



Financial Summary

Results of First Quarter of FY2008 & Outlook for FY2008

Mitsui Chemicals, Inc.

July 31, 2008

<Remarks>

FY2008 indicates the fiscal year starting from April 1 of 2008 to ending at March 31 of 2009

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1. Results of First Quarter of FY2008

(April 1, 2008 – June 30, 2008)

1) Operation Topics in First Quarter of FY2008

Project	Action	Production Capacity	Location	Date
◆Performance Materials				
1) Expansion of EPT Production Capacity	Starting commercial operation	+75K t/y (45→120K t/y)	Ichihara	Apr. 08
2) Expansion of Cycloolefin Copolymer (APEL™) Production Capacity	Starting commercial operation	+3K t/y (3.4→6.4K t/y)	Osaka	May. 08
◆Advanced Chemicals				
3) Acquisition of SDC Technologies, Inc			USA	Jun. 08
◆Basic Chemicals				
4) Announcement on the Establishment of a Joint Venture towards the Construction of Nghi Son Complex	Reached a decision to participate in a joint venture		Vietnam	Apr. 08
5) Development of a Highly Active Catalyst for 1-Hexene Production (planning to establish a 1-Hexen Plant at 2010)		(30K t/y)	(Ichihara)	Jun. 08

2) Number of Subsidiaries and Affiliates

Items	1st Q of FY2007	FY2007 (a)	1st Q of FY2008 (b)	Incr. (Decr.) (b)-(a)
Number of consolidated subsidiaries	66	63	63	0
Number of non-consolidated subsidiaries and affiliates to which the equity method is applied	43	38	36	(2)
Total	109	101	99	(2)

3) Consolidated Financial Highlights

(Billions of Yen)

Items	1st Q of FY2007	1st Q of FY2008	Increase (Decrease)	%
Sales	441.2	453.9	12.7	3%
Operating income	25.1	20.7	(4.4)	(18%)
None-Operating income/expenses	2.9	4.3	1.4	-
Recurring income	28.0	25.0	(3.0)	(11%)
Special gains/losses	1.3	(0.4)	(1.7)	-
Income before incom taxes	29.3	24.6	(4.7)	(16%)
Net income	18.1	15.2	(2.9)	(16%)
Exchange Rate (Yen/US\$)	121	105	(16)	
Domestic Standard Naphtha Price (Yen/KL)	57,800	70,900	13,100	

Items	FY2007	1st Q of FY2008	Increase (Decrease)	%
Interest-bearing liabilities	486.0	504.8	18.8	4%
D/E Ratio	0.97	1.00	0.03	-

4) Sales (by Business Segment)

(Billions of Yen)

Segment	1st Q of FY2007	1st Q of FY2008	Incr. (Decr.)	Breakdown	
				Volume	Price
Performance Materials	118.8	126.3	7.5	2.9	4.6
Advanced Chemicals	29.4	31.4	2.0	2.0	0.0
Basic Chemicals	279.9	289.5	9.6	(15.7)	25.3
Others	13.1	6.7	(6.4)	(6.4)	0.0
Total	441.2	453.9	12.7	(17.2)	29.9

5) Operating Income (by Business Segment)

(Billions of Yen)

Segment	1st Q of FY2007	1st Q of FY2008	Incr. (Decr.)	Breakdown		
				Volume	* Price	Costs
Performance Materials	8.1	5.6	(2.5)	2.2	(2.0)	(2.7)
Advanced Chemicals	3.3	3.8	0.5	0.8	0.1	(0.4)
Basic Chemicals	14.1	12.4	(1.7)	(0.1)	(1.1)	(0.5)
Others	(0.4)	(1.1)	(0.7)	(0.2)	(0.1)	(0.4)
Total	25.1	20.7	(4.4)	2.7	(3.1)	(4.0)

* Price: including both selling and purchase price variances

6) Non-Operating Income and Expenses

(Billions of yen)

Items	1st Q of FY2007	1st Q of FY2008	Incr. (Decr.)
Equity in earnings of non-consolidated subsidiaries and affiliates	1.4	1.5	0.1
Interest expenses, interest and dividend income	(1.0)	(0.8)	0.2
Gain (loss) on Foreign exchange	2.5	3.9	1.4
Other net	0.0	(0.3)	(0.3)
Total	2.9	4.3	1.4

7) Special Gains and Losses

(Billions of yen)

Items	1st Q of FY2007	1st Q of FY2008	Incr. (Decr.)
Special gains	1.7	0.1	(1.6)
Gain on sales of fixed assets etc.	1.6	0.1	(1.5)
Others	0.1	0.0	(0.1)
Special losses	(0.4)	(0.5)	(0.1)
Loss on sales and disposal of fixed assets	(0.4)	(0.4)	0.0
Loss on restructuring of subsidiaries and affiliates etc.	0.0	(0.1)	(0.1)
Others	0.0	0.0	0.0

8) Consolidated Balance Sheet

(Billions of Yen)

Items	End of 08/3	End of 08/6	Incr. (Decr.)	Items	End of 08/3	End of 08/6	Incr. (Decr.)
Current assets	726.3	738.3	12.0	Liabilities	905.0	897.0	(8.0)
Cash and cash equivalents	25.5	32.1	6.6	Notes and accounts payables	239.5	232.6	(6.9)
Notes and accounts receivables	332.9	342.2	9.3	Interest-bearing liabilities	486.0	504.8	18.8
Inventories	269.2	267.8	(1.4)	Other liabilities	179.5	159.6	(19.9)
Other current assets	98.7	96.2	(2.5)				
				Net assets	564.2	568.6	4.4
Fixed assets	742.9	727.3	(15.6)	Shareholders' equity	479.5	489.6	10.1
Tangible fixed assets	564.8	545.0	(19.8)	Appraisal and Translation Differences	20.5	17.2	(3.3)
Investments & other non-current assets	178.1	182.3	4.2	Minority interest	64.2	61.8	(2.4)
Total	1,469.2	1,465.6	(3.6)	Total	1,469.2	1,465.6	(3.6)

9) Consolidated Statement of Cash Flow

(Billions of yen)

Items	1st Q of FY2007	1st Q of FY2008	Incr. (Decr.)
I. Cash flows from operating activities[A]	22.1	8.4	(13.7)
II. Cash flows from investing activities[B]	(13.4)	(21.9)	(8.5)
Free cash flows[A+B]	8.7	(13.5)	(22.2)
III. Cash flows from financing activities	(10.9)	21.9	32.8
IV. Others	(0.3)	(1.8)	(1.5)
Net incr.(decr.) in cash and cash equivalents	(2.5)	6.6	9.1

2. Outlook for FY2008

(April 1, 2008 – March 31, 2009)

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) Consolidated Financial Highlights

(Billions of yen)

Items	FY2007			Outlook for FY2008			Outlook for FY2008 at May 9
	1st Q	1st Half	Full Year	1st Q	1st Half	Full Year	
Sales	441.2	881.6	1,786.7	453.9	940.0	1,960.0	1,900.0
Operating income	25.1	42.7	77.2	20.7	16.0	45.0	66.0
None-Operating income/expenses	2.9	(2.2)	(11.1)	4.3	4.0	3.0	(2.0)
Recurring income	28.0	40.5	66.1	25.0	20.0	48.0	64.0
Special gains/losses	1.3	(8.0)	(21.5)	(0.4)	(3.0)	(9.0)	(9.0)
Net income	18.1	20.2	24.8	15.2	10.0	22.0	29.0
Exchange Rate (Yen/US\$)	121	119	114	105	105	105	100
Domestic Standard Naphtha Price (Yen/KL)	57,800	58,750	61,450	70,900	80,450	86,730	72,000

2. Outlook for FY2008

2) Sales and Operating Income (by Business Segment)



(Billions of Yen)

Segment	Sales of Outlook for FY2008			Operating Income of Outlook for FY2008		
	1st Q	1st Half	Full Year	1st Q	1st Half	Full Year
Performance Materials	126.3	270.0	550.0	5.6	10.0	27.0
Advanced Chemicals	31.4	60.0	130.0	3.8	5.0	13.0
Basic Chemicals	289.5	600.0	1,260.0	12.4	2.0	7.0
Others	6.7	10.0	20.0	(1.1)	(1.0)	(2.0)
Total	453.9	940.0	1,960.0	20.7	16.0	45.0

3. Appendix

1) History of Main Products Prices

(PE, PP, PH, BPA : Change of Price and Raw Materials Price to Products Price / PTA, TDI : Asian Market Price)

Year	2005		2006				2007				2008	
Month	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.
Naphtha (Yen/KL)	39,100	47,300	46,100	48,800	54,100	48,100	48,800	57,800	59,700	61,600	66,700	70,900
PE (Yen/KG)	→	+20~25	→	→	about +12	about +10	about (10)	about +13	about +13	→	about +15	→
(HN)		45,000			approx. 50,000	approx. 55,000	approx. 50,000	approx. 56,000	approx. 62,000		approx. 68,000	
PP (Yen/KG)	→	+20~25	→	→	about +12	about +10	about (10)	about +13	about +13	→	about +15	→
(HN)		45,000			approx. 50,000	approx. 55,000	approx. 50,000	approx. 56,000	approx. 62,000		approx. 68,000	
PH (Yen/KG)	ACP-BZ Link	→	→	→	+10 Base Price of Formula	→	→	→	→	+15 Base Price of Formula	→	→
BZ(ACP) (US\$/T)	\$815	\$710	\$735	\$820	\$925	\$900	\$985	\$1,075	\$1,010	\$1,015	\$1,030	\$1,180
BPA (Yen/KG)					+25		+15	+22		+17		
BPA Price of Asian Market	negotiation based on BZ price and BPA market price											
	\$1,700	\$1,600	\$1,450	\$1,450	\$1,500	\$1,700	\$1,850	\$2,000	\$2,000	\$2,000	\$2,030	\$1,970
PTA (US\$/T)	\$880	\$890	\$880	\$915	\$1,030	\$880	\$860	+\$70*	(\$30)*	(\$60)*	+\$60*	+\$140*
(PX)	\$915	\$1,010	\$1,010	\$1,070	\$1,320	\$1,160	\$1,110	+\$120*	(\$60)*	(\$30)*	+\$40*	+\$110*
	* Change from a former quarter											
TDI (US\$/T)	\$1,900	\$2,300	\$2,500	\$2,500	\$2,500	\$3,100	\$3,500	\$3,500	\$3,600	\$4,000	\$4,000	\$4,200