1. Financial Result & Outlook for FY2013

2. Progress of Mid-Term Business Plan

3. Investment Plan and Financial Status
## Results of 1st Half of FY2013 & Forecast for FY2013

<table>
<thead>
<tr>
<th>Items</th>
<th>FY2012</th>
<th>FY2013</th>
<th>Increase(decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1st Half</td>
<td>Full year</td>
<td>1st Half</td>
</tr>
<tr>
<td>Sales</td>
<td>680.5</td>
<td>1,406.2</td>
<td>731.6</td>
</tr>
<tr>
<td>Operating income</td>
<td>1.5</td>
<td>4.3</td>
<td>11.0</td>
</tr>
<tr>
<td>Non-operating income/expenses</td>
<td>(4.0)</td>
<td>4.9</td>
<td>(0.3)</td>
</tr>
<tr>
<td>Ordinary income(loss)</td>
<td>(2.5)</td>
<td>9.2</td>
<td>10.7</td>
</tr>
<tr>
<td>Special gains/losses</td>
<td>(9.0)</td>
<td>(10.0)</td>
<td>(2.4)</td>
</tr>
<tr>
<td>Net income(loss) before income taxes and minority interests</td>
<td>(11.5)</td>
<td>(0.8)</td>
<td>8.3</td>
</tr>
<tr>
<td>Net income(loss)</td>
<td>(15.3)</td>
<td>(8.1)</td>
<td>1.0</td>
</tr>
</tbody>
</table>

Exchange rate(Yen/US$)  
79 | 83 | 99 | 99 | 20 | 16

Domestic standard Naphtha Price(Yen/KL)  
55,200 | 57,500 | 64,700 | 64,900 | 9,500 | 7,400
### Operating Income/Loss (by business segment)

(billion yen)  ( ) Denotes a minus

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY2012</th>
<th>FY2013</th>
<th>Increase(decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1st Half</td>
<td>Full year</td>
<td>1st Half</td>
</tr>
<tr>
<td>Functional Chemicals</td>
<td>7.2</td>
<td>12.4</td>
<td>7.9</td>
</tr>
<tr>
<td>Functional Polymeric</td>
<td>4.7</td>
<td>8.4</td>
<td>7.4</td>
</tr>
<tr>
<td>Materials</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Polyurethane</td>
<td>(1.8)</td>
<td>(2.6)</td>
<td>(4.1)</td>
</tr>
<tr>
<td>Basic Chemicals</td>
<td>(7.0)</td>
<td>(18.9)</td>
<td>(8.0)</td>
</tr>
<tr>
<td>Petrochemicals</td>
<td>1.5</td>
<td>7.7</td>
<td>9.8</td>
</tr>
<tr>
<td>Films and Sheets</td>
<td>(1.5)</td>
<td>(3.3)</td>
<td>0.9</td>
</tr>
<tr>
<td>Total (including Others)</td>
<td>1.5</td>
<td>4.3</td>
<td>11.0</td>
</tr>
</tbody>
</table>
Despite being on the recovery track, the outlook for the 2\textsuperscript{nd} half is severe.
Operating Income (FY2012 Result → FY2013 Outlook)

**FY2013 Effects of recovery from accident, etc.**
Operating income forecast 25 billion yen

<table>
<thead>
<tr>
<th>(Operating Income: billion yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>【Sales volume increase】</strong></td>
</tr>
<tr>
<td>PP-CPD, Elastomer, MR-monomers, Nonwovens, Agrochemicals</td>
</tr>
</tbody>
</table>

**Sales Volume**

4.3

△ 9

- Accident at Iwakuni Works
- Power trouble at Ichihara

**Changes in FY**

- at overseas subsidiaries: +4
- Price, etc: +2

**FY13 Outlook**

25

**【Positive factors】**
- Exchange rates
- Formula gap of polyolefin sales
- Improved market prices (Elastomer)

**【Negative factors】**
- Market downturn (Phenol, Butadiene)
1. Financial Result & Outlook for FY2013
2. Progress of Mid-Term Business Plan
3. Investment Plan and Financial Status
Changes in Business Portfolio

High Functional Products
- Ophthalmic Lens Monomers, Dental Materials, Nonwovens, Agrochemicals

High Value Added Polymers
- PP-Compounds, Admer™, Evolute™, Tafmer™, EPT, etc.

Phenol Chains
- Fundamental restructuring measures

① Restructuring measures for volatile volume market business
  - Phenol, PTA, Polyurethane (TDI)
② Reinforce “High Functional Products” and “High Value Added Polymers”
- Steady progress for “High Functional Products” and “High Value Added Polymers”
- Sluggish conditions for volatile volume market products (Phenol, PTA, and Polyurethane)

(Operating income: billion yen)

▲ Denotes a minus
Condition of Business Restructuring
Issues in Volume Business

1. Phenol Chains
2. PTA
3. Polyurethane (TDI)
Over supply after 2014 from new facilities and production increases in China

China

Japan

Improvement in supply and demand in 2017

Surplus 300KTA
High utility costs
【Strengths in Phenol Business】

- Sites in emerging ASEAN countries and China
- Multiple derivatives and measures for surplus acetone
- Cooperation with influential partners

China
- Shanghai 250KTA
  - Under construction
  - JV with Sinopec
  - Competitive utility and low materials costs
  - Strong sales structure

Japan
- Chiba Osaka 640KTA
  - Optimization of plant operations

Singapore
- Singapore 310KTA
  - Measures for high utility costs

Local Production and Local Consumption
Cost Reduction
Regional Cooperation

Restructuring of Volatile Business
2 PTA - Local Production for Local Consumption -

◆ SMPC (Thailand):
  Secure world’s top class competitiveness through rationalization

SMPC (Thailand):
Secure world’s top class competitiveness through rationalization

MCI estimate

World’s Top Competitiveness

SMPC (THA)  Company A (THA)  Company B (China)  Company C (China)
Nghi Son Project - Secure competitive aromatics -

- Competitive large scale refinery and petrochemical complex in rapidly growing Vietnam (Operation commencement: 2017)

(Idemitsu: 35.1%, KPI: 35.1%, PVN: 25.1%, Mitsui Chemicals: 4.7%)

- Secure a stable and competitive source for aromatics
  (Increase in-house rate of paraxylene and benzene)
Inventory rationalization through production adjustments and demand recovery predicted to bolster improvements in supply and market in second half of FY2013
【Measures】
① Decrease in export dependence to China (50% → 30%)
② Cost reduction (FY15 target 8 billion yen → 10 billion yen)
③ Reinforcement of system housing business

⇒ Study further measures
Changes in Business Portfolio

High Functional Products
## Progress of High Functional Products (1/2)

### Steady progress in High Functional Products through M&A

<table>
<thead>
<tr>
<th></th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14~</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ophthalmic Lens Monomers</strong></td>
<td><strong>CHE)</strong> ACOMON acquisition</td>
<td></td>
<td><strong>SGP)</strong> SDC new base</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Further strengthening position as a top player</td>
<td></td>
<td><strong>KOR)</strong> KOC acquisition</td>
<td></td>
</tr>
<tr>
<td><strong>Dental Materials</strong></td>
<td></td>
<td><strong>GER)</strong> Heraeus Dental acquisition</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>USA)</strong> DENTCA acquisition</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Nonwovens</strong></td>
<td></td>
<td></td>
<td><strong>JPN)</strong> Increase capacity(+15KTA)</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>CHN)</strong> New base(15KTA)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Progress of High Functional Products (2/2)

<table>
<thead>
<tr>
<th></th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14~</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Agrochemicals</strong></td>
<td><strong>THA</strong> Acquire stake in Sotus</td>
<td><strong>THA</strong> New R&amp;D base</td>
<td><strong>BRA</strong> Launch of insecticide</td>
<td><strong>BRA</strong> Launch of insecticide</td>
</tr>
<tr>
<td></td>
<td><strong>BRA</strong> Acquire stake in Iharabras</td>
<td><strong>IND</strong> Launch of insecticide</td>
<td><strong>USA</strong> Launch of fungicide</td>
<td><strong>CHN</strong> Launch of insecticide</td>
</tr>
<tr>
<td></td>
<td><strong>Establish global bases</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Progress in legal registration</strong></td>
<td></td>
<td></td>
<td><strong>EUR</strong> Launch of fungicide</td>
</tr>
</tbody>
</table>
Expansion of Dental Materials

- Global dental materials market will stably grow at a rate of 6-7% attributable to ageing of world population
- Material shift from metal to plastics

Dental Material Market: 800 billion yen

Expansion of Dental Materials

1. Acquisition of Heraeus Dental
   World’s 6th largest dental materials provider with sales in 22 countries

2. Acquisition of DENTCA
   Dentures using CAD/CAM and 3-D printers
Expansion through global production and sales
- Expansion of Heraeus Kulzer sales in Japan and Asia
- Sales of Sun Medical products under Heraeus Kulzer brand

Joint development of new products using proprietary polymer technology

Operating income (million €)

Strategies to strengthen competitiveness

ROS (%)
Agrochemicals

Acceleration of global deployment through new bases and registration

- **New sales bases**
  - Korea, Thailand, India, Vietnam, Brazil, Europe

- **Acquisition of stakes**
  - TH) Sotus
  - BR) Iharabras

- **Development**
  - Five next generation active ingredients

- **R&D base**
  - Establish new R&D base in Thailand (Feb, 2014)

- **Register**
  - IN/insecticide
  - US/fungicide
  - CN/insecticide
  - EU/fungicide

- **Acquisition of stakes**
  - TH) Sotus
  - BR) Iharabras

- **New sales bases**
  - Korea, Thailand, India, Vietnam, Brazil, Europe

- **R&D base**
  - Establish new R&D base in Thailand (Feb, 2014)

- **Register**
  - IN/insecticide
  - US/fungicide
  - CN/insecticide
  - EU/fungicide

- **Development**
  - Five next generation active ingredients

- **Register**
  - BR/fungicide (2014)

- **Target**
  - 100
  - 50%
  - 32%
  - 24%
  - 40%
  - 37%
  - 16%

- **Sales (billion yen)**
  - FY11: 37
  - FY13: 40
  - FY16: 50
  - FY22: 50%

- **Japan**
  - Overseas
  - 16%

- **High Functional Products**
~Changes in Business Portfolio~

High Value Added Polymers
## Progress of High Value Added Polymers (1/2)

### Major Projects Scheduled for Start Up After FY2014

<table>
<thead>
<tr>
<th></th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14 &amp; after</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Evolue™</strong></td>
<td></td>
<td>JPN</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Increase capacity (+50KTA)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Strengthen market share in Asia 250KTA→600KTA</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Tafmer™</strong></td>
<td></td>
<td></td>
<td>SGP</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Strengthen position as world’s top provider 250KTA</td>
<td></td>
<td>Increase specialty Tafmer(8KTA)</td>
</tr>
<tr>
<td><strong>EPT</strong></td>
<td></td>
<td></td>
<td></td>
<td>CHN</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Strengthen market share in Asia 95KTA→170KTA</td>
<td></td>
<td>New base(75KTA)</td>
</tr>
<tr>
<td><strong>Bio-Polyol</strong></td>
<td></td>
<td></td>
<td></td>
<td>IND</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>New base(8KTA, 2015)</td>
</tr>
</tbody>
</table>
## Progress of High Value Added Polymers (2/2)

<table>
<thead>
<tr>
<th></th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14~</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PP compounds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>USA</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase capacity (+14KTA)</td>
<td></td>
<td></td>
<td>+28KTA</td>
<td>+14KTA</td>
</tr>
<tr>
<td>MEX</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase capacity (+13KTA)</td>
<td></td>
<td></td>
<td>+25KTA</td>
<td>+13KTA</td>
</tr>
<tr>
<td>BRA</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Produmaster acquisition (+55KTA)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>THA</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase capacity (+18KTA)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CHN</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase capacity (+9KTA)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Admer™</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Secure position as world’s top provider</td>
<td></td>
<td></td>
<td></td>
<td>CHN New base</td>
</tr>
</tbody>
</table>

Secure position as global leader with 8 bases and 1,000KTA capacity
PP Compounds

- Strengthen global capacity through expansions in U.S.A. and Mexico
- Study feasibility of establishing R&D base in Europe

Contribute to global and local strategies of automobile manufacturers

Global leader with capacity of 1,000KTA (FY2014)
Topics Polyurethane) Bio-polyol

Establishment of New JV for Bio-polyol in India (Operation from Jan 2015)
Production of bio-polyol from non-edible castor and contribute to CO₂ reduction

Outline of Joint Venture

Jayant Agro-Organics (50%)
- The world's leading producer of castor oil

Mitsui Chemicals (40%)
- Largest supplier for automotive interior polyurethane foam materials
- World's only Bio-polyol manufacturer and supplier

Itoh Oil Chemical (10%)
- Japan's leader in castor oil production with high manufacturing technology and high quality control expertise

* India is the world's largest hub in castor oil production

(Joint venture agreement signing ceremony)
Expanding Bio-polyol in Asia

Topics

Supply of competitive bio-polyol through 7 bases system house in Asia

(India) Bio-polyol

Castor oil

Bio-polyol

Tianjin

Suzhou

Foshan

Thailand

Malaysia

Indonesia

Japan
1. Financial Result & Outlook for FY2013
2. Progress of Mid-Term Business Plan
3. Investment Plan and Financial Status
Focus 90% of growth investments on “High Functional Products” and “High Value Added Polymers”

FY2011-2013 Growth investments

Investment effect (50 themes)

Effect of growth investments during Mid-Term Business Plan will result in rapid expansion after FY2014
(Appendix) Investment Themes

Over 50 ongoing investment themes

(Operating income: billion yen)

FY13 FY15 FY17

1.1

- Mega solar
- Electrolyte solution
- Improvement in consumption of acetic acid

21

- Acetone based IPA
- New phenol base in China

31

- PP compounds (Capacity increase)
- Tafmer (Specialty grade)
- New EPT base in China
- HZ Million (Capacity increase)

Others

Phenol Chains

High Value Added Polymers

High Functional Products

- Heraeus Dental
- ACOMON, KOC, SDC
- Agrochemicals
- Nonwovens (New base, capacity increase)

(reference)
### Progress in Cost Reduction

**1st Half FY2013 Results:** 4.6 billion yen

<table>
<thead>
<tr>
<th>Item</th>
<th>FY13 Target</th>
<th>1st Half FY13 Results</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Polyolefin</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Suspension of commodity plants</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Polyurethane</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Extensive restructuring (Omuta Works)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Phenol, PTA, others</strong></td>
<td>7.7</td>
<td>3.4</td>
</tr>
<tr>
<td>• Utility cost reduction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Improvement in consumption rate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Steam saving</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Film &amp; Sheets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Improvement in productivity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Reduction of sales &amp; administrative costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Others (Purchasing, Logistics)</strong></td>
<td>1.3</td>
<td>1.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>9</td>
<td><strong>4.6</strong></td>
</tr>
</tbody>
</table>
Financial Outlook

Efforts to improve balance sheet

(billion yen)

D/E ratio

Heraeus Dental M&A

Note) excl. projected retirement obligations in FY13

Efforts to improve balance sheet
Conclusion

“Perfect Change in Business Portfolio”

◆ Steady progress in expansion of “High Functional Products” and “High Value Added Polymers”

◆ Clarify restructuring plan during FY2013 and execute the plan during the next Mid-Term Business Plan
Challenge, Diversity, One Team

Statements made in this document with respect to Mitsui Chemicals' current plans, estimates, strategies, and beliefs and other statements that are not historical facts are forward-looking statements about the future performance of Mitsui Chemicals.

Information provided here, other than historical facts, refer to future prospects and performance, and has been prepared by Mitsui Chemicals management on the basis of currently available information. This covers various risks, including, but not limited to, economic conditions (especially, customer demand), foreign currency exchange rates and other factors. As a result, actual future performance may differ from any forecasts contained in this document.

Mitsui Chemicals has no responsibility for any possible damages arising from the use of this information nor does Mitsui Chemicals have any obligation to update present forward-looking statements, or release new ones, as a result of new information, future events or otherwise.

This document may not include all the information Mitsui Chemicals has disclosed to stock exchanges or made public in other ways. Please be aware that the content on this document is subject to change or deletion without advance notice.

Although Mitsui Chemicals has made careful efforts regarding the accuracy of the contents here, Mitsui Chemicals assumes no responsibility for problems including, but not limited to, incorrect information, or malicious tampering with the content of the data in this document by any third parties or problems resulting from downloading. Furthermore, this website is not an offer or a solicitation of an offer to buy or sell securities. Please be aware that decisions regarding investing are the responsibility of users themselves.