



Financial Summary

Results of the First Quarter of FY2010

Mitsui Chemicals, Inc.

July 30, 2010

< Remarks >

FY2010 indicates the fiscal year starting on April 1 of 2010 and ending on March 31 of 2011

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1. Results of the First Quarter of FY2010

(April 1, 2010 – June 30, 2010)

1) Operation Topics in the First Quarter of FY2010



Project	Production Capacity	Location	Date
<p>Petrochemicals</p> <p>1) Limited Liability Partnership (LLP) for joint operation of ethylene complex in Chiba-Area</p>		Ichihara	Apr. 10
<p>Basic Chemicals</p> <p>2) Establishment of joint company to manufacture lithium-ion battery materials</p>	5K t/y (Planned completion date of autumn of 2011)	Osaka	Jun. 10
<p>Pubricated Products</p> <p>3) Transfer OPULENT™ business to TOHCELLO CO.,LTD.</p>			Apr. 10
<p>Others</p> <p>4) Establishment of Brazilian subsidiary, Mitsui Chemicals Brasil Sociedade Limitada</p>		Brazil	Jun. 10

2) Number of Subsidiaries and Affiliates



Items	FY2009 1st Q	FY2009 (a)	FY2010 1st Q (b)	Incr. (Decr.) (b)-(a)
Number of consolidated subsidiaries	65	66	66	0
Number of non-consolidated subsidiaries and affiliates to which the equity method is applied	31	30	31	1
Total	96	96	97	1

3) Consolidated Financial Highlights

(Billions of Yen)

Items	FY2009 1st Q	FY2010 1st Q	Increase (Decrease)	%
Sales	260.6	339.4	78.8	30%
Operating income (loss)	(13.5)	11.8	25.3	-
Non-operating income/expenses	(0.5)	(0.4)	0.1	-
Ordinary income (loss)	(14.0)	11.4	25.4	-
Special gains/losses	(2.6)	12.6	15.2	-
Net income (loss) before income taxes and minority interests	(16.6)	24.0	40.6	-
Net income (loss)	(16.4)	18.7	35.1	-

Exchange Rate (Yen/US\$) 97 92 (5)

Domestic Standard Naphtha Price (Yen/KL) 33,000 49,400 16,400

Items	FY2009	FY2010 1st Q	Increase (Decrease)	%
Interest-bearing liabilities	494.2	490.1	(4.1)	(1%)
Equity	377.3	387.9	10.6	3%
D/E Ratio	1.31	1.26	(0.05)	-

4) Change in Business Segments (Sales)

(Billions of Yen)

Former Business Segment	FY 2009 1st Q	New Business Segment	FY 2009 1st Q	Total	Incr. (Decr.)
Basic Chemicals	149.5	Petrochemicals	78.0	151.9	2.4
		Basic Chemicals	73.9		
Performance Materials	80.1	Polyurethane	30.3	76.4	(3.7)
		Functional Polymeric Materials	17.7		
		Fabricated Products	28.4		
Advanced Chemicals	24.5	Functional Chemicals	25.8	25.8	1.3
Others	6.5	Others	6.5	6.5	0.0
Total	260.6	Total	260.6	260.6	0.0

On April 1, 2010, Mitsui Chemicals implemented organizational restructuring to strengthen its response to rapid changes in the business environment. The previous three business sectors were reorganized into six business sectors, in a shift from a system consisting of large sectors to a system consisting of small sectors that can respond to changes more quickly and flexibly.

5) Change in Business Segments (Operating Income)



(Billions of Yen)

Former Business Segment	FY 2009 1st Q
Basic Chemicals	(7.0)
Performance Materials	(6.7)
Advanced Chemicals	0.8
Others	(0.6)
Total	(13.5)

New Business Segment	FY 2009 1st Q	Total	Incr. (Decr.)
Petrochemicals	(4.9)	(7.1)	(0.1)
Basic Chemicals	(2.2)		
Polyurethane	(3.4)	(6.3)	0.4
Functional Polymeric Materials	(2.5)		
Fabricated Products	(0.4)		
Functional Chemicals	0.5	0.5	(0.3)
Others	(0.6)	(0.6)	0.0
Total	(13.5)	(13.5)	0.0

6) Sales (by Business Segment)

(Billions of Yen)

Segment	FY2009 1st Q	FY2010 1st Q	Incr. (Decr.)	Breakdown	
				Volume	Price
Petrochemicals	78.0	110.3	32.3	15.3	17.0
Basic Chemicals	73.9	102.3	28.4	6.1	22.3
Polyurethane	30.3	35.9	5.6	4.1	1.5
Functional Polymeric Materials	17.7	25.9	8.2	6.0	2.2
Fabricated Products	28.4	32.5	4.1	4.4	(0.3)
Functional Chemicals	25.8	27.8	2.0	3.0	(1.0)
Others	6.5	4.7	(1.8)	(1.8)	0.0
Total	260.6	339.4	78.8	37.1	41.7

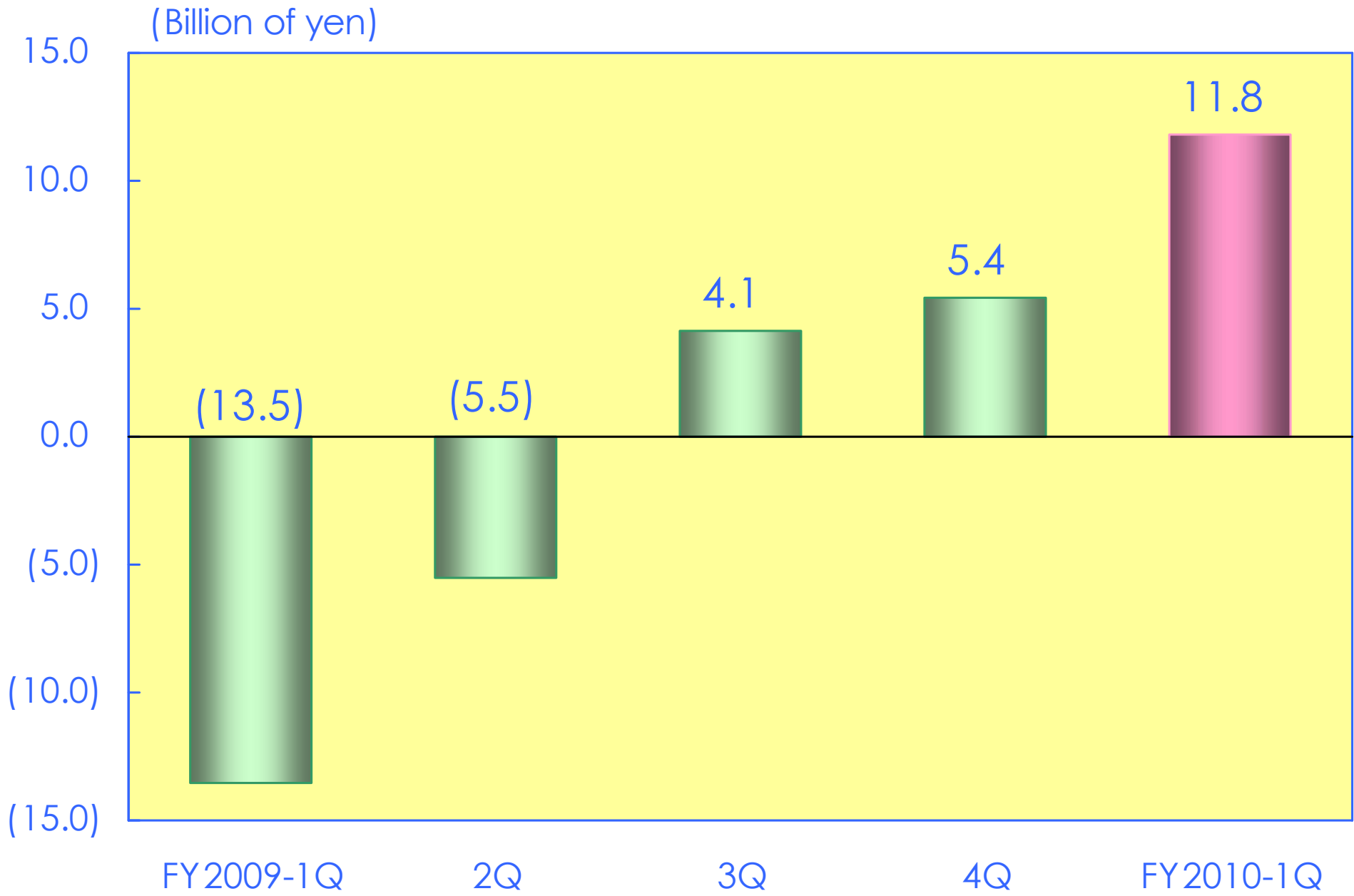
7) Operating Income (loss) (by Business Segment)

(Billions of Yen)

Segment	FY2009 1st Q	FY2010 1st Q	Incr. (Decr.)	Breakdown		
				Volume	* Price	Costs
Petrochemicals	(4.9)	5.8	10.7	3.5	5.3	1.9
Basic Chemicals	(2.2)	3.6	5.8	0.1	5.4	0.3
Polyurethane	(3.4)	(1.3)	2.1	1.5	0.1	0.5
Functional Polymeric Materials	(2.5)	2.3	4.8	3.8	(1.2)	2.2
Fabricated Products	(0.4)	0.9	1.3	1.7	0.1	(0.5)
Functional Chemicals	0.5	1.4	0.9	0.2	0.6	0.1
Others	(0.6)	(0.9)	(0.3)	(0.1)	0.0	(0.2)
Total	(13.5)	11.8	25.3	10.7	10.3	4.3

* Price ; including both sale and purchase price variances

8) Quarter Operating Profit



9) Non-Operating Income and Expenses

(Billions of yen)

Items	FY2009 1st Q	FY2010 1st Q	Incr. (Decr.)
Equity in earnings of non-consolidated subsidiaries and affiliates	1.0	1.4	0.4
Interest expenses, interest and dividend income	(1.3)	(1.3)	0.0
Gain (loss) on foreign exchange	(0.2)	(1.1)	(0.9)
Other	0.0	0.6	0.6
Total	(0.5)	(0.4)	0.1

1 0) Special Gains and Losses

(Billions of yen)

Items	FY2009 1st Q	FY2010 1st Q	Incr. (Decr.)
Special gains (a)	0.0	14.7	14.7
Gain on sales of fixed assets	0.0	0.1	0.1
Reversal of provision for retirement benefits	0.0	14.6	14.6
Special losses (b)	(2.6)	(2.1)	0.5
Loss on sales and disposal of fixed assets	(0.6)	(0.4)	0.2
Loss on restructuring of subsidiaries and affiliates, etc.	(0.3)	(0.7)	(0.4)
Loss on valuation of investment securities	(1.7)	0.0	1.7
Loss on adjustment for changes of accounting standard for asset retirement obligations	0.0	(1.0)	(1.0)
Special gains and losses (a)+(b)	(2.6)	12.6	15.2

1 1) Consolidated Balance Sheet

(Billions of Yen)

Items	End of 10/3	End of 10/6	Incr. (Decr.)	Items	End of 10/3	End of 10/6	Incr. (Decr.)
Current assets	604.6	607.4	2.8	Liabilities	819.1	833.2	14.1
Cash and cash equivalents	73.0	56.6	(16.4)	Notes and accounts payables	163.1	162.2	(0.9)
Notes and accounts receivables	256.6	256.7	0.1	Interest-bearing liabilities	494.2	490.1	(4.1)
Inventories	219.0	237.5	18.5	Other liabilities	161.8	180.9	19.1
Other current assets	56.0	56.6	0.6	Net assets	419.0	430.4	11.4
Fixed assets	633.5	656.2	22.7	Shareholders' equity	384.8	400.5	15.7
Tangible fixed assets	514.7	509.3	(5.4)	Valuation and translation adjustment	(7.5)	(12.6)	(5.1)
Investments & other non-current assets	118.8	146.9	28.1	Minority interest	41.7	42.5	0.8
Total	1,238.1	1,263.6	25.5	Total	1,238.1	1,263.6	25.5
				Contingent liabilities as guarantor of indebtedness	7.1	5.3	(1.8)

1 2) Consolidated Statement of Cash Flow



(Billions of yen)

Items	FY2009 1st Q	FY2010 1st Q	Incr. (Decr.)
I. Cash flows from operating activities[A]	16.3	1.7	(14.6)
II. Cash flows from investing activities[B]	(18.4)	(9.0)	9.4
Free cash flows[A+B]	(2.1)	(7.3)	(5.2)
III. Cash flows from financing activities	6.1	(9.0)	(15.1)
IV. Others	1.4	(0.1)	(1.5)
Net incr.(decr.) in cash and cash equivalents	5.4	(16.4)	(21.8)

2. Appendix

1) History of Main Product 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				2010	
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)	59,700	61,600	66,700	70,900	85,200	52,000	27,000	33,300	41,200	42,500	47,700	49,400
PE (Yen/KG)	about +13		about +15		about +30	about (30)	about (75)		about +20	about +10	about +5	about +5
Naphtha (Yen/KL)	approx. 62,000		approx. 68,000		approx. 83,000	approx. 68,000	approx. 30,000		approx. 40,000	approx. 45,000	approx. 47,500	approx. 50,000
PP (Yen/KG)	about +13		about +15		about +30	about (30)	about (75)		about +20	about +10	about +5	about +5
Naphtha (Yen/KL)	approx. 62,000		approx. 68,000		approx. 83,000	approx. 68,000	approx. 30,000		approx. 40,000	approx. 45,000	approx. 47,500	approx. 50,000
PH (Yen/KG)	→	+15 Base Price of Formula	+15 Base Price of Formula		+17 Base Price of Formula	→	→		→	→	→	+10 Base Price of Formula
BZ(ACP) (US\$/T)	\$1,010	\$1,015	\$1,030	\$1,180	\$1,265	\$580	\$350	\$590	\$820	\$790	\$960	\$940
BPA (Japan) (Yen/KG)		+17			+48	(10)	(30)		+37		+35	
	negotiation based on BZ price and BPA market price											
BPA (China) (US\$/T)	\$1,970	\$1,900	\$1,920	\$1,870	\$1,920	\$1,090	\$820	\$1,130	\$1,260	\$1,410	\$1,690	\$1,920
PTA (US\$/T)	\$900	\$850	\$900	\$1,060	\$1,000	\$620	\$700	\$850	\$870	\$890	\$960	\$920
PX(ACP) (US\$/T)	\$1,110	\$1,080	\$1,120	\$1,330	\$1,350	\$670	\$730	\$960	\$1,010	\$950	\$1,060	\$1,010
TDI (US\$/T)	\$3,600	\$4,000	\$4,000	\$4,200	\$4,300	\$2,900	\$2,200	\$2,500	\$2,800	\$3,200	\$3,100	\$2,800

2) Change of Segment (Outline of Business Segments)



Old Segments	New Segments	Main Products	Major Subsidiaries & Affiliates
Basic Chemicals	Petrochemicals	Ethylene, Propylene Polyethylene, Polypropylene	Osaka petrochemical Industries, Ltd Prime Polymer Co., Ltd. Mitsui Prime Advanced Composites India Pvt Ltd. Keiyo Ethylene Co., Ltd.
	Basic Chemicals	Phenol, Bisphenol A, Purified terephthalic acid, Polyethylene-terephthalate, Ethylene glycol	Chiba Phenol Company, Limited Mitsui Phenols Singapore Pte Ltd. Siam Mitsui PTA Co., Ltd. Shanghai Sinopec Mitsui Chemicals, CO., LTD. P.T.Amoco Mitsui PTA Indonesia P.T.Petnesia Resindo Thai PET Resin Co., Ltd.
Performance Materials	Polyurethane	Polyurethanes, Coating materials Adhesives, Construction materials	Kumho Mitsui Chemicals Polyurethane Co., Ltd
	Functional Polymeric Materials	Elastomers, Functional compounds, Specialty polyolefins, Engineering plastics	Mitsui Elastomers Singapore Pte. Ltd.
	Fabricated Products	Hygienic materials, Semiconductor materials, Energy materials, Packing films	Tohcello Co., Ltd Mitsui Chemicals Fabro, Inc Mitsui Hygiene Materials(Thailand)Co.,Ltd.
Advanced Chemicals	Functional Chemicals	Materials for high refractive-index plastic lenses, Health care materials, Functional chemicals, Specialty gases,* Catalysts, Agrochemicals, Licensing**	Shimonoseki Mitsui Chemicals, Inc. Mitsui Chemicals Agro, INC. Honshu Chemical Industry, Ltd.