

Supplementary Information on Financial Summary for the First Half of FY2014

Mitsui Chemicals, Inc.

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Please note that this document has been translated from the original Japanese into English for the convenience of our stakeholders. The information was originally provided in Japanese. If there is any discrepancy, the Japanese language version is the official document and is available on our Japanese language website.

1) Consolidated Financial Highlights of First Half of FY2014

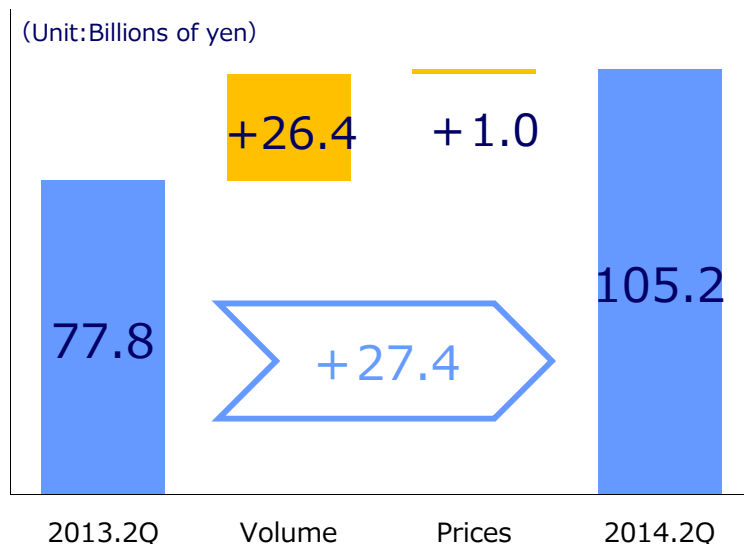
(Billions of Yen)

() Denotes a minus

Items	FY2013 1st Half	FY2014 1st Half	Increase (Decrease)	%
Sales	731.6	776.0	44.4	6%
Operating income/loss	11.0	18.6	7.6	69%
Non-operating income/expenses	(0.3)	0.8	1.1	-
Ordinary income/loss	10.7	19.4	8.7	81%
Special gains/losses	(2.4)	(3.3)	(0.9)	-
Net income/loss before income taxes and minority interests	8.3	16.1	7.8	94%
Net income/loss	1.0	7.4	6.4	616%
Exchange Rate (Yen/US\$)	99	103	4	
Domestic Standard Naphtha Price (Yen/KL)	64,700	70,400	5,700	
Interim Dividend (Yen/Share)	3.0	2.0	(1.0)	-

2) Increase/Decrease in Functional Chemicals (Sales and Operating Income, year on year)

Increase/Decrease of Net Sales (1st Half of FY2014 vs 1st Half of FY2013)



105.2 billion yen (+27.4 billion yen year on year)

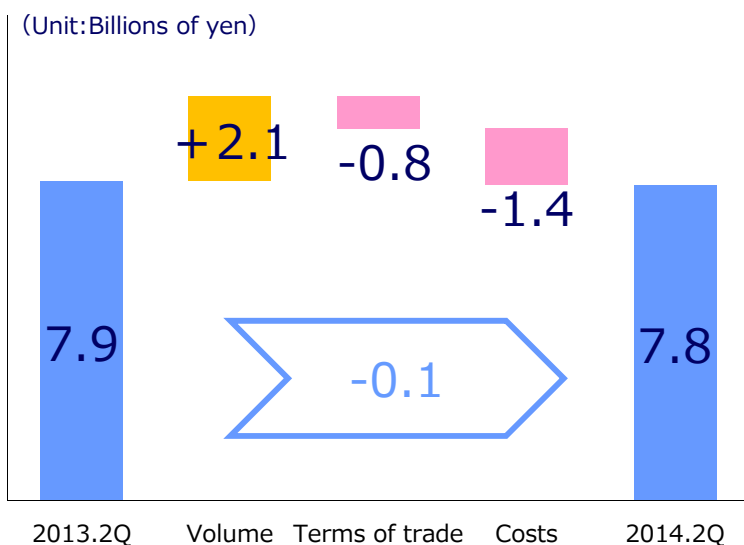
Volume + 26.4 billion yen

- Increase from expanded overseas demand for ophthalmic lens monomers, nonwovens, and agrochemicals etc.
- Increase from acquisition of dental material business

Price + 1.0 billion yen

- Increase from foreign exchange gains in agrochemicals and healthcare

Increase/Decrease of Operating Income (1st Half of FY2014 vs 1st Half of FY2013)



7.8 billion yen (-0.1 billion yen year on year)

Volume +2.1 billion yen

- Sales growth from expanded export of ophthalmic lens materials, nonwovens, and agrochemicals, etc.

Terms of trade -0.8 billion yen

- Loss incurred in inventory revaluation resulting in lower of cost or market value
- Increase in raw material costs for nonwovens

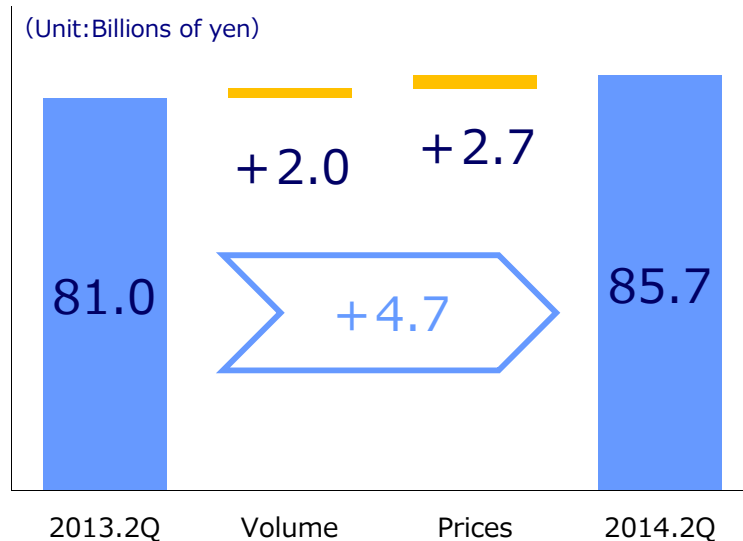
Costs -1.4 billion yen

- Increased fixed costs from depreciation of goodwill related to acquisition of dental material business
- Fixed cost increase, etc.

3) Increase/Decrease in Functional Polymeric Materials

(Sales and Operating Income, year on year)

Increase/Decrease of Net Sales (1st Half of FY2014 vs 1st Half of FY2013)



85.7 billion yen (+4.7 billion yen year on year)

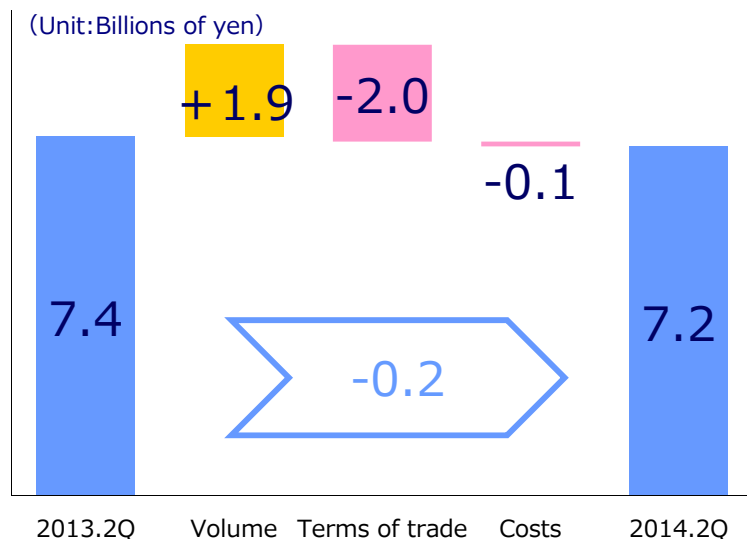
Volume +2.0 billion yen

- Increase from brisk sales in elastomers and functional compounds attributed to expanded automotive use demand mainly in North America
- Increase from brisk sales in functional polymers from expanded demand for use in smartphones and electronic and information film applications

Price +2.7 billion yen

- Increase from foreign exchange gains

Increase/Decrease of Operating Income (1st Half of FY2014 vs 1st Half of FY2013)



7.2 billion yen (-0.2 billion yen year on year)

Volume +1.9 billion yen

- Brisk sales in elastomers and functional compounds from expanded automotive use demand
- Brisk sales in functional polymers from expanded demand for use in smartphones and electronic and information film applications

Terms of trade -2.0 billion yen

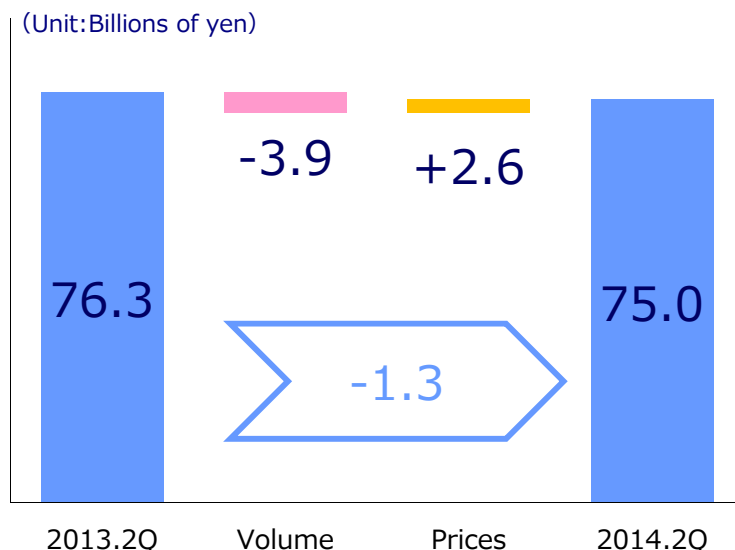
- Loss from poor terms of trade for elastomers due to rise in raw material and fuel prices in Asia, etc.

Costs -0.1 billion yen

- Increased fixed costs related to sales administration and R&D, etc.

4) Increase/Decrease in Polyurethane (Sales and Operating Income, year on year)

Increase/Decrease of Net Sales (1st Half of FY2014 vs 1st Half of FY2013)



75.0 billion yen (-1.3 billion yen year on year)

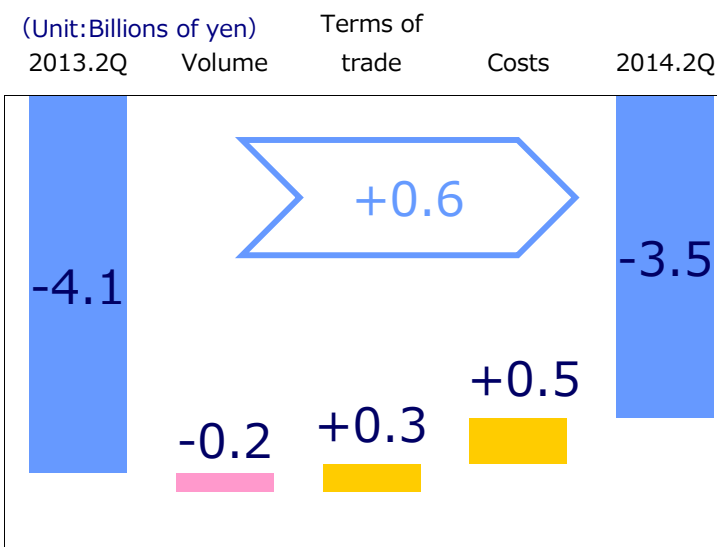
Volume -3.9 billion yen

- Decrease from drop in sales volume of polyurethane materials such as TDI

Price +2.6 billion yen

- Increase from foreign exchange gains

Increase/Decrease of Operating Income (1st Half of FY2014 vs 1st Half of FY2013)



-3.5 billion yen (+0.6 billion yen year on year)

Volume -0.2 billion yen

- Drop in sales of polyurethane materials, etc.

Terms of trade +0.3 billion yen

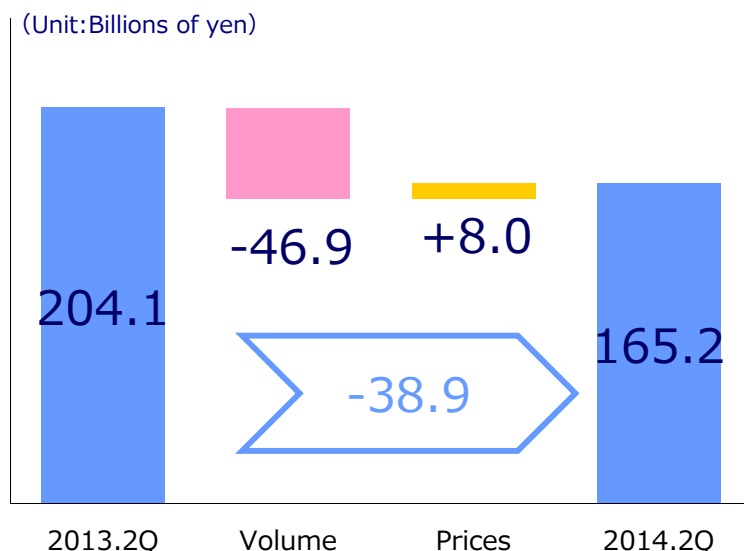
- Increase from weak yen offset drop in overseas market prices of TDI

Costs +0.5 billion yen

- Cost cuts for general cost, etc.

5) Increase/Decrease in Basic Chemicals (Sales and Operating Income, year on year)

Increase/Decrease of Net Sales (1st Half of FY2014 vs 1st Half of FY2013)



165.2 billion yen (-38.9 billion yen year on year)

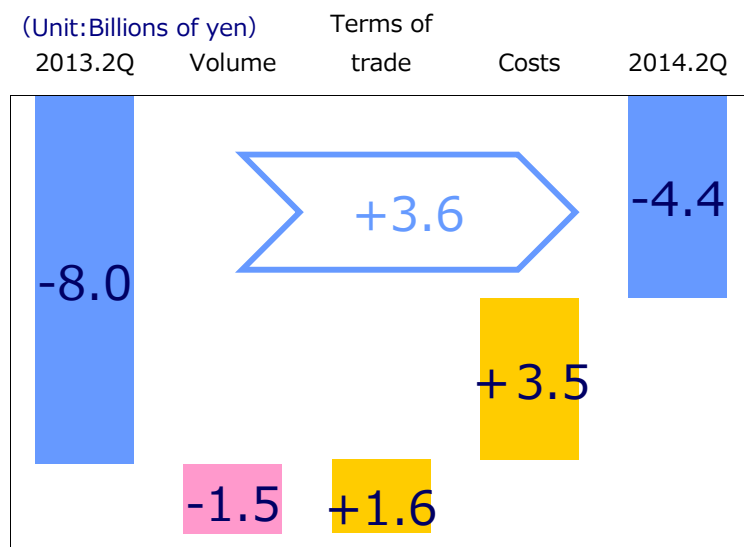
Volume -46.9 billion yen

- Decrease from drop in phenol sales attributed to "local production for local consumption", etc.
- Decrease in PTA sales due to change in status of "Siam Mitsui PTA Co., Ltd." (hereafter "SMPC") from a consolidated subsidiary to an equity method affiliate by share transfer

Price +8.0 billion yen

- Increase in exports and foreign exchange gains in overseas products
- Increase in domestic sales prices especially for phenols

Increase/Decrease of Operating Income (1st Half of FY2014 vs 1st Half of FY2013)



-4.4 billion yen (+3.6 billion yen year on year)

Volume -1.5 billion yen

- PTA sales decline due to change in status of SMPC from a consolidated subsidiary to an equity method affiliate

Terms of trade +1.6 billion yen

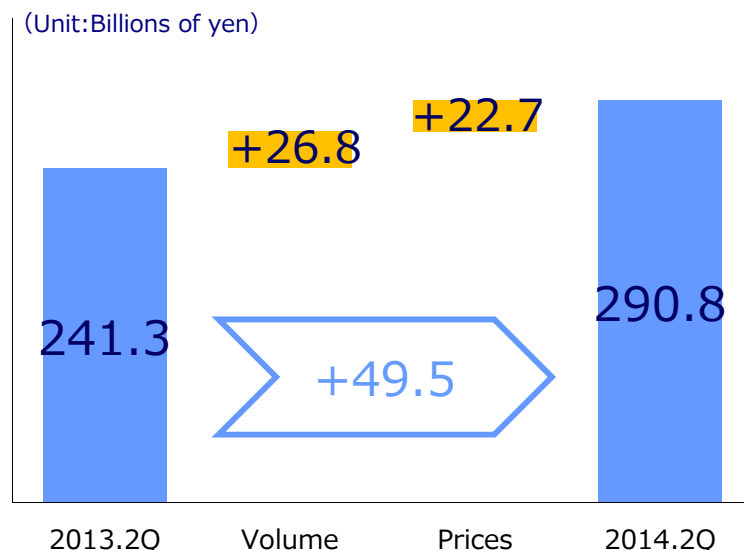
- Improvement of terms of trade in phenols

Costs +3.5 billion yen

- Gains from decrease in fixed costs due to change in status of SMPC from a consolidated subsidiary to an equity method affiliate
- Decrease in fixed costs from termination of BPA plant, etc.

6) Increase/Decrease in Petrochemicals (Sales and Operating Income, year on year)

Increase/Decrease of Net Sales (1st Half of FY2014 vs 1st Half of FY2013)



290.8 billion yen (+49.5 billion yen year on year)

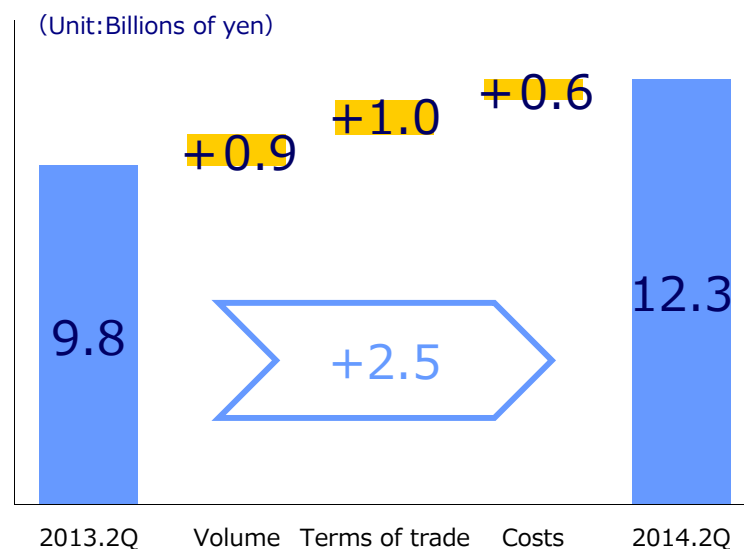
Volume +26.8 billion yen

- Increase attributed to sales from steady demand in domestic polyolefin and strong demand for overseas automotive PP compounds

Price +22.7 billion yen

- Gain from weak yen and higher polyolefin prices from increase in raw material costs

Increase/Decrease of Operating Income (1st Half of FY2014 vs 1st Half of FY2013)



12.3 billion yen (+2.5 billion yen year on year)

Volume +0.9 billion yen

- Steady demand in domestic polyolefin and favorable overseas PP compound market

Terms of trade +1.0 billion yen

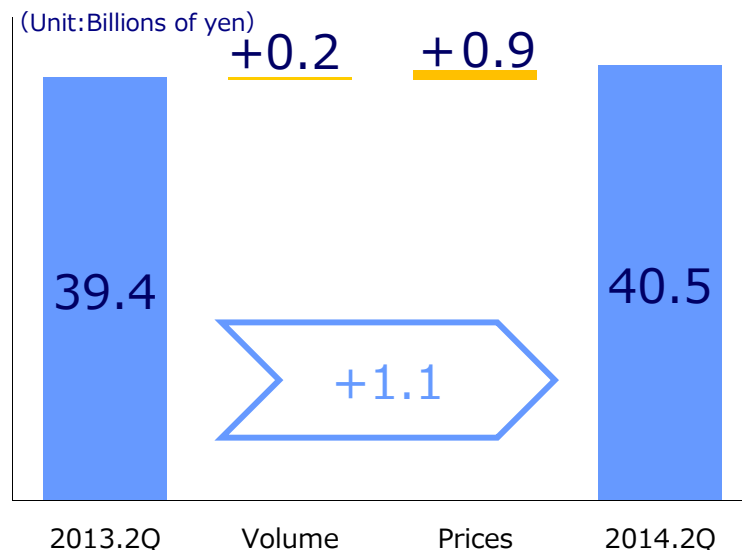
- Improvement in derivative sales market price such as butadiene
- Upswing in operating rates of naphtha crackers, etc.

Costs +0.6 billion yen

- Decrease in fixed costs related to termination of polyolefin plant, etc.

7) Increase/Decrease in Films and Sheets (Sales and Operating Income, year on year)

Increase/Decrease of Net Sales (1st Half of FY2014 vs 1st Half of FY2013)



40.5 billion yen (+1.1 billion yen year on year)

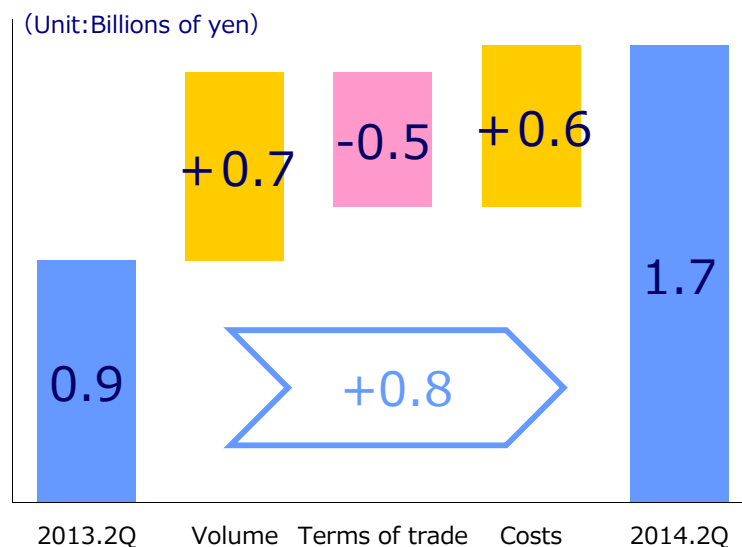
Volume +0.2 billion yen

- Increase from demand for industrial films for electronic and information applications offset decreases in packaging films and functional sheets

Price +0.9 billion yen

- Increase from higher sales prices to offset increases in raw material costs in packaging films

Increase/Decrease of Operating Income (1st Half of FY2014 vs 1st Half of FY2013)



1.7 billion yen (+0.8 billion yen year on year)

Volume +0.7 billion yen

- Increase in sales of industrial films for electronic and information applications, etc.

Terms of trade -0.5 billion yen

- Decrease from rising raw materials costs corresponding to increase in naphtha prices

Costs +0.6 billion yen

- Gains from cost reductions in general costs