

February 10, 2004

## Mitsui Chemicals Announces Nine-month Performance for 2003

Mitsui Chemicals, Inc. (MCI) of Japan announced its group consolidated financial performance for the first nine months covering April 1 through December 31, 2003 (1-3Q/03), as shown below. As this is the first year of the Company's reporting its quarterly performance figures, comparable figures for Fiscal Year 2002 are not available.

Consolidated, Unit: million yen

Net Sales	Operating Income	Ordinary Income	Net Income
797,053	35,600	30,209	10,968

MCI's consolidated performance for the previous full fiscal year, namely, Fiscal Year 2002 ending March 31, 2003, was:

Consolidated, Unit: million yen

Net Sales	Operating Income	Ordinary Income	Net Income
1,053,182	56,458	48,716	20,320

### Qualitative Review of 1-3Q/03 Performance

Business environment in the first nine months covering April 1 through December 31, 2003 (1-3Q/03) remained extremely severe due to the high level of feedstock prices and the continued appreciation of the Japanese yen.

Despite such a situation, good performance was achieved by the Company's basic chemicals businesses such as purified terephthalic acid and phenol, owing to the positive contribution by their expanded Southeast Asian plants, and by the optical filters used in PDPs (plasma display panels) favored by a rapid expansion of the market. On the other hand, urethane chemicals such as TDI (toluene diisocyanate) and MDI (methylene diphenyl isocyanate) continued to show lackluster performance. As a result, Group Consolidated Sales registered ¥797.1 billion for the first nine month.

Moreover, stronger group-wide efforts to drive sales & marketing and cost reduction in all sectors of management resulted in Operating Income of ¥35.6 billion and Ordinary Income of ¥30.2 billion, as well as Net Income of ¥10.9 billion for the nine-month period.

### Fiscal 2003 Full-year Performance Outlook

MCI's outlook is as follows for Group Consolidated Performance for Fiscal Year 2003 ending March 31, 2004:

Consolidated, Unit: million yen

	Net Sales	Operating Income	Ordinary Income	Net Income
Announced Today	1,080,000	51,000	45,000	12,000
Announced Nov.21,2003	1,090,000	62,000	55,000	19,000

MCI has revised its projections downward for Operating, Ordinary, and Net Incomes on Group Consolidated as well as Non-consolidated bases from the forecast level

announced on November 21, 2003, because of the anticipated significant worsening of the trading conditions for polyolefins and urethane chemicals due to the high raw materials cost and continued appreciation of the Japanese yen. The price of domestic naphtha for the period from January 1 to March 31, 2004 is projected at ¥28,000 per kiloliter.

Moreover, one of MCI's affiliate companies, Daika Polymers Co., Ltd., filed for bankruptcy under Japan's Civil Rehabilitation Law with Tokyo District Court on January 19, 2004. The size of potential losses the Company would incur as a result of such a bankruptcy filing is not yet firm at this time. However, MCI projects an affiliated business loss of ¥3.4 billion as Daika's financial liabilities toward MCI, adding to the ¥2.4 billion loss already allocated in the Fiscal Year 2003 settlement of accounts.

As a result, the Company's Net Income is also expected to fall short of the earlier announced forecast.

*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.*

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