Mitsui Chemicals, Inc. (MCI) announced that it has recorded extraordinary losses for a business restructuring plan (see section 1) in the 3rd quarter of fiscal 2013, ending March 31, 2014. Additionally, taking current business conditions into account, MCI has revised its consolidated financials forecasts for the full-year and cash dividend projection which was announced on November 1, 2013 (see section 2 and 3).

1. Notice on extraordinary losses for business restructuring plan
MCI has continued to study fundamental restructuring measures for its businesses in the volatile polyurethane and phenol markets. MCI announced today that the termination of some production facilities as part of a business restructuring plan was approved at its Board of Directors meeting. With this resolution, extraordinary losses of 20.6 billion yen were recorded as business structure improvement expenses, in the 3rd quarter of fiscal 2013.

The extraordinary losses include the impairment loss for fixed assets and estimated dismantling costs of asset retirement etc.

(1) Partial facility termination of in polyurethane business
A. Outline
All plants at the Kashima Works and diphenylmethane diisocyanate (MDI) plants (60,000t/year production capacity) at the Omuta Works of MCI are scheduled to be terminated and disposed of by December 31, 2016. The Kashima Works will close down by December 31, 2016, due to difficulties of ensuring the competitiveness of specialty isocyanates and organic acid, resulting from the termination of the tolylenediisocyanate plants. After the shutdown, production of specialty isocyanates will be shifted to the Omuta Works.

Outline: Plants and production capacities at the Kashima Works
- Tolylenediisocyanate (TDI 117,000t/year )
- Specialty isocyanates (XDI1,500t/year, 1.3-H6XDI/HDI 900t/year )
- Organic acid (maleic anhydride 32,000t/year, fumaric acid 15,000t/year )

B. Reasons for the decision
Business profitability of TDI and MDI dropped due to market oversupply caused by rapid expansion of production in Asia, especially in China.

Under such circumstances, MCI decided on drastic business structure reforms including the shutdown of TDI plants at the Kashima Works and MDI plants at the Omuta Works.

MCI has introduced a range of measures such as cost cuts, to improve profitability at other TDI and MDI plants so that TDI at the Omuta Works and MDI in Korea (Kumho Mitsui Chemicals) were able to ensure their international competitiveness. MCI optimized its production capacity and targets maintenance of plants with good cost performance.
(2) Restructuring plan for phenol business

A. Outline
MCI and Idemitsu Kosan Co., Ltd. (“Idemitsu” below) have agreed to terminate phenol (PH) plants (“CPH” below, 250,000 t/year production capacity, located at the Chiba Works of Idemitsu) at Chiba Phenol Co., Ltd. (Equity interest: MCI 55%, Idemitsu 45%) by September 30, 2014. Bisphenol-A (BPA) plants (90,000 t/year production capacity) at the Ichihara Works of MCI are scheduled to cease production and be disposed by March 31, 2014.

B. Reasons for the decision
Business profitability of PH and BPA struggled due to market oversupply caused by rapid expansion of production in Asia. Domestic operations suffered from drops in domestic demand and unprofitable exports. Plant run rate declined. A drastic business structure reform, with facility capacity reduction, became an urgent issue.
Under such circumstances, following repeated discussions, MCI and Idemitsu, a JV partner of Chiba Phenol, decided to terminate CPH. Additionally, as part of the domestic phenol business restructuring, MCI decided to terminate its BPA plants at its Ichihara Works.
This plan will resolve the demand and supply gaps in domestic business and improve profitability. The new plant starting from May 2015 in a joint venture with Sinopec will cover suspension of exports from Japan. The products in the joint venture use highly cost competitive raw materials, product processes, and enjoy a geographic edge in supplying the East Asian area, thereby contributing to business profitability.

2. Revisions of Financial Forecasts
(1) Revisions of Financial Forecasts for Fiscal 2013
(April 1, 2013 to March 31, 2014)

<table>
<thead>
<tr>
<th>million yen</th>
<th>Net Sales</th>
<th>Operating Income</th>
<th>Ordinary Income</th>
<th>Net Income</th>
<th>Net income per share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Previous Forecast (A) (announced May 10, 2013)</td>
<td>1,550,000</td>
<td>25,000</td>
<td>21,000</td>
<td>1,000</td>
<td>1.00yen</td>
</tr>
<tr>
<td>Revised Forecast (B)</td>
<td>1,570,000</td>
<td>25,000</td>
<td>21,000</td>
<td>(23,000)</td>
<td>(22.97yen)</td>
</tr>
<tr>
<td>Difference (B-A)</td>
<td>20,000</td>
<td>-</td>
<td>-</td>
<td>(24,000)</td>
<td></td>
</tr>
<tr>
<td>Ratio(%)</td>
<td>1.3</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>FY2012 Actual (Reference) (April1, 2012-Mar 31, 2013)</td>
<td>1,406,220</td>
<td>4,290</td>
<td>9,206</td>
<td>(8,149)</td>
<td>(8.14 yen)</td>
</tr>
</tbody>
</table>

(2) Reasons for the Revisions
In addition to the impact of section 1 “Notice on extraordinary losses for business restructuring plan”, taking in to account the influence of considered additional business restructuring measures, which were recorded to business restructuring expenses, net income is expected to decline from the previously announced outlook.
Although MCI revises its consolidated financial performance outlook for FY2013, high functional and high added-value product portfolios, which were specifically focused on, are building on solid growth while improving profits by effectively executing business restructuring plans noted in section 1. Return on growth investments will be increased as the Company implements its strategy to accelerate its business portfolio transformation to stay resilient through economic fluctuations.

3. Revisions of Cash Dividend Projection

(1) Revisions of Cash Dividend Projection for Fiscal 2013

<table>
<thead>
<tr>
<th>Dividends for FY2013</th>
<th>Annual Dividends per share(yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1st Quarter</td>
</tr>
<tr>
<td>Previous Forecast</td>
<td>—</td>
</tr>
<tr>
<td>Revised Forecast</td>
<td>—</td>
</tr>
<tr>
<td>FY2013 Results</td>
<td>—</td>
</tr>
<tr>
<td>FY2012 Results</td>
<td>—</td>
</tr>
</tbody>
</table>

(2) Reasons for the Revisions

MCI will not be able to pay a year-end dividend as it is expected to post a large net loss for the full year. The annual dividend will be 3 yen per share for this fiscal year.

MCI will pursue measures to resume cash dividends by steady implementation of the above restructuring measures.

MCI, based on the revised performance outlook and cash dividend projection above, will execute the following measures:

A) Cut in Directors’ Compensation

The Company will cut director compensation by 12-20% depending on Board position.

This measure will commence in February 2014 and continue for nearly one year or until when financial results are expected to improve.

B) Strengthen Cost Cuts

The Company will continue to enhance cost cut measures to further improve its profitability.

- Drastic reduction of indirect costs by improving efficiency of indirect divisions
- Intensification of expenses cuts
- Optimization of inventory liquidation
- Intensification of cost cuts in logistics, raw materials, and supplies procurement
- Review of human resource deployment in accordance with management objectives

Note: The outlooks of business result and cash dividends in this announcement are expectations, estimates, forecasts, and projections based on information available at this point in time, and therefore involve certain risks and uncertainties. As such, actual results may differ substantially from those projected in the outlook and the Mitsui Chemicals Group makes no guarantee that these outlooks will be achieved.