



Financial Summary

Results of FY2003 & Forecast of FY2004

Mitsui Chemicals, Inc.

Investor Relations Dept.

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1. Results of FY2003

(April 1, 2003 – March 31, 2004)

1) Operation Topics

Project	Action	Production Capacity	Location	Date
Bisphenol-A No.3 Plant (MBS)	Started commercial operation	70,000 tons/y	Singapore	Jan., 03
New Non-woven fabrics Plant (MHM)	Started commercial operation	14,000 tons/y	Thailand	Feb., 03
TAFMER® Plant (MELS)	Started commercial operation	100,000 tons/y	Singapore	Apr., 03
New TDI Plant (MTCI)	Increased capacity	60,000 tons/y	Kashima	Aug., 03
PP Compound Plant (GSC)	Increased capacity	8,000 tons/y	Thailand	Sept., 03

2) Consolidated Financial Highlights



(100million Yen)

Items	FY2002	FY2003	Increase (Decrease)	%
Sales	10,532	10,895	363	3
Operating income	565	539	26	5
(Equity in earnings of non-consolidated subsidiaries & affiliates)	46	29	17	37
Ordinary income	487	477	10	2
Net income	203	125	78	38

Exchange Rate(Yen/US\$)	122	113	9
Domestic Standard Naphtha Price(Yen/KL)	23,950	25,575	1,625

Interest-bearing liabilities	5,290	4,826	464	9
Stockholders' equity	3,707	3,834	127	3
Total assets	12,252	11,885	367	3

3) Sales (by Business Segment)

(100million Yen)

Segment	FY2002	FY2003	Incr. (Decr.)	Breakdown		
				Volume	Price	Change ^{*1}
Petrochemicals	2,665	2,604	61	135	74	0
Basic Chemicals	3,111	3,241	130	97	173	140
Functional Polymeric Materials	2,113	2,248	135	117	39	57
Functional Chemi'ls & Engineered Mat'ls	2,070	2,183	113	94	64	83
Others	573	619	46	46	0	0
Total	10,532	10,895	363	219	144	0

*1 Changes of Business Segment AAM(Basic Chemicals -> Functional Polymeric Materials)

HQ,MPCR,RS(Basic Chemicals -> Functional Chemi'ls & Engineered Mat'ls)

4) Operating Income (by Business Segment)

(100million Yen)

Segment	FY2002	FY2003	Incr. (Decr.)	Breakdown		
				Trading Condition	Incr.(Decr.) of Sales	F-cost
Petrochemicals	130	71	59	66	15	22
Basic Chemicals	136	189	53	31	39	17
Functional Polymeric Materials	124	72	52	109	45	12
Functional Chemi'ls & Engineered Mat'ls	137	169	32	18	57	7
Others	34	37	3	2	1	0
Eliminations	4	1	3	2	1	0
Total	565	539	26	162	126	10

5) Consolidated Balance Sheet

(100million Yen)

Items	End of 03/3	End of 04/3	Incr. (Decr.)	Items	End of 03/3	End of 04/3	Incr. (Decr.)
Current assets	4,452	4,405	47	Liabilities	8,113	7,662	451
Cash and cash equivalents	266	280	14	Notes and account payables	1,299	1,363	64
Notes and accounts receivables	2,127	2,113	14	Interest-bearing liabilities	5,290	4,826	464
Inventories	1,594	1,532	62	Other liabilities	1,524	1,473	51
Other current assets	465	480	15	Minority interests	432	389	43
Fixed assets	7,800	7,480	320	Stockholders' equity	3,707	3,834	127
Tangible fixed assets	5,808	5,488	320	Common stock	1,032	1,032	0
Intangible fixed assets	318	323	5	Additional paid-in capital	669	669	0
Investment securities and others	1,674	1,669	5	Retained earnings	2,026	2,101	75
				Net unrealized holding gain on securities	31	140	109
				Foreign currency translation adjustment	30	84	54
				Treasury stock	21	24	3
Total	12,252	11,885	367	Total	12,252	11,885	367

6) Consolidated Statement of Cash Flow



(100million Yen)

Items	FY2002	FY2003	Incr. (Decr.)
I. Cash flows from operating activities[A]	1,441	822	619
II. Cash flows from investing activities[B]	408	258	150
Free cash flows[A+B]	1,033	564	469
III. Cash flows from financing activities	1,031	543	488
IV. Others	4	7	3
Net incr.(decr.) in cash and cash equivalents	2	14	16

2. Forecast of FY2004

(April 1, 2004 – March 31, 2005)

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

Project	Action	Production Capacity	Location	Date
New Polypropylene Plant	Start commercial operation	300,000 tons/y	Osaka	Apr., 04
New PET Resin Plant (TPRC)	Start commercial operation	100,000 tons/y	Thailand	Apr., 04
PDP optical filters	Start commercial operation	300,000 pieces/y	Germany	July, 04
Olefins Conversion Unit (Propylene)	Start commercial operation	140,000 tons/y	Osaka	Aug., 04
Cumen(for Phenol)	Increase capacity	180,000 tons/y	Osaka	Aug., 04

2) Consolidated Financial Highlights

(100million Yen)

Items	FY2003	FY2004 Forecast	Increase (Decrease)
Sales	10,895	11,700	805
Operating income	539	600	61
(Equity in earnings of non-consolidated subsidiaries & affiliates)	29	58	29
Ordinary income	477	550	73
Net income	125	200	75
Exchange Rate(Yen/US\$)	113	105	8
Domestic Standard Naphtha Price(Yen/KL)	25,575	27,000	1,425

3) Sales (by Business Segment)

(100million Yen)

Segment	FY2003	FY2004 Forecast	Incr. (Decr.)	Breakdown		
				Volume	Price	Change*1
Petrochemicals	2,604	3,100	496	107	103	500
Basic Chemicals	3,241	3,800	559	419	140	0
Functional Polymeric Materials	2,248	2,400	152	178	26	0
Functional Chemi'ls & Engineered Mat'ls	2,183	1,800	383	198	81	500
Others	619	600	19	19	0	0
Total	10,895	11,700	805	669	136	0

*1 Change of Business Segment Tohcello Co., Ltd.(Functional Chemi'ls & Engineered Mat'ls -> Petrochemicals)

4) Operating Income (by Business Segment)

(100million Yen)

Segment	FY2003	FY2004 Forecast	Incr. (Decr.)	Breakdown			
				Trading Condition	Incr.(Decr.) of Sales	F-cost	Change ^{*1}
Petrochemicals	71	150	79	13	30	14	50
Basic Chemicals	189	210	21	34	44	19	30
Functional Polymeric Materials	72	90	18	5	50	7	30
Functional Chemi'ls & Engineered Mat'ls	169	110	59	51	64	22	50
Others	37	40	3	0	2	5	0
Eliminations	1	0	1	0	6	5	0
Total	539	600	61	67	180	52	0

*1 Change of business segment(Tohcello Co., Ltd.)
Change of ADM expense allocation rule

5) Consolidated Statement of Cash Flow

(100million Yen)

Items	FY2003	FY2004 Forecast	Incr. (Decr.)
I. Cash flows from operating activities[A]	822	800	22
II. Cash flows from investing activities[B]	258	800	542
Free cash flows[A+B]	564	0	564
III. Cash flows from financing activities	543	0	543
IV. Others	7	0	7
Net incr.(decr.) in cash and cash equivalents	14	0	14

6) Consolidated Accounting Fundamentals



Items		FY2002	FY2003	FY2004 Forecast
Exchange Rate	Yen/US\$	122	113	105
Domestic Standard Naphtha Price	Yen/KL	23,950	25,575	27,000
R&D Expenditure	100m Yen	371	329	380
Depreciation & Amortization	100m Yen	569	561	565
Investment(Plant and Equipment)	100m Yen	688	457	650
Interest and Dividend	100m Yen	73	60	70
Dividend Income	100m Yen	16	13	14
Interest-bearing liabilities	100m Yen	5,290	4,826	4,900
Number of Employees	person	12,660	12,348	12,300

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>

- HQ (Hydroquinone)
- MPCR (Meta/para-cresol)
- PDP(Plasma Display Panel)
- RS (Resorcinol)
- TAFMER® (Alpha-olefin copolymer)
- TDI (Toluene Diisocyanate)

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