

Summary of Financial Results for the Fiscal Year Ended March 31, 2010

Mitsui Chemicals, Inc. (4183)

I. Consolidated Financial Results (April 1, 2009–March 31, 2010)

1. Consolidated Financial Results

(1) Results of Operations

	Millions of Yen (Except per Share Data and Percentages)			
	Fiscal Year Ended March 31,			
	2010	%*	2009	%*
Net Sales.....	1,207,735	(18.8)	1,487,615	(16.7)
Operating Income (Loss).....	(9,461)	—	(45,493)	—
Ordinary Income (Loss).....	(13,132)	—	(50,768)	—
Net Income (Loss).....	(28,010)	—	(95,237)	—
Net Income (Loss) per Share (yen)	(33.04)		(125.46)	
Net Income per Share, Diluted (yen)	—		—	
Ratio of Net Income (Loss) to Shareholders' Equity (ROI)	(7.7%)		(22.4%)	
Ratio of Ordinary Income (Loss) to Total Assets (ROA)	(1.1%)		(3.8%)	
Ratio of Operating Income (Loss) to Net Sales (ROS)	(0.8%)		(3.1%)	

* Figures in the percentage column indicate the percentage increase (decrease) for each item compared with the corresponding period of the previous fiscal year.

Note: Equity in earnings of non-consolidated subsidiaries and affiliates:

Fiscal year ended March 31, 2010	3,858 million yen
Fiscal year ended March 31, 2009	2,992 million yen

(2) Financial Position

	Millions of Yen (Except per Share Data and Percentages)	
	As of March 31, 2010	As of March 31, 2009
Total Assets	1,238,086	1,188,939
Net Assets.....	419,004	398,131
Shareholders' Equity Ratio	30.5%	29.4%
Shareholders' Equity per Share (yen)	376.41	465.56

Note: Equity	Fiscal year ended March 31, 2010	377,283 million yen
	Fiscal year ended March 31, 2009	349,908 million yen

(3) Cash Flows

	Millions of Yen	
	Fiscal Year Ended March 31,	
	2010	2009
Cash flows from operating activities	70,173	54,882
Cash flows from investing activities	(42,913)	(76,253)
Cash flows from financing activities	(2,532)	48,335
Cash and cash equivalents at end of period.....	72,962	47,949

2. Dividends

	Fiscal Year Ended/Ending March 31,		
	2010	2009	2011 (Forecast)
Annual Dividends per Share			
Interim (yen)	0.00	6.00	3.00
End of Term (yen)	3.00	3.00	3.00
Annual Dividends (yen)	3.00	9.00	6.00
Total Dividends (millions of yen)	3,007	6,764	—
Payout Ratio (consolidated)	—	—	25.1%
Net Assets Dividend Yield (consolidated)	0.7%	1.6%	—

3. Forecast of Operating Results for the Fiscal Year Ending March 31, 2011 (April 1, 2010–March 31, 2011)

	Millions of Yen (Except per Share Data and Percentages)			
	First Half	%*	Full Fiscal Year	%*
Net Sales	673,000	22.4	1,400,000	15.9
Operating Income	13,500	—	35,000	—
Ordinary Income	10,000	—	29,000	—
Net Income	14,000	—	24,000	—
Net Income per Share (yen)	13.97	—	23.94	—

* Figures in the percentage column indicate the percentage increase (decrease) for each item compared with the corresponding period of the previous fiscal year.

4. Others

(1) Significant changes in subsidiaries during the period (changes in specified subsidiaries resulting in a change in the scope of consolidation): Yes

Decrease: 1 (Mitsui Chemicals Polyurethanes, Inc.)

(2) Change in accounting principles, procedures and presentation for consolidated financial statements (entries of changes in material matters that are basic to preparation of consolidated financial statements)

1) Changes due to revisions of accounting standards, etc: Yes

2) Changes other than 1): None

(3) Number of shares outstanding (common stock)

1) Number of shares outstanding at year-end (including treasury stock):

Fiscal year ended March 31, 2010: 1,022,020,076 shares

Fiscal year ended March 31, 2009: 792,020,076 shares

2) Number of shares of treasury stock at year-end:

Fiscal year ended March 31, 2010: 19,701,571 shares

Fiscal year ended March 31, 2009: 40,428,862 shares

Cautionary Statement and Other Explanatory Notes

1. *The aforementioned forecasts are based on management's assumptions and beliefs in light of currently available information and, accordingly, entail risks and uncertainties. Actual results may differ materially from forecasts due to a variety of factors. Please refer to page 7, "2. Outlook for the Fiscal Year Ending March 31, 2011" in "Operating Results and Financial Position."*

II. Operating Results and Financial Position

1. Operating Results

(1) Overview

In the fiscal year ended March 31, 2010, the Japanese economy was sluggish in the first half, showing no change from the economic low in place at the end of the previous fiscal year. From the second half, however, exports and production gradually recovered owing to the impact of a pickup in demand from overseas markets, chiefly China. Movement toward increased personal spending could also be seen. Nonetheless, overall conditions remained severe as a result of sluggish corporate-sector earnings and a deteriorating employment situation.

In the chemical industry, the first half of the fiscal year under review saw both exports and production at extremely low levels due to the impact of the previous fiscal year's rapid and worldwide economic decline. This changed in the second half as recovery in overseas demand, mainly from China, gained traction and production volume bounced back strongly compared with the previous fiscal year. Profits also trended toward recovery on the back of each company's efforts to reduce costs and other factors.

Under these conditions, the Mitsui Chemicals Group strived to thoroughly cut costs in tandem with concerted efforts to strengthen its marketing capabilities, expand sales and increase production in what were Groupwide initiatives to improve earnings. As a result, although there was an operating loss of 19.0 billion yen in the first half, in the second half the Group was able to put itself on a steady path to recovery, posting operating income of 9.5 billion yen. This amount was, however, not enough to compensate for the loss in the first half. The following is a summary of operating results for the fiscal year ended March 31, 2010.

(Billions of Yen)

	Net Sales	Operating Income (Loss)	Ordinary Income (Loss)	Net Income (Loss)
Current Fiscal Year	1,207.7	(9.5)	(13.1)	(28.0)
Previous Fiscal Year	1,487.6	(45.5)	(50.8)	(95.2)
Change	(279.9)	36.0	37.7	67.2
Change (%)	(18.8)	—	—	—

Net sales fell 18.8% compared with the previous fiscal year to 1,207.7 billion yen, a decrease of 279.9 billion yen. This was attributable to the impact of falling sales prices from the start of the fiscal year, despite what was seen as a recovery in demand from the second half. Overseas sales amounted to 476.7 billion yen, accounting for 39.5% of the Group's consolidated net sales, an increase of four percentage points.

Operating loss for the fiscal year under review was 9.5 billion yen, an improvement of 36.0 billion yen year on year. In addition to the positive effects of the Mitsui Chemicals Group's emergency measures, including efforts to curtail fixed expenses, this was the result of an increased sales volume buoyed by recovery in demand.

Ordinary loss was 13.1 billion yen, an improvement of 37.7 billion yen compared with the previous fiscal year. In addition to the reduced operating loss, this was attributable to an increase in equity earnings of non-consolidated subsidiaries and affiliates, a decline in foreign exchange losses and other factors.

Net extraordinary loss was 3.0 billion yen, an improvement of 11.6 billion yen compared with the previous fiscal year. This was the result of structural business reforms and other factors that caused

losses on the disposal and sale of noncurrent assets of 6.1 billion yen, an impairment loss of 4.3 billion yen and losses on restructuring of subsidiaries and affiliates and valuation of investment securities totaling 2.4 billion yen. On the other hand, a gain of 11.6 billion yen was recorded on the sales of assets, including the sale of investment securities.

These factors resulted in a **net loss before income taxes and minority interests** of 16.1 billion yen, an improvement of 49.3 billion yen compared with the previous fiscal year.

Net loss after accounting for corporate income taxes and minority interests was 28.0 billion yen, a year-on-year improvement of 67.2 billion yen. This translated into a net loss per share for the period of 33.04 yen.

(2) Results by Business Segment

Performance Materials

Automotive and industrial material sales declined 10% year on year. This was on account of a significant deceleration in demand in the first half of the fiscal year that offset progress achieved in the cultivation of new customers, primarily in the Asian market which has notably achieved demand recovery, and the recent foundation of favorable sales.

Industrial material sales decreased 16% compared with the previous fiscal year. This was attributable to the impact of a drop in demand in the automotive, consumer electronics and household equipment markets in the first half of the fiscal year.

Hygiene material sales fell 15% compared with the previous fiscal year on account of declining demand for non-woven fabrics from certain customers and a drop in sales prices associated with falling raw material and fuel prices.

Specialty polyolefin and engineering plastic sales experienced 14% growth year on year on the back of a recovery in demand, mainly for information and electronics materials applications in the second half of the fiscal year.

Semiconductor material sales fell 20% from the previous fiscal year. This was attributable to a decline in production volume owing to a slowdown in demand in the semiconductor and LCD markets in the first half and reduced production due to an accident at a subsidiary's nitrogen trifluoride production facility.

Energy material sales jumped 54% year on year owing to soaring demand in the solar cell encapsulant market.

Polyurethane sales decreased 13%. In addition to the slowdown in demand for TDI and MDI, this was on account of stagnant overseas market conditions and appreciation in the value of the yen.

These factors contributed to a 58.9 billion yen decrease in segment sales from the previous fiscal year to 372.9 billion yen, which comprised 31% of total sales. Furthermore, the segment showed an operating loss of 7.6 billion yen, an 8.4 billion yen improvement from the previous fiscal year. In addition to cost reduction efforts, this was attributable to a recovery in sales volume in the second half of the fiscal year and an improvement from the loss on valuation of inventories that was posted in the previous fiscal year due to the application of the lower of cost or net realizable value method.

Advanced Chemicals

Optical lens material as well as medical and healthcare material sales fell 5%. Although demand recovered in the second half of the fiscal year, it was not enough to overcome the slowdown in demand in the first half, and a full-scale recovery was not achieved.

Chemical product sales declined 45% with the impact of a slowdown in demand and a decline in sales prices.

Agrochemical product sales fell 10% due to stagnant sales of insecticides and other products.

As a result, segment sales fell 12.8 billion yen year on year to 105.9 billion yen, which comprised 9% of total sales. Furthermore, operating income increased 1.3 billion yen to 8.6 billion yen, owing to progress made on cost cutting efforts.

Basic Chemicals

Ethylene and propylene production saw year-on-year increases of 6% and 9%, respectively, owing to recovery of demand for derivatives.

Phenol sales declined 8%. Although sales volume recovered, this was attributable to declining sales prices associated with a fall in raw material and fuel prices.

Bisphenol A sales decreased 41% year on year as a result of a drop in sales prices associated with declining raw material and fuel prices, despite the fact that sales volumes had been on a recovery track, particularly for polycarbonate resin, the main application for bisphenol A.

Purified terephthalic acid (PTA) sales climbed 2% year on year owing to recovery in sales volume, despite the effect of declining sales prices associated with falling raw material and fuel prices.

PET resins (polyethylene terephthalate) declined by 29%, affected by sluggish demand for pet bottles for the domestic market due to unseasonable weather.

Ethylene glycol, ethylene oxide and derivatives sales declined 32%, as a result of price declines associated with falling raw material and fuel costs.

Polyethylene and polypropylene sales fell 20% and 27%, respectively, affected by a decline in sales prices on the back of falling raw material costs, despite a rebound in sales volume.

The above factors contributed to a 203.0 billion yen decrease in segment sales from the previous fiscal year to 709.8 billion yen, which comprised 59% of total sales. Furthermore, an improvement of year-on-year operating income of 24.4 billion yen resulted in an operating loss of 7.6 billion yen. In addition to the progress made on cutting costs, this was due to improved sales volume, excluding certain products, and an improved loss on valuation of inventories incurred with the application of the lower of cost or net realizable value method.

Others

Sales in this segment showed a 5.2 billion yen decrease from the previous fiscal year to 19.1 billion yen, which accounted for 1% of total sales. Operating income amounted to 1.1 billion yen, a year-on-year increase of 1.0 billion yen.

2. Outlook for the Fiscal Year Ending March 31, 2011

(1) Overall Outlook for Operating Results

In fiscal 2010, the Japanese economy is expected to be affected by a rising degree of reliance on exports to Asia spurred by expanding demand in the region, specifically China with its continually high growth rate. On the other hand, domestic demand will remain in the doldrums. Given these circumstances, the severity of the business environment in which the Group operates is expected to remain unchanged. Environmental conditions are influenced by factors that include the impact, from the second half of fiscal 2010, of a huge volume of moderately priced petroleum-based products beginning to be supplied to Asian markets from the Middle East which has low priced raw materials and China, which has new and cutting-edge production plants.

The Group has confronted this challenging situation by positioning fiscal 2010 as a pivotal year that must be a launching pad to new trajectories of growth. All employees will work in unison, moving forward to reach the inevitable goal of bringing the Company firmly back toward profitability.

Based on the aforementioned efforts, Mitsui Chemicals' forecasts for the fiscal year ending March 31, 2011 are as follows.

(Billions of Yen)

	Net Sales	Operating Income (Loss)	Ordinary Income (Loss)	Net Income (Loss)
FY2010	1,400.0	35.0	29.0	24.0
FY2009	1,207.7	(9.5)	(13.1)	(28.0)
Change	192.3	44.5	42.1	52.0
Change (%)	15.9	—	—	—

The underlying exchange rate assumption is ¥90/US\$1.00 for the fiscal year; the assumption for the domestic standard naphtha price is ¥50,000/kl.

(2) Outlook by Business Segment

Outlook by business segment is as follows.

(Billions of Yen)

	Net Sales					
	Performance Materials	Advanced Chemicals	Basic Chemicals	Others	Elimination and Corporate	Total
FY2010	427.0	106.0	852.0	15.0	—	1,400.0
FY2009	372.9	105.9	709.8	19.1	—	1,207.7
Change	54.1	0.1	142.2	(4.1)	—	192.3
Change (%)	14.5	0.1	20.0	(21.5)	—	15.9

(Billions of Yen)

	Operating Income (Loss)					
	Performance Materials	Advanced Chemicals	Basic Chemicals	Others	Elimination and Corporate	Total
FY2010	9.5	10.5	19.0	—	(4.0)	35.0
FY2009	(7.6)	8.6	(7.6)	1.1	(4.0)	(9.5)
Change	17.1	1.9	26.6	(1.1)	—	44.5
Change (%)	—	22.1	—	—	—	—

3. Financial Position

(1) Status of Assets, Liabilities and Net Assets

Total assets as of March 31, 2010 stood at 1,238.1 billion yen, up 49.2 billion yen compared with the end of the previous fiscal year (March 31, 2009).

Total liabilities increased 28.3 billion yen from the end of the previous fiscal year to 819.1 billion yen. Interest-bearing debt amounted to 494.2 billion yen, a decrease of 41.2 billion yen. As a result, the interest-bearing debt ratio was 39.9%, an improvement of 5.1 percentage points compared with March 31, 2009.

Total net assets as of March 31, 2010 stood at 419.0 billion yen, an increase of 20.9 billion yen from the end of the previous fiscal year. The **ratio of shareholders' equity to total assets** was 30.5%, an improvement from the end of the previous fiscal year of 1.1 percentage points. Accounting for the aforementioned factors, the **debt-equity ratio** was 1.31, an improvement of 0.22 of a percentage point year on year.

Effective April 1, 2009, Tohcello Co., Ltd. became a wholly owned subsidiary of Mitsui Chemicals, Inc. through a share exchange based on the allotment of treasury stock held by the Company. As a result, treasury stock and minority interests decreased 15.6 billion yen and 9.8 billion yen, respectively. A treasury stock disposal loss of 8.4 billion yen incurred through the share exchange was posted to retained earnings.

In addition, in order to better deal with the dramatic changes in the business environment in which it operates, at the end of October 2009 the Mitsui Chemicals Group reviewed its basic strategies under the four-year mid-term business plan commenced from fiscal 2008 and formulated its "New Growth Strategy*." With the objective of raising funds and boosting the speed of funding-related management decision making that will turn this New Growth Strategy into reality and thus strengthen the Company's financial standing, the Company issued new shares through a public offering and third party allotment, based on a resolution of the Board of Directors meeting held on November 13, 2009. As a result, common stock and capital surplus both increased by 21.8 billion yen.

Note: New Growth Strategy

In response to recent drastic changes in the business environment, at the end of October 2009 the Mitsui Chemicals Group reexamined the principal strategies stated in its medium-term business plan and formulated its New Growth Strategy, as follows:

- (i) Global expansion of competitive business;
- (ii) Expansion of high-value-added business for sustainable development; and
- (iii) Creation of new products and new businesses that are in harmony with the global environment.

In fiscal 2010, the Mitsui Chemicals Group will formulate its next medium-term business plan that incorporates clear numerical targets based on the above strategies.

(2) Cash Flow Status

Cash and cash equivalents (hereafter “cash”) increased 25.1 billion yen to 73.0 billion yen as of the fiscal year-end.

Cash Flow from Operating Activities

Net cash provided by operating activities was 70.2 billion yen, an increase of 15.3 billion yen from the previous fiscal year. This increase was due to a reduced net loss before income taxes and minority interests as well as a corporate tax refund.

Cash Flow from Investing Activities

Net cash used in investing activities amounted to 42.9 billion yen, a decrease of 33.4 billion yen compared with the previous fiscal year. The decrease was attributable to lower payments to acquire property, plant and equipment in line with a strict selective approach toward investment projects, as well as increased proceeds from sale and redemption of investment securities.

Cash Flow from Financing Activities

Net cash used in financing activities was 2.5 billion yen. This was attributable to factors such as the procurement of financing through the issue of new shares and progress made toward the repayment of interest-bearing debt.

This was in contrast to 48.3 billion yen in net cash provided by financing activities in the fiscal year ended March 31, 2009. Major cash outflows comprised the acquisition of treasury stock and payment of cash dividends. This was offset by the increase in interest-bearing debt amid financial instability.

(3) Outlook for the Fiscal Year Ending March 31, 2011

Confronting a prolonged downturn in its business environment, the Mitsui Chemicals Group will continue to slash fixed costs and pursue other urgent measures to firmly establish profitability, a priority goal in fiscal 2010. In this context, the Group will work diligently to improve cash flow and enhance consolidated asset efficiency by thoroughly optimizing inventories and reducing working capital.

The Group will adopt a strict selective approach toward growth investments by tightening assessments of priorities and potential for investment return. To ensure its capability to address emergency situations, the Mitsui Chemicals Group will also take steps to bolster its fund procurement capabilities with an eye toward enhancing flexibility.

(4) Trends in Cash Flow Indicators

	FY2005 (As of March 31, 2006)	FY2006 (As of March 31, 2007)	FY2007 (As of March 31, 2008)	FY2008 (As of March 31, 2009)	FY2009 (As of March 31, 2010)
Shareholders' Equity Ratio (%)	34.9	33.7	34.0	29.4	30.5
Shareholders' Equity Ratio on a Market Value Basis (%)	51.0	53.0	34.6	15.1	22.9
Ratio of Interest-bearing Debt to Cash Flows	5.3	5.0	5.3	9.8	7.0
Interest Coverage Ratio (Times)	13.4	12.8	9.7	5.9	8.2

Notes:

- Shareholders' Equity Ratio: Shareholders' equity to total assets
- Shareholders' Equity Ratio on a Market Value Basis: Market capitalization to total assets
- Ratio of Interest-bearing Debt to Cash Flows: Interest-bearing debt to cash flows
- Interest Coverage Ratio: Cash flows to interest paid
- Each of the indicators was calculated using consolidated financial figures.
- The market capitalization was calculated by multiplying the closing share price as of the end of the period with the number of shares outstanding (excluding treasury stock).
- Operating cash flow figures have been used for cash flow calculations.
- The operating cash flow figures used are cash flows from operating activities as reported in the consolidated statements of cash flows. Interest-bearing debt is the portion of total debt booked on the consolidated balance sheet on which interest is being paid. Interest paid is the amount of interest paid as reported in the consolidated statements of cash flows.

4. Basic Policy on the Appropriation of Profits, Cash Dividends for the Fiscal Years Ended/Ending March 31, 2010 and March 31, 2011

(1) Basic Policy on the Appropriation of Profits

The Mitsui Chemicals Group believes that the enhancement of corporate value through business growth and expansion is an important management issue and regards the distribution of profits to shareholders as one of the Group's most important management policies.

In allocating profits, the Mitsui Chemicals Group considers both the need to return earnings to shareholders as well as the need to maintain a level of internal reserves sufficient to fueling and sustaining future growth.

Taking into consideration the consolidated dividend payout ratio and the dividend on equity (DOE) ratio, the Mitsui Chemicals Group strives to promote a policy of consistent stable dividends that reflect consolidated earnings results over the medium term. In this context, the Group targets a consolidated dividend payout ratio of 25% or more and DOE of 2% or more.

From an internal reserves perspective, the Mitsui Chemicals Group actively engages in investment and financing to further accelerate growth and expansion while swiftly realizing a robust business portfolio as well as research and development expenditure aimed at creating innovative technologies. To this end, the Group constantly endeavors to improve its business performance and results.

(2) Cash Dividends for the Fiscal Years Ended/Ending March 31, 2010 and March 31, 2011

Regrettably, the Mitsui Chemicals Group reported a net loss for the fiscal year ended March 31, 2010, its second consecutive year. Looking ahead, prospects for a recovery in business conditions remain unclear. Nevertheless, recognizing the importance of returning profits to shareholders, the Group plans to pay a fiscal year-end dividend of 3 yen per share. Because it was decided to withhold the payment of an interim dividend in the fiscal year under review, the annual dividend will be 3 yen per share.

Turning to dividends for the fiscal year ending March 31, 2011, the Mitsui Chemicals Group plans to pay interim and year-end dividends of 3 yen per share, respectively. The Group therefore plans an annual dividend of 6 yen per share.

III Consolidated Financial Statements

1. Consolidated Balance Sheet (Summary)

	Millions of Yen	
	As of March 31, 2010	As of March 31, 2009
Assets		
Current Assets	604,556	529,606
Fixed Assets	633,530	659,333
Total Assets	1,238,086	1,188,939
Liabilities		
Current Liabilities	386,203	377,858
Long-term Liabilities	432,879	412,950
Total Liabilities	819,082	790,808
Net Assets		
Shareholders' Equity		
Common stock	125,053	103,226
Capital surplus	91,065	69,238
Retained earnings	182,922	221,721
Treasury stock, at cost	(14,215)	(29,827)
Total Shareholders' Equity	384,825	364,358
Valuation and Translation Adjustments		
Net unrealized holding gain on securities	13,095	7,319
Net unrealized holding loss on hedging derivatives.....	0	(3)
Foreign currency translation adjustments	(20,637)	(21,766)
Total Valuation and Translation Adjustments...	(7,542)	(14,450)
Minority Interests	41,721	48,223
Total Net Assets	419,004	398,131
Total Liabilities and Net Assets	1,238,086	1,188,939

2. Consolidated Statements of Income

	Millions of Yen	
	April 1, 2009 to March 31, 2010	April 1, 2008 to March 31, 2009
Net Sales	1,207,735	1,487,615
Cost of Sales	1,039,515	1,341,106
Gross Profit	168,220	146,509
Selling, general and administrative expenses ...	177,681	192,002
Operating Income (Loss)	(9,461)	(45,493)
Non-operating Income and Expenses		
Non-operating Income		
Interest income	458	400
Dividend income	2,442	3,588
Rent income	696	748
Amortization of negative goodwill.....	1,469	—
Equity in earnings of non-consolidated subsidiaries and affiliates	3,858	2,992
Other	3,751	5,601
Non-operating Income	12,674	13,329
Non-operating Expenses		
Interest expenses	8,450	8,666
Interest on commercial paper.....	26	657
Foreign exchange losses.....	896	4,398
Other	6,973	4,883
Non-operating Expenses	16,345	18,604
Ordinary Income (Loss)	(13,132)	(50,768)
Extraordinary Income and Loss		
Extraordinary Income		
Gain on sales of noncurrent assets	879	771
Gain on sales of investment securities	10,701	1,635
Extraordinary Income	11,580	2,406
Extraordinary Loss		
Loss on disposal of noncurrent assets	5,917	6,615
Loss on sales of noncurrent assets	151	478
Impairment loss	4,285	3,935
Loss on restructuring of subsidiaries and affiliates	2,307	2,243
Loss on sales of investment securities	110	464
Loss on valuation of investment securities	1,758	1,932
Environmental expenses	—	1,400
Extraordinary Loss	14,528	17,067
Net Income (Loss) before Income Taxes and Minority Interests	(16,080)	(65,429)
Income Taxes—Current	9,467	5,700
Income Taxes—Deferred	2,186	34,919
Total Income Taxes	11,653	40,619
Minority Interests in Income (Loss)	277	(10,811)
Net Income (Loss)	(28,010)	(95,237)

3. Consolidated Statements of Cash Flows (Summary)

	Millions of Yen	
	April 1, 2009 to March 31, 2010	April 1, 2008 to March 31, 2009
I. Cash Flows from Operating Activities	70,173	54,882
II. Cash Flows from Investing Activities	(42,913)	(76,253)
III. Cash Flows from Financing Activities	(2,532)	48,335
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	(135)	(4,598)
V. Net Increase in Cash and Cash Equivalents	24,593	22,366
VI. Cash and Cash Equivalents at Beginning of Period	47,949	25,502
VII. Increase in Cash and Cash Equivalents Resulting from Changes in Scope of Consolidation	420	81
VIII. Cash and Cash Equivalents at End of Period	72,962	47,949

4. Notes regarding assumptions of ongoing concern: None

5. Segment Information

(1) Business Segment Information

Previous Fiscal Year (April 1, 2008 – March 31, 2009)

(Millions of Yen)

	Performance Materials	Advanced Chemicals	Basic Chemicals	Other	Total	Elimination/ Corporate	Consolidated
Sales							
(1) Sales from external clients	431,834	118,658	912,779	24,344	1,487,615	—	1,487,615
(2) Internal sales or transfer between segments	18,902	2,918	134,706	72,255	228,781	(228,781)	—
Total	450,736	121,576	1,047,485	96,599	1,716,396	(228,781)	1,487,615
Operating Income (Loss)	(16,018)	7,311	(32,006)	84	(40,629)	(4,864)	(45,493)

Fiscal Year Under Review (April 1, 2009 – March 31, 2010)

(Millions of Yen)

	Performance Materials	Advanced Chemicals	Basic Chemicals	Other	Total	Elimination/ Corporate	Consolidated
Sales							
(1) Sales from external clients	372,899	105,872	709,784	19,180	1,207,735	—	1,207,735
(2) Internal sales or transfer between segments	14,409	3,044	76,585	59,585	153,623	(153,623)	—
Total	387,308	108,916	786,369	78,765	1,361,358	(153,623)	1,207,735
Operating Income (Loss)	(7,579)	8,634	(7,568)	1,062	(5,451)	(4,010)	(9,461)

Notes: 1 Method of Business Segment Organization

Organized into four areas in consideration of factors that include similarities in product type and manufacturing method, business segments are based on categories adopted in accordance with internal management

2 Main Product in Each Segment

	Main Products
Performance Materials	Automotive and industrial materials, living and energy materials, information and electronics materials, polyurethane, coating and engineering materials
Advanced Chemicals	Fine and performance chemicals, and agrochemicals
Basic Chemicals	Petrochemical feedstocks, phenol, synthetic fiber raw materials and PET resin, industrial chemicals, polyethylene and polypropylene
Other	Other related businesses

(2) Regional Segment Information

Previous Fiscal Year (April 1, 2008 – March 31, 2009)

(Millions of Yen)

	Japan	Asia	Other	Total	Elimination	Consolidated
Sales						
(1) Sales from external clients	1,204,422	187,759	95,434	1,487,615	—	1,487,615
(2) Internal sales or transfer between segments	62,410	67,913	1,737	132,060	(132,060)	—
Total	1,266,832	255,672	97,171	1,619,675	(132,060)	1,487,615
Operating Income (Loss)	(41,501)	(3,186)	(891)	(45,578)	85	(45,493)

Fiscal Year Under Review (April 1, 2009 – March 31, 2010)

(Millions of Yen)

	Japan	Asia	Other	Total	Elimination	Consolidated
Sales						
(1) Sales from external clients	994,000	147,764	65,971	1,207,735	—	1,207,735
(2) Internal sales or transfer between segments	58,243	70,057	1,418	129,718	(129,718)	—
Total	1,052,243	217,821	67,389	1,337,453	(129,718)	1,207,735
Operating Income (Loss)	(17,765)	7,632	595	(9,538)	77	(9,461)

Notes: 1 Principal countries or regional categories are based on proximity.

2 Country or regional categories other than Japan:

(1) Asia: China, Taiwan, South Korea, Thailand and Singapore

(2) Other: Americas and Europe

(3) Overseas Sales

Previous Fiscal Year (April 1, 2008 – March 31, 2009)

(Millions of Yen)

	Asia	Americas	Europe	Other Regions	Total
I. Overseas Sales	388,008	75,895	52,116	11,927	527,946
II. Consolidated Sales					1,487,615
III. Overseas sales as a percentage of consolidated sales (%)	26.1	5.1	3.5	0.8	35.5

Fiscal Year Under Review (April 1, 2009 – March 31, 2010)

(Millions of Yen)

	Asia	Americas	Europe	Other Regions	Total
I. Overseas Sales	375,414	53,865	40,267	7,171	476,717
II. Consolidated Sales					1,207,735
III. Overseas sales as a percentage of consolidated sales (%)	31.1	4.5	3.3	0.6	39.5

Notes: 1 Country or regional categories are based on proximity.

2 Principal countries or regions of each category:

- (1) Asia: China, Taiwan, South Korea, Thailand and Singapore
- (2) Americas: United States and Mexico
- (3) Europe: Germany and France
- (4) Other: Oceania and Africa regions

3 Overseas sales are the sales of Mitsui Chemicals and its consolidated subsidiaries in countries or regions outside of Japan.

(Important Subsequent Events)

Review of Retirement Benefits and Pension Levels

In April 2010, the Company reviewed retirement benefits and pension levels as one initiative to improve its medium- to long-term profit structure. As a result of the calculations made under the premise that the interest rate on benefits would be changed, it is anticipated that retirement allowance liabilities will decline by 14,618 million yen, and this reduction corresponds to the prior service cost. Consequently, the Company plans to post this amount as Extraordinary Income and record it in its entirety in the first quarter of the fiscal year ending March 31, 2011 in accordance with the Company's designated accounting method.