



# Financial Summary

Results of Nine Months of FY2007 & Outlook of FY2007

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**Mitsui Chemicals, Inc.**

<Remarks>

FY2007 indicates the fiscal year starting from April 1 of 2007 and ending at March 31 of 2008

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(April 1, 2007 – December 31, 2007)

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(April 1, 2007 – March 31, 2008)

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# 1. Results of Nine Months of FY2007

(April 1, 2007 – December 31, 2007)

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# 1) Number of Subsidiaries and Affiliates

Items	1Q-3Q of FY2006	FY2006 (a)	1Q-3Q of FY2007 (b)	Incr. (Decr.) (b)-(a)
Number of consolidated subsidiaries	72	70	65	(5)
Number of non-consolidated subsidiaries and affiliates for which the equity method is applied	56	47	42	(5)
Total	128	117	107	(10)

## 2) Consolidated Financial Highlights

(Billions of Yen)

Items	1Q-3Q of FY2006	1Q-3Q of FY2007	Increase (Decrease)	%
Sales	1,255.4	1,337.8	82.4	7%
Operating income	67.6	70.3	2.7	4%
Non-operating income and expenses	5.6	(2.5)	(8.1)	-
Recurring income	73.2	67.8	(5.4)	( $\Delta$ 7%)
Special gains and losses	(4.4)	(8.2)	(3.8)	-
Net income before income taxes	68.8	59.6	(9.2)	( $\Delta$ 13%)
Net income	45.6	36.0	(9.6)	( $\Delta$ 21%)

Exchange Rate(Yen/US\$)	116	117	1
Domestic Standard Naphtha Price(Yen/KL)	50,333	59,700	9,367

Items	TY2006	1Q-3Q of FY2007	Increase (Decrease)	%
Interest-bearing liabilities	498.3	503.8	5.5	1%
D/E Ratio	0.99	0.97	(0.02)	-

### 3) Change of Business Segments (Sales)

The company reorganized four business groups into three business sectors on April 1, 2007 and changed business segments with each segment's performance of 1Q-3Q of FY2006 being recomposed accordingly as below.

(Billions of yen)

Old Segment	1Q-3Q of FY2006		New Segment	1Q-3Q of FY2006
Functional Chemicals & Engineered Materials	157.3	➔	Performance Materials	369.2
Functional Polymeric Materials	235.2		Advanced Chemicals	68.1
Basic Chemicals	409.2		Basic Chemicals	772.5
Petrochemicals	421.6		Others	45.6
Others	32.1			
<b>Total</b>	<b>1,255.4</b>			<b>Total</b>

## 4) Change of Business Segments (Operating Income)

The company reorganized four business groups into three business sectors on April 1, 2007 and changed business segments with each segment's performance of 1Q-3Q of FY2006 being recomposed accordingly as below.

(Billions of yen)

Old Segment	1Q-3Q of FY2006		New Segment	1Q-3Q of FY2006
Functional Chemicals & Engineered Materials	9.1	➔	Performance Materials	17.5
Functional Polymeric Materials	15.1		Advanced Chemicals	8.1
Basic Chemicals	9.6		Basic Chemicals	40.5
Petrochemicals	34.1		Others	1.5
Others	(0.3)			
<b>Total</b>	<b>67.6</b>			<b>Total</b>

## 5) Sales (by Business Segment)

(Billions of Yen)

Segment	1Q-3Q of FY2006	1Q-3Q of FY2007	Incr. (Decr.)	Breakdown	
				Volume	Price
Performance Materials	369.2	380.0	10.8	(11.0)	21.8
Advanced Chemicals	68.1	89.0	20.9	21.3	(0.4)
Basic Chemicals	772.5	830.8	58.3	(16.7)	75.0
Others	45.6	38.0	(7.6)	(7.6)	0.0
Total	1,255.4	1,337.8	82.4	(14.0)	96.4



## 6) Operating Income (by Business Segment)

(Billions of Yen)

Segment	1Q-3Q of FY2006	1Q-3Q of FY2007	Incr. (Decr.)	Breakdown		
				Volume	* Price	Costs
Performance Materials	17.5	31.6	14.1	1.2	14.0	(1.1)
Advanced Chemicals	8.1	7.7	(0.4)	2.9	(2.9)	(0.4)
Basic Chemicals	40.5	32.4	(8.1)	(1.9)	(5.8)	(0.4)
Others	1.5	(1.4)	(2.9)	(0.4)	0.0	(2.5)
Total	67.6	70.3	2.7	1.8	5.3	(4.4)

\* Price: including both selling and purchase price variances

## 7) Non-Operating Income and Expenses

(Billions of yen)

Items	1Q-3Q of FY2006	1Q-3Q of FY2007	Incr. (Decr.)
Equity in earnings of non-consolidated subsidiaries and affiliates	5.6	4.8	(0.8)
Interest expenses, interest and dividend income	(4.1)	(4.4)	(0.3)
Gain (loss) on Foreign exchange	3.1	(0.6)	(3.7)
Other, net	1.0	(2.3)	(3.3)
Total	5.6	(2.5)	(8.1)

## 8) Special Gains and Losses

(Billions of yen)

Items	1Q-3Q of FY2006	1Q-3Q of FY2007	Incr. (Decr.)
Special gains (a)	3.9	2.3	(1.6)
Gain on sales of fixed assets	0.8	2.3	1.5
Gain on change in interests in consolidated subsidiaries	3.1	0.0	(3.1)
Special losses (b)	(8.3)	(10.5)	(2.2)
Loss on sales and disposal of fixed assets	(2.7)	(2.6)	0.1
Loss on restructuring of subsidiaries and affiliates etc.	(3.4)	(3.1)	0.3
Others	(2.2)	(4.8)	(2.6)
Special gains and losses (a)+(b)	(4.4)	(8.2)	(3.8)

# 9) Consolidated Balance Sheets

(Billions of Yen)

Items	End of 07/3	End of 07/12	Incr. (Decr.)	Items	End of 07/3	End of 07/12	Incr. (Decr.)
Current assets	733.2	755.6	22.4	Liabilities	927.9	931.7	3.8
Cash and cash equivalents	40.4	49.7	9.3	Notes and accounts payables	244.9	254.3	9.4
Notes and accounts receivables	346.7	356.1	9.4	Interest-bearing liabilities	498.3	503.8	5.5
Inventories	257.1	258.9	1.8	Other liabilities	184.7	173.6	(11.1)
Other current assets	89.0	90.9	1.9	Net assets	570.3	587.5	17.2
Fixed assets	765.0	763.6	(1.4)	Common stock	103.2	103.2	0.0
Tangible fixed assets	542.3	568.9	26.6	Additional paid-in capital	69.3	69.2	(0.1)
Intangible fixed assets	27.4	23.1	(4.3)	Retained earnings	311.7	338.5	26.8
Investment securities and others	195.3	171.6	(23.7)	Treasury stock, at cost	(18.3)	(19.2)	(0.9)
				Valuation transition adjustment and others	38.6	29.8	(8.8)
				Minority interest in consolidated subsidiaries	65.8	66.0	0.2
Total	1,498.2	1,519.2	21.0	Total	1,498.2	1,519.2	21.0

# 10) Consolidated Statements of Cash Flows

(Billions of Yen)

Items	1Q-3Q of FY2006	1Q-3Q of FY2007	Incr. (Decr.)
I. Cash flows from operating activities[A]	60.9	76.3	15.4
II. Cash flows from investing activities[B]	(89.8)	(57.6)	32.2
Free cash flows[A+B]	(28.9)	18.7	47.6
III. Cash flows from financing activities	37.7	(8.9)	(46.6)
IV. Others	0.8	(0.5)	(1.3)
Net incr.(decr.) in cash and cash equivalents	9.6	9.3	(0.3)

## 2. Outlook of FY2007

(April 1, 2007 – March 31, 2008)

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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) Consolidated Financial Highlights

(Billions of yen)

Items	FY2006	FY2007 Outlook	Increase (Decrease)	%
Sales	1,688.1	1,800.0	111.9	7%
Operating income	91.7	90.0	(1.7)	(2%)
(Equity in earnings of non-consolidated subsidiaries&affiliates)	6.0	6.0	0.0	-
Recurring income	95.5	87.0	(8.5)	(9%)
Special gains and losses	(11.0)	(11.0)	0.0	-
Net income	52.3	43.0	(9.3)	(18%)
Earning Per Share (Yen/Share)	66.68	55.77	(10.91)	-
Exchange Rate (Yen/US\$)	117	115	(2)	
Domestic Standard Naphtha Price (Yen/KL)	49,950	62,000	12,050	
Dividend (Yen/Share)	10.00	12.00	2.00	-

## 2) Sales and Operating Income (by Business Segment)

(Billions of yen)

Segment	Sales				Operating Income			
	FY2006	FY2007			FY2006	FY2007		
		Interim	1Q-3Q	Full Year Out look		Interim	1Q-3Q	Full Year Out look
Performance Materials	496.3	246.7	380.0	510.0	25.9	19.0	31.6	38.0
Advanced Chemicals	93.9	58.2	89.0	120.0	11.7	5.0	7.7	12.0
Basic Chemicals	1,037.8	551.1	830.8	1,120.0	53.1	19.6	32.4	43.0
Others	60.1	25.6	38.0	50.0	1.0	(0.9)	(1.4)	(3.0)
Total	1,688.1	881.6	1,337.8	1,800.0	91.7	42.7	70.3	90.0

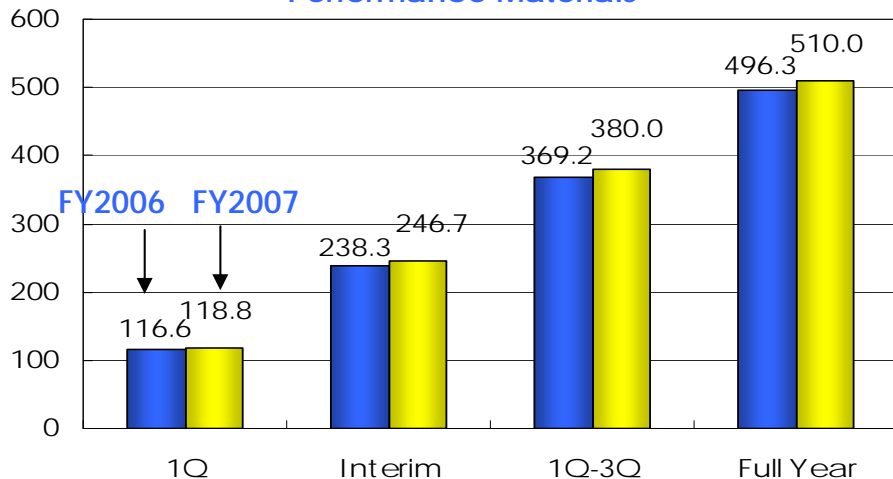


# 3) Sales (by Business Segment)

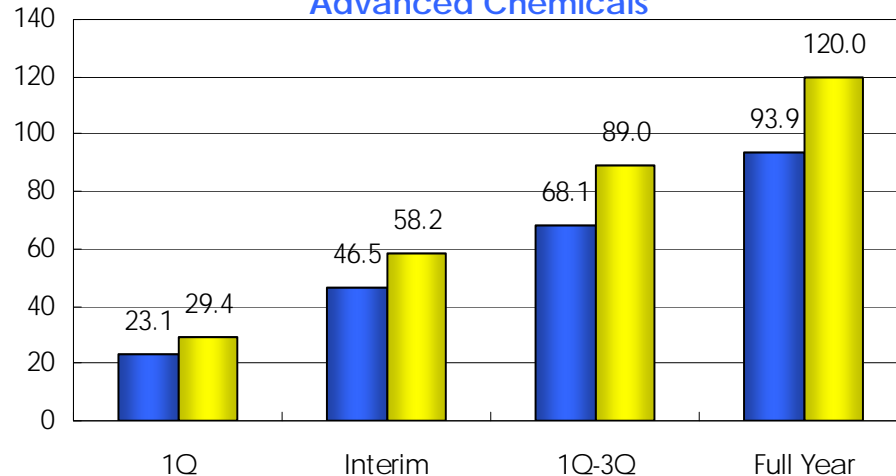


(Billions of Yen)

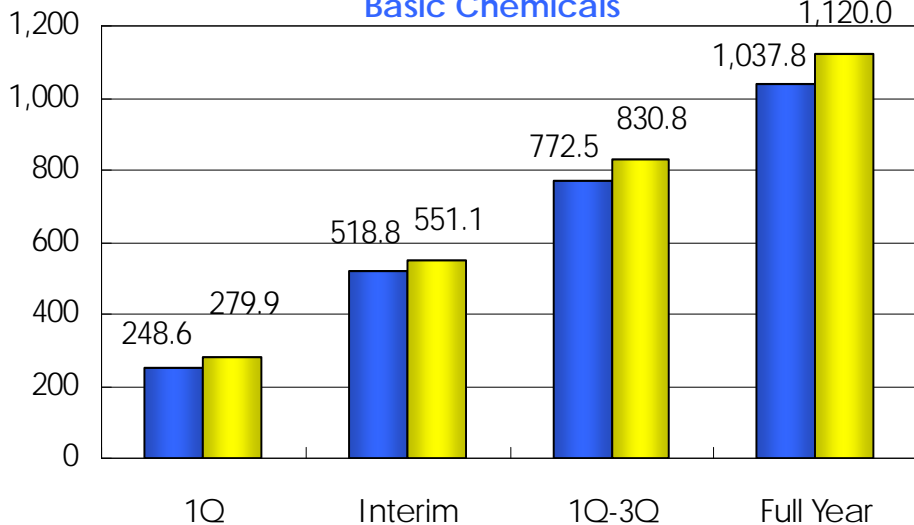
### Performance Materials



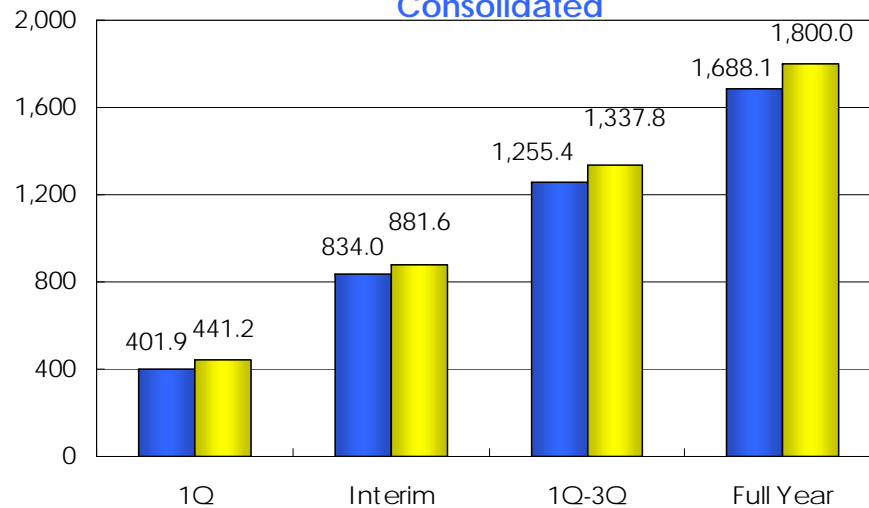
### Advanced Chemicals



### Basic Chemicals



### Consolidated

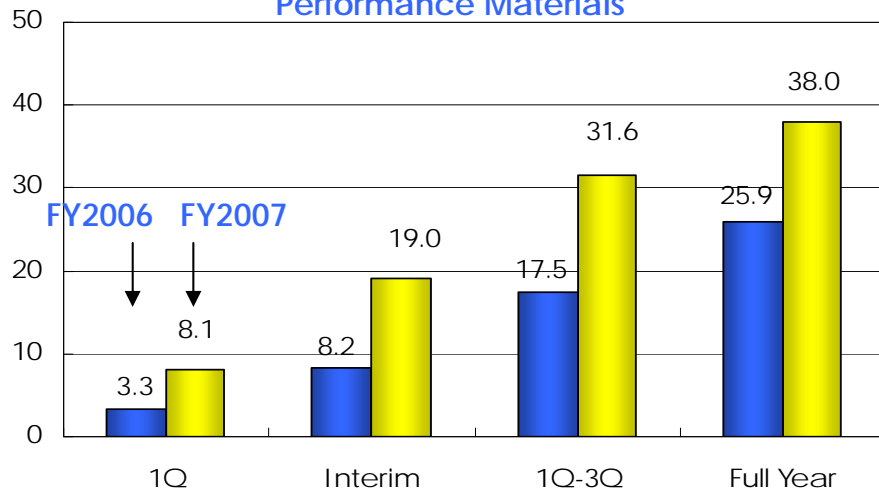


# 4) Operating Income (by Business Segment)

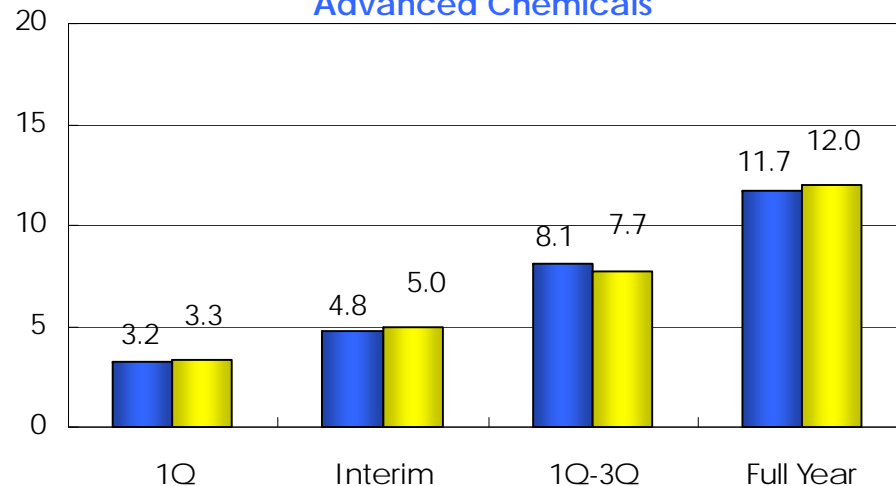


(Billions of Yen)

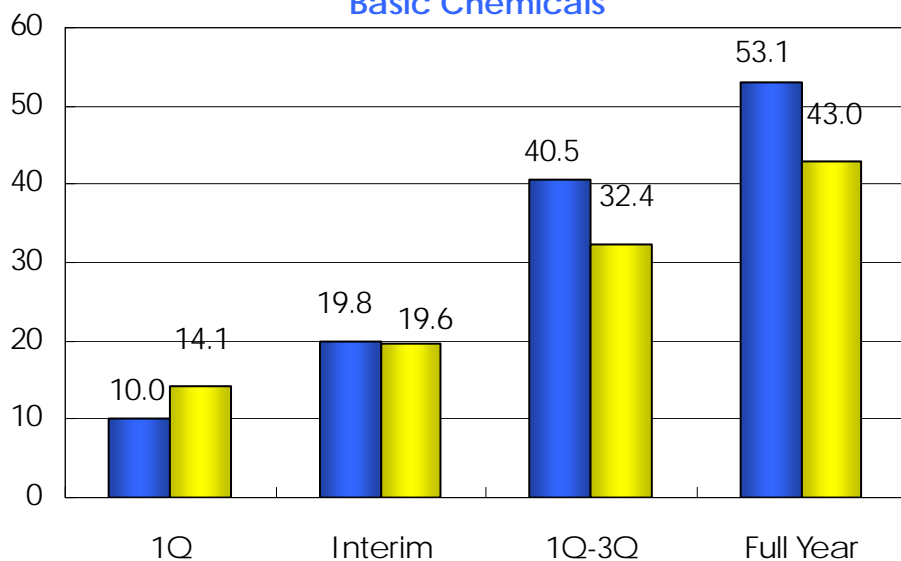
### Performance Materials



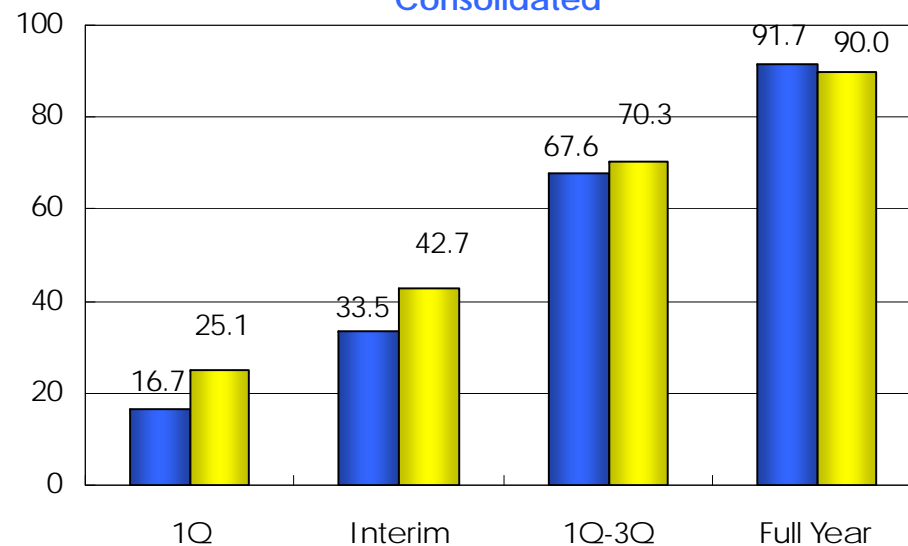
### Advanced Chemicals



### Basic Chemicals



### Consolidated



# 3. Appendix

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# 1) History of Main Products Prices

(PE, PP, PH, BPA : Change of Price and Raw Materials Price to Products Price / PTA, TDI : Asian Market Price)

Year	2005			2006				2007			
Month	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.
Naphtha (Yen/KL)	36,900	39,100	47,300	46,100	48,800	54,100	48,100	48,800	57,800	59,700	61,600
PE (Yen/KG)	+10 more	→	+20~25	→	→	about +12	about +10	about (10)	about +13	about +13	→
(HN)	36,000		45,000			approx. 50,000	approx. 55,000	approx. 50,000	approx. 56,000	approx. 62,000	
PP (Yen/KG)	+10 more	→	+20~25	→	→	about +12	about +10	about (10)	about +13	about +13	→
(HN)	36,000		45,000			approx. 50,000	approx. 55,000	approx. 50,000	approx. 56,000	approx. 62,000	
PH (Yen/KG)	+28~35	ACP-BZ Link	→	→	→	+10 Base Price of Formula	→	→	→	→	+15 Base Price of Formula
BZ(ACP) (US\$/T)	\$835	\$815	\$710	\$735	\$820	\$925	\$900	\$985	\$1,075	\$1,010	\$1,015
BPA (Yen/KG)	+25~30					+25		+15	+22		+17
	negotiation based on BZ price and BPA market price										
BPA Price of Asian Market	\$1,900	\$1,700	\$1,600	\$1,450	\$1,450	\$1,500	\$1,700	\$1,850	\$2,000	\$2,000	\$2,000
PTA (US\$/T)	\$860	\$880	\$890	\$880	\$915	\$1,030	\$880	\$860	+\$70 *	(\$30) *	(\$60) *
(PX)	\$925	\$915	\$1,010	\$1,010	\$1,070	\$1,320	\$1,160	\$1,110	+\$120 *	(\$60) *	(\$30) *
	* Change from a former quarter										
TDI (US\$/T)	\$1,900	\$1,900	\$2,300	\$2,500	\$2,500	\$2,500	\$3,100	\$3,500	\$3,500	\$3,600	\$4,000

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