



# Financial Summary

Results of FY2009 & Outlook for FY2010

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**Mitsui Chemicals, Inc.**

**May 11, 2010**

<Remarks>

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

# Contents



<u>1.Results of FY2009</u> (April 1, 2009 – March 31, 2010)	
1) Operation Topics in FY2009	••• 1, 2
2) Number of Subsidiaries and Affiliates	••• 3
3) Consolidated Financial Highlights	••• 4
4) Sales (Increase / Decrease)	••• 5
5) Operating Income (Loss) (Increase / Decrease)	••• 6, 7
6) Non-Operating Income and Expenses	••• 8
7) Special Gains and Losses	••• 9
8) Consolidated Balance Sheet	••• 10
9) Consolidated Statement of Cash Flow	••• 11
<u>2. Outlook for FY2010</u> (April 1, 2010 – March 31, 2011)	
1) Operation Topics in FY2010	•••12
2) Consolidated Financial Highlights	•••13
3) Sales (Increase / Decrease)	•••14
4) Operating Income (Loss) (Increase / Decrease)	•••15
5) Change in Business Segments	•••16, 17
6) Non-Operating Income and Expenses	•••18
7) Special Gains and Losses	•••19
8) Consolidated Statement of Cash Flow	•••20
9) Consolidated Accounting Fundamentals	•••21
<u>3. Appendix</u>	
1) History of Main Product Prices	•••22
2) History of Consolidated D/E Ratio	•••23
3) Main Subsidiaries and Affiliates	•••24
4) Capital Expenditure and R&D	•••25
5) Regional Sales and Operating Income (loss)	•••26

# 1. Results of FY2009

(April 1, 2009 – March 31, 2010)

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# 1) Operation Topics in FY2009

Project	Production Capacity	Location	Date
◆ Performance Materials			
1) TOHCELLO CO., LTD. became a wholly owned subsidiary through share exchange			Apr. 09
2) Merger of Mitsui Chemicals Polyurethanes, Inc.			Apr. 09
3) Completed expansion of MDI production capacity (Kumho Mitsui Chemicals)	+65K t/y (65→130K t/y)	Korea	May. 09
4) Commenced expansion of Ethylene and α-olefin co-oligomer (LUCANT™) production capacity	+10K t/y (12→22K t/y)	Iwakuni	Nov. 09
5) Signed Fundamental Agreement to integrate film/sheet business			Dec. 09
6) Signed Agreement on Collaboration in EPT business with Sinopec			Dec. 09
7) Established Foshan Mitsui Chemicals Polyurethanes Co., Ltd.	+10K t/y	China	Feb. 10
8) Expanded production capacity of ultra high molecular weight polyethylene (HI-ZEX MILLION™)	+2.5K t/y (5→7.5K t/y)	Iwakuni	Feb. 10
9) Commenced commercial operation of expanded alpha-olefin copolymer (TAFMER™) production facilities (Mitsui Elastomers Singapore)	+100K t/y (100→200K t/y)	Singapore	Mar. 10

# 1) Operation Topics in FY2009

Project	Production Capacity	Location	Date
◆Advanced Chemicals			
10) Split Agrochemicals Division and integrated with Sankyo Agro Co., Ltd			Apr. 09
11) Merged Mitsui Fine Chemicals, Inc. and Mitsui Toatsu Inorganic Chemicals, Inc.			July. 09
◆Basic Chemicals			
12) Signed Memorandum of Agreement to strengthen collaboration with Sinopec			Apr. 09
13) Expanded collaboration with Idemitsu Kosan to optimize naphtha supply		Ichihara	May. 09
14) Commenced joint study with Idemitsu for production optimization in Chiba-area		Ichihara	May. 09
15) Started commercial operation of new PP automotive materials plant	15K t/y	India (ACI)	Jun. 09
16) Expanded 1-Hexene production capacity	30K t/y	Ichihara	Nov. 09
17) Signed agreement on collaboration in phenol business with Sinopec			Dec. 09
18) Commenced experimental operation at research facility for highly effective propylene production system	150K t/y	Ichihara	Jan. 10

## 2) Number of Subsidiaries and Affiliates

Items	FY2008 (a)	FY2009 3rd Q (b)	FY2009 (c)	Incr. (Decr.) (c)-(a)	Incr. (Decr.) (c)-(b)
Number of consolidated subsidiaries	66	63	66	0	3
Number of non-consolidated subsidiaries and affiliates to which the equity method is applied	32	31	30	(2)	(1)
Total	98	94	96	(2)	2

# 3) Consolidated Financial Highlights



(Billions of Yen)

Items	FY2008	FY2009	Increase (Decrease)	FY2009 Previous Outlook
Sales	1,487.6	1,207.7	(279.9)	1,200.0
Operating income (loss)	(45.5)	(9.5)	36.0	(10.0)
Non-operating income/expenses	(5.3)	(3.6)	1.7	(6.0)
Ordinary income (loss)	(50.8)	(13.1)	37.7	(16.0)
Special gains/losses	(14.6)	(3.0)	11.6	(1.0)
Net income (loss) before income taxes and minority interests	(65.4)	(16.1)	49.3	(17.0)
Net income (loss)	(95.2)	(28.0)	67.2	(25.0)
Exchange Rate (Yen/US\$)	101	93	(8)	93
Domestic Standard Naphtha Price (Yen/KL)	58,930	41,200	(17,730)	41,800

Items	FY2008	FY2009	Increase (Decrease)
Interest-bearing liabilities	535.4	494.2	(41.2)
Equity	349.9	377.3	27.4
D/E Ratio	1.53	1.31	(0.22)
Dividend (Yen/Share)	9.00	3.00	(6.00)

## 4) Sales (Increase / Decrease)

(Billions of Yen)

Segment	FY2008	FY2009	Incr. (Decr.)	Breakdown	
				Volume	Price
Performance Materials	431.8	372.9	(58.9)	3.0	(61.9)
Advanced Chemicals	118.7	105.9	(12.8)	(8.3)	(4.5)
Basic Chemicals	912.8	709.8	(203.0)	98.0	(301.0)
Others	24.3	19.1	(5.2)	(4.3)	(0.9)
Total	1,487.6	1,207.7	(279.9)	88.4	(368.3)



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



(Billions of Yen)

Segment	FY2008	FY2009	Incr. (Decr.)	Breakdown		
				Volume	* Price	Costs
Performance Materials	(16.0)	(7.6)	8.4	4.1	(4.8)	9.1
Advanced Chemicals	7.3	8.6	1.3	(2.6)	(0.3)	4.2
Basic Chemicals	(32.0)	(7.6)	24.4	6.6	5.2	12.6
Others	(4.8)	(2.9)	1.9	(0.8)	(0.3)	3.0
Total	(45.5)	(9.5)	36.0	7.3	(0.2)	28.9

\* Price ; includes both sale and purchase price variances

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



(Billions of Yen)

Segment	FY2009 Previous Outlook	FY2009	Incr. (Decr.)	Breakdown		
				Volume	* Price	Costs
Performance Materials	(9.5)	(7.6)	1.9	2.4	(0.6)	0.1
Advanced Chemicals	9.0	8.6	(0.4)	(0.3)	0.1	(0.2)
Basic Chemicals	(6.0)	(7.6)	(1.6)	(0.7)	(0.2)	(0.7)
Others	(3.5)	(2.9)	0.6	0.6	(1.1)	1.1
Total	(10.0)	(9.5)	0.5	2.0	(1.8)	0.3

\* Price ; includes both sale and purchase price variances

## 6) Non-Operating Income and Expenses

(Billions of yen)

Items	FY2008	FY2009	Incr. (Decr.)	FY2009 Previous Outlook
Equity in earnings of non-consolidated subsidiaries and affiliates	3.0	3.9	0.9	4.1
Interest expenses, interest and dividend income	(5.3)	(5.6)	(0.3)	(7.0)
Gain (loss) on foreign exchange	(4.4)	(0.9)	3.5	(1.4)
Other	1.4	(1.0)	(2.4)	(1.7)
Total	(5.3)	(3.6)	1.7	(6.0)

# 7) Special Gains and Losses

(Billions of yen)

Items	FY2008	FY2009	Incr. (Decr.)	FY2009 Previous Outlook
Special gains (a)	2.4	11.6	9.2	11.0
Gain on sales of fixed assets	2.4	11.6	9.2	11.0
Special losses (b)	(17.0)	(14.6)	2.4	(12.0)
Loss on sales and disposal of fixed assets	(7.1)	(6.1)	1.0	(8.2)
Impairment loss	(3.9)	(4.3)	(0.4)	(0.6)
Loss on restructuring of subsidiaries and affiliates, etc.	(2.7)	(2.4)	0.3	(1.4)
Environmental measure expenses	(1.4)	0.0	1.4	0.0
Loss on valuation of investment securities	(1.9)	(1.8)	0.1	(1.8)
Special gains and losses (a)+(b)	(14.6)	(3.0)	11.6	(1.0)

# 8) Consolidated Balance Sheet

(Billions of Yen)

Items	End of 09/3	End of 10/3	Incr. (Decr.)	Items	End of 09/3	End of 10/3	Incr. (Decr.)
Current assets	529.6	604.6	75.0	Liabilities	790.8	819.1	28.3
Cash and cash equivalents	47.9	73.0	25.1	Notes and accounts payables	98.4	163.1	64.7
Notes and accounts receivables	174.8	256.6	81.8	Interest-bearing liabilities	535.4	494.2	(41.2)
Inventories	250.7	219.0	(31.7)	Other liabilities	157.0	161.8	4.8
Other current assets	56.2	56.0	(0.2)	Net assets	398.1	419.0	20.9
Fixed assets	659.3	633.5	(25.8)	Shareholders' equity	364.4	384.8	20.4
Tangible and intangible fixed assets	546.0	514.7	(31.3)	Valuation and translation adjustment	(14.5)	(7.5)	7.0
Investments and other s	113.3	118.8	5.5	Minority interest	48.2	41.7	(6.5)
Total	1,188.9	1,238.1	49.2	Total	1,188.9	1,238.1	49.2

Contingent liabilities as guarantor of indebtedness	8.7	7.1	(1.6)
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## 9) Consolidated Statement of Cash Flow

(Billions of yen)

Items	FY2008	FY2009	Incr. (Decr.)
I. Cash flows from operating activities[A]	54.9	70.2	15.3
II. Cash flows from investing activities[B]	(76.3)	(42.9)	33.4
Free cash flows[A+B]	(21.4)	27.3	48.7
III. Cash flows from financing activities	48.3	(2.5)	(50.8)
IV. Others	(4.5)	0.3	4.8
Net incr. (decr.) in cash and cash equivalents	22.4	25.1	2.7

## 2. Outlook for FY2010

(April 1, 2010 – March 31, 2011)

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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 FY2010

Project	Production Capacity	Location	Date
◆ Performance Materials			
1) Splitting of OPULENT business to TOHCELLO CO., LTD			Apr.10
2) Establishment of film/sheet subsidiary			Oct.10
◆ Basic Chemicals			
3) Establishment of Chiba Chemicals Manufacturing LLP with Idemitsu Kosan		Ichihara	Apr.10
4) Establishment of joint venture to manufacture raw material for lithium-ion battery with Toagosei Co., Ltd	5,000 t/y	Osaka	Apr.10
5) Expansion of production capacity for liner low-density polyethylene (EVOLUE™)	+60,000 t/y (240→300K t/y)	Ichihara	Oct. 10
◆ Corporate			
6) Establishment of subsidiary in Brazil		Brazil	Jun.10



## 2) Consolidated Financial Highlights



(Billions of yen)

Items	FY2009		FY2010 Outlook	
	1-2Q	Full Year	1-2Q	Full Year
Sales	549.9	1,207.7	673.0	1,400.0
Operating income (loss)	(19.0)	(9.5)	13.5	35.0
Non-operating income/expenses	(3.1)	(3.6)	(3.5)	(6.0)
Ordinary income (loss)	(22.1)	(13.1)	10.0	29.0
Special gains/losses	(5.9)	(3.0)	11.0	11.0
Net income (loss) before income taxes and minority interests	(28.0)	(16.1)	21.0	40.0
Net income (loss)	(31.4)	(28.0)	14.0	24.0

Exchange Rate (Yen/US\$)	96	93	90	90
Domestic Standard Naphtha Price (Yen/KL)	37,250	41,200	50,000	50,000

Items	FY2009 1-2Q	FY2009 Full Year	FY2010 1-2Q	FY2010 Full Year
Divident (Yen /Share)	0.0	3.0	3.0	6.0

### 3) Sales (Increase / Decrease)

(Billions of Yen)

Segment	FY2009	FY2010 Outlook	Incr. (Decr.)	Breakdown	
				Volume	Price
Performance Materials	372.9	427.0	54.1	41.3	12.8
Advanced Chemicals	105.9	106.0	0.1	2.9	(2.8)
Basic Chemicals	709.8	852.0	142.2	40.1	102.1
Others	19.1	15.0	(4.1)	(4.1)	0.0
Total	1,207.7	1,400.0	192.3	80.2	112.1

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



(Billions of Yen)

Segment	FY2009	FY2010 Outlook	Incr. (Decr.)	Breakdown		
				Volume	* Price	Costs
Performance Materials	(7.6)	9.5	17.1	10.4	5.3	1.4
Advanced Chemicals	8.6	10.5	1.9	2.6	0.9	(1.6)
Basic Chemicals	(7.6)	19.0	26.6	8.9	8.1	9.6
Others	(2.9)	(4.0)	(1.1)	0.0	0.0	(1.1)
Total	(9.5)	35.0	44.5	21.9	14.3	8.3

\* Price ; includes both sale and purchase price variances

# 5) Change in Business Segments (Sales)



(Billions of Yen)

Old Business Segment	FY2010 Outlook
Basic Chemicals	852.0
Performance Materials	427.0
Advanced Chemicals	106.0
Others	15.0
Total	1400.0

New Business Segment	FY2010 Outlook	Total	Incr. (Decr.)
Petrochemicals	441.0	850.0	(2.0)
Basic Chemicals	409.0		
Urethane	178.0	411.0	(16.0)
Functional Polymeric Materials	100.0		
Fabricated Products	133.0		
Functional Chemicals	124.0	124.0	18.0
Others	15.0	15.0	0.0
Total	1400.0	1400.0	0.0

## 5) Change in Business Segments (Operating Income)



(Billions of Yen)

Old Business Segment	FY2010 Outlook
Basic Chemicals	19.0
Performance Materials	9.5
Advanced Chemicals	10.5
Others	(4.0)
Total	35.0

New Business Segment	FY2010 Outlook	Total	Incr. (Decr.)
Petrochemicals	12.0	17.5	(1.5)
Basic Chemicals	5.5		
Urethane	6.0	11.5	2.0
Functional Polymeric Materials	4.0		
Fabricated Products	1.5		
Functional Chemicals	10.0	10.0	(0.5)
Others	(4.0)	(4.0)	0.0
Total	35.0	35.0	0.0

## 6) Non-Operating Income and Expenses

(Billions of yen)

Items	FY2009	FY2010 Outlook	Incr. (Decr.)
Equity in earnings of non-consolidated subsidiaries and affiliates	3.9	4.0	0.1
Interest expenses, interest and dividend income	(5.6)	(7.0)	(1.4)
Gain (loss) on foreign exchange	(0.9)	0.0	0.9
Other	(1.0)	(3.0)	(2.0)
Total	(3.6)	(6.0)	(2.4)

## 7) Special Gains and Losses

(Billions of yen)

Items	FY2009	FY2010 Outlook	Incr. (Decr.)
Special gains (a)	11.6	14.6	3.0
Gain on sales of fixed assets	11.6	0.0	(11.6)
Reversal of provision for retirement benefit	0.0	14.6	14.6
Special losses (b)	(14.6)	(3.6)	11.0
Loss on sales and disposal of fixed assets	(6.1)	(3.0)	3.1
Impairment loss	(4.3)	0.0	4.3
Loss on restructuring of subsidiaries and affiliates, etc.	(2.4)	0.0	2.4
Loss on valuation of investment securities	(1.8)	0.0	1.8
Others	0.0	(0.6)	(0.6)
Special gains and losses (a)+(b)	(3.0)	11.0	14.0

## 8) Consolidated Statement of Cash Flow

(Billions of yen)

Items	FY2009	FY2010 Outlook	Incr. (Decr.)
I. Cash flows from operating activities[A]	70.2	45.0	(25.2)
II. Cash flows from investing activities[B]	(42.9)	(75.0)	(32.1)
Free cash flows[A+B]	27.3	(30.0)	(57.3)
III. Cash flows from financing activities	(2.5)	(5.0)	(2.5)
IV. Others	0.3	0.0	(0.3)
Net incr. (decr.) in cash and cash equivalents	25.1	(35.0)	(60.1)



## 9) Consolidated Accounting Fundamentals

Items		FY2009		FY2010 Outlook	
		1-2Q	Full Year	1-2Q	Full Year
Exchange Rate	Yen/US\$	96	93	90	90
Domestic Standard Naphtha Price	Yen/KL	37,250	41,200	50,000	50,000
R&D Expenditures	¥ Billions	18.5	38.1	20.0	39.0
Depreciation & Amortization	¥ Billions	35.9	74.9	34.0	74.0
Capital Expenditure	¥ Billions	25.9	49.1	39.0	67.0
Financing Income and Expense	¥ Billions	(2.6)	(5.6)	(3.5)	(7.0)
Interest-bearing Liabilities	¥ Billions	524.4	494.2	490.0	500.0
Number of Employees	persons	12,970	12,892	13,300	13,300

# 3. Appendix

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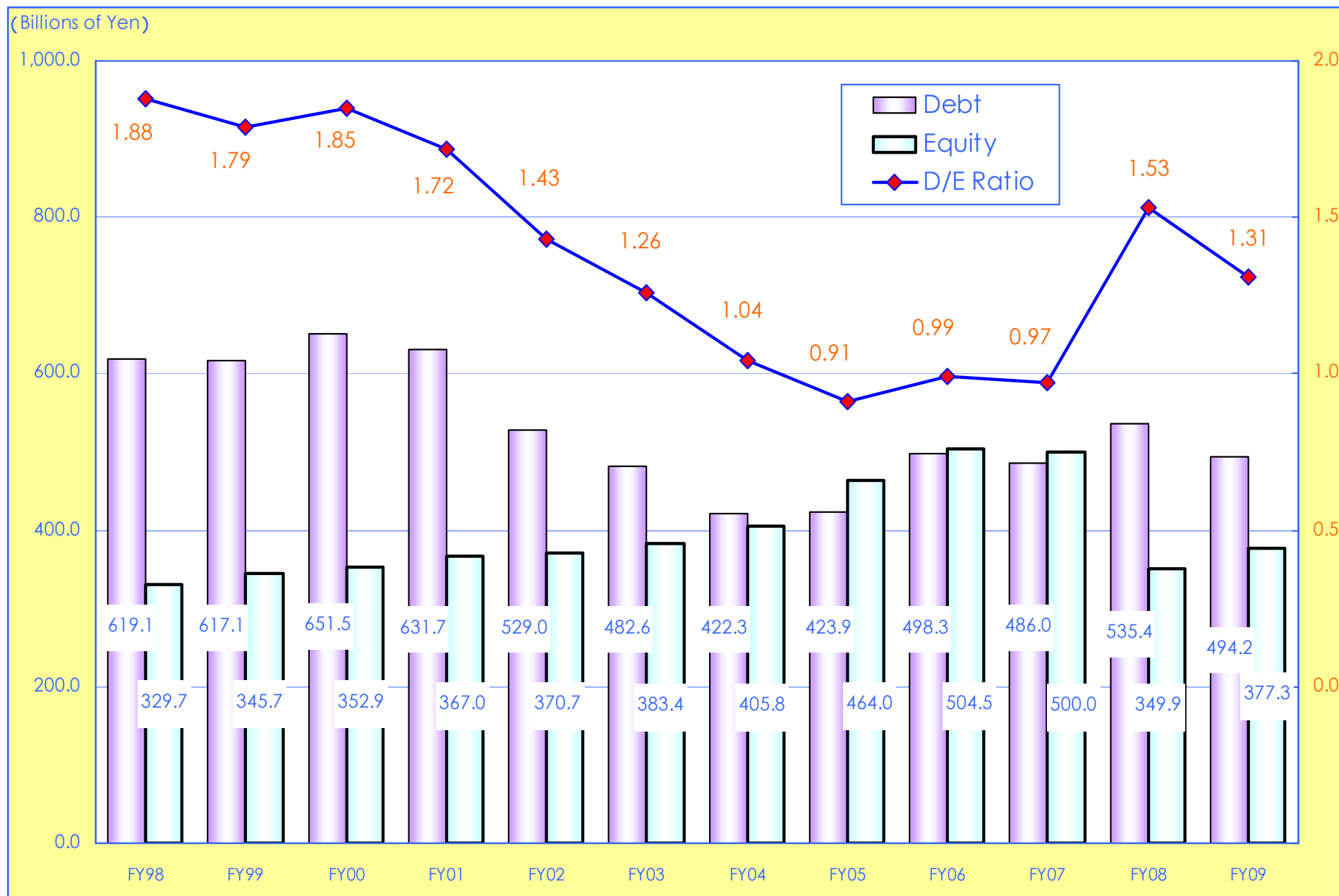
# 1) History of Main Products Prices

(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				2010
Month		Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.
Naphtha	(Yen/KL)	59,700	61,600	66,700	70,900	85,200	52,000	27,000	33,300	41,200	42,500	47,700
PE	(Yen/KG)	about +13	→	about +15	→	about +30	about (30)	about (75)	→	about +20	about +10	about +10
Naphtha	(Yen/KL)	approx. 62,000		approx. 68,000		approx. 83,000	approx. 68,000	approx. 30,000		approx. 40,000	approx. 45,000	approx. 50,000
PP	(Yen/KG)	about +13	→	about +15	→	about +30	about (30)	about (75)	→	about +20	about +10	about +10
Naphtha	(Yen/KL)	approx. 62,000		approx. 68,000		approx. 83,000	approx. 68,000	approx. 30,000		approx. 40,000	approx. 45,000	approx. 50,000
PH	(Yen/KG)	→	+15 Base Price of Formula	→	→	+17 Base Price of Formula	→	→	→	→	→	→
BZ(ACP)	(US\$/T)	\$1,010	\$1,015	\$1,030	\$1,180	\$1,265	\$580	\$350	\$590	\$820	\$790	\$960
BPA (Japan)	(Yen/KG)		+17			+48	(10)	(30)		+37		+35
negotiation based on BZ price and BPA market price												
BPA (China)	(US\$/T)	\$1,970	\$1,900	\$1,920	\$1,870	\$1,920	\$1,090	\$820	\$1,130	\$1,260	\$1,410	\$1,690
PTA	(US\$/T)	\$900	\$850	\$900	\$1,060	\$1,000	\$620	\$700	\$850	\$870	\$890	\$960
PX(ACP)	(US\$/T)	\$1,110	\$1,080	\$1,120	\$1,330	\$1,350	\$670	\$730	\$960	\$1,010	\$950	\$1,060
TDI	(US\$/T)	\$3,600	\$4,000	\$4,000	\$4,200	\$4,300	\$2,900	\$2,200	\$2,500	\$2,800	\$3,200	\$3,100

## 2) History of Consolidated D/E Ratio



### 3) Main Subsidiaries and Affiliates

Item	Common stock		Our share	Sales amount	Operating Income	
					FY2009	FY2010 Outlook
Subsidiaries			%	Billions of Yen		
Prime Polymer	Billions of Yen	20	65.0	260.0	loss	↑
Osaka Petrochemical Industries	Billions of Yen	5	100.0	120.0	gain	↓
Mitsui Chemicals America	Millions of USD	156	100.0	50.0	gain	→
Siam Mitsui PTA	Millions of BAHT	4,800	50.02	90.0	gain	↓
Mitsui Phenols Singapore	Millions of USD	120	95.0	30.0	loss	↑
Mitsui Elastomers Singapore	Millions of USD	96	100.0	20.0	gain	↑
Mitsui Chemicals Agro, Inc.	Billions of Yen	0.4	100.0	40.0	gain	↑
TOHCELLO CO., LTD.	Billions of Yen	3.5	100.0	60.0	gain	→
Affiliates						
DU PONT-Mitsui Polychemicals	Billions of Yen	6.5	50.0	30.0	gain	↑
Amoco Mitsui PTA Indonesia	Millions of USD	160	45.0	40.0	gain	↓

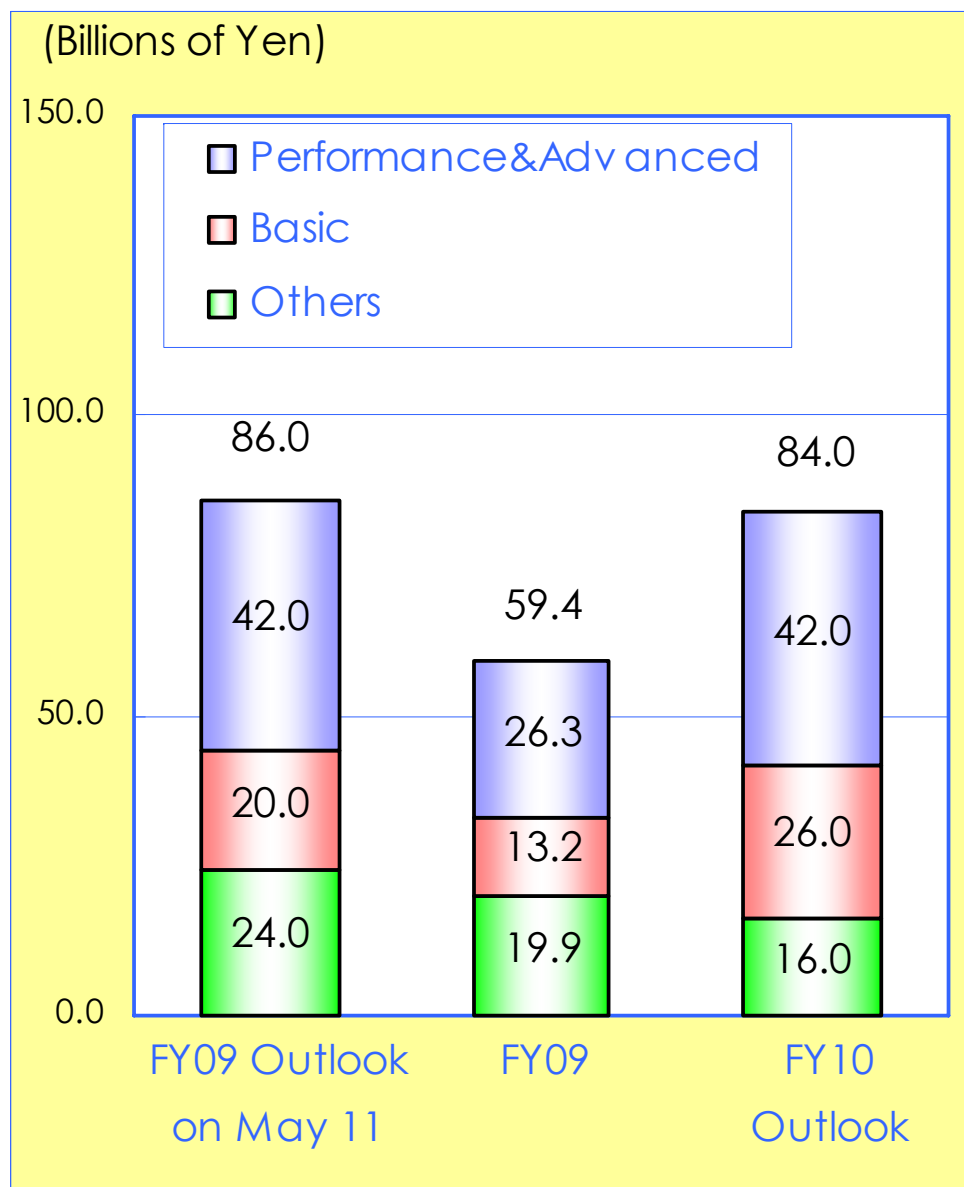
Operating Income :

"→" represents "flat", or a gain/loss under 500million yen compared to FY2009.

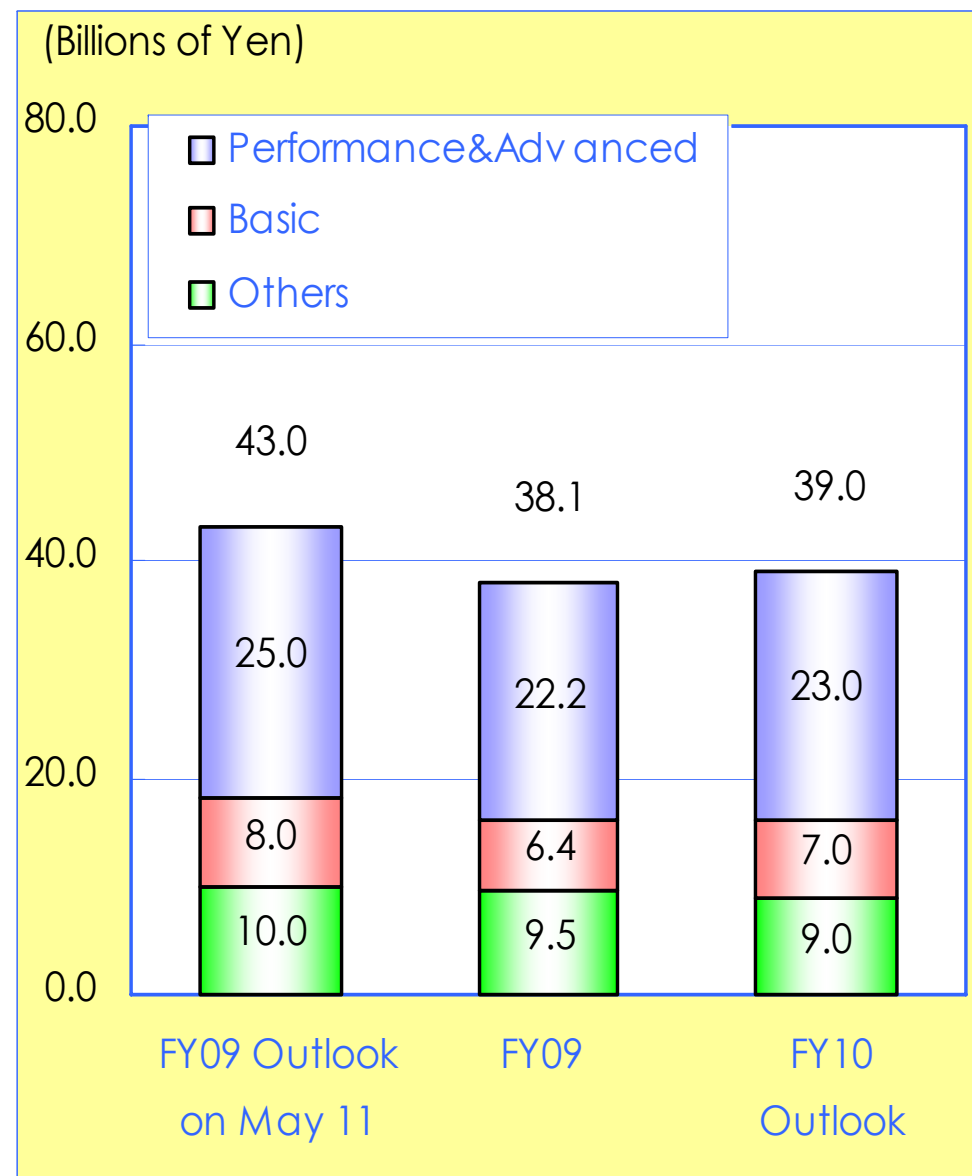
# 4) Capital Expenditure and R&D



## Capital Expenditure



## R&D



## 5) Regional Sales and Operating Income (loss)



Sales

(Billions of Yen)

Segment	FY2008		FY2009		Incr.(Decr.)	
	amount	%	amount	%	amount	%
Japan	1,204.4	81%	994.0	83%	(210.4)	(17%)
Asia	187.8	13%	147.7	12%	(40.1)	(21%)
Others	95.4	6%	66.0	5%	(29.4)	(31%)
Total	1,487.6	100%	1,207.7	100%	(279.9)	(19%)

Operating Income (loss)

Segment	FY2008		FY2009		Incr.(Decr.)	
	amount	%	amount	%	amount	%
Japan	(41.5)	-	(17.8)	-	23.7	-
Asia	(3.2)	-	7.6	-	10.8	-
Others	(0.8)	-	0.7	-	1.5	-
Total	(45.5)	-	(9.5)	-	36.0	-