

November 17, 2004

Mitsui Chemicals Announces the First Half 2004 Performance

Mitsui Chemicals, Inc. (MCI) of Japan announced its group consolidated financial performance for the First Half of Fiscal 2004 (1H/04) covering April 1 through September 30, 2004.

Summary of the announcement is as follows:

1. First Half Performance (April 1, 2004 ~ September 30, 2004)

(1) Summary of Income Statement

100million yen

Items	2004.4.1 ~ 2004.9.30 (1H/04)	2003.4.1 ~ 2003.9.30 (1H/03)	Increase (Decrease)
Net sales	5,888	5,256	632
Operating income	295	188	107
Ordinary income	281	144	137
Net income	58	37	95

(2) Summary of Balance Sheet

100million yen

Items	2004.9.30	2004.3.31	Items	2004.9.30	2004.3.31
Current assets	4,623	4,405	Liabilities	7,675	7,662
Cash & cash equivalents	278	280	Notes & account payables	1,409	1,363
Notes & accounts receivables	2,237	2,113	Interest-bearing liabilities	4,594	4,826
Inventories	1,595	1,532	Other liabilities	1,672	1,473
Other current assets	513	480	Minority interests	388	389
Fixed assets	7,182	7,480	Stockholder's equity	3,742	3,834
Tangible fixed assets	5,243	5,488	Common stock	1,032	1,032
Intangible fixed assets	272	323	Additional paid-in capital	669	669
Investment securities & others	1,667	1,669	Retained earnings	2,019	2,101
			Net unrealized holding gain on securities	127	140
			Foreign currency translation adjustment	79	84
			Treasury stock	26	24
Total	11,805	11,885	Total	11,805	11,885

(3) Segment Information

100million yen

Segment	Items	2004.4.1 ~ 2004.9.30 (1H/04)	2003.4.1 ~ 2003.9.30 (1H/03)	Increase (Decrease)
Functional Chemicals & Engineered Materials	Net sales	903	863	40
	Operating income	37	39	2
Functional Polymeric Materials	Net sales	1,242	1,100	142
	Operating income	27	6	33
Basic Chemicals	Net sales	2,092	1,599	493
	Operating income	131	106	25
Petrochemicals	Net sales	1,463	1,512	49
	Operating income	96	43	53
Others	Net sales	188	182	6
	Operating income	2	8	6
Elimination	Net sales	—	—	—
	Operating income	2	2	4
Total	Net sales	5,888	5,256	632
	Operating income	295	188	107

(4) Overseas Sales

million yen

	Asia	America	Europe	Others	Total overseas
2004.4.1 ~ 2004.9.30 (1H/04)	157,713	30,139	18,327	3,494	209,673
2003.4.1 ~ 2003.9.30 (1H/03)	119,662	26,394	15,884	1,864	163,804

2. Fiscal Year (FY2004) Performance Forecast (April 1, 2004 ~ March 31, 2005)

(1) Summary of Income Statement

Items	100million yen		
	2004.4.1 ~ 2005.3.31 (FY2004)	2003.4.1 ~ 2004.3.31 (FY2003)	Increase (Decrease)
Net sales	12,600	10,895	1,705
Operating income	720	539	181
Ordinary income	700	477	223
Net income	150	125	25

(2) Segment Information

Segment	Items	100million yen		
		2004.4.1 ~ 2005.3.31 (FY2004)	2003.4.1 ~ 2004.3.31 (FY2003)	Increase (Decrease)
Functional Chemicals & Engineered Materials	Net sales	1,900	1,803	97
	Operating income	110	127	17
Functional Polymeric Materials	Net sales	2,600	2,331	269
	Operating income	90	50	40
Basic Chemicals	Net sales	4,500	3,360	1,140
	Operating income	260	211	49
Petrochemicals	Net sales	3,200	2,987	213
	Operating income	230	132	98
Others	Net sales	400	414	14
	Operating income	30	18	12
Elimination	Net sales	—	—	—
	Operating income	—	1	1
Total	Net sales	12,600	10,895	1,705
	Operating income	720	539	181

3. Consolidated Accounting Fundamentals

Items		2004.4.1-	2003.4.1-	2004.4.1-	2003.4.1-
		2004.9.30	2003.9.30	2005.3.31 (estimate)	2004.3.31
R & D expenses	100 million yen	175	177	359	329
Depreciation & amortization	100 million yen	284	279	554	561
Investments	100 million yen	196	268	670	457
Head count at the end	-	12,136	12,316	12,300	12,348
Exchange rate	yen per US\$	110	118	110	113
Domestic naphtha price	yen per kiloliter	30,200	25,350	34,100	25,575

Note: The above-mentioned outlook constitutes projection based on information available at this point in time, and therefore involves certain risk and uncertainty. Therefore, there is a possibility that actual performance figures would differ largely from the outlook due to various factors that may arise henceforth.