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1. Results of First Half of FY2004
(April 1, 2004 – September 30, 2004)
## 1) Operation Topics

<table>
<thead>
<tr>
<th>Project</th>
<th>Action</th>
<th>Production Capacity</th>
<th>Location</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Polypropylene Plant</td>
<td>Start commercial operation</td>
<td>300,000 tons/y</td>
<td>Osaka</td>
<td>Apr., 04</td>
</tr>
<tr>
<td>New PETResin Plant (TPRC)</td>
<td>Start commercial operation</td>
<td>100,000 tons/y</td>
<td>Thailand</td>
<td>Apr., 04</td>
</tr>
<tr>
<td>PDP optical filters</td>
<td>Start commercial operation</td>
<td>300,000 pieces/y</td>
<td>Germany</td>
<td>July, 04</td>
</tr>
<tr>
<td>Olefins Conversion Unit (Propylene)</td>
<td>Plant completed</td>
<td>140,000 tons/y</td>
<td>Osaka</td>
<td>Aug., 04</td>
</tr>
<tr>
<td>Cumen(for Phenol)</td>
<td>Increase capacity</td>
<td>180,000 tons/y</td>
<td>Osaka</td>
<td>Sep., 04</td>
</tr>
</tbody>
</table>

1. Results of First Half of FY2004
## 2) Consolidated Financial Highlights

### (100million Yen)

<table>
<thead>
<tr>
<th>Items</th>
<th>First Half of FY2003</th>
<th>First Half of FY2004</th>
<th>Increase (Decrease)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>5,256</td>
<td>5,888</td>
<td>632</td>
<td>12%</td>
</tr>
<tr>
<td>Operating income</td>
<td>188</td>
<td>295</td>
<td>107</td>
<td>57%</td>
</tr>
<tr>
<td>(Equity in earnings of non-consolidated subsidiaries&amp;affiliates)</td>
<td>18</td>
<td>31</td>
<td>13</td>
<td>72%</td>
</tr>
<tr>
<td>Ordinary income</td>
<td>144</td>
<td>281</td>
<td>137</td>
<td>95%</td>
</tr>
<tr>
<td>Net income</td>
<td>37</td>
<td>58</td>
<td>95</td>
<td></td>
</tr>
</tbody>
</table>

### Exchange Rate (Yen/US$)

<table>
<thead>
<tr>
<th></th>
<th>First Half of FY2003</th>
<th>First Half of FY2004</th>
<th>Increase (Decrease)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Standard Naphtha Price (Yen/KL)</td>
<td>25,350</td>
<td>30,200</td>
<td>4,850</td>
<td>1%</td>
</tr>
</tbody>
</table>

### Interest-bearing liabilities

<table>
<thead>
<tr>
<th></th>
<th>First Half of FY2003</th>
<th>First Half of FY2004</th>
<th>Increase (Decrease)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4,919</td>
<td>4,594</td>
<td>325</td>
<td>7%</td>
</tr>
</tbody>
</table>

### Stockholders' equity

<table>
<thead>
<tr>
<th></th>
<th>First Half of FY2003</th>
<th>First Half of FY2004</th>
<th>Increase (Decrease)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3,782</td>
<td>3,742</td>
<td>40</td>
<td>1%</td>
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</tbody>
</table>

### Total assets

<table>
<thead>
<tr>
<th></th>
<th>First Half of FY2003</th>
<th>First Half of FY2004</th>
<th>Increase (Decrease)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>11,867</td>
<td>11,805</td>
<td>62</td>
<td>1%</td>
</tr>
</tbody>
</table>
### 3) Sales (by Business Segment)

(100 million Yen)

<table>
<thead>
<tr>
<th>Segment</th>
<th>First Half of FY2003</th>
<th>First Half of FY2004</th>
<th>Incr. (Decr.)</th>
<th>Breakdown</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Volume</td>
</tr>
<tr>
<td>Functional Chemi'l's &amp; Engineered Mat'l's</td>
<td>863</td>
<td>903</td>
<td>40</td>
<td>67</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Price</td>
</tr>
<tr>
<td>Functional Polymeric Materials</td>
<td>1,100</td>
<td>1,242</td>
<td>142</td>
<td>139</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>Basic Chemicals</td>
<td>1,599</td>
<td>2,092</td>
<td>493</td>
<td>219</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>274</td>
</tr>
<tr>
<td>Petrochemicals</td>
<td>1,512</td>
<td>1,463</td>
<td>-49</td>
<td>-135</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>86</td>
</tr>
<tr>
<td>Others</td>
<td>182</td>
<td>188</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>5,256</td>
<td>5,888</td>
<td>632</td>
<td>296</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>336</td>
</tr>
</tbody>
</table>
## 4) Operating Income (by Business Segment)

*(100 million Yen)*

<table>
<thead>
<tr>
<th>Segment</th>
<th>First Half of FY2003</th>
<th>First Half of FY2004</th>
<th>Incr. (Decr.)</th>
<th>Breakdown</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Volume</td>
</tr>
<tr>
<td>Functional Chemicals &amp;</td>
<td>39</td>
<td>37</td>
<td>2</td>
<td>15</td>
</tr>
<tr>
<td>Engineered Materials</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Functional Polymeric Materials</td>
<td>-6</td>
<td>27</td>
<td>33</td>
<td>58</td>
</tr>
<tr>
<td>Basic Chemicals</td>
<td>106</td>
<td>131</td>
<td>25</td>
<td>34</td>
</tr>
<tr>
<td>Petrochemicals</td>
<td>43</td>
<td>96</td>
<td>53</td>
<td>17</td>
</tr>
<tr>
<td>Others</td>
<td>8</td>
<td>2</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>Eliminations</td>
<td>2</td>
<td>2</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>188</td>
<td>295</td>
<td>107</td>
<td>122</td>
</tr>
</tbody>
</table>

### 1. Results of First Half of FY2004

Copyright © 2004 Mitsui Chemicals, Inc.
## 5) Consolidated Balance Sheet

<table>
<thead>
<tr>
<th>Items</th>
<th>End of 04/3</th>
<th>End of 04/9</th>
<th>Incr. (Decr.)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>280</td>
<td>278</td>
<td>□ 2</td>
</tr>
<tr>
<td>Notes and accounts receivables</td>
<td>2,113</td>
<td>2,237</td>
<td>□ 124</td>
</tr>
<tr>
<td>Inventories</td>
<td>1,532</td>
<td>1,595</td>
<td>□ 63</td>
</tr>
<tr>
<td>Other current assets</td>
<td>480</td>
<td>513</td>
<td>□ 33</td>
</tr>
<tr>
<td><strong>Fixed assets</strong></td>
<td></td>
<td></td>
<td>□ 298</td>
</tr>
<tr>
<td>Tangible fixed assets</td>
<td>5,488</td>
<td>5,243</td>
<td>□ 245</td>
</tr>
<tr>
<td>Intangible fixed assets</td>
<td>323</td>
<td>272</td>
<td>□ 51</td>
</tr>
<tr>
<td>Investment securities and others</td>
<td>1,669</td>
<td>1,667</td>
<td>□ 2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>11,885</td>
<td>11,805</td>
<td>□ 80</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Items</th>
<th>End of 04/3</th>
<th>End of 04/9</th>
<th>Incr. (Decr.)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes and account payables</td>
<td>1,363</td>
<td>1,409</td>
<td>□ 46</td>
</tr>
<tr>
<td>Interest-bearing liabilities</td>
<td>4,826</td>
<td>4,594</td>
<td>□ 232</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>1,473</td>
<td>1,672</td>
<td>199</td>
</tr>
<tr>
<td>Minority interests</td>
<td>389</td>
<td>388</td>
<td>□ 1</td>
</tr>
<tr>
<td><strong>Stockholders' equity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common stock</td>
<td>1,032</td>
<td>1,032</td>
<td>0</td>
</tr>
<tr>
<td>Additional paid-in capital</td>
<td>669</td>
<td>669</td>
<td>0</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>2,101</td>
<td>2,019</td>
<td>□ 82</td>
</tr>
<tr>
<td>Net unrealized holding gain on securities</td>
<td>140</td>
<td>127</td>
<td>□ 13</td>
</tr>
<tr>
<td>Foreign currency translation adjustment</td>
<td>□ 84</td>
<td>□ 79</td>
<td>5</td>
</tr>
<tr>
<td>Treasury stock</td>
<td>□ 24</td>
<td>□ 26</td>
<td>□ 2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>11,885</td>
<td>11,805</td>
<td>□ 80</td>
</tr>
</tbody>
</table>

### 1. Results of First Half of FY2004

Copyright © 2004 Mitsui Chemicals, Inc.
## 6) Consolidated Statement of Cash Flow

(100million Yen)

<table>
<thead>
<tr>
<th>Items</th>
<th>First Half of FY2003</th>
<th>First Half of FY2004</th>
<th>Incr. (Decr.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Cash flows from operating activities[A]</td>
<td>489</td>
<td>425</td>
<td>□ 64</td>
</tr>
<tr>
<td>II. Cash flows from investing activities[B]</td>
<td>□ 85</td>
<td>□ 178</td>
<td>□ 93</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>□ 157</td>
</tr>
<tr>
<td>Free cash flows[A+B]</td>
<td>404</td>
<td>247</td>
<td></td>
</tr>
<tr>
<td>III. Cash flows from financing activities</td>
<td>□ 441</td>
<td>□ 249</td>
<td>192</td>
</tr>
<tr>
<td>IV. Others</td>
<td>2</td>
<td>0</td>
<td>□ 2</td>
</tr>
<tr>
<td>Net incr.(decr.) in cash and cash equivalents</td>
<td>□ 35</td>
<td>□ 2</td>
<td>33</td>
</tr>
</tbody>
</table>

### 1. Results of First Half of FY2004

Copyright © 2004 Mitsui Chemicals, Inc.
2. Forecast of FY2004
(April 1, 2004 – March 31, 2005)

This summary contains forward-looking statements about the future plans, strategies, beliefs 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

<table>
<thead>
<tr>
<th>Items</th>
<th>FY2003</th>
<th>FY2004 Forecast</th>
<th>Increase (Decrease)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>10,895</td>
<td>12,600</td>
<td>1,705</td>
<td>16%</td>
</tr>
<tr>
<td>Operating income</td>
<td>539</td>
<td>720</td>
<td>181</td>
<td>34%</td>
</tr>
<tr>
<td>(Equity in earnings of non-consolidated subsidiaries &amp; affiliates)</td>
<td>29</td>
<td>70</td>
<td>41</td>
<td>141%</td>
</tr>
<tr>
<td>Ordinary income</td>
<td>477</td>
<td>700</td>
<td>223</td>
<td>47%</td>
</tr>
<tr>
<td>Net income</td>
<td>125</td>
<td>150</td>
<td>25</td>
<td>20%</td>
</tr>
<tr>
<td>Exchange Rate (Yen/US$)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic Standard Naphtha Price (Yen/KL)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2. Forecast of FY2004
## 2) Sales (by Business Segment)

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY2003</th>
<th>FY2004 Forecast</th>
<th>Incr. (Decr.)</th>
<th>Breakdown</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Volume</td>
</tr>
<tr>
<td>Functional Chemi'l's &amp; Engineered Mat'l's</td>
<td>1,803</td>
<td>1,900</td>
<td>97</td>
<td>127</td>
</tr>
<tr>
<td>Functional Polymeric Materials</td>
<td>2,331</td>
<td>2,600</td>
<td>269</td>
<td>185</td>
</tr>
<tr>
<td>Basic Chemicals</td>
<td>3,360</td>
<td>4,500</td>
<td>1,140</td>
<td>368</td>
</tr>
<tr>
<td>Petrochemicals</td>
<td>2,987</td>
<td>3,200</td>
<td>213</td>
<td>△ 86</td>
</tr>
<tr>
<td>Others</td>
<td>414</td>
<td>400</td>
<td>△ 14</td>
<td>△ 13</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>10,895</td>
<td>12,600</td>
<td>1,705</td>
<td>581</td>
</tr>
</tbody>
</table>

2. Forecast of FY2004
### 3) Operating Income (by Business Segment)

(100million Yen)

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY2003 Forecast</th>
<th>FY2004 Forecast</th>
<th>Incr. (Decr.)</th>
<th>Breakdown</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Volume</td>
<td>Price</td>
<td>Costs</td>
<td>Volume</td>
</tr>
<tr>
<td>Functional Chemi'ls &amp; Engineered Mat'ls</td>
<td>127</td>
<td>32</td>
<td>19</td>
<td>30</td>
</tr>
<tr>
<td>Functional Polymeric Materials</td>
<td>50</td>
<td>59</td>
<td>103</td>
<td>84</td>
</tr>
<tr>
<td>Basic Chemicals</td>
<td>211</td>
<td>86</td>
<td>809</td>
<td>772</td>
</tr>
<tr>
<td>Petrochemicals</td>
<td>132</td>
<td>35</td>
<td>235</td>
<td>298</td>
</tr>
<tr>
<td>Others</td>
<td>18</td>
<td>7</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Eliminations</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>539</td>
<td>217</td>
<td>1,160</td>
<td>1,124</td>
</tr>
</tbody>
</table>

2. Forecast of FY2004
## 4) Consolidated Statement of Cash Flow

(100 million Yen)

<table>
<thead>
<tr>
<th>Items</th>
<th>FY2003</th>
<th>FY2004 Forecast</th>
<th>Incr. (Decr.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Cash flows from operating activities [A]</td>
<td>822</td>
<td>800</td>
<td>-22</td>
</tr>
<tr>
<td>II. Cash flows from investing activities [B]</td>
<td></td>
<td>-258</td>
<td>292</td>
</tr>
<tr>
<td></td>
<td></td>
<td>550</td>
<td></td>
</tr>
<tr>
<td>Free cash flows [A+B]</td>
<td>564</td>
<td>250</td>
<td>314</td>
</tr>
<tr>
<td>III. Cash flows from financing activities</td>
<td>-543</td>
<td>-250</td>
<td>293</td>
</tr>
<tr>
<td>IV. Others</td>
<td>-7</td>
<td>0</td>
<td>7</td>
</tr>
<tr>
<td>Net incr.(decr.) in cash and cash equivalents</td>
<td>14</td>
<td>0</td>
<td>-14</td>
</tr>
</tbody>
</table>

2. Forecast of FY2004

Copyright © 2004 Mitsui Chemicals, Inc.
## 5) Consolidated Accounting Fundamentals

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Exchange Rate</td>
<td>Yen/US$</td>
<td>118</td>
<td>113</td>
<td>110</td>
</tr>
<tr>
<td>Domestic Standard Naphtha Price</td>
<td>Yen/KL</td>
<td>25,350</td>
<td>25,575</td>
<td>30,200</td>
</tr>
<tr>
<td>R&amp;D Expenditure</td>
<td>100m Yen</td>
<td>177</td>
<td>329</td>
<td>175</td>
</tr>
<tr>
<td>Depreciation&amp;Amortization</td>
<td>100m Yen</td>
<td>279</td>
<td>561</td>
<td>284</td>
</tr>
<tr>
<td>Investments</td>
<td>100m Yen</td>
<td>268</td>
<td>457</td>
<td>196</td>
</tr>
<tr>
<td>Interest and Dividend</td>
<td>100m Yen</td>
<td>31</td>
<td>60</td>
<td>25</td>
</tr>
<tr>
<td>Dividend Income</td>
<td>100m Yen</td>
<td>7</td>
<td>13</td>
<td>7</td>
</tr>
<tr>
<td>Interest-bearing liabilities</td>
<td>100m Yen</td>
<td>4,919</td>
<td>4,826</td>
<td>4,594</td>
</tr>
<tr>
<td>Number of Employees</td>
<td>person</td>
<td>12,316</td>
<td>12,348</td>
<td>12,136</td>
</tr>
</tbody>
</table>

2. Forecast of FY2004
References

<Segment Change (Sales, Operating income)>
• Minor change in segmentation of affiliate companies.
• A new overhead allocation rule was implemented.
• 03FY-Data were recalculated at new segment basis.

<Impairment Special Loss>
• In 1H/04FY ¥24.2 Billion of special loss charged due to the early adoption of the Tangible Assets Impairment accounting.

<Company Names>
• TPRC (Thai Pet Resin Co., Ltd.)

<Product Names>
• PDP (Plasma Display Panel)

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