan [ASBJ] Statement No. 16, March 10, 2008) and “Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method” (Practical Issues Task Force [PITF] No. 24, March 10, 2008). This change had no impact on ordinary income and net income before income taxes and minority interests.
  - (b) Application of Accounting Standards for Asset Retirement Obligations  
Effective from the first quarter of the current fiscal year, the Company has adopted new accounting standards, “Accounting Standard for Asset Retirement Obligations” (ASBJ Statement No. 18, March 31, 2008) and the “Guidance on Accounting Standard for Asset Retirement Obligations” (ASBJ Guidance No. 21, March 31, 2008). This change had only minor impact on operating income and ordinary income. Net income before income taxes and minority interests decreased by 996 million yen.
  - (c) Application of Accounting Standard for Measurement of Inventories  
Effective from the first quarter of the current fiscal year, the Company has adopted new accounting standards, “Accounting Standard for Measurement of Inventories” (ASBJ Statement No.9, September 26, 2008), and, as such, the method of valuation of inventories has changed from the last-in first- out method to the weighted-average method. As a result, operating income, ordinary income, and net income before income taxes and minority interests increased by 3,223 million yen, respectively.
  - (d) Application of Accounting Standards for Business Combinations  
Effective from the first quarter of the current fiscal year, the Company has adopted the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, December 26, 2008), “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, December 26, 2008), “Partial Amendments to Accounting Standard for Research and Development Costs” (ASBJ Statement No. 23, December 26, 2008), “Revised Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, December 26, 2008), “Revised Accounting Standard for Equity Method of Accounting for Investments” (ASBJ Statement No. 16, revised December 26, 2008), and “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10 December 26, 2008). In connection with the adoption of these standards, the method for evaluating subsidiaries’ assets and liabilities changed from the partial revaluation under parent company approach to the full revaluation under economic unit approach. However, this change had no impact on assets, liabilities, or income.

(Supplemental Information)

Review of Retirement Benefits and Pension Levels

In April 2010, the Company reviewed retirement benefits and pension levels as one initiative to improve its medium- to long-term profit structure. As part of this review, calculations made under the premise that the interest rate on benefits will change and, therefore, caused retirement allowance liabilities to decline by 14,618 million yen. Because this reduction in retirement allowance liabilities corresponds to the prior service cost, during the first quarter of the consolidated fiscal year ending March 31, 2011, such liabilities were processed collectively in accordance with the Company's accounting treatment methods. Consequently, extraordinary income of 14,618 million yen was recorded as reversal of provision for retirement benefits.

### 3. Consolidated Financial Statements

#### (1) Quarterly Consolidated Balance Sheets (Summary)

	Millions of Yen	
	As of June 30, 2010	As of March 31, 2010
<b>Assets</b>		
Current Assets	607,344	604,556
Fixed Assets	656,219	633,530
<b>Total Assets</b>	<b>1,263,563</b>	<b>1,238,086</b>
<b>Liabilities</b>		
Current Liabilities	382,603	386,203
Long-term Liabilities	450,614	432,879
<b>Total Liabilities</b>	<b>833,217</b>	<b>819,082</b>
<b>Net Assets</b>		
<b>Shareholders' Equity</b>		
Common stock	125,053	125,053
Capital surplus	91,065	91,065
Retained earnings	198,624	182,922
Treasury stock, at cost	(14,226)	(14,215)
<b>Total Shareholders' Equity</b>	<b>400,516</b>	<b>384,825</b>
<b>Valuation and Translation Adjustments</b>		
Net unrealized holding gain on securities	7,642	13,095
Net unrealized holding loss on hedging derivatives	(34)	0
Foreign currency translation adjustments	(20,242)	(20,637)
<b>Total Valuation and Translation Adjustments</b>	<b>(12,634)</b>	<b>(7,542)</b>
<b>Minority Interests</b>	<b>42,464</b>	<b>41,721</b>
<b>Total Net Assets</b>	<b>430,346</b>	<b>419,004</b>
<b>Total Liabilities and Net Assets</b>	<b>1,263,563</b>	<b>1,238,086</b>

(2) Quarterly Consolidated Income Statements

	Millions of Yen	
	April 1, 2010 to June 30, 2010	April 1, 2009 to June 30, 2009
<b>Net Sales</b>	<b>339,356</b>	<b>260,551</b>
Cost of Sales	284,264	232,114
<b>Gross Profit</b>	<b>55,092</b>	<b>28,437</b>
Selling, general and administrative expenses	43,323	41,957
<b>Operating Income (Loss)</b>	<b>11,769</b>	<b>(13,520)</b>
<b>Non-operating Income and Expenses</b>		
<b>Non-operating Income</b>		
Interest income	38	68
Dividend income	614	886
Rent income	162	176
Equity in earnings of non-consolidated subsidiaries and affiliates	1,418	952
Other	1,499	1,022
<b>Non-operating Income</b>	<b>3,731</b>	<b>3,104</b>
<b>Non-operating Expenses</b>		
Interest expenses	1,972	2,222
Interest on commercial paper	0	15
Foreign exchange losses	1,071	—
Other	1,089	1,374
<b>Non-operating Expenses</b>	<b>4,132</b>	<b>3,611</b>
<b>Ordinary Income (Loss)</b>	<b>11,368</b>	<b>(14,027)</b>
<b>Extraordinary Income and Loss</b>		
<b>Extraordinary Income</b>		
Gain on sales of noncurrent assets	112	15
Reversal of provision for retirement benefits	14,618	—
<b>Extraordinary Income</b>	<b>14,730</b>	<b>15</b>
<b>Extraordinary Loss</b>		
Loss on disposal of noncurrent assets	398	525
Loss on sales of noncurrent assets	64	18
Impairment loss	—	32
Loss on restructuring of subsidiaries and affiliates	701	338
Loss on valuation of investment securities	8	1,689
Loss on adjustment for change of accounting standard for asset retirement obligations	970	—
<b>Extraordinary Loss</b>	<b>2,141</b>	<b>2,602</b>
<b>Net Income (Loss) before Income Taxes and Minority Interests</b>	<b>23,957</b>	<b>(16,614)</b>
<b>Income Taxes</b>	<b>3,115</b>	<b>1,922</b>
Income before Minority Interests	20,842	—
<b>Minority Interests in Income (Loss)</b>	<b>2,130</b>	<b>(2,092)</b>
<b>Net Income (Loss)</b>	<b>18,712</b>	<b>(16,444)</b>

(3) Quarterly Consolidated Cash Flow Statements

		Millions of Yen	
		April 1, 2010 to June 30, 2010	April 1, 2009 to June 30, 2009
I.	Cash Flows from Operating Activities	1,713	16,270
II.	Cash Flows from Investing Activities	(8,966)	(18,416)
III.	Cash Flows from Financing Activities	(9,015)	6,055
IV.	Effect of Exchange Rate Changes on Cash and Cash Equivalents	(80)	1,054
V.	Net Increase (Decrease) in Cash and Cash Equivalents	(16,348)	4,963
VI.	Cash and Cash Equivalents at Beginning of Period	72,962	47,949
VII.	Increase in Cash and Cash Equivalents Resulting from Changes in Scope of Consolidation	—	369
VIII.	Cash and Cash Equivalents at End of Period	56,614	53,281

#### (4) Notes Regarding Going Concern Assumption

None

#### (5) Segment Information

##### (a) Overview of Reportable Segments

The reportable segments of Mitsui Chemicals comprise those entities for which obtaining separate financial reports is possible and that are subject to regular review by the Board of Directors, which decides upon the distribution of management resources to said segments.

Mitsui Chemicals positions segments distinguished by their products and services within its headquarters. Each segment proposes comprehensive domestic and overseas strategies in addition to pursuing business expansion in its respective product and service area.

The six reportable segments (distinguished by products and services) that therefore comprise Mitsui Chemicals operations are: Petrochemicals, Basic Chemicals, Polyurethane, Functional Polymeric Materials, Fabricated Products, and Functional Chemicals.

Segment	Major Products	
Reportable Segments	Petrochemicals	Ethylene, propylene, polyethylene, polypropylene
	Basic Chemicals	Phenols, bisphenol-A, PTA, PET, ethylene oxide
	Polyurethane	Polyurethane materials, coating materials, adhesive materials, and molding materials
	Functional Polymeric Materials	Elastomers, performance compounds, specialty polyolefin, engineering plastics
	Fabricated Products	Hygiene materials, semiconductor materials, energy materials, packaging films
	Functional Chemicals	Optical lens materials, healthcare materials, chemical products, specialty gas, catalysts, and agrochemical products
Others	Others	Other related businesses, etc.

##### (b) Information concerning net sales, profits and losses for each reportable segment

The previous first quarter (April 1, 2009 – June 30, 2009)

(Millions of yen)

	Reportable Segment							Others	Sum total	Adjusted amount	Amounts in consolidated income statement for the quarter
	Petrochemicals	Basic Chemicals	Polyurethane	Functional Polymeric Materials	Fabricated Products	Functional Chemicals	Total				
Net sales											
(1) To external customers	78,028	73,882	30,278	17,736	28,391	25,745	254,060	6,491	260,551	-	260,551
(2) Internal sales among segments and transfers	24,935	4,016	779	2,228	53	1,117	33,128	12,900	46,028	(46,028)	-
Total	102,963	77,898	31,057	19,964	28,444	26,862	287,188	19,391	306,579	(46,028)	260,551
Segment income (loss)	(4,895)	(2,198)	(3,386)	(2,510)	(425)	460	(12,954)	188	(12,766)	(754)	(13,520)

The current first quarter (April 1, 2010 – June 30, 2010)

(Millions of yen)

	Reportable Segment							Others (Note 1)	Sum total	Adjusted amount (Note 2)	Amounts in consolidated income statement for the quarter (Note 3)
	Petrochemicals	Basic Chemicals	Polyurethane	Functional Polymeric Materials	Fabricated Products	Functional Chemicals	Total				
Net sales											
(1) To external customers	110,305	102,327	35,903	25,855	32,529	27,784	334,703	4,653	339,356	-	339,356
(2) Internal sales among segments and transfers	31,856	5,653	924	3,797	74	961	43,265	12,127	55,392	(55,392)	-
Total	142,161	107,980	36,827	29,652	32,603	28,745	377,968	16,780	394,748	(55,392)	339,356
Segment income (loss)	5,805	3,607	(1,260)	2,244	909	1,348	12,653	(197)	12,456	(687)	11,769

#### Notes

1. The “Other Business” category incorporates operations not included in reportable segments.
2. Adjustment is as follows: Included within segment income (loss) of ¥(687) million is the elimination of intersegment transactions of ¥(30) million and corporate of ¥(657) million. Corporate mainly comprises strategic R&D expenses not usually attributed to segments.
3. Segment income (loss) is adjusted with operating income (loss) under consolidated statements of income.

#### (c) Information on Change to Reportable Segments (Change of Reportable Segments)

In line with the reorganization that took effect from April 1, 2010, Mitsui Chemicals has from the consolidated first quarter under review reorganized its previous three segments of Performance Materials, Advanced Chemicals, and Basic Chemicals into the six segments of Petrochemicals, Basic Chemicals, Polyurethane, Functional Polymeric Materials, Fabricated Products, and Functional Chemicals.

In the Basic Chemicals Business area, feedstocks, polyethylene, and polypropylene operations were reclassified into the Petrochemicals segment, while phenols, PTA & PET, and industrial chemicals were reclassified into the Basic Chemicals segment.

In the Performance Materials area, MCI reclassified polyurethane, coatings & engineering materials into the Polyurethane segment. Automotive & industrial materials, information & electronics materials (except for functional film and certain other materials) were restructured into the Functional Polymeric Materials segment, and functional film, solar & cell & battery components, and living & energy materials were restructured into the Fabricated Products segment. The Advanced Chemicals area was reorganized into the Functional Chemicals segment.

Segment information for the corresponding period of the previous fiscal year is prepared based on reportable segments adopted in the current quarter under review.

#### (Significant Changes in Calculation Method of Segment Income or Loss)

As stated in “2. Other Information (3) Overview of Changes in Accounting Principles, Procedures, and Presentation (c) Application of Accounting Standard for Measurement of Inventories” on page 6, Mitsui Chemicals is from the first quarter under review applying ASBJ Statement No. 9 (September 26, 2008) Accounting Standard for Measurement of Inventories, and is changing from the “last-in, first-out” method to the “weighted-average” method for the valuation of inventories.

In accordance with this change, as compared to application of the previous method, operating income increased by ¥1,892 million in Petrochemicals, by ¥1,093 million in Basic Chemicals, by ¥618 million in Polyurethane, and by ¥181 million in Functional Chemicals. Likewise, operating income declined by ¥242 million in Functional Polymeric Materials, by ¥152 million in Fabricated Products, and by ¥167 million in “Others.”

#### (d) Information on Impairment Losses Related to Fixed Assets and Goodwill by Reportable Segment

This does not apply as Mitsui Chemicals does not recognize critical impairment loss on fixed assets, and because the amount of goodwill did not exert any material impact.

#### (Supplemental Information)

From the first quarter under review, Mitsui Chemicals has applied the “Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Statement No. 17, March 27, 2009) and the “Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Guidance No. 20, March 21, 2008).

#### **(6) Notes in the Event of Significant Changes in Amount of Shareholders' Equity**

None

#### 4. Supplemental Information

##### Status of Business Group

The Mitsui Chemicals Group comprises Mitsui Chemicals, Inc., 74 subsidiaries, and 25 affiliates. The Group's main business activities are the manufacture and sale of petrochemicals, basic chemicals, polyurethane, functional polymeric materials, fabricated products, and functional chemicals. In addition, all Group companies develop business activities, such as related services.

The numbers of Group consolidated subsidiaries and non-consolidated subsidiaries and affiliates accounted for by the equity method are 66 and 31, respectively, excluding two liquidated companies.

The major products, subsidiaries and affiliates in each segment are as follows:

Segment	Major Products	Major Subsidiaries and Affiliates
Petrochemicals	Ethylene, propylene, polyethylene, polypropylene	Osaka Petrochemical Industries, Ltd.; Prime Polymer Co., Ltd.; Mitsui Prime Advanced Composites India Pvt. Ltd.; Keiyo Ethylene Co., Ltd., and 11 other companies Total: 15 companies
Basic Chemicals	Phenols, bisphenol A, purified terephthalic acid, PET resins, ethylene oxide	Chiba Phenol Company, Limited; Mitsui Phenols Singapore Pte Ltd.; Siam Mitsui PTA Co., Ltd.; Shanghai Sinopec Mitsui Chemicals, Co., Ltd.; P.T. Amoco Mitsui PTA Indonesia; P.T. Petnesia Resindo; Thai PET Resin Co., Ltd., and 3 other companies Total: 10 companies
Polyurethane	Polyurethane materials, coating materials, adhesive materials, molding materials	Kumho Mitsui Chemicals, Inc., and 13 other companies Total: 14 companies
Functional Polymeric Materials	Elastomers, performance compounds, specialty polyolefin, engineering plastics	Mitsui Elastomers Singapore Pte Ltd., and 3 other companies Total: 4 companies
Fabricated Products	Hygiene materials, semiconductor materials, energy materials, packaging films	Mitsui Chemicals Fabro, Inc.; Tohcello Co., Ltd.; Mitsui Hygiene Materials Thailand Co., Ltd., and 11 other companies Total: 14 companies
Functional Chemicals	Optical lens materials, healthcare materials, chemical products, specialty gas, catalysts, agrochemical products	Mitsui Chemicals Agro, Inc.; Shimonoseki Mitsui Chemicals, Inc.; Honshu Chemical Industry, Ltd., and 23 other companies Total: 26 companies
Others	Other related businesses	Mitsui Chemicals America, Inc.; Du Pont-Mitsui Fluorochemicals Co., Ltd.; Du Pont-Mitsui Polychemicals Co., Ltd., and 11 other companies Total: 14 companies