



Financial Summary

Results of the First Half of FY2009 & Outlook for FY2009

Mitsui Chemicals, Inc.

October 30, 2009

< Remarks >

FY2009 indicates the fiscal year starting on April 1 of 2009 and ending on March 31 of 2010

Contents



1. Results of the First Half of FY2009 (April 1, 2009 – September 30, 2009)

1) Operation Topics in the First Half of FY2009	••• 1, 2
2) Number of Subsidiaries and Affiliates	••• 3
3) Consolidated Financial Highlights	••• 4
4) Sales (by Business Segment)	••• 5
5) Operating Income (loss) (by Business Segment)	••• 6
6) Regional Sales and Operating Income (loss)	••• 7
7) Non-Operating Income and Expenses	••• 8
8) Special Gains and Losses	••• 9
9) Consolidated Balance Sheet	••• 10
10) Consolidated Statement of Cash Flow	••• 11

2. Outlook for FY2009 (April 1, 2009 – March 31, 2010)

1) Operation Topics in FY2009	••• 12
2) Consolidated Financial Highlights	••• 13
3) Sales (by Business Segment)	••• 14
4) Operating Income (loss) (by Business Segment)	••• 15
5) Operating Income (loss) (Increase / Decrease)	••• 16, 17
6) Non-Operating Income and Expenses	••• 18
7) Special Gains and Losses	••• 19
8) Consolidated Accounting Fundamentals	••• 20

3. Appendix

1) History of Main Product Prices	••• 21
2) Main Subsidiaries and Affiliates	••• 22
3) Capital Expenditure and R&D	••• 23

1. Results of the First Half of FY2009

(April 1, 2009 – September 30, 2009)

1) Operation Topics in the First Half of FY2009



Project	Production Capacity	Location	Date
Performance Materials			
1) TOHCELLO CO.,LTD. Becomes a Wholly Owned Subsidiary through Share Exchange			Apr. 09
2) Merger of Mitsui Chemicals Polyurethanes, Inc.			Apr. 09
3) Expansion of MDI Production Capacity (Kumho Mitsui Chemicals)	+65K t/y (65 130K t/y)	Korea	May. 09
Advanced Chemicals			
4) Splitting of Agrochemicals Division and Integration with Sankyo Agro Co., Ltd			Apr. 09
5) Merger of Mitsui Fine Chemicals, Inc. and Mitsui Toatsu Inorganic Chemicals, Inc.			July. 09

1) Operation Topics in the First Half of FY2009



Project	Production Capacity	Location	Date
Basic Chemicals			
6) Signing of Memorandum of Agreement to Strengthen Collaboration with Sinopec			Apr. 09
7) Expansion of Collaboration with Idemitsu Kosan to Optimize Naphtha Supply		Ichihara	May. 09
8) Commencement of Joint Study by Idemitsu and MCI for Production Optimization in Chiba-Area		Ichihara	May. 09
9) Start of Commercial Operation of New PP Automotive Materials Plant	15K t/y	India (ACI)	Jun. 09

2) Number of Subsidiaries and Affiliates

Items	FY2008 (a)	FY2009 1st Q (b)	FY2009 2nd Q (c)	Incr. (Decr.) (c)-(a)	Incr. (Decr.) (c)-(b)
Number of consolidated subsidiaries	66	65	63	(3)	(2)
Number of non-consolidated subsidiaries and affiliates to which the equity method is applied	32	31	31	(1)	0
Total	98	96	94	(4)	(2)

3) Consolidated Financial Highlights

(Billions of Yen)

Items	FY2008 1-2Q	FY2009 1-2Q	Increase (Decrease)
Sales	905.6	549.9	(355.7)
Operating income (loss)	10.0	(19.0)	(29.0)
Non-operating income/expenses	3.3	(3.1)	(6.4)
Ordinary income (loss)	13.3	(22.1)	(35.4)
Special gains/losses	(1.8)	(5.9)	(4.1)
Net income (loss) before income taxes and minority interests	11.5	(28.0)	(39.5)
Net income (loss)	7.6	(31.4)	(39.0)
Exchange Rate (Yen/US\$)	106	96	(10)
Domestic Standard Naphtha Price (Yen/KL)	78,350	37,250	(41,100)
Dividend (Yen/Share)	6.00	0.00	(6.0)

Items	FY2008	FY2009 1-2Q	Increase (Decrease)
Interest-bearing liabilities	535.4	524.4	(11.0)
Equity	349.9	329.9	(20.0)
D/E Ratio	1.53	1.59	0.06

4) Sales (by Business Segment)

(Billions of Yen)

Segment	FY2008 1-2Q	FY2009 1-2Q	Incr. (Decr.)	Breakdown	
				Volume	Price
Performance Materials	257.3	174.9	(82.4)	(43.8)	(38.6)
Advanced Chemicals	60.9	50.9	(10.0)	(7.4)	(2.6)
Basic Chemicals	573.3	313.6	(259.7)	(57.9)	(201.8)
Others	14.1	10.5	(3.6)	(3.1)	(0.5)
Total	905.6	549.9	(355.7)	(112.2)	(243.5)

5) Operating Income (loss) (by Business Segment)



(Billions of Yen)

Segment	FY2008 1-2Q	FY2009 1-2Q	Incr. (Decr.)	Breakdown		
				Volume	* Price	Costs
Performance Materials	9.2	(9.5)	(18.7)	(7.6)	(14.4)	3.3
Advanced Chemicals	3.6	2.9	(0.7)	(2.2)	(0.4)	1.9
Basic Chemicals	(0.2)	(11.5)	(11.3)	(15.1)	0.3	3.5
Others	(2.6)	(0.9)	1.7	(1.4)	0.9	2.2
Total	10.0	(19.0)	(29.0)	(26.3)	(13.6)	10.9

* Price ; including both sale and purchase price variances

6) Regional Sales and Operating Income (loss)

Sales

(Billions of Yen)

Segment	FY2008 1-2Q		FY2009 1-2Q		Incr.(Decr.)	
	amount	%	amount	%	amount	%
Japan	747.5	82%	461.6	84%	(285.9)	(38%)
Asia	107.3	12%	59.9	11%	(47.4)	(44%)
Others	50.8	6%	28.4	5%	(22.4)	(44%)
Total	905.6	100%	549.9	100%	(355.7)	(39%)

Operating Income (loss)

Segment	FY2008 1-2Q		FY2009 1-2Q		Incr.(Decr.)	
	amount	%	amount	%	amount	%
Japan	7.7	77%	(20.7)	-	(28.4)	-
Asia	1.0	10%	2.4	-	1.4	-
Others	1.3	13%	(0.7)	-	(2.0)	-
Total	10.0	100%	(19.0)	-	(29.0)	-

7) Non-Operating Income and Expenses

(Billions of yen)

Items	FY2008 1-2Q	FY2009 1-2Q	Incr. (Decr.)
Equity in earnings of non-consolidated subsidiaries and affiliates	3.4	1.5	(1.9)
Interest expenses, interest and dividend income	(2.2)	(2.6)	(0.4)
Gain (loss) on foreign exchange	1.9	(1.5)	(3.4)
Other	0.2	(0.5)	(0.7)
Total	3.3	(3.1)	(6.4)

8) Special Gains and Losses

(Billions of yen)

Items	FY2008 1-2Q	FY2009 1-2Q	Incr. (Decr.)
Special gains (a)	2.2	0.3	(1.9)
Gain on sales of fixed assets	2.2	0.3	(1.9)
Special losses (b)	(4.0)	(6.2)	(2.2)
Loss on sales and disposal of fixed assets	(1.7)	(3.4)	(1.7)
Impairment loss	(0.4)	(0.6)	(0.2)
Loss on restructuring of subsidiaries and affiliates, etc.	(0.5)	(0.5)	0.0
Environmental measure expenses	(1.4)	0.0	1.4
Loss on valuation of investment securities	0.0	(1.7)	(1.7)
Special gains and losses (a)+(b)	(1.8)	(5.9)	(4.1)

9) Consolidated Balance Sheet

(Billions of Yen)

Items	End of 09/3	End of 09/9	Incr. (Decr.)	Items	End of 09/3	End of 09/9	Incr. (Decr.)
Current assets	529.6	540.6	11.0	Liabilities	790.8	826.4	35.6
Cash and cash equivalents	47.9	65.9	18.0	Notes and accounts payables	98.4	136.2	37.8
Notes and accounts receivables	174.8	213.3	38.5	Interest-bearing liabilities	535.4	524.4	(11.0)
Inventories	250.7	207.9	(42.8)	Other liabilities	157.0	165.8	8.8
Other current assets	56.2	53.5	(2.7)	Net assets	398.1	367.6	(30.5)
Fixed assets	659.3	653.4	(5.9)	Shareholders' equity	364.4	337.9	(26.5)
Tangible fixed assets	522.6	514.5	(8.1)	Valuation and translation adjustment	(14.5)	(8.0)	6.5
Investments & other non-current assets	136.7	138.9	2.2	Minority interest	48.2	37.7	(10.5)
Total	1,188.9	1,194.0	5.1	Total	1,188.9	1,194.0	5.1
				Contingent liabilities as guarantor of indebtedness	8.7	8.3	(0.4)

10) Consolidated Statement of Cash Flow

(Billions of yen)

Items	FY2008 1-2Q	FY2009 1-2Q	Incr. (Decr.)
I. Cash flows from operating activities[A]	32.6	60.2	27.6
II. Cash flows from investing activities[B]	(43.1)	(28.8)	14.3
Free cash flows[A+B]	(10.5)	31.4	41.9
III. Cash flows from financing activities	9.5	(14.5)	(24.0)
IV. Others	(1.0)	1.1	2.1
Net incr. (decr.) in cash and cash equivalents	(2.0)	18.0	20.0

2. Outlook for FY2009

(April 1, 2009 – March 31, 2010)

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 FY2009 (October 2009 through March 2010)

Project	Production Capacity	Location	Date
Performance Materials 1) Expansion of Alpha-Olefin Copolymer (TAFMER™) Production Capacity (Mitsui Elastmers Singapore)	+100K t/y (100 200K t/y)	Singapore	Dec. 09
Basic Chemicals 2) Expansion of 1-Hexene Production Capacity	30K t/y	Ichihara	Nov. 09

2) Consolidated Financial Highlights

(Billions of yen)

Items	FY2008		FY2009 Outlook		FY2009 Outlook on July 31	
	1-2Q	Full Year	1-2Q	Full Year	1-2Q	Full Year
Sales	905.6	1,487.6	549.9	1,210.0	540.0	1,170.0
Operating income (loss)	10.0	(45.5)	(19.0)	(15.0)	(27.0)	(23.0)
Non-operating income/expenses	3.3	(5.3)	(3.1)	(8.0)	(4.0)	(9.0)
Ordinary income (loss)	13.3	(50.8)	(22.1)	(23.0)	(31.0)	(32.0)
Special gains/losses	(1.8)	(14.6)	(5.9)	(8.0)	(6.0)	(8.0)
Net income (loss) before income taxes and minority interests	11.5	(65.4)	(28.0)	(31.0)	(37.0)	(40.0)
Net income (loss)	7.6	(95.2)	(31.4)	(39.0)	(37.0)	(45.0)
Exchange Rate (Yen/US\$)	106	101	96	93	96	96
Domestic Standard Naphtha Price (Yen/KL)	78,350	58,930	37,250	39,600	37,500	38,000

3) Sales (by Business Segment)

(Billions of Yen)

Segment	FY2008		FY2009 Outlook		FY2009 Outlook on July 31	
	1-2Q	Full Year	1-2Q	Full Year	1-2 Q	Full Year
Performance Materials	257.3	431.8	174.9	380.0	170.0	380.0
Advanced Chemicals	60.9	118.7	50.9	115.0	50.0	120.0
Basic Chemicals	573.3	912.8	313.6	690.0	310.0	645.0
Others	14.1	24.3	10.5	25.0	10.0	25.0
Total	905.6	1,487.6	549.9	1,210.0	540.0	1,170.0

4) Operating Income (loss) (by Business Segment)



(Billions of Yen)

Segment	FY2008		FY2009 Outlook		FY2009 Outlook on July 31	
	1-2Q	Full Year	1-2Q	Full Year	1-2 Q	Full Year
Performance Materials	9.2	(16.0)	(9.5)	(10.5)	(12.0)	(15.0)
Advanced Chemicals	3.6	7.3	2.9	9.0	2.0	8.0
Basic Chemicals	(0.2)	(32.0)	(11.5)	(9.5)	(15.0)	(11.0)
Others	(2.6)	(4.8)	(0.9)	(4.0)	(2.0)	(5.0)
Total	10.0	(45.5)	(19.0)	(15.0)	(27.0)	(23.0)

5) Operating Income (loss) (Increase / Decrease)

(Billions of Yen)

Segment	FY2008	FY2009 Outlook	Incr. (Decr.)	Breakdown		
				Volume	* Price	Costs
Performance Materials	(16.0)	(10.5)	5.5	1.1	(2.7)	7.1
Advanced Chemicals	7.3	9.0	1.7	(2.1)	0.0	3.8
Basic Chemicals	(32.0)	(9.5)	22.5	6.8	4.4	11.3
Others	(4.8)	(4.0)	0.8	(1.4)	0.8	1.4
Total	(45.5)	(15.0)	30.5	4.4	2.5	23.6

* Price ; including both sale and purchase price variances

5) Operating Income (loss) (Increase / Decrease)

(Billions of Yen)

Segment	FY2009		Incr. (Decr.)	Breakdown		
	Previous Outlook	Latest Outlook		Volume	* Price	Costs
Performance Materials	(15.0)	(10.5)	4.5	(2.6)	6.0	1.1
Advanced Chemicals	8.0	9.0	1.0	(2.2)	0.0	3.2
Basic Chemicals	(11.0)	(9.5)	1.5	4.3	(1.9)	(0.9)
Others	(5.0)	(4.0)	1.0	(1.4)	0.8	1.6
Total	(23.0)	(15.0)	8.0	(1.9)	4.9	5.0

* Price ; including both sale and purchase price variances

6) Non-Operating Income and Expenses

(Billions of yen)

Items	FY2008		FY2009 Outlook		FY2009 Outlook on July 31	
	1-2Q	Full Year	1-2Q	Full Year	1-2Q	Full Year
Equity in earnings of non-consolidated subsidiaries and affiliates	3.4	3.0	1.5	4.5	1.5	4.0
Interest expenses, interest and dividend income	(2.2)	(5.3)	(2.6)	(8.0)	(4.0)	(9.0)
Gain (loss) on foreign exchange	1.9	(4.4)	(1.5)	(1.5)	(0.2)	(0.2)
Other	0.2	1.4	(0.5)	(3.0)	(1.3)	(3.8)
Total	3.3	(5.3)	(3.1)	(8.0)	(4.0)	(9.0)

7) Special Gains and Losses



(Billions of yen)

Items	FY2008		FY2009 Outlook		FY2009 Outlook on July 31	
	1-2Q	Full Year	1-2Q	Full Year	1-2Q	Full Year
Special gains (a)	2.2	2.4	0.3	0.3	0.0	0.0
Gain on sales of fixed assets	2.2	2.4	0.3	0.3	0.0	0.0
Special losses (b)	(4.0)	(17.0)	(6.2)	(8.3)	(6.0)	(8.0)
Loss on sales and disposal of fixed assets	(1.7)	(7.1)	(3.4)	(5.5)	(4.0)	(6.0)
Impairment loss	(0.4)	(3.9)	(0.6)	(0.6)	0.0	0.0
Loss on restructuring of subsidiaries and affiliates, etc.	(0.5)	(2.2)	(0.4)	(0.4)	(0.3)	(0.3)
Loss on sales of investment securities	0.0	(0.5)	(0.1)	(0.1)	0.0	0.0
Loss on valuation of investment securities	0.0	(1.9)	(1.7)	(1.7)	(1.7)	(1.7)
Environmental measure expenses	(1.4)	(1.4)	0.0	0.0	0.0	0.0
Special gains and losses (a)+(b)	(1.8)	(14.6)	(5.9)	(8.0)	(6.0)	(8.0)

8) Consolidated Accounting Fundamentals

Items		FY2008		FY2009 Outlook	
		1-2Q	Full Year	1-2Q	Full Year
Exchange Rate	Yen/US\$	106	101	96	93
Domestic Standard Naptha Price	Yen/KL	78,350	58,930	37,250	39,600
R&D Expenditures	¥ Billions	20.4	40.6	18.5	41.0
Depreciation & Amortization	¥ Billions	38.8	81.4	35.9	75.0
Capital Expenditure	¥ Billions	40.9	81.0	25.9	65.0
Financing Income and Expense	¥ Billions	(2.2)	(5.3)	(2.6)	(8.0)
Interest-bearing Liabilities	¥ Billions	506.1	535.4	524.4	555.0
Number of Employees	persons	13,124	12,964	12,970	12,750

3. Appendix

1) History of Main Products Prices

(Naphtha prices are Domestic Standard Naphtha Price)

(PE, PP, PH, BPA : Change in Prices and Raw Materials Prices in Japan / BPA, PTA, TDI : Chinese Market Price)

Year		2007				2008				2009		
Month		Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.
Naphtha	(Yen/KL)	48,800	57,800	59,700	61,600	66,700	70,900	85,200	52,000	27,000	33,300	41,200
PE	(Yen/KG)	about (10)	about +13	about +13		about +15		about +30	about (30)	about (75)		about +20
Naphtha	(Yen/KL)	approx. 50,000	approx. 56,000	approx. 62,000		approx. 68,000		approx. 83,000	approx. 68,000	approx. 30,000		approx. 40,000
PP	(Yen/KG)	about (10)	about +13	about +13		about +15		about +30	about (30)	about (75)		about +20
Naphtha	(Yen/KL)	approx. 50,000	approx. 56,000	approx. 62,000		approx. 68,000		approx. 83,000	approx. 68,000	approx. 30,000		approx. 40,000
PH	(Yen/KG)				+15 Base Price of Formula			+17 Base Price of Formula				
BZ(ACP)	(US\$/T)	\$985	\$1,075	\$1,010	\$1,015	\$1,030	\$1,180	\$1,265	\$580	\$350	\$590	\$820
BPA (Japan)	(Yen/KG)	+15	+22		+17			+48	(10)	(30)		+37
negotiation based on BZ price and BPA market price												
BPA (China)	(US\$/T)	\$1,810	\$1,970	\$1,970	\$1,900	\$1,920	\$1,870	\$1,920	\$1,090	\$820	\$1,130	\$1,260
PTA	(US\$/T)	\$860	\$930	\$900	\$850	\$900	\$1,060	\$1,000	\$620	\$700	\$850	\$870
PX(ACP)	(US\$/T)	\$1,170	\$1,170	\$1,110	\$1,080	\$1,120	\$1,330	\$1,350	\$670	\$730	\$960	\$1,010
TDI	(US\$/T)	\$3,500	\$3,500	\$3,600	\$4,000	\$4,000	\$4,200	\$4,300	\$2,900	\$2,200	\$2,500	\$2,800

2) Main Subsidiaries and Affiliates

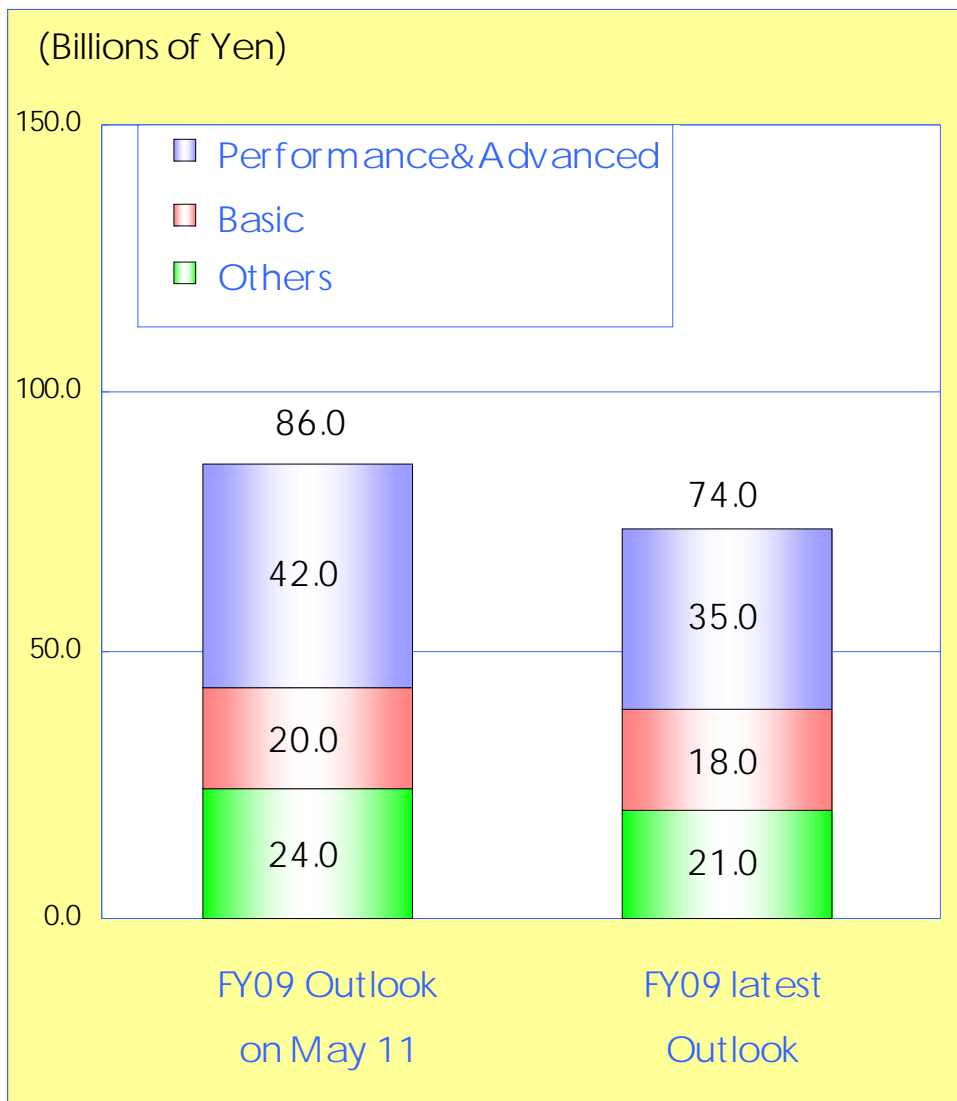
Item	Common stock		Our share	Sales amount	Operating Income	
					FY2009 1-2Q	FY2009 Outlook
Subsidiaries			%	Billions of Yen		
Prime Polymer	Billions of Yen	20	65.0	340	loss	
Osaka Petrochemical Industries	Billions of Yen	5	100.0	130	gain	
Mitsui Chemicals America	Millions of USD	156	100.0	70	loss	
Siam Mitsui PTA	Millions of BAHT	3,300	50.02	100	gain	
Mitsui Phenols Singapore	Millions of USD	120	95.0	60	loss	
Mitsui Elastomers Singapore	Millions of USD	96	100.0	20	gain	
Mitsui Chemicals Agro, Inc.	Billions of Yen	0.35	100.0	50	gain	
Affiliates						
DU PONT-Mitsui Polychemicals	Billions of Yen	6.5	50.0	40	gain	
Amoco Mitsui PTA Indonesia	Millions of USD	160	45.0	40	gain	

Operating Income :

" " represents "no change", or a gain/loss under 500 million yen compared to FY2008.

3) Capital Expenditure and R&D

Capital Expenditure



R&D

