



Financial Summary

Results of the First Quarter of FY2011

Mitsui Chemicals, Inc.

Aug 4, 2011

<Remarks>

FY2011 indicates the fiscal year starting on April 1 of 2011 and ending on March 31 of 2012

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1. Results of the First Quarter of FY2011

(April 1, 2011 – June 30, 2011)

1) Operation Topics in the First Quarter of FY2011



Project	Production Capacity	Location	Date
<p>◆Petrochemicals</p> <p>1) Expansion of production capacity for 1-Hexane</p>	+30,000t/y	Ichihara	Apr. 2011
<p>◆Basic Chemicals</p> <p>2) "MCT PET Resin Ltd." begins production of PET resins and sales operation</p>			Apr. 2011
<p>◆Polyurethane</p> <p>3) Start of commercial operation for polyurethane foam raw materials at Foshan Mitsui Chemicals Polyurethanes Co., Ltd.</p>	10K t/y	China (Foshan)	May. 2011
<p>◆Functional polymeric materials</p> <p>4) Completion of expansion of production capacity of ultra high molecular weight polyethylene (HI-ZEX MILLION™)</p>	+2,500 t/y (5,000→7,500t/y)	Iwakuni	Jun. 2011

1) Operation Topics in the First Quarter of FY2011



Project	Production Capacity	Location	Date
<p>◆ Fabricated Products</p> <p>5) Transfer of ICROS TAPE™ business to Mitsui Chemicals Tohcello, Inc.</p> <p>6) Establishment of Joint Venture Company for Solar Cell Encapsulants (SOLAR EVA™)</p>		Malaysia (Malacca)	Apr.2011
<p>◆ Functional Chemicals</p> <p>7) Acquisition of all ACOMON AG (ACOMON) shares (manufacturer and distributor of monomers for ophthalmic lenses)</p>		Switzerland (Zug)	Apr. 2011
<p>◆ Others</p> <p>8) Establishment of Mitsui Chemicals Singapore R&D Centre Pte. Ltd.</p>		Singapore	Jun. 2011

2) Number of Subsidiaries and Affiliates



Items	FY2010 1st Q	FY2010 (a)	FY2011 1st Q (b)	Incr. (Decr.) (b)-(a)
Number of consolidated subsidiaries	66	66	70	4
Number of non-consolidated subsidiaries and affiliates to which the equity method is applied	31	29	30	1
Total	97	95	100	5

3) Consolidated Financial Highlights



(Billions of Yen)

Items	FY2010 1st Q	FY2011 1st Q	Increase (Decrease)	%
Sales	339.4	386.7	47.3	14%
Operating income	11.8	22.0	10.2	86%
Non-operating income/expenses	(0.4)	1.3	1.7	-
Ordinary income	11.4	23.3	11.9	104%
Special gains/losses	12.6	(1.4)	(14.0)	-
Net income before income taxes and minority interests	24.0	21.9	(2.1)	(9%)
Net income	18.7	12.3	(6.4)	(34%)

Exchange Rate (Yen/US\$) 92 82 (10)

Domestic Standard Naphtha Price (Yen/KL) 49,600 59,000 9,400

Items	FY2010	FY2011 1st Q	Increase (Decrease)	%
Interest-bearing liabilities	480.7	484.2	3.5	1%
Equity	383.7	393.2	9.5	2%
D/E Ratio	1.25	1.23	(0.02)	-

4) Sales (by Business Segment)

(Billions of Yen)

() Denotes a minus

Segment	FY2010 1st Q	FY2011 1st Q	Incr. (Decr.)	Breakdown	
				Volume	Price
Petrochemicals	110.3	116.0	5.7	(3.6)	9.3
Basic Chemicals	102.3	140.5	38.2	12.2	26.0
Polyurethane	35.9	31.5	(4.4)	(3.3)	(1.1)
Functional Polymeric Materials	25.9	29.1	3.2	1.9	1.3
Fabricated Products	32.5	35.8	3.3	3.1	0.2
Functional Chemicals	27.8	29.4	1.6	2.1	(0.5)
Others	4.7	4.4	(0.3)	(0.3)	0.0
Total	339.4	386.7	47.3	12.1	35.2

5) Operating Income/loss (by Business Segment)

(Billions of Yen)

() Denotes a minus

Segment	FY2010 1st Q	FY2011 1st Q	Incr. (Decr.)	Breakdown		
				Volume	* Price	Costs
Petrochemicals	5.8	6.1	0.3	(1.4)	3.0	(1.3)
Basic Chemicals	3.6	12.9	9.3	2.1	7.2	0.0
Polyurethane	(1.3)	(2.6)	(1.3)	(0.9)	(1.9)	1.5
Functional Polymeric Materials	2.3	2.2	(0.1)	0.0	(0.1)	0.0
Fabricated Products	0.9	2.0	1.1	0.5	0.1	0.5
Functional Chemicals	1.4	2.3	0.9	1.4	(0.5)	0.0
Others	(0.9)	(0.9)	0.0	0.0	0.0	0.0
Total	11.8	22.0	10.2	1.7	7.8	0.7

* Price ; including both sale and purchase price variances

6) Non-Operating Income and Expenses

(Billions of yen)

() Denotes a minus

Items	FY2010 1st Q	FY2011 1st Q	Incr. (Decr.)
Equity in earnings of non-consolidated subsidiaries and affiliates	1.4	2.7	1.3
Interest expenses, interest and dividend income	(1.3)	(1.0)	0.3
Gain (loss) on foreign exchange	(1.1)	(1.0)	0.1
Other	0.6	0.6	0.0
Total	(0.4)	1.3	1.7

7) Special Gains and Losses



(Billions of yen)

() Denotes a minus

Items	FY2010 1st Q	FY2011 1st Q	Incr. (Decr.)
Special gains (a)	14.7	0.2	(14.5)
Gain on sales of fixed assets	0.1	0.2	0.1
Reversal of provision for retirement benefits	14.6	0.0	(14.6)
Special losses (b)	(2.1)	(1.6)	0.5
Loss on sales and disposal of fixed assets	(0.4)	(0.3)	0.1
Loss on restructuring of subsidiaries and affiliates, etc.	(0.7)	0.0	0.7
Loss on disaster	0.0	(1.3)	(1.3)
Loss on adjustment for changes of accounting standard for asset retirement obligations	(1.0)	0.0	(1.0)
Special gains and losses (a)+(b)	12.6	(1.4)	(14.0)

8) Consolidated Balance Sheet



(Billions of Yen)

Items	End of 11/3	End of 11/6	Incr. (Decr.)	Items	End of 11/3	End of 11/6	Incr. (Decr.)
Current assets	666.0	689.2	23.2	Liabilities	864.5	872.9	8.4
Cash and cash equivalents	81.1	66.4	(14.7)	Notes and accounts payables	196.8	207.5	10.7
Notes and accounts receivables	264.4	275.2	10.8	Interest-bearing liabilities	480.7	484.2	3.5
Inventories	239.9	256.9	17.0	Other liabilities	187.0	181.2	(5.8)
Other current assets	80.6	90.7	10.1				
Fixed assets	629.6	625.2	(4.4)	Net assets	431.1	441.5	10.4
Tangible fixed assets	479.0	474.8	(4.2)	Shareholders' equity	403.5	412.8	9.3
Investments & other non-current assets	150.6	150.4	(0.2)	Other accumulated Comprehensive income	(19.8)	(19.6)	0.2
				Minority interest	47.4	48.3	0.9
Total	1,295.6	1,314.4	18.8	Total	1,295.6	1,314.4	18.8

Contingent liabilities as guarantor of indebtedness

4.2

3.7

(0.5)

9) Consolidated Statement of Cash Flow



(Billions of yen)

() Denotes a minus

Items	FY2010 1st Q	FY2011 1st Q	Incr. (Decr.)
I. Cash flows from operating activities[A]	1.7	2.6	0.9
II. Cash flows from investing activities[B]	(9.0)	(12.4)	(3.4)
Free cash flows[A+B]	(7.3)	(9.8)	(2.5)
III. Cash flows from financing activities	(9.0)	(5.0)	4.0
IV. Others	(0.1)	0.1	0.2
Net incr.(decr.) in cash and cash equivalents	(16.4)	(14.7)	1.7

2. Outlook for FY2011

(April 1, 2011 – March 31, 2012)

Conditions and forecasts for the 2nd half of FY2011 remain unrevised due to uncertain business factors.

1) Operation Topics in 1st half FY2011 (July 2011 through September 2011)



Project	Production Capacity	Location	Date
◆ Fabricated Products 1) Expansion of production capacity of Solar Cell Encapsulants (SOLAR EVA™)	+20K t/y	Nagoya	Aug.2011

2) Consolidated Financial Highlights (compared with previous outlook)



(Billions of yen)

() Denotes a minus

Items	Previous FY2011 Outlook (on May 11)			FY2011 Outlook			Incr.(Decr.) 1st Half (b)-(a)
	1st half (a)	2nd half	Full Year	1st half (b)	2nd half	Full Year	
Sales	740.0	810.0	1,550.0	770.0	810.0	1,580.0	30.0
Operating income (loss)	19.0	26.0	45.0	26.0	26.0	52.0	7.0
Non-operating income (expenses)	(2.0)	0.0	(2.0)	1.0	0.0	1.0	3.0
Ordinary income (loss)	17.0	26.0	43.0	27.0	26.0	53.0	10.0
Special gains/losses	(2.0)	0.0	(2.0)	(2.0)	0.0	(2.0)	0.0
Net income (loss) before income taxes and minority interests	15.0	26.0	41.0	25.0	26.0	51.0	10.0
Net income (loss)	6.0	15.0	21.0	13.0	15.0	28.0	7.0
Exchange Rate (Yen/US\$)	85	85	85	82	85	-	△ 3
Domestic Standard Naphtha Price (Yen/KL)	62,000	62,000	62,000	57,000	62,000	-	△ 5,000

3) Consolidated Financial Highlights

(compared with FY2010)



(Billions of yen)

() Denotes a minus

Items	FY2010			FY2011 Outlook			Incr.(Decr.) 1st half (b)-(a)
	1st half (a)	2nd half	Full Year	1st half (b)	2nd half	Full Year	
Sales	672.8	718.9	1,391.7	770.0	810.0	1,580.0	97.2
Operating income (loss)	17.4	23.1	40.5	26.0	26.0	52.0	8.6
Non-operating income (expenses)	(2.8)	1.2	(1.6)	1.0	0.0	1.0	3.8
Ordinary income (loss)	14.6	24.3	38.9	27.0	26.0	53.0	12.4
Special gains/losses	11.0	(4.9)	6.1	(2.0)	0.0	(2.0)	(13.0)
Net income (loss) before income taxes and minority interests	25.6	19.4	45.0	25.0	26.0	51.0	(0.6)
Net income (loss)	17.1	7.8	24.9	13.0	15.0	28.0	(4.1)

Exchange Rate (Yen/US\$) 89 83 86 82 85 - Δ 7

Domestic Standard Naphtha Price (Yen/KL) 46,200 48,800 47,500 57,000 62,000 - 10,800

4) Operating Income/loss (by Business Segment)

(Billions of Yen)

() Denotes a minus

Segment	FY2011 1st half		Incr. (Decr.)	Breakdown		
	Previous Outlook	Latest Outlook		Volume	* Price	Costs
Petrochemicals	4.0	5.5	1.5	0.5	(0.2)	1.2
Basic Chemicals	14.0	17.5	3.5	1.0	2.0	0.5
Polyurethane	(5.0)	(5.5)	(0.5)	0.3	(0.8)	0.0
Functional Polymeric Materials	3.5	4.0	0.5	0.4	(0.2)	0.3
Fabricated Products	1.0	2.0	1.0	0.5	0.8	(0.3)
Functional Chemicals	2.5	3.5	1.0	1.0	0.1	(0.1)
Others	(1.0)	(1.0)	0.0	0.0	0.0	0.0
Total	19.0	26.0	7.0	3.7	1.7	1.6

* Price ; including both sale and purchase price variances

5) Operating Income/loss (by Business Segment)

(Billions of Yen)

() Denotes a minus

Segment	FY2010 1st half	FY2011 Outlook 1st half	Incr. (Decr.)	Breakdown		
				Volume	* Price	Costs
Petrochemicals	6.2	5.5	(0.7)	(1.4)	1.5	(0.8)
Basic Chemicals	6.5	17.5	11.0	3.1	8.8	(0.9)
Polyurethane	(4.3)	(5.5)	(1.2)	(0.1)	(2.0)	0.9
Functional Polymeric Materials	4.5	4.0	(0.5)	0.2	(0.1)	(0.6)
Fabricated Products	1.2	2.0	0.8	0.7	0.1	0.0
Functional Chemicals	4.5	3.5	(1.0)	0.9	(0.9)	(1.0)
Others	(1.2)	(1.0)	0.2	0.0	0.0	0.2
Total	17.4	26.0	8.6	3.4	7.4	(2.2)

* Price ; including both sale and purchase price variances

6) Non-Operating Income and Expenses

(Billions of yen)

() Denotes a minus

Items	FY2010		FY2011 Outlook		Incr. (Decr.) (b)-(a)	Previous Outlook (on May 11)
	1st half (a)	Full Year	1st half (b)	Full Year		Full Year
Equity in earnings of non-consolidated subsidiaries and affiliates	2.8	7.3	4.0	8.0	1.2	7.0
Interest expenses, interest and dividend income	(2.7)	(5.4)	(3.0)	(6.0)	(0.3)	(6.0)
Gain (loss) on foreign exchange	(2.6)	(3.0)	(1.0)	(1.0)	1.6	0.0
Other	(0.3)	(0.5)	1.0	0.0	1.3	(3.0)
Total	(2.8)	(1.6)	1.0	1.0	3.8	(2.0)

8) Special Gains and Losses

(Billions of yen)

() Denotes a minus

Items	FY2010		FY2011 Outlook		Incr. (Decr.) (b)-(a)	Previous Outlook (on May 11) Full Year
	1st half (a)	Full Year	1st half (b)	Full Year		
Special gains (A)	14.9	15.3	0.2	0.2	△ 14.7	0.0
Gain on sales of fixed assets	0.3	0.7	0.2	0.2	△ 0.1	0.0
Reversal of provision for retirement benefits	14.6	14.6	0.0	0.0	△ 14.6	0.0
Special losses (B)	(3.9)	(9.2)	(2.2)	(2.2)	1.7	(2.0)
Loss on sales and disposal of fixed assets	(1.6)	(2.9)	(0.9)	(0.9)	0.7	(1.0)
Impairment loss	(0.6)	(2.2)	0.0	0.0	0.6	0.0
Loss on restructuring of subsidiaries and affiliates, etc.	(0.7)	(1.0)	0.0	0.0	0.7	0.0
Loss on valuation of investment securities	0.0	(0.7)	0.0	0.0	0.0	0.0
Loss on adjustment for changes of accounting standard for asset retirement obligations	(1.0)	0.0	0.0	0.0	1.0	0.0
Other	0.0	(2.4)	(1.3)	(1.3)	(1.3)	(1.0)
Special gains and losses (A)+(B)	11.0	6.1	(2.0)	(2.0)	(13.0)	(2.0)

3. 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	2008		2009				2010				2011	
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)	85,200	52,000	27,000	33,300	41,200	42,500	47,700	49,700	42,700	45,200	52,400	59,000
PE (Yen/KG)	about +30	about (30)	about (75)	→	about +20	about +10	about +5	about +5		about (10)	about +15	about +20
Naphtha (Yen/KL)	approx. 83,000	approx. 68,000	approx. 30,000		approx. 40,000	approx. 45,000	approx. 47,500	approx. 50,000	→	approx. 45,000	approx. 52,500	approx. 62,500
PP (Yen/KG)	about +30	about (30)	about (75)	→	about +20	about +10	about +5	about +5		about (10)	about +15	about +20
Naphtha (Yen/KL)	approx. 83,000	approx. 68,000	approx. 30,000		approx. 40,000	approx. 45,000	approx. 47,500	approx. 50,000	→	approx. 45,000	approx. 52,500	approx. 62,500
PH (Yen/KG)	+17 Base Price of Formula	→	→	→	→	→	→	+10 Base Price of Formula	→	→	→	+25 Base Price of Formula
BZ(ACP) (US\$/T)	\$1,265	\$580	\$350	\$590	\$820	\$790	\$960	\$940	\$820	\$920	\$1,120	\$1,160
BPA (Japan) (Yen/KG)	+48	(10)	(30)		+37		35				30	
	negotiation based on BZ price and BPA market price											
BPA (China) (US\$/T)	\$1,920	\$1,090	\$820	\$1,130	\$1,260	\$1,410	\$1,690	\$1,920	\$2,000	\$2,280	\$2,430	\$2,450
PTA (US\$/T)	\$1,000	\$620	\$700	\$850	\$870	\$890	\$960	\$920	\$880	\$1,130	\$1,440	\$1,280
PX(ACP) (US\$/T)	\$1,350	\$670	\$730	\$960	\$1,010	\$950	\$1,060	\$1,010	\$910	\$1,170	\$1,550	\$1,600
TDI (US\$/T)	\$4,300	\$2,900	\$2,200	\$2,500	\$2,800	\$3,200	\$3,100	\$2,800	\$2,420	\$2,530	\$2,430	\$2,670

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.