



Supplementary Information on Financial Summary for First Half of FY2013

Mitsui Chemicals, Inc.

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Please note that this document has been translated from the original Japanese into English for the convenience of our stakeholders. The information was originally provided in Japanese. If there is any discrepancy, the Japanese language version is the official document and is available on our Japanese language website.

1) Consolidated Financial Highlights of Half of FY2013

(Billions of Yen)

() Denotes a minus

Items	FY2012 1st Half	FY2013 1st Half	Increase (Decrease)	%
Sales	680.5	731.6	51.1	8%
Operating income/loss	1.5	11.0	9.5	643%
Non-operating income/expenses	(4.0)	(0.3)	3.7	-
Ordinary income/loss	(2.5)	10.7	13.2	-
Special gains/losses	(9.0)	(2.4)	6.6	-
Net income/loss before income taxes and minority interests	(11.5)	8.3	19.8	-
Net income/loss	(15.3)	1.0	16.3	-

Exchange Rate (Yen/US\$)

79

99

20

Domestic Standard Naphtha Price (Yen/KL)

55,200

64,700

9,500

2) Overview of First Half of FY2013

Recovery of the domestic automobile industry for exports attributed to a weak yen as well as expanded demand for housing and public projects positively impacted results in petrochemicals and functional polymeric materials. Naphtha crackers, initially forecasted at 80% run rates, exceeded expectations. Strong results for the North American automotive industry positively impacted results in overseas PP compounds.

Looking at functional chemicals, health care products, such as ophthalmic lens monomers and nonwovens, and agrochemicals have shown firm results and have expand revenue steadily.

In addition, brisk sales in electronic industry materials, attributed to an expanding smartphone market, positively impacted functional polymeric materials, such as APEL™ etc.

In the film & sheets business, packaging film have shown firm results due to sales price revisions. Also industrial film positively impacted results attributed to expansion of high-value added film products for the smartphone market.

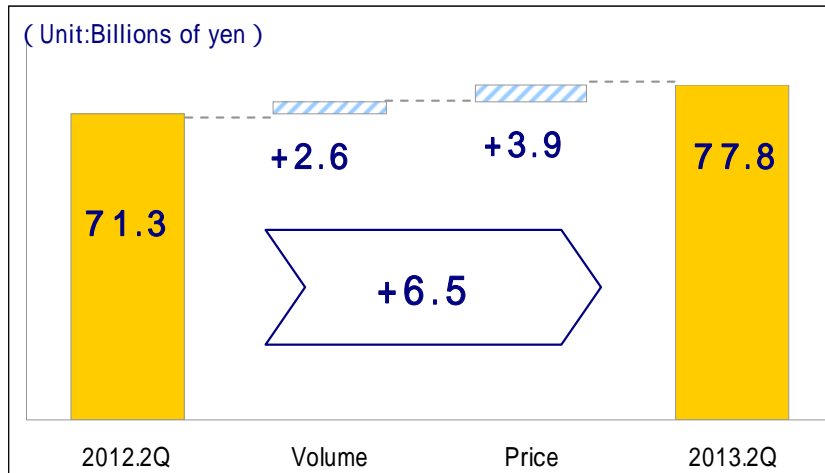
On the other hand, the Chinese market continues to be unpredictable and growth in domestic demand is sluggish. Exports to Europe are slow and oversupply conditions continue. Basic chemicals such as phenols and PTA remained weak and conditions severe

As for TDI in polyurethane materials, demand in China remained weak and market conditions continued to stagnate attributable to sluggish demands in furniture, its main application, as well as price hikes of raw materials and fuels. In high demand seasons, recovery of demand will rely on market demand. As buyer inventories are low, market demand will directly impact recovery in this sector. Demand in emerging markets and the Middle East will continue to be firm.

3) Description of Increase/Decrease in Functional Chemicals (Sales and Operating Income, year on year)



Increase/Decrease of Net Sales (1st Half of FY2013 vs 1st Half of FY2012)



77.8 billion yen (+6.5 billion yen year on year)

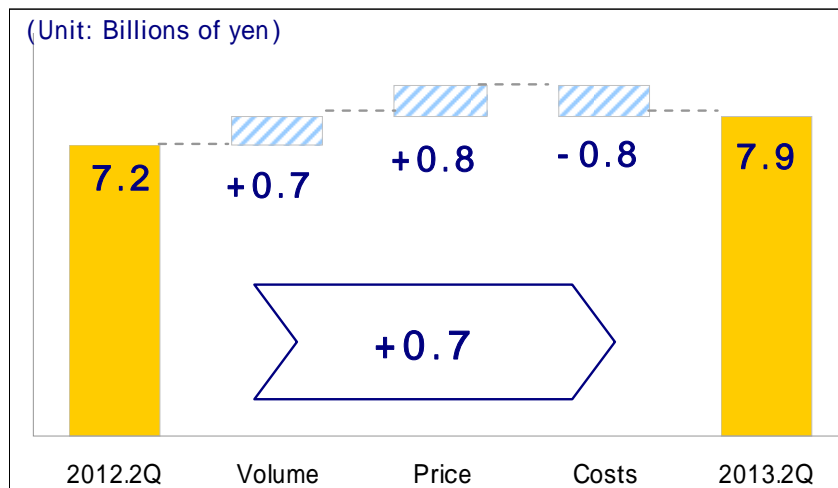
Volume +2.6 billion yen

- Sales expansion of ophthalmic lens materials, nonwovens, agrochemicals, etc.
- Nonwovens: Continued growth in demand for disposable diapers both in Japan and overseas and operation of new facilities in Yokkaichi contributed to sales expansion

Price +3.9 billion yen

- Foreign exchange in agrochemicals exports favorable
- Increased sales from Thailand nonwovens subsidiaries due to calculations based on weak yen

Increase/Decrease of Operating Income (1st Half of FY2013 vs 1st Half of FY2012)



7.9 billion yen (+0.7 billion yen year on year)

Volume +0.7 billion yen

- Sales expansion of ophthalmic lens materials, nonwovens, etc.

Price +0.8 billion yen

- Favorable foreign exchange conditions for agrochemicals

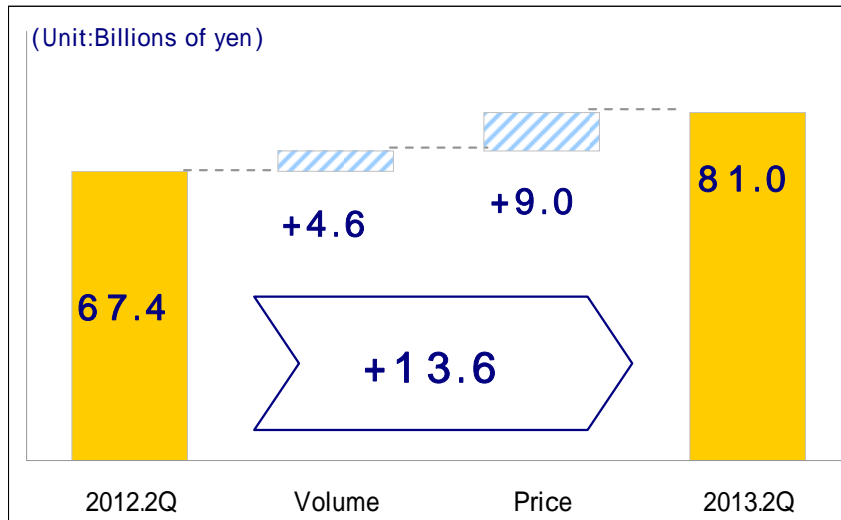
Costs -0.8 billion yen

- Increased inventory costs
- Increased fixed costs from operation of Iwakuni-Ohtake works following suspension after accident in the previous year

4)Description of Increase/Decrease in Functional Polymeric Materials (Sales and Operating Income, year on year)



Increase/Decrease of Net Sales (1st Half of FY2013 vs 1st Half of FY2012)



81.0 billion yen (+13.6 billion yen year on year)

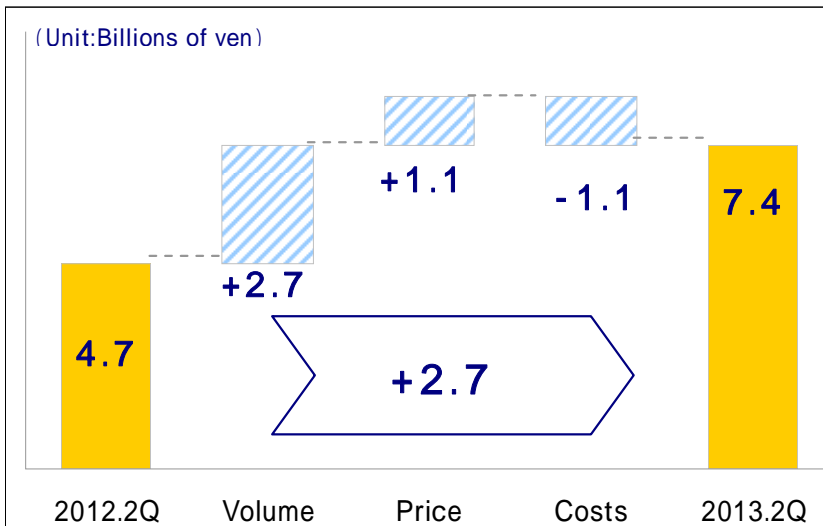
Volume +4.6 billion yen

- Weak yen and sales expansion for elastomers and functional compounds etc. on the back of up-swing in demand for automotive use mainly in North America
- Sales expansion of the functional polymer APEL™ due to a good demand from the smartphone market

Price +9.0 billion yen

Increases mainly due to weak yen

Increase/Decrease of Operating Income (1st Half of FY2013 vs 1st Half of FY2012)



7.4 billion yen (+2.7 billion yen year on year)

Volume +2.7 billion yen

- Sales expansion for elastomers and functional compounds etc. on the back of up-swing in demand for automotive use
- Sales expansion for functional polymers due to a good demand for smartphones

Price +1.1 billion yen

Weak yen and improvement of terms of trade for functional polymers, etc.

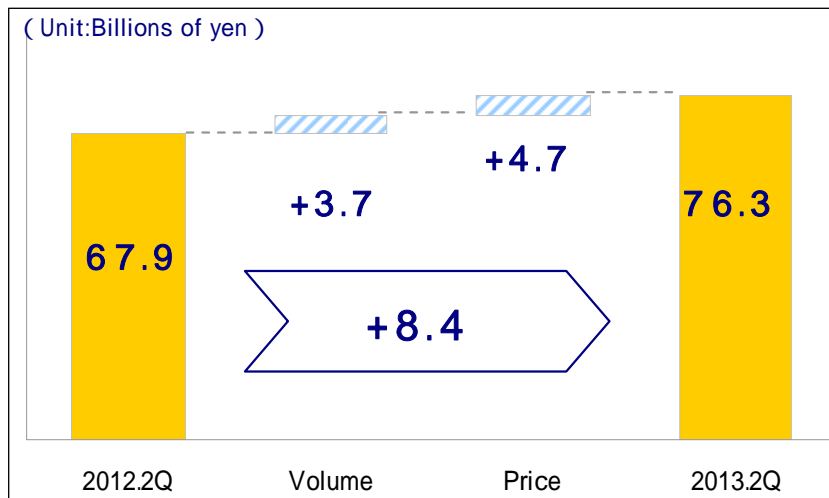
Costs -1.1 billion yen

Increased fixed costs from operation of Iwakuni-Ohtake works following suspension after accident in the previous year

5) Description of Increase/Decrease in Polyurethane (Sales and Operating Income, year on year)



Increase/Decrease of Net Sales (1st Half of FY2013 vs 1st Half of FY2012)



76.3 billion yen (+8.4 billion yen year on year)

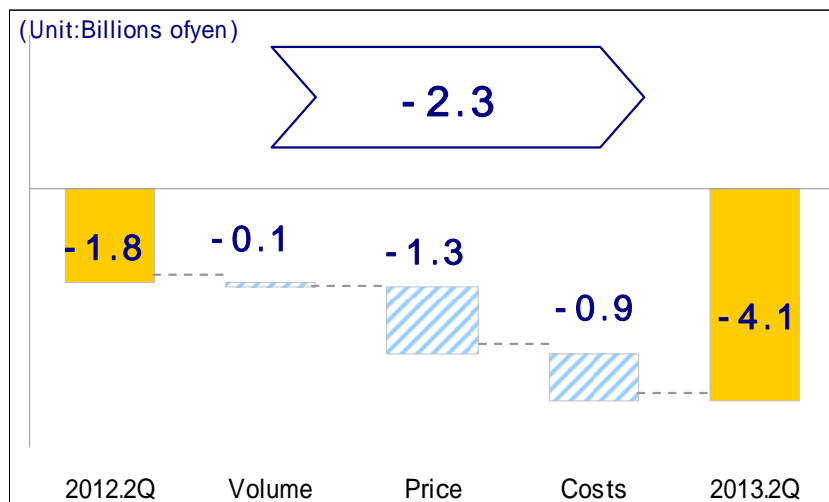
Volume +3.7 billion yen

Increase in overseas sales volume of polyurethane materials such as TDI

Price +4.7 billion yen

Effects of weak yen

Increase/Decrease of Operating Income (1st Half of FY2013 vs 1st Half of FY2012)



-4.1 billion yen (-2.3 billion yen year on year)

Volume -0.1 billion yen

Weak sales in molding materials products etc.

Price -1.3 billion yen

Decline in overseas market prices of TDI and rise in raw material and fuel prices

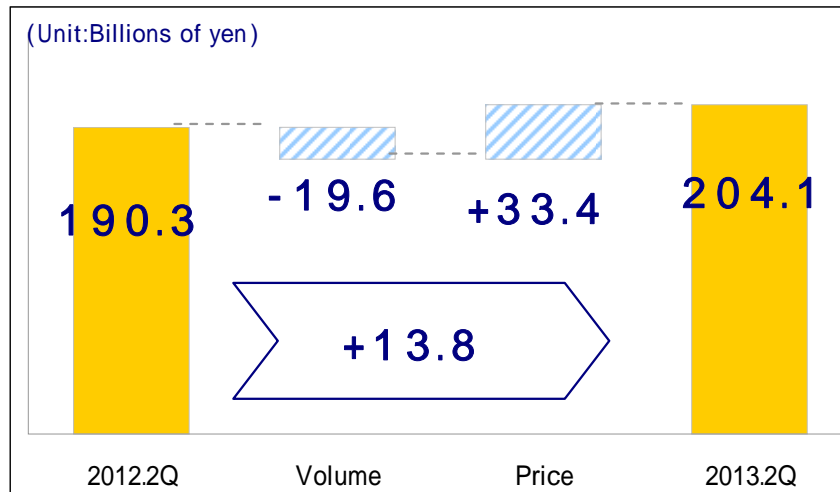
Costs -0.9 billion yen

- Increased fixed costs from operation of Iwakuni-Ohtake works following suspension after accident in the previous year
- Increased inventory fixed costs due to higher inventory levels at the beginning of the period against previous year.

6) Description of Increase Decrease in Basic Chemicals (Sales and Operating Income, year on year)



Increase/Decrease of Net Sales (1st Half of FY2013 vs 1st Half of FY2012)



204.1 billion yen (+13.8 billion yen year on year)

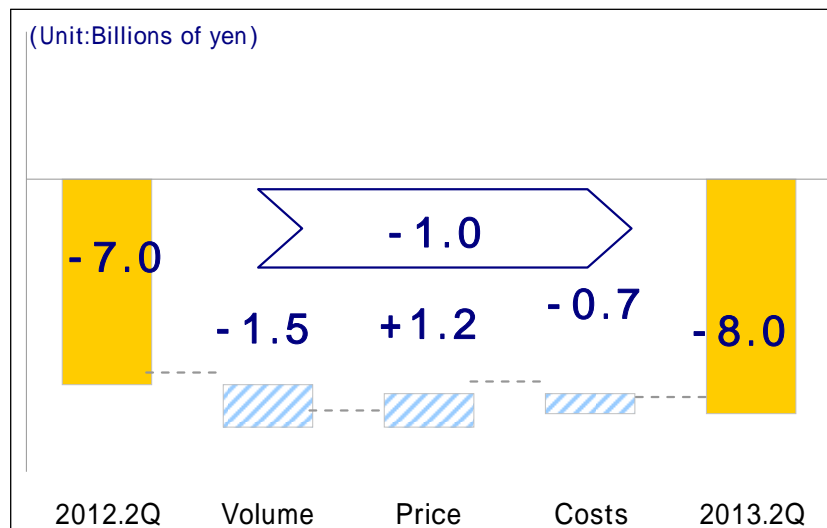
Volume -19.6 billion yen

Sales decline due to weak demand in phenols and PTA mainly in China despite recovery from accident impact

Price +33.4 billion yen

- Exports and foreign exchange gain of overseas products
- Increase in domestic sales prices due to upswing in raw material prices especially for phenols

Increase/Decrease of Operating Income (1st Half of FY2013 vs 1st Half of FY2012)



-8.0 billion yen (-1.0 billion yen year on year)

Volume -1.5 billion yen

Decreased sales due to sluggish Asian demand for phenols and PTA

Price +1.2 billion yen

Increase due to positive factors such as stock receipts and payment differences and recovery from accident impact despite decline due to persistently high prices in raw material benzene and low prices in Asian market for phenols

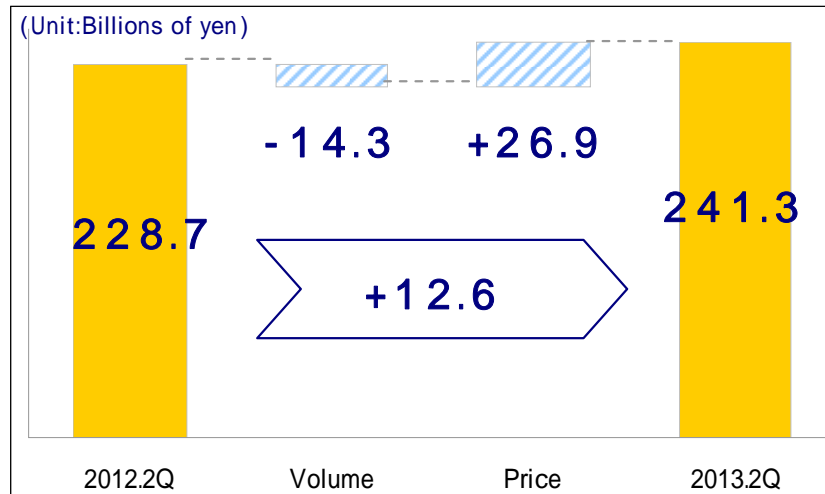
Costs -0.7 billion yen

Increased fixed costs from operation of Iwakuni-Ohtake works following suspension after accident in the previous year despite cost reduction efforts

7) Description of Increase Decrease in Petrochemicals (Sales and Operating Income, year on year)



Increase/Decrease of Net Sales (1st Half of FY2013 vs 1st Half of FY2012)



241.3 billion yen (+12.6 billion yen year on year)

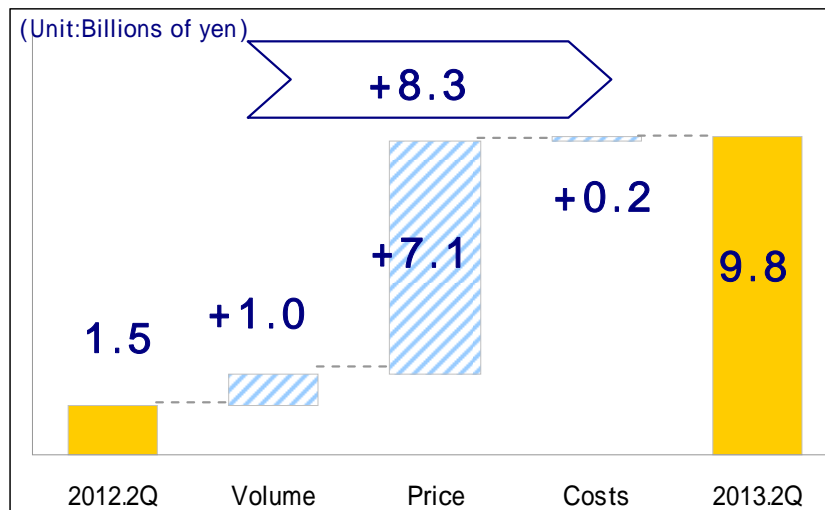
Volume -14.3 billion yen

Sales decrease due to lower demand in domestic polyolefin despite strong demand in overseas automotive PP compounds

Price +26.9 billion yen

Weak yen and rising polyolefin prices due to upswing in raw materials prices

Increase/Decrease of Operating Income (1st Half of FY2013 vs 1st Half of FY2012)



9.8 billion yen (+8.3 billion yen year on year)

Volume +1.0 billion yen

Increase in overseas PP compound market offset sluggish domestic polyolefin sales

Price +7.1 billion yen

Profit through relatively stable naphtha prices, significant reduction in period formula gap of domestic polyolefin sales, and cost reduction efforts etc.

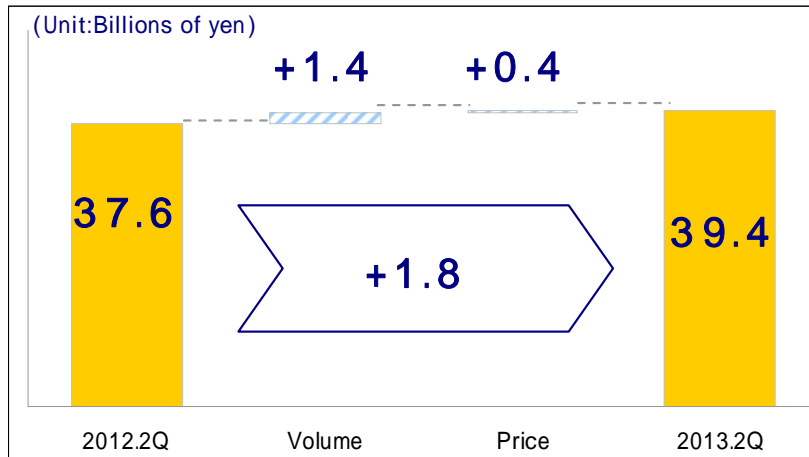
Costs +0.2 billion yen

Costs due to increase in inventory payments owing to inventory accumulation resulting from termination of polyolefin plant

8) Description of Increase Decrease in Films and Sheets (Sales and Operating Income, year on year)



Increase/Decrease of Net Sales (1st Half of FY2013 vs 1st Half of FY2012)



39.4 billion yen (+1.8 billion yen year on year)

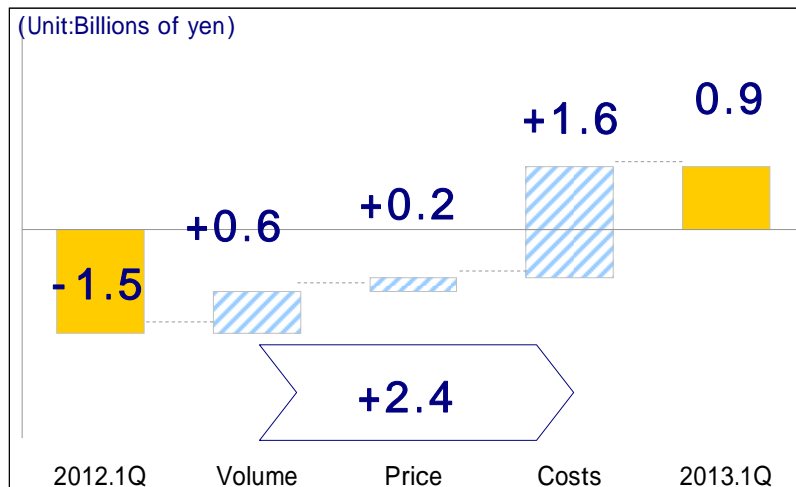
Volume +1.4 billion yen

Increases in industrial films and functional sheets

Price +0.4 billion yen

- Increased from higher sales prices due to rising raw material prices in packaging films
- Increase in industrial films (semiconductor manufacturing process films) from weak yen

Increase/Decrease of Operating Income (1st Half of FY2013 vs 1st Half of FY2012)



0.9 billion yen (+2.4 billion yen year on year)

Volume +0.6 billion yen

Increase in industrial films and functional sheets

Price +0.2 billion yen

Increase due to Weak yen

Costs +1.6 billion yen

Cost reductions, such as fixed costs, and decrease in depreciation corresponding to impairment loss in the previous fiscal year