



# Financial Summary

Results of FY2004 & Forecast of FY2005

---

**Mitsui Chemicals, Inc.**

# Contents

---

## 1. Results of FY2004 (April 1, 2004 – March 31, 2005)

- 1) Operation Topics in FY2004 ... 1
- 2) Consolidated Financial Highlights ... 2
- 3) Sales(by Business Segment) ... 3
- 4) Operating Income(by Business Segment) ... 4
- 5) Consolidated Balance Sheet ... 5
- 6) Consolidated Statements of Cash Flow ... 6

## 2. Forecast of FY2005 (April 1,2005 – March 31,2006)

- 1) Operation Topics in FY2005 ... 7
- 2) Consolidated Financial Highlights ... 8
- 3) Sales(by Business Segment) ... 9
- 4) Operating Income(by Business Segment) ... 10
- 5) Operating Income from Overseas Production ... 11
- 6) Consolidated Statements of Cash Flow ... 12
- 7) Consolidated Accounting Fundamentals ... 13

## References ... 14

# 1. Results of FY2004

(April 1, 2004 – March 31, 2005)

---

# 1) Operation Topics in FY2004

Project	Action	Production Capacity	Location	Date
Performance Materials				
1)PDP Optical Filter	Start commercial operation	300Kpieces/y	Germany	Jul., 04
2)Flexible laminated substrates (NEOFLEX)	Increase capacity	+900Km <sup>2</sup> /y (600K 1,500Km <sup>2</sup> /y)	Nagoya	Aug., 04
3)Metallocene Based PE Wax	Newly Launch and Increase capacity	+9Ktons/y (14 23Ktons/y)	Iwakuni	Oct., 04
Petro- & Basic Chemicals				
(Propylene Chain)				
4)New PP Plant	Start commercial operation	300Ktons/y	Osaka	Apr., 04
5)PP Compound for Automotive Materials	Increase capacity	+10Ktons/y (30 40Ktons/y)	Thailand (GSC)	Jul., 04
6)Olefins Cnversion Unit (for propylene)	Plant completed	+140Ktons/y (280 420Ktons/y)	Osaka	Aug., 04
(Aroma-Chain)				
7)New PET Resin Plant	Start commercial operation	100Ktons/y	Thailand (TPRC)	Apr., 04
8)Cumene (for Phenol)	Increase capacity	+180Ktons/y (100 280Ktons/y)	Osaka	Sep., 04

## 2) Consolidated Financial Highlights

(100million Yen)

Items	FY2003	FY2004	Increase (Decrease)	%
Sales	10,895	12,275	1,380	13%
Operating income	539	805	266	49%
(Equity in earnings of non-consolidated subsidiaries&affiliates)	29	69	40	138%
Ordinary income	477	797	320	67%
Net income	125	262	137	110%

Exchange Rate(Yen/US\$)	113	108	5
Domestic Standard Naphtha Price(Yen/KL)	25,575	32,150	6,575

Interest-bearing liabilities	4,826	4,223	603	12%
Stockholders' equity	3,834	4,058	224	6%
Total assets	11,885	12,052	167	1%

### 3) Sales (by Business Segment)

(100million Yen)

Segment	FY2003	FY2004	Incr. (Decr.)	Breakdown	
				Volume	Price
Functional Chemi'ls & Engineered Mat'ls	1,803	1,834	31	72	41
Functional Polymeric Materials	2,331	2,628	297	198	99
Basic Chemicals	3,360	4,272	912	130	782
Petrochemicals	2,988	3,166	178	79	257
Others	413	375	38	38	0
<b>Total</b>	<b>10,895</b>	<b>12,275</b>	<b>1,380</b>	<b>283</b>	<b>1,097</b>

## 4) Operating Income (by Business Segment)

(100million Yen)

Segment	FY2003	FY2004	Incr. (Decr.)	Breakdown		
				Trade Condition	Fixed Cost	Volume
Functional Chemi'ls & Engineered Mat'ls	127	91	36	32	7	3
Functional Polymeric Materials	50	85	35	27	6	56
Basic Chemicals	211	360	149	111	4	42
Petrochemicals	132	254	122	72	2	48
Others	18	13	5	1	0	4
Eliminations	1	2	1	1	0	0
<b>Total</b>	<b>539</b>	<b>805</b>	<b>266</b>	<b>124</b>	<b>3</b>	<b>145</b>

# 5) Consolidated Balance Sheet

(100million Yen)

Items	End of 04/3	End of 05/3	Incr. (Decr.)	Items	End of 04/3	End of 05/3	Incr. (Decr.)
Current assets	4,405	4,973	568	Liabilities	7,662	7,539	123
Cash and cash equivalents	280	281	1	Notes and account payables	1,363	1,549	186
Notes and accounts receivables	2,113	2,254	141	Interest-bearing liabilities	4,826	4,223	603
Inventories	1,532	1,844	312	Other liabilities	1,473	1,767	294
Other current assets	480	594	114	Minority interests	389	455	66
Fixed assets	7,480	7,079	401	Stockholders' equity	3,834	4,058	224
Tangible fixed assets	5,488	5,209	279	Common stock	1,032	1,032	0
Intangible fixed assets	323	241	82	Additional paid-in capital	669	669	0
Investment securities and others	1,669	1,629	40	Retained earnings	2,101	2,315	214
				Net unrealized holding gain on securities	140	166	26
				Foreign currency translation adjustment	84	93	9
				Treasury stock	24	31	7
<b>Total</b>	<b>11,885</b>	<b>12,052</b>	<b>167</b>	<b>Total</b>	<b>11,885</b>	<b>12,052</b>	<b>167</b>



## 6) Consolidated Statement of Cash Flow

(100million Yen)

Items	FY2003	FY2004	Incr. (Decr.)
I. Cash flows from operating activities[A]	822	965	143
II. Cash flows from investing activities[B]	258	331	73
Free cash flows[A+B]	564	634	70
III. Cash flows from financing activities	543	632	89
IV. Others	7	1	6
Net incr.(decr.) in cash and cash equivalents	14	1	13

## 2. Forecast of FY2005

(April 1, 2005 – March 31, 2006)

---

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 FY2005

Project	Action	Production Capacity	Location	Date
Performance Materials				
1)Nitrogen trifluoride (NF3)	Increase capacity	+300t ons/y (450 750t ons/y)	Shimonoseki	Apr., 05
2)Methyl-pentene polymer (TPX)	Increase capacity	+5.5Kt ons/y (7.5 13Kt ons/y)	Iwakuni	Jul., 05
3)Cyclic Olefin Copolymer (APEL)	Increase capacity	+600t ons/y (2.8 3.4Kt ons/y)	Iwakuni	Nov., 05
4)Breathable Film for Hygiene Use	Plant completed	6Kt ons/y	Thailand (MHM)	Jan., 06
Petro- & Basic Chemicals				
(Propylene Chain)				
5)PP Compound for Automotive Materials	Start commercial operation	15Kt ons/y	China (MCZ)	May, 05
6)PP Compound for Automotive Materials	Increase capacity	+8Kt ons/y (40 48Kt ons/y)	Thailand (GSC)	Jun., 05
(Aroma-Chain)				
7)New PTA Plant	Start commercial operation	500Kt ons/y	Thailand (SMPC)	Nov., 05

## 2) Consolidated Financial Highlights

(100million Yen)

Items	FY2004	FY2005 Forecast	Increase (Decrease)	%
Sales	12,275	15,000	2,725	22%
Operating income	805	810	5	1%
(Equity in earnings of non-consolidated subsidiaries&affiliates)	69	85	16	23%
Ordinary income	797	800	3	0%
Net income	262	490	228	87%

Exchange Rate(Yen/US\$)	108	105	3
Domestic Standard Naphtha Price(Yen/KL)	32,150	38,000	5,850

### 3) Sales (by Business Segment)

(100million Yen)

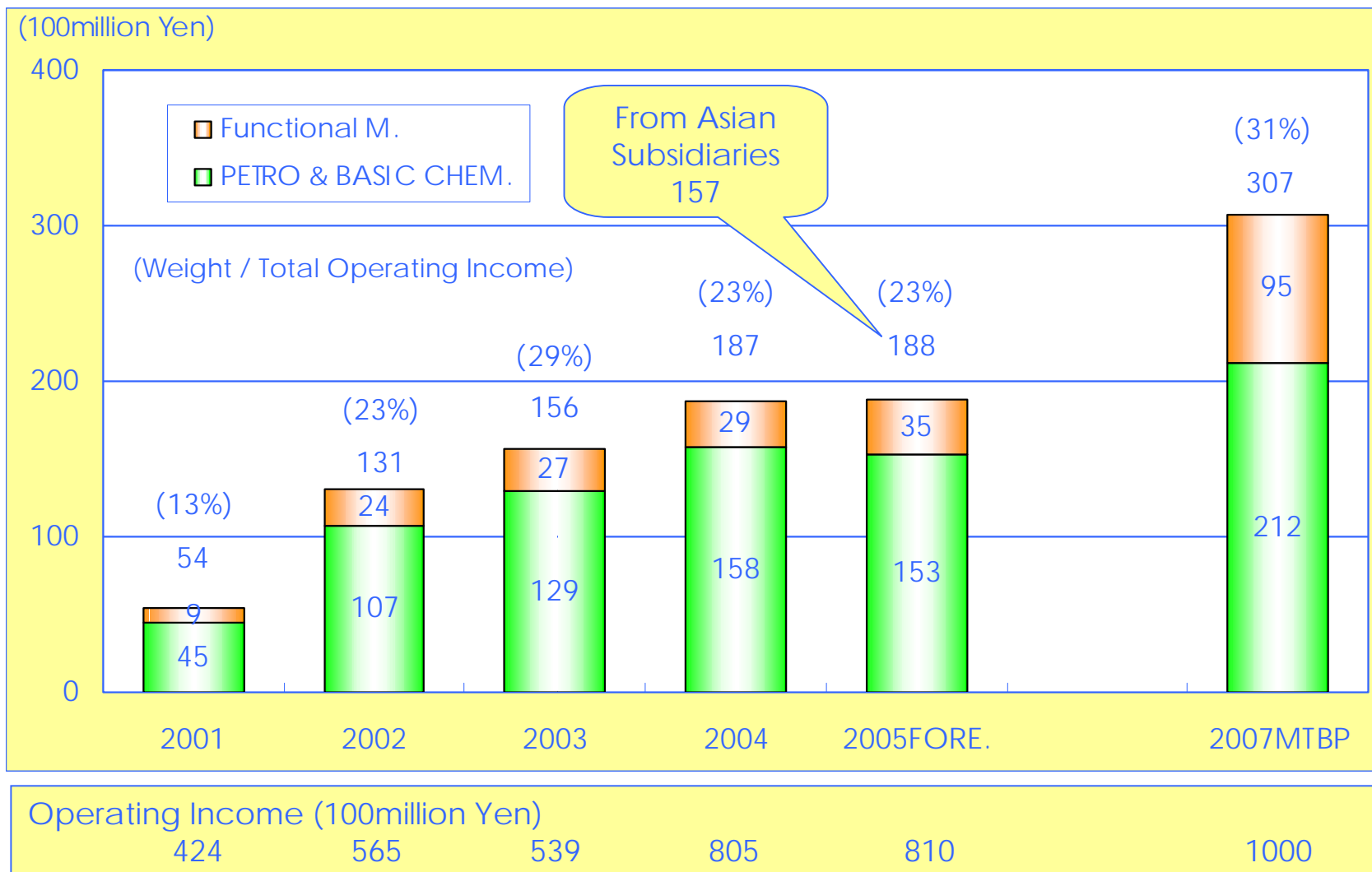
Segment	FY2004	FY2005 Forecast	Incr. (Decr.)	Breakdown	
				Volume	Price
Functional Chemi'ls & Engineered Mat'ls	1,834	2,000	166	232	66
Functional Polymeric Materials	2,628	3,000	372	215	157
Basic Chemicals	4,272	4,900	628	204	424
Petrochemicals	3,166	4,700	1,534	1,261	273
Others	375	400	25	23	2
<b>Total</b>	<b>12,275</b>	<b>15,000</b>	<b>2,725</b>	<b>1,935</b>	<b>790</b>

## 4) Operating Income (by Business Segment)

(100million Yen)

Segment	FY2004	FY2005 Forecast	Incr. (Decr.)	Breakdown		
				Trade Condition	Fixed Cost	Volume
Functional Chemi'ls & Engineered Mat'ls	91	90	1	20	26	45
Functional Polymeric Materials	85	130	45	66	47	26
Basic Chemicals	360	310	50	51	34	35
Petrochemicals	254	270	16	21	40	35
Others	13	10	3	3	1	5
Eliminations	2	0	2	1	2	1
<b>Total</b>	<b>805</b>	<b>810</b>	<b>5</b>	<b>20</b>	<b>150</b>	<b>135</b>

# 5) Operating Income from Overseas Production



## 6) Consolidated Statement of Cash Flow

(100million Yen)

Items	FY2004	FY2005 Forecast	Incr. (Decr.)
I. Cash flows from operating activities[A]	965	800	165
II. Cash flows from investing activities[B]	331	900	569
Free cash flows[A+B]	634	100	734
III. Cash flows from financing activities	632	100	732
IV. Others	1	0	1
Net incr.(decr.) in cash and cash equivalents	1	0	1



# 7) Consolidated Accounting Fundamentals

Items		FY2003	FY2004	FY2005 Forecast
Exchange Rate	Yen/US\$	113	108	105
Domestic Standard Naphtha Price	Yen/KL	25,575	32,150	38,000
R&D Expenditure	100m Yen	329	349	410
Depreciation&Amortization	100m Yen	561	568	710
Investments	100m Yen	457	471	980
Interest and Dividend	100m Yen	60	49	55
Interest-bearing liabilities	100m Yen	4,826	4,223	4,400
Number of Employees	person	12,348	12,228	12,700

# References

## <Segment Change (Sales, Operating income)>

- Minor change in segmentation of affiliate companies.
- A new overhead allocation rule was implemented.
- 03FY-Data were recalculated at new segment basis.

## <Impairment Special Loss>

- In 04FY ¥17.7Billion of special loss charged due to the early adoption of the Tangible Assets Impairment accounting.

## <Company Names>

- GSC (Grand Siam Composites Co., Ltd.)
- MCZ (Mitsui Chemicals Plastic Compounds (Zhongshan) Co., Ltd.)
- MHM (Mitsui Hygiene Materials Thailand)
- SMPC (Siam Mitsui PTA Co., Ltd.)
- TPRC (Thai Pet Resin Co., Ltd.)

## <Product Names>

- PDP(Plasma Display Panel)

Mitsui Chemicals, Inc.

Corporate Communications Division

TEL: +81 3 6253 2100

FAX: +81 3 6253 4245

Email: [Web\\_Master@mitsui-chem.co.jp](mailto:Web_Master@mitsui-chem.co.jp)

URL: <http://www.mitsui-chem.co.jp/e>