



# Financial Summary

Results of Nine Months of FY2009 & Outlook for FY2009

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**Mitsui Chemicals, Inc.**

**February 3, 2010**

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

# Contents



## 1. Results of Nine Months of FY2009 (April 1, 2009 – December 31, 2009)

1) Operation Topics in the Nine Months of FY2009	...	1, 2
2) Number of Subsidiaries and Affiliates	...	3
3) Consolidated Financial Highlights	...	4
4) Sales (by Business Segment)	...	5
5) Operating Income (Loss) (by Business Segment)	...	6
6) Non-Operating Income and Expenses	...	7
7) Special Gains and Losses	...	8
8) Consolidated Balance Sheet	...	9
9) Consolidated Statement of Cash Flow	...	10

## 2. Outlook for FY2009 (April 1, 2009 – March 31, 2010)

1) Operation Topics in FY2009	...	11
2) Consolidated Financial Highlights	...	12
3) Sales (by Business Segment)	...	13
4) Quarterly Sales (by Business Segment)	...	14
5) Operating Income (Loss) (by Business Segment)	...	15
6) Operating Income (Loss) (Increase / Decrease)	...	16, 17
7) Quarterly Operating Income (Loss) (by Business Segment)	...	18
8) Non-Operating Income and Expenses	...	19
9) Special Gains and Losses	...	20
10) Consolidated Statement of Cash Flow	...	21

## 3. Appendix

1) History of Main Product Prices	...	22
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# 1. Results of Nine Months of FY2009

(April 1, 2009 – December 31, 2009)

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# 1) Operation Topics in the Nine Months 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
4) Start Expansion of Ethylene and $\alpha$ -olefin co-oligomer (LUCANT™) Production Capacity	+10K t/y (12 22K t/y)	Iwakuni	Nov. 09
5) Signing of Fundamental Agreement to Integrate Film/Sheet Business			Dec.09
6) Signing of Agreement on Collaboration in EPT Business with Sinopec			Dec.09

# 1) Operation Topics in the Nine Months of FY2009



Project	Production Capacity	Location	Date
Advanced Chemicals			
7) Splitting of Agrochemicals Division and Integration with Sankyo Agro Co., Ltd			Apr. 09
8) Merger of Mitsui Fine Chemicals, Inc. and Mitsui Toatsu Inorganic Chemicals, Inc.			July. 09
Basic Chemicals			
9) Signing of Memorandum of Agreement to Strengthen Collaboration with Sinopec			Apr. 09
10) Expansion of Collaboration with Idemitsu Kosan to Optimize Naphtha Supply		Ichihara	May. 09
11) Commencement of Joint Study by Idemitsu and MCI for Production Optimization in Chiba-Area		Ichihara	May. 09
12) Start of Commercial Operation at New PP Automotive Materials Plant	15K t/y	India (ACI)	Jun. 09
13) Expansion of 1-Hexene Production Capacity	30K t/y	Ichihara	Nov. 09
14) Signing of Agreement on Collaboration in Phenol Business with Sinopec			Dec. 09

## 2) Number of Subsidiaries and Affiliates

Items	FY2008 (a)	FY2009 2nd Q (b)	FY2009 3rd Q (c)	Incr. (Decr.) (c)-(a)	Incr. (Decr.) (c)-(b)
Number of consolidated subsidiaries	66	63	63	(3)	0
Number of non-consolidated subsidiaries and affiliates to which the equity method is applied	32	31	31	(1)	0
Total	98	94	94	(4)	0

### 3) Consolidated Financial Highlights

(Billions of Yen)

Items	FY2008 1-3Q	FY2009 1-3Q	Increase (Decrease)
Sales	1,252.1	864.2	(387.9)
Operating income (loss)	12.0	(14.9)	(26.9)
Non-operating income/expenses	(3.0)	(3.5)	(0.5)
Ordinary income (loss)	9.0	(18.4)	(27.4)
Special gains/losses	(4.3)	(7.4)	(3.1)
Net income (loss) before income taxes and minority interests	4.7	(25.8)	(30.5)
Net income (loss)	3.6	(32.5)	(36.1)
Exchange Rate (Yen/US\$)	103	94	(9)
Domestic Standard Naphtha Price (Yen/KL)	69,570	39,000	(30,570)

Items	FY2008	FY2009 1-3Q	Increase (Decrease)
Interest-bearing liabilities	535.4	494.8	(40.6)
Equity	349.9	367.4	17.5
D/E Ratio	1.53	1.35	(0.18)

## 4) Sales (by Business Segment)

(Billions of Yen)

Segment	FY2008 1-3Q	FY2009 1-3Q	Incr. (Decr.)	Breakdown	
				Volume	Price
Performance Materials	360.1	276.5	(83.6)	(27.3)	(56.3)
Advanced Chemicals	88.9	72.9	(16.0)	(13.0)	(3.0)
Basic Chemicals	783.2	500.0	(283.2)	(6.7)	(276.5)
Others	19.9	14.8	(5.1)	(4.2)	(0.9)
Total	1,252.1	864.2	(387.9)	(51.2)	(336.7)



## 5) Operating Income (Loss) (by Business Segment)



(Billions of Yen)

Segment	FY2008 1-3Q	FY2009 1-3Q	Incr. (Decr.)	Breakdown		
				Volume	* Price	Costs
Performance Materials	9.8	(6.9)	(16.7)	(4.8)	(16.6)	4.7
Advanced Chemicals	5.1	3.5	(1.6)	(4.8)	(0.5)	3.7
Basic Chemicals	0.7	(10.1)	(10.8)	(11.8)	(3.3)	4.3
Others	(3.6)	(1.4)	2.2	(1.4)	0.8	2.8
Total	12.0	(14.9)	(26.9)	(22.8)	(19.6)	15.5

\* Price ; includes both sale and purchase price variances

## 6) Non-Operating Income and Expenses

(Billions of yen)

Items	FY2008 1-3Q	FY2009 1-3Q	Incr. (Decr.)
Equity in earnings of non-consolidated subsidiaries and affiliates	3.9	2.6	(1.3)
Interest expenses, interest and dividend income	(4.1)	(4.3)	(0.2)
Gain (loss) on foreign exchange	(3.7)	(1.4)	2.3
Other	0.9	(0.4)	(1.3)
Total	(3.0)	(3.5)	(0.5)

## 7) Special Gains and Losses

(Billions of yen)

Items	FY2008 1-3Q	FY2009 1-3Q	Incr. (Decr.)
Special gains (a)	2.2	0.4	(1.8)
Gain on sales of fixed assets	2.2	0.4	(1.8)
Special losses (b)	(6.5)	(7.8)	(1.3)
Loss on sales and disposal of fixed assets	(2.5)	(4.0)	(1.5)
Impairment loss	(0.6)	(0.6)	0.0
Loss on restructuring of subsidiaries and affiliates, etc.	(0.8)	(1.4)	(0.6)
Environmental measure expenses	(1.4)	0.0	1.4
Loss on valuation of investment securities	(1.2)	(1.8)	(0.6)
Special gains and losses (a)+(b)	(4.3)	(7.4)	(3.1)

## 8) Consolidated Balance Sheet

(Billions of Yen)

Items	End of 09/3	End of 09/12	Incr. (Decr.)	Items	End of 09/3	End of 09/12	Incr. (Decr.)
Current assets	529.6	568.0	38.4	Liabilities	790.8	804.0	13.2
Cash and cash equivalents	47.9	50.3	2.4	Notes and accounts payables	98.4	154.2	55.8
Notes and accounts receivables	174.8	245.8	71.0	Interest-bearing liabilities	535.4	494.8	(40.6)
Inventories	250.7	218.4	(32.3)	Other liabilities	157.0	155.0	(2.0)
Other current assets	56.2	53.5	(2.7)	Net assets	398.1	405.7	7.6
Fixed assets	659.3	641.7	(17.6)	Shareholders' equity	364.4	380.3	15.9
Tangible fixed assets	522.6	506.8	(15.8)	Valuation and translation adjustment	(14.5)	(12.9)	1.6
Investments & other non-current assets	136.7	134.9	(1.8)	Minority interest	48.2	38.3	(9.9)
Total	1,188.9	1,209.7	20.8	Total	1,188.9	1,209.7	20.8
				Contingent liabilities as guarantor of indebtedness	8.7	7.6	(1.1)

## 9) Consolidated Statement of Cash Flow

(Billions of yen)

Items	FY2008 1-3Q	FY2009 1-3Q	Incr. (Decr.)
I. Cash flows from operating activities[A]	12.8	44.2	31.4
II. Cash flows from investing activities[B]	(61.0)	(43.6)	17.4
Free cash flows[A+B]	(48.2)	0.6	48.8
III. Cash flows from financing activities	54.8	1.2	(53.6)
IV. Others	(2.2)	0.6	2.8
Net incr. (decr.) in cash and cash equivalents	4.4	2.4	(2.0)

## 2. Outlook for FY2009

(April 1, 2009 – March 31, 2010)

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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 (January 2010 through March 2010)

Project	Production Capacity	Location	Date
Performance Materials			
1) Establishment of Foshan Mitsui Chemicals Polyurethanes Co.,Ltd.	10K t/y	China	Feb.10
2) Expansion of Production Capacity of Ultra High Molecular Weight Polyethylene (HI-ZEX MILLION™)	+2,500 t/y (5,000 7,500 t/y)	Iwakuni	Feb. 10
3) Commercial Operation of Alpha-Olefin Copolymer (TAFMER™) after Expansion Product Capacity (Mitsui Elastmers Singapore)	+100K t/y (100 200K t/y)	Singapore	Mar. 10
Basic Chemicals			
4) Experimental Operation at Research Facility for Highly Effective Propylene Production System	150K t/y	Ichihara	Jan. 10

## 2) Consolidated Financial Highlights



(Billions of yen)

Items	FY2008		FY2009 Outlook		FY2009 Outlook on Oct. 30
	1-3Q	Full Year	1-3Q	Full Year	Full Year
Sales	1,252.1	1,487.6	864.2	1,200.0	1,210.0
Operating income (loss)	12.0	(45.5)	(14.9)	(10.0)	(15.0)
Non-operating income/expenses	(3.0)	(5.3)	(3.5)	(6.0)	(8.0)
Ordinary income (loss)	9.0	(50.8)	(18.4)	(16.0)	(23.0)
Special gains/losses	(4.3)	(14.6)	(7.4)	(1.0)	(8.0)
Net income (loss) before income taxes and minority interests	4.7	(65.4)	(25.8)	(17.0)	(31.0)
Net income (loss)	3.6	(95.2)	(32.5)	(25.0)	(39.0)
Exchange Rate (Yen/US\$)	103	101	94	93	93
Domestic Standard Naphtha Price (Yen/KL)	69,570	58,930	39,000	41,800	39,600
Items	FY2008 1-2Q	FY2008 Full Year	FY2009 1-2Q	FY2009 Full Year	
Divident (Yen /Share)	6.0	9.0	0.0	3.0	



### 3) Sales (by Business Segment)

(Billions of Yen)

Segment	FY2008		FY2009 Outlook		FY2009 Outlook on Oct. 30
	1-3Q	Full Year	1-3Q	Full Year	Full Year
Performance Materials	360.1	431.8	276.5	370.0	380.0
Advanced Chemicals	88.9	118.7	72.9	110.0	115.0
Basic Chemicals	783.2	912.8	500.0	700.0	690.0
Others	19.9	24.3	14.8	20.0	25.0
Total	1,252.1	1,487.6	864.2	1,200.0	1,210.0

## 4) Quarterly Sales (by Business Segment)

(Billions of Yen)

Segment	Sales for FY2009				
	1 Q	2 Q	3 Q	4Q (Forecast)	Full Year (Forecast)
Performance Materials	80.1	94.8	101.6	93.5	370.0
Advanced Chemicals	24.5	26.4	22.0	37.1	110.0
Basic Chemicals	149.5	164.1	186.4	200.0	700.0
Others	6.5	4.0	4.3	5.2	20.0
Total	260.6	289.3	314.3	335.8	1,200.0

# 5) Operating Income (Loss) (by Business Segment)



(Billions of Yen)

Segment	FY2008		FY2009 Outlook		FY2009 Outlook on Oct. 30
	1-3Q	Full Year	1-3Q	Full Year	Full Year
Performance Materials	9.8	(16.0)	(6.9)	(9.5)	(10.5)
Advanced Chemicals	5.1	7.3	3.5	9.0	9.0
Basic Chemicals	0.7	(32.0)	(10.1)	(6.0)	(9.5)
Others	(3.6)	(4.8)	(1.4)	(3.5)	(4.0)
Total	12.0	(45.5)	(14.9)	(10.0)	(15.0)

## 6) Operating Income (Loss) (Increase / Decrease)

(Billions of Yen)

Segment	FY2008	FY2009 Outlook	Incr. (Decr.)	Breakdown		
				Volume	* Price	Costs
Performance Materials	(16.0)	(9.5)	6.5	1.7	(4.2)	9.0
Advanced Chemicals	7.3	9.0	1.7	(2.3)	(0.4)	4.4
Basic Chemicals	(32.0)	(6.0)	26.0	7.3	5.4	13.3
Others	(4.8)	(3.5)	1.3	(1.4)	0.8	1.9
Total	(45.5)	(10.0)	35.5	5.3	1.6	28.6

\* Price ; includes both sale and purchase price variances

## 6) Operating Income (Loss) (Increase / Decrease)

(Billions of Yen)

Segment	FY2009		Incr. (Decr.)	Breakdown		
	Previous Outlook	Latest Outlook		Volume	* Price	Costs
Performance Materials	(10.5)	(9.5)	1.0	0.6	(1.5)	1.9
Advanced Chemicals	9.0	9.0	0.0	(0.2)	(0.4)	0.6
Basic Chemicals	(9.5)	(6.0)	3.5	0.5	1.0	2.0
Others	(4.0)	(3.5)	0.5	0.0	0.0	0.5
Total	(15.0)	(10.0)	5.0	0.9	(0.9)	5.0

\* Price ; includes both sale and purchase price variances

## 7) Quarterly Operating Income (by Business Segment)

(Billions of Yen)

Segment	Operating Income for FY2009				
	1Q	2Q	3Q	4Q (Forecast)	Full Year (Forecast)
Performance Materials	(6.7)	(2.8)	2.6	(2.6)	(9.5)
Advanced Chemicals	0.8	2.1	0.6	5.5	9.0
Basic Chemicals	(7.0)	(4.5)	1.4	4.1	(6.0)
Others	(0.6)	(0.3)	(0.5)	(2.1)	(3.5)
Total	(13.5)	(5.5)	4.1	4.9	(10.0)

# 8) Non-Operating Income and Expenses



(Billions of yen)

Items	FY2008		FY2009 Outlook		FY2009 Outlook on Oct. 30
	1-3Q	Full Year	1-3Q	Full Year	Full Year
Equity in earnings of non-consolidated subsidiaries and affiliates	3.9	3.0	2.6	4.1	4.5
Interest expenses, interest and dividend income	(4.1)	(5.3)	(4.3)	(7.0)	(8.0)
Gain (loss) on foreign exchange	(3.7)	(4.4)	(1.4)	(1.4)	(1.5)
Other	0.9	1.4	(0.4)	(1.7)	(3.0)
Total	(3.0)	(5.3)	(3.5)	(6.0)	(8.0)

# 9) Special Gains and Losses

(Billions of yen)

Items	FY2008		FY2009 Outlook		FY2009 Outlook on Oct. 31
	1-3Q	Full Year	1-3Q	Full Year	Full Year
Special gains (a)	2.2	2.4	0.4	11.0	0.3
Gain on sales of fixed assets	2.2	2.4	0.4	11.0	0.3
Special losses (b)	(6.5)	(17.0)	(7.8)	(12.0)	(8.3)
Loss on sales and disposal of fixed assets	(2.5)	(7.1)	(4.0)	(8.2)	(5.5)
Impairment loss	(0.6)	(3.9)	(0.6)	(0.6)	(0.6)
Loss on restructuring of subsidiaries and affiliates, etc.	(0.8)	(2.7)	(1.4)	(1.4)	(0.5)
Environmental measure expenses	(1.4)	(1.4)	0.0	0.0	0.0
Loss on valuation of investment securities	(1.2)	(1.9)	(1.8)	(1.8)	(1.7)
Special gains and losses (a)+(b)	(4.3)	(14.6)	(7.4)	(1.0)	(8.0)



# 10) Consolidated Statement of Cash Flow

(Billions of yen)

Items	FY2008		FY2009 Outlook		FY2009 Outlook on Oct. 31
	1-3Q	Full Year	1-3Q	Full Year	Full Year
I. Cash flows from operating activities[A]	12.8	54.9	44.2	55.0	70.0
II. Cash flows from investing activities[B]	(61.0)	(76.3)	(43.6)	(55.0)	(65.0)
Free cash flows[A+B]	(48.2)	(21.4)	0.6	0.0	5.0
III. Cash flows from financing activities	54.8	48.3	1.2	10.0	15.0
IV. Others	(2.2)	(4.5)	0.6	0.0	0.0
Net incr. (decr.) in cash and cash equivalents	4.4	22.4	2.4	10.0	20.0

# 3. Appendix

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# 1) History of Main Products Prices

(Naphtha prices are Domestic Standard Naphtha Price )

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

Year		2007			2008			2009				
Month		Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.
Naphtha	(Yen/KL)	57,800	59,700	61,600	66,700	70,900	85,200	52,000	27,000	33,300	41,200	42,500
PE	(Yen/KG)	about +13	about +13		about +15		about +30	about (30)	about (75)		about +20	about +10
Naphtha	(Yen/KL)	approx. 56,000	approx. 62,000		approx. 68,000		approx. 83,000	approx. 68,000	approx. 30,000		approx. 40,000	approx. 45,000
PP	(Yen/KG)	about +13	about +13		about +15		about +30	about (30)	about (75)		about +20	about +10
Naphtha	(Yen/KL)	approx. 56,000	approx. 62,000		approx. 68,000		approx. 83,000	approx. 68,000	approx. 30,000		approx. 40,000	approx. 45,000
PH	(Yen/KG)			+15 Base Price of Formula			+17 Base Price of Formula					
BZ(ACP)	(US\$/T)	\$1,075	\$1,010	\$1,015	\$1,030	\$1,180	\$1,265	\$580	\$350	\$590	\$820	\$790
BPA (Japan)	(Yen/KG)	+22		+17			+48	(10)	(30)		+37	
negotiation based on BZ price and BPA market price												
BPA (China)	(US\$/T)	\$1,970	\$1,970	\$1,900	\$1,920	\$1,870	\$1,920	\$1,090	\$820	\$1,130	\$1,260	\$1,410
PTA	(US\$/T)	\$930	\$900	\$850	\$900	\$1,060	\$1,000	\$620	\$700	\$850	\$870	\$890
PX(ACP)	(US\$/T)	\$1,170	\$1,110	\$1,080	\$1,120	\$1,330	\$1,350	\$670	\$730	\$960	\$1,010	\$950
TDI	(US\$/T)	\$3,500	\$3,600	\$4,000	\$4,000	\$4,200	\$4,300	\$2,900	\$2,200	\$2,500	\$2,800	\$3,200