



Financial Summary

Results of the First Quarter of FY2009 & Outlook for FY2009

Mitsui Chemicals, Inc.

July 31, 2009

< Remarks >

FY2009 indicates the fiscal year starting on April 1 of 2009 and ending on March 31 of 2010

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1. Results of the First Quarter of FY2009

(April 1, 2009 – June 30, 2009)

1) Operation Topics in the First Quarter of FY2009



Project	Production Capacity	Location	Date
Performance Materials			
1) TOHCELLO CO.,LTD. Becomes a Wholly Owned Subsidiary through Share Exchange			Apr. 09
2) Merger of Mitsui Chemicals Polyurethanes, Inc.			Apr. 09
3) Expansion of MDI Production Capacity (Kumho Mitsui Chemicals)	+65K t/y (65 130K t/y)	Korea	May. 09
Advanced Chemicals			
4) Splitting of Agrochemicals Division and Integration with Sankyo Agro Co., Ltd			Apr. 09

1) Operation Topics in the First Quarter of FY2009



Project	Production Capacity	Location	Date
Basic Chemicals			
5) Signing of Memorandum of Agreement to Strengthen Collaboration with SINOPEC			Apr. 09
6) Expansion of Collaboration with Idemitsu Kosan to Optimize Naphtha Supply		Ichihara	May. 09
7) Commencement of Joint Study by Idemitsu and MCI for Production Optimization in Chiba-Area		Ichihara	May. 09
8) Start of Commercial Operation of New PP Automotive Materials Plant	15K t/y	India (ACI)	Jun. 09

2) Number of Subsidiaries and Affiliates

Items	FY2008 1st Q	FY2008 (a)	FY2009 1st Q (b)	Incr. (Decr.) (b)-(a)
Number of consolidated subsidiaries	63	66	65	(1)
Number of non-consolidated subsidiaries and affiliates to which the equity method is applied	36	32	31	(1)
Total	99	98	96	(2)

3) Consolidated Financial Highlights

(Billions of Yen)

Items	FY2008 1st Q	FY2009 1st Q	Increase (Decrease)	%
Sales	453.9	260.6	(193.3)	(43%)
Operating income (loss)	20.7	(13.5)	(34.2)	(165%)
Non-operating income/expenses	4.3	(0.5)	(4.8)	-
Ordinary income (loss)	25.0	(14.0)	(39.0)	(156%)
Special gains/losses	(0.4)	(2.6)	(2.2)	-
Net income (loss) before income taxes and minority interests	24.6	(16.6)	(41.2)	(167%)
Net income (loss)	15.2	(16.4)	(31.6)	(208%)

Exchange Rate (Yen/US\$) 105 97 (8)

Domestic Standard Naphtha Price (Yen/KL) 70,900 33,000 (37,900)

Items	FY2008	FY2009 1st Q	Increase (Decrease)	%
Interest-bearing liabilities	535.4	547.3	11.9	2%
Equity	349.9	348.2	(1.7)	(0%)
D/E Ratio	1.53	1.57	0.04	-

4) Sales (by Business Segment)

(Billions of Yen)

Segment	FY2008 1st Q	FY2009 1st Q	Incr. (Decr.)	Breakdown	
				Volume	Price
Performance Materials	126.3	80.1	(46.2)	(30.7)	(15.5)
Advanced Chemicals	31.4	24.5	(6.9)	(5.8)	(1.1)
Basic Chemicals	289.5	149.5	(140.0)	(45.1)	(94.9)
Others	6.7	6.5	(0.2)	0.2	(0.4)
Total	453.9	260.6	(193.3)	(81.4)	(111.9)

5) Operating Income (loss) (by Business Segment)



(Billions of Yen)

Segment	FY2008 1st Q	FY2009 1st Q	Incr. (Decr.)	Breakdown		
				Volume	* Price	Costs
Performance Materials	5.6	(6.7)	(12.3)	(6.3)	(6.3)	0.3
Advanced Chemicals	3.8	0.8	(3.0)	(2.7)	(1.3)	1.0
Basic Chemicals	12.4	(7.0)	(19.4)	(11.2)	(7.4)	(0.8)
Others	(1.1)	(0.6)	0.5	(0.3)	0.0	0.8
Total	20.7	(13.5)	(34.2)	(20.5)	(15.0)	1.3

* Price ; including both sale and purchase price variances

6) Non-Operating Income and Expenses

(Billions of yen)

Items	FY2008 1st Q	FY2009 1st Q	Incr. (Decr.)
Equity in earnings of non-consolidated subsidiaries and affiliates	1.5	1.0	(0.5)
Interest expenses, interest and dividend income	(0.8)	(1.3)	(0.5)
Gain (loss) on foreign exchange	3.9	(0.2)	(4.1)
Other	(0.3)	0.0	0.3
Total	4.3	(0.5)	(4.8)

7) Special Gains and Losses

(Billions of yen)

Items	FY2008 1st Q	FY2009 1st Q	Incr. (Decr.)
Special gains (a)	0.1	0.0	(0.1)
Gain on sales of fixed assets	0.1	0.0	(0.1)
Special losses (b)	(0.5)	(2.6)	(2.1)
Loss on sales and disposal of fixed assets	(0.4)	(0.6)	(0.2)
Loss on restructuring of subsidiaries and affiliates, etc.	(0.1)	(0.3)	(0.2)
Loss on valuation of investment securities	0.0	(1.7)	(1.7)
Special gains and losses (a)+(b)	(0.4)	(2.6)	(2.2)

8) Consolidated Balance Sheets

(Billions of Yen)

Items	End of 09/3	End of 09/6	Incr. (Decr.)	Items	End of 09/3	End of 09/6	Incr. (Decr.)
Current assets	529.6	523.0	(6.6)	Liabilities	790.8	801.3	10.5
Cash and cash equivalents	47.9	53.3	5.4	Notes and accounts payables	98.4	104.2	5.8
Notes and accounts receivables	174.8	194.8	20.0	Interest-bearing liabilities	535.4	547.3	11.9
Inventories	250.7	217.3	(33.4)	Other liabilities	157.0	149.8	(7.2)
Other current assets	56.2	57.6	1.4	Net assets	398.1	383.8	(14.3)
Fixed assets	659.3	662.1	2.8	Shareholders' equity	364.4	352.9	(11.5)
Tangible fixed assets	522.6	521.2	(1.4)	Valuation and translation adjustment	(14.5)	(4.7)	9.8
Investments & other non-current assets	136.7	140.9	4.2	Minority interest	48.2	35.6	(12.6)
Total	1,188.9	1,185.1	(3.8)	Total	1,188.9	1,185.1	(3.8)
				Contingent liabilities as guarantor of indebtedness	8.7	8.1	(0.6)

9) Consolidated Statement of Cash Flow

(Billions of yen)

Items	FY2008 1st Q	FY2009 1st Q	Incr. (Decr.)
I. Cash flows from operating activities[A]	8.4	16.3	7.9
II. Cash flows from investing activities[B]	(21.9)	(18.4)	3.5
Free cash flows[A+B]	(13.5)	(2.1)	11.4
III. Cash flows from financing activities	21.9	6.1	(15.8)
IV. Others	(1.8)	1.4	3.2
Net incr.(decr.) in cash and cash equivalents	6.6	5.4	(1.2)

2. Outlook for FY2009

(April 1, 2009 – March 31, 2010)

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 FY2009 (July 2009 through March 2010)

Project	Production Capacity	Location	Date
Performance Materials 1) Expansion of Alpha-Olefin Copolymer (TAFMER™) Production Capacity (Mitsui Elastmers Singapore)	+100K t/y (100 200K t/y)	Singapore	Dec. 09
Advanced Chemicals 2) Merger of Mitsui Fine Chemicals, Inc. and Mitsui Toatsu Inorganic Chemicals, Inc.			July. 09
Basic Chemicals 3) Expansion of 1-Hexene Production Capacity	30K t/y	Ichihara	Nov. 09

2) Consolidated Financial Highlights

(Billions of yen)

Items	FY2008		FY2009 Outlook		FY2009 Outlook on May 11	
	1-2Q	Full Year	1-2Q	Full Year	1-2Q	Full Year
Sales	905.6	1,487.6	540.0	1,170.0	520.0	1,150.0
Operating income (loss)	10.0	(45.5)	(27.0)	(23.0)	(42.0)	(38.0)
Non-operating income/expenses	3.3	(5.3)	(4.0)	(9.0)	(4.0)	(9.0)
Ordinary income (loss)	13.3	(50.8)	(31.0)	(32.0)	(46.0)	(47.0)
Special gains/losses	(1.8)	(14.6)	(6.0)	(8.0)	(4.0)	(6.0)
Net income (loss) before income taxes and minority interests	11.5	(65.4)	(37.0)	(40.0)	(50.0)	(53.0)
Net income (loss)	7.6	(95.2)	(37.0)	(45.0)	(48.0)	(56.0)

Exchange Rate (Yen/US\$)	106	101	96	96	95	95
Domestic Standard Naphtha Price (Yen/KL)	78,350	58,930	37,500	38,000	38,000	38,000

3) Sales (by Business Segment)

(Billions of Yen)

Segment	FY2008		FY2009 Outlook		FY2009 Outlook on May 11	
	1-2Q	Full Year	1-2Q	Full Year	1-2 Q	Full Year
Performance Materials	257.3	431.8	170.0	380.0	170.0	380.0
Advanced Chemicals	60.9	118.7	50.0	120.0	50.0	120.0
Basic Chemicals	573.3	912.8	310.0	645.0	285.0	620.0
Others	14.1	24.3	10.0	25.0	15.0	30.0
Total	905.6	1,487.6	540.0	1,170.0	520.0	1,150.0

4) Operating Income (loss) (by Business Segment)



(Billions of Yen)

Segment	FY2008		FY2009 Outlook		FY2009 Outlook on May 11	
	1-2Q	Full Year	1-2Q	Full Year	1-2 Q	Full Year
Performance Materials	9.2	(16.0)	(12.0)	(15.0)	(18.0)	(21.0)
Advanced Chemicals	3.6	7.3	2.0	8.0	2.0	8.0
Basic Chemicals	(0.2)	(32.0)	(15.0)	(11.0)	(24.0)	(20.0)
Others	(2.6)	(4.8)	(2.0)	(5.0)	(2.0)	(5.0)
Total	10.0	(45.5)	(27.0)	(23.0)	(42.0)	(38.0)

5) Operating Income (loss) (Increase / Decrease)

(Billions of Yen)

Segment	1-2Q		Incr. (Decr.)	Breakdown		
	FY2008	FY2009 Outlook		Volume	* Price	Costs
Performance Materials	9.2	(12.0)	(21.2)	(3.3)	(21.2)	3.3
Advanced Chemicals	3.6	2.0	(1.6)	(0.7)	(0.3)	(0.6)
Basic Chemicals	(0.2)	(15.0)	(14.8)	(20.1)	(3.4)	8.7
Others	(2.6)	(2.0)	0.6	0.0	0.0	0.6
Total	10.0	(27.0)	(37.0)	(24.1)	(24.9)	12.0

* Price ; including both sale and purchase price variances

5) Operating Income (loss) (Increase / Decrease)

(Billions of Yen)

Segment	FY2009 1-2Q		Incr. (Decr.)	Breakdown		
	Previous Outlook	Latest Outlook		Volume	* Price	Costs
Performance Materials	(18.0)	(12.0)	6.0	4.0	1.7	0.3
Advanced Chemicals	2.0	2.0	0.0	0.0	0.0	0.0
Basic Chemicals	(24.0)	(15.0)	9.0	1.9	2.1	5.0
Others	(2.0)	(2.0)	0.0	0.0	0.0	0.0
Total	(42.0)	(27.0)	15.0	5.9	3.8	5.3

* Price ; including both sale and purchase price variances

6) Non-Operating Income and Expenses

(Billions of yen)

Items	FY2008		FY2009 Outlook		FY2009 Outlook on May 11	
	1-2Q	Full Year	1-2Q	Full Year	1-2Q	Full Year
Equity in earnings of non-consolidated subsidiaries and affiliates	3.4	3.0	1.5	4.0	1.5	4.0
Interest expenses, interest and dividend income	(2.2)	(5.3)	(4.0)	(9.0)	(4.0)	(9.0)
Gain (loss) on foreign exchange	1.9	(4.4)	(0.2)	(0.2)	0.0	0.0
Other	0.2	1.4	(1.3)	(3.8)	(1.5)	(4.0)
Total	3.3	(5.3)	(4.0)	(9.0)	(4.0)	(9.0)

7) Special Gains and Losses



(Billions of yen)

Items	FY2008		FY2009 Outlook		FY2009 Outlook on May 11	
	1-2Q	Full Year	1-2Q	Full Year	1-2Q	Full Year
Special gains (a)	2.2	2.4	0.0	0.0	0.0	0.0
Gain on sales of fixed assets	2.2	2.4	0.0	0.0	0.0	0.0
Special losses (b)	(4.0)	(17.0)	(6.0)	(8.0)	(4.0)	(6.0)
Loss on sales and disposal of fixed assets	(1.7)	(7.1)	(4.0)	(6.0)	(4.0)	(6.0)
Impairment loss	(0.4)	(3.9)	0.0	0.0	0.0	0.0
Loss on restructuring of subsidiaries and affiliates, etc.	(0.5)	(2.2)	(0.3)	(0.3)	0.0	0.0
Loss on sales of investment securities	0.0	(0.5)	0.0	0.0	0.0	0.0
Loss on valuation of investment securities	0.0	(1.9)	(1.7)	(1.7)	0.0	0.0
Environmental measure expenses	(1.4)	(1.4)	0.0	0.0	0.0	0.0
Special gains and losses (a)+(b)	(1.8)	(14.6)	(6.0)	(8.0)	(4.0)	(6.0)

3. Appendix

1) History of Main Products Prices

(PE, PP, PH, BPA : Change in Prices and Raw Materials Prices / PTA, TDI : Asian Market Price)

Year	2006		2007				2008				2009	
Month	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.
Naphtha (Yen/KL)	54,100	48,100	48,800	57,800	59,700	61,600	66,700	70,900	85,200	52,000	27,000	33,000
PE (Yen/KG)	about +12	about +10	about (10)	about +13	about +13		about +15		about +30	about (30)	about (75)	
(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	approx. 30,000	
PP (Yen/KG)	about +12	about +10	about (10)	about +13	about +13		about +15		about +30	about (30)	about (75)	
(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	approx. 30,000	
PH (Yen/KG)	+10 Base Price of Formula					+15 Base Price of Formula			+17 Base Price of Formula			
BZ(ACP) (US\$/T)	\$925	\$900	\$985	\$1,075	\$1,010	\$1,015	\$1,030	\$1,180	\$1,265	\$580	\$350	\$590
BPA (Yen/KG)	25		15	22		17			48	(10)	(30)	
	negotiation based on BZ price and BPA market price											
BPA Price of Asian Market	\$1,500	\$1,700	\$1,850	\$2,000	\$2,000	\$2,000	\$2,030	\$1,970	\$2,020	\$1,200	\$950	\$1,250
PTA (US\$/T)	\$1,030	\$880	\$860	\$70 *	(\$30) *	(\$60) *	\$60 *	\$155 *	(\$30) *	(\$420) *	\$80 *	\$155 *
(PX)	\$1,320	\$1,160	\$1,110	\$120 *	(\$60) *	(\$30) *	\$40 *	\$200 *	\$40 *	(\$750) *	\$60 *	\$230 *
	* Change from previous quarter											
TDI (US\$/T)	\$2,500	\$3,100	\$3,500	\$3,500	\$3,600	\$4,000	\$4,000	\$4,200	\$4,300	\$2,900	\$2,200	\$2,500