

Financial Summary

For the First Half Ended September 30, 2003

Mitsui Chemicals, Inc.

Investor Relations Dept.

Contents

1. Results of the First Half of FY2003

(April 1, 2003 – September 30, 2003)

- 1) Operation Topics (First Half) . . . 1
- 2) Consolidated Financial Highlights . . . 2
- 3) Sales(by Business Segment) . . . 3
- 4) Operating Income(by Business Segment) . . . 4
- 5) Consolidated Balance Sheet . . . 5
- 6) Consolidated Statements of Cash Flow . . . 6

2. Forecast of FY2003

(April 1, 2003 – March 31, 2003)

- 1) Operation Topics (Second Half) . . . 7
- 2) Consolidated Financial Highlights . . . 8
- 3) Sales(by Business Segment) . . . 9
- 4) Operating Income(by Business Segment) . . . 10
- 5) Consolidated Statements of Cash Flow . . . 11
- 6) Consolidated Accounting Fundamentals . . . 12

References

. . . 13

1. Results of the First Half of FY2003

1) Operation Topics (First Half)

Project	Action	Production Capacity (t/y)	Location	Date
TAFMER® Plant (MELS)	Started commercial operation	100,000	Singapore	April., 03
New TDI Plant (MTCI)	Increased capacity	60,000	Kashima	Aug., 03
Polypropylene Plant	Completed	300,000	Osaka	Sept., 03
PP Compound Plant (GSC)	Increased capacity	8,000	Thailand	Sept., 03

2) Consolidated Financial Highlights

(100million Yen)

Items	First Half of FY2002	First Half of FY2003	Increase (Decrease)	%
Sales	5,026	5,256	230	5
Operating income	221	188	33	15
(Equity in earnings of non-consolidated subsidiaries&affiliates)	24	18	6	25
Ordinary income	176	144	32	18
Net income	129	37	92	71

Exchange Rate(Yen/US\$)	123	118	5
Domestic Standard Naphtha Price(Yen/KL)	22,600	25,350	2,750

Interest-bearing liabilities	5,703	4,919	784	14
Stockholders' equity	3,676	3,782	106	3
Total assets	12,323	11,867	456	4

3) Sales (by Business Segment)

(100million Yen)

Segment	First Half of FY2002	First Half of FY2003	Incr. (Decr.)	Breakdown	
				Volume	Price
Petrochemicals	1,284	1,345	61	11	50
Basic Chemicals	1,454	1,519	65	80	145
Functional Polymeric Materials	1,017	1,057	40	39	1
Functional Chemi'ls & Engineered Mat'ls	1,014	1,035	21	53	32
Others	257	300	43	34	9
Total	5,026	5,256	230	57	173

4) Operating Income (by Business Segment)

(100million Yen)

Segment	First Half of FY2002	First Half of FY2003	Incr. (Decr.)	Breakdown		
				Trading Condition	Incr.(Decr.) of Sales	F-cost
Petrochemicals	65	6	59	69	9	19
Basic Chemicals	39	95	56	32	14	38
Functional Polymeric Materials	42	5	37	34	3	6
Functional Chemi'ls & Engineered Mat'ls	55	62	7	7	42	28
Others	16	22	6	0	6	0
Eliminations	4	2	6	6	0	0
Total	221	188	33	84	28	23

5) Consolidated Balance Sheet

(100million Yen)

Items	End of 03/3	End of 03/9	Incr. (Decr.)	Items	End of 03/3	End of 03/9	Incr. (Decr.)
Current assets	4,452	4,143	309	Liabilities	8,113	7,687	426
Cash and cash equivalents	266	231	35	Notes and account payables	1,299	1,313	14
Notes and accounts receivables	2,127	1,864	263	Interest-bearing liabilities	5,290	4,919	371
Inventories	1,594	1,606	12	Other liabilities	1,524	1,455	69
Other current assets	465	442	23	Minority interests	432	398	34
Fixed assets	7,800	7,724	76	Stockholders' equity	3,707	3,782	75
Tangible fixed assets	5,808	5,729	79	Common stock	1,032	1,032	0
Intangible fixed assets	318	320	2	Additional paid-in capital	669	669	0
Investment securities and others	1,674	1,675	1	Retained earnings	2,026	2,037	11
				Net unrealized holding gain on securities	31	93	62
				Foreign currency translation adjustment	30	26	4
				Treasury stock	21	23	2
Total	12,252	11,867	385	Total	12,252	11,867	385

6) Consolidated Statement of Cash Flow

(100million Yen)

Items	First Half of FY2002	First Half of FY2003	Incr. (Decr.)
I. Cash flows from operating activities[A]	829	489	340
II. Cash flows from investing activities[B]	244	85	159
Free cash flows[A+B]	585	404	181
III. Cash flows from financing activities	604	441	163
IV. Others	6	2	8
Net incr.(decr.) in cash and cash equivalents	25	35	10

2. Forecast of FY2003

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 (Second Half)

Project	Action	Production Capacity (t/y)	Location	Date
New PET Resin Plant (TPRC)	To be completed	100,000	Thailand	Dec., 03
Polypropylene Plant	Start commercial operation	300,000	Osaka	Jan., 04

2) Consolidated Financial Highlights

(100million Yen)

Items	FY2002	FY2003 Forecast	Increase (Decrease)
Sales	10,532	10,900	368
Operating income	565	620	55
(Equity in earnings of non-consolidated subsidiaries&affiliates)	46	46	0
Ordinary income	487	550	63
Net income	203	190	13
Exchange Rate(Yen/US\$)	122	116	6
Domestic Standard Naphtha Price(Yen/KL)	23,950	24,700	750

3) Sales (by Business Segment)

(100million Yen)

Segment	FY2002	FY2003 Forecast	Incr. (Decr.)	Breakdown	
				Volume	Price
Petrochemicals	2,665	2,700	35	14	49
Basic Chemicals	3,111	3,150	39	119	158
Functional Polymeric Materials	2,113	2,300	187	187	0
Functional Chemi'ls & Engineered Mat'ls	2,070	2,150	80	156	76
Others	573	600	27	19	8
Total	10,532	10,900	368	229	139

4) Operating Income (by Business Segment)

(100million Yen)

Segment	FY2002	FY2003 Forecast	Incr. (Decr.)	Breakdown		
				Trading Condition	Incr.(Decr.) of Sales	F-cost
Petrochemicals	130	100	30	24	6	0
Basic Chemicals	136	180	44	7	26	63
Functional Polymeric Materials	124	120	4	35	65	34
Functional Chemi'ls & Engineered Mat'ls	137	190	53	22	103	72
Others	34	30	4	5	0	1
Eliminations	4	0	4	4	0	0
Total	565	620	55	39	136	42

5) Consolidated Statement of Cash Flow

(100million Yen)

Items	FY2002	FY2003 Forecast	Incr. (Decr.)
I. Cash flows from operating activities[A]	1,441	670	771
II. Cash flows from investing activities[B]	408	360	48
Free cash flows[A+B]	1,033	310	723
III. Cash flows from financing activities	1,031	370	661
IV. Others	4	0	4
Net incr.(decr.) in cash and cash equivalents	2	60	58

6) Consolidated Accounting Fundamentals

Items		First Half of FY2002	FY2002	First Half of FY2003	FY2003 Forecast
Exchange Rate	Yen/US\$	123	122	118	116
Domestic Standard Naphtha Price	Yen/KL	22,600	23,950	25,350	24,700
R&D Expenditure	100m Yen	186	371	177	350
Depreciation&Amortization	100m Yen	284	569	279	590
Investments & Loans	100m Yen	421	743	273	510
Facilities	100m Yen	367	688	268	500
Securities and Loans	100m Yen	54	55	5	10
Interest and Dividend	100m Yen	39	73	31	70
Dividend Income	100m Yen	7	16	7	14
Interest-bearing liabilities	100m Yen	5,703	5,290	4,919	5,000
Number of Employees	person	12,981	12,660	12,316	12,500

References

<Company Names>

- GSC (Grand Siam Composites Co. Ltd.)
- MBS (Mitsui Bisphenol Singapore Pte. Ltd.)
- MELS (Mitsui Elastomers Singapore Pte. Ltd.)
- MHM (Mitsui Hygiene Materials(Thailand) Co. Ltd.)
- MTCI (Mitsui Takeda Chemicals, Inc.)
- SMPC (Siam Mitsui PTA Co., Ltd.)
- TPRC (Thai Pet Resin Co., Ltd.)

<Product Names>

- TAFMER® (Alpha-olefin copolymer)
- TDI (Toluene Diisocyanate)

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