



# Financial Summary

Results of the First Quarter of FY2013 & Forecast for FY2013

---

**Mitsui Chemicals, Inc.**

**Aug 1, 2013**

<Remarks>

FY2013 indicates the fiscal year starting on April 1, 2013 and ending on March 31, 2014

## 1. Results of the First Quarter of FY2013 (April 1, 2013 ~ June 30, 2013)

1) Operation Topics in the First Quarter of FY2013 (April through June 2013)	... 1
2) Number of Subsidiaries and Affiliates	... 2
3) Consolidated Financial Highlights	... 3
4) Sales (by Business Segment)	... 4
5) Operating Income/Loss (by Business Segment)	... 5
6) Non-Operating Income and Expenses	... 6
7) Special Gains and Losses	... 7
8) Consolidated Balance Sheet	... 8
9) Consolidated Statement of Cash Flow	... 9

## 2. Forecast for FY2013 (April 1, 2013 ~ March 31, 2014)

1) Operation Topics in the Second Quarter of FY2013 (July through September 2013)	...10
2) Consolidated Financial Highlights	...11
3) Sales and Operating Income/Loss (by Business Segment)	...12
4) Operating Income/Loss (by Business Segment)	...13
5) Non-Operating Income and Expenses	...14
6) Special Gains and Losses	...15
7) Consolidated Statement of Cash Flow	...16

## 3. Appendix

1) Trends in Main Product Prices	...17
2-a) Acquisition of Dental Business from Heraeus Holding GmbH (Structure)	...18
2-b) Acquisition of Dental Business from Heraeus Holding GmbH (Impact in Balance Sheet)	...19
3) Operating Income for the First Half of FY2013	...20
4) Comprehensive Income	...21

# 1. Results of the First Quarter FY2013

(April 1, 2013 – June 30, 2013)

---

# 1) Operation Topics in the First Quarter FY2013 (April through June 2013)



Project	Production Capacity	Location	Date
◆ Functional Chemicals			
1) Start-up of polypropylene catalyst plant in Korea	—	South Korea (Yeosu)	Apr. 2013
2) Acquisition of dental business from Heraeus Holding GmbH	—	Germany (Hanau)	Jun. 2013
3) Share Purchase of DENTCA, Inc. (Strengthening of dental material business through acquisition of advanced technology)	—	U.S.A (Los Angeles, CA)	Jun. 2013
◆ Basic Chemicals			
4) Start-up of new facility for acetone-based isopropyl alcohol	60K t/y	Osaka	Apr. 2013
◆ Petrochemicals			
5) Terminate of production for one line high-density polyethylene in Chiba district	-130K t/y	Chiba (Prime polymer, Anesaki Works)	Apr. 2013

## 2) Number of Subsidiaries and Affiliates



Items	FY2012 1st Q	FY2012 (a)	FY2013 1st Q (b)	Incr. (Decr.) (b)-(a)	Breakdown of increase or decrease
Number of consolidated subsidiaries	73	76	99	23	MC dental holding etc.  DENTCA,Inc.
Number of non-consolidated subsidiaries and affiliates to which the equity	32	34	35	1	
Total	105	110	134	24	

# 3) Consolidated Financial Highlights



(Billions of Yen)

( ) Denotes a minus

Items	FY2012 1st Q	FY2013 1st Q	Increase (Decrease)	%
Sales	352.3	363.1	10.8	3%
Operating income (loss)	6.9	9.3	2.4	34%
Non-operating income/expenses	(2.2)	0.6	2.8	-
Ordinary income (loss)	4.7	9.9	5.2	111%
Special gains/losses	(3.7)	(2.0)	1.7	-
Net income (loss) before income taxes and minority interests	1.0	7.9	6.9	678%
Net income (loss)	(2.2)	4.7	6.9	-

Exchange Rate (Yen/US\$) 80 99 19

Domestic Standard Naphtha Price (Yen/KL) 60,600 65,500 4,900

Items	End of FY2012	End of FY2013.1Q	Increase (Decrease)	%
Interest-bearing liabilities (Billions of Yen)	507.2	588.3	81.1	16%
Equity (Billions of Yen)	376.8	388.1	11.3	3%
D/E Ratio (Times)	1.35	1.52	0.17	-
Equity ratio (%)	28.2	27.3	(0.9)	-

## 4) Sales (by Business Segment)

(Billions of Yen)

( ) Denotes a minus

Segment	FY2012 1st Q	FY2013 1st Q	Incr. (Decr.)	Breakdown	
				Volume	Price
Functional Chemicals	36.2	38.5	2.3	1.2	1.1
Functional Polymeric Materials	33.1	39.9	6.8	5.1	1.7
Polyurethane	32.7	36.1	3.4	0.7	2.7
Basic Chemicals	99.8	105.2	5.4	(9.8)	15.2
Petrochemicals	123.1	118.0	(5.1)	(11.1)	6.0
Films and Sheets	19.0	19.7	0.7	0.1	0.6
Others	8.4	5.7	(2.7)	(2.7)	0.0
<b>Total</b>	<b>352.3</b>	<b>363.1</b>	<b>10.8</b>	<b>(16.5)</b>	<b>27.3</b>

## 5) Operating Income/Loss (by Business Segment)

(Billions of Yen)

( ) Denotes a minus

Segment	FY2012 1st Q	FY2013 1st Q	Incr. (Decr.)	Breakdown		
				Volume	* Price	Costs
Functional Chemicals	3.8	3.9	0.1	0.3	0.4	(0.6)
Functional Polymeric Materials	2.7	3.8	1.1	1.4	0.6	(0.9)
Polyurethane	(0.2)	(1.7)	(1.5)	(0.3)	(0.2)	(1.0)
Basic Chemicals	(0.8)	(2.7)	(1.9)	(0.9)	(0.3)	(0.7)
Petrochemicals	3.5	7.1	3.6	(0.3)	5.4	(1.5)
Films and Sheets	(0.3)	0.7	1.0	0.2	(0.1)	0.9
Others	(1.8)	(1.8)	0.0	0.0	0.0	0.0
Total	6.9	9.3	2.4	0.4	5.8	(3.8)

\* Price : including both sale and purchase price variances



## 6) Non-Operating Income and Expenses

(Billions of yen)

( ) Denotes a minus

Items	FY2012 1st Q	FY2013 1st Q	Incr. (Decr.)
Equity in earnings of non-consolidated subsidiaries and affiliates	0.8	0.8	0.0
Interest expenses, interest and dividend income	(1.0)	(1.0)	0.0
Gain (loss) on foreign exchange	(1.8)	1.2	3.0
Other	(0.2)	(0.4)	(0.2)
Total	(2.2)	0.6	2.8

# 7) Special Gains and Losses

(Billions of yen)

( ) Denotes a minus

Items	FY2012 1st Q	FY2013 1st Q	Incr. (Decr.)
<b>Special gains (a)</b>	<b>0.1</b>	<b>0.0</b>	<b>(0.1)</b>
Gain on sales of fixed assets	0.1	0.0	(0.1)
<b>Special losses (b)</b>	<b>(3.8)</b>	<b>(2.0)</b>	<b>1.8</b>
Loss on sales and disposal of fixed assets	(0.2)	(0.5)	(0.3)
Loss on valuation of investment securities	(0.1)	0.0	0.1
Loss on explosion and fire	(3.5)	0.0	3.5
Others	0.0	(1.5)	(1.5)
<b>Special gains and losses (a)+(b)</b>	<b>(3.7)</b>	<b>(2.0)</b>	<b>1.7</b>



# 9) Consolidated Statement of Cash Flow



(Billions of yen)

( ) Denotes a minus

Items	FY2012 1st Q	FY2013 1st Q	Incr. (Decr.)
I. Cash flows from operating activities[A]	(21.8)	(2.9)	18.9
II. Cash flows from investing activities[B]	(15.5)	(81.6)	(66.1)
Free cash flows[A+B]	(37.3)	(84.5)	(47.2)
III. Cash flows from financing activities	5.8	74.7	68.9
IV. Others	0.7	1.0	0.3
Net incr.(decr.) in cash and cash equivalents	(30.8)	(8.8)	22.0

## **2. Forecast for FY2013**

**(April 1, 2013 – March 31, 2014)**

---

# 1) Operation Topics in 2nd Quarter of FY2013 (July through September 2013)



Project	Production Capacity	Location	Date
<p>◆Functional Chemicals</p> <p>1) Start-up of expanded facilities for spunbonded nonwoven fabrics on China</p>	15K t/y	China (Tianjin)	Sep.2013
<p>◆Petrochemicals</p> <p>2) Terminate of production for one line polypropylene in Chiba district</p> <p>3) Modifications to ethylene production line for higher efficiency at low operation rates</p>	-90K t/y	Ichihara (Prime polymer, Ichihara Works)	Jul.2013
<p>◆Others</p> <p>4) Establishment of joint venture company for electrolyte solution with Formosa Plastics Corporation</p>	—	Ichihara	Aug.2013
	5K t/y Operation from Aug. 2014 (tentative)	China (Zhejiang Ningbo)	Aug.2013

## 2) Consolidated Financial Highlights



(Billions of yen)

( ) Denotes a minus

Items	FY2012		FY2013 Forecast		Incr.(Decr.)	
	1st half	Full Year	1st half	Full Year	Full Year	%
Sales	680.5	1,406.2	728.0	1,600.0	193.8	14%
Operating income (loss)	1.5	4.3	12.0	28.0	23.7	553%
Non-operating income (expenses)	(4.0)	4.9	0.0	(5.0)	(9.9)	-
Ordinary income (loss)	(2.5)	9.2	12.0	23.0	13.8	150%
Special gains/losses	(11.5)	(10.0)	(3.0)	(8.0)	2.0	-
Net income (loss) before income taxes and minority interests	(14.0)	(0.8)	9.0	15.0	15.8	-
Net income (loss)	(15.3)	(8.1)	3.0	5.0	13.1	-

Exchange Rate (Yen/US\$)	79	83	100	98	15
Domestic Standard Naphtha Price (Yen/KL)	55,200	57,500	64,300	63,700	6,200

Items	FY2012 1st half	FY2012 Full Year	FY2013 1st half	FY2013 Full Year	Incr.(Decr.) Full year
Dividend (Yen /Share)	3.0	6.0	3.0	6.0	-

### 3) Sales and Operating Income/Loss (By Business Segment)



(Billions of Yen)

( ) Denotes a minus

Segment	Sales				Operating income/loss			
	FY2012		FY2013 Forecast		FY2012		FY2013 Forecast	
	1st half	Full Year	1st half	Full Year	1st half	Full Year	1st half	Full Year
Functional Chemicals	71.3	149.6	78.0	170.0	7.2	12.4	8.5	15.5
Functional Polymeric Materials	67.4	134.7	80.0	183.0	4.7	8.4	6.5	10.5
Polyurethane	67.9	146.2	83.0	186.0	(1.8)	(2.6)	(0.5)	7.0
Basic Chemicals	190.3	401.7	197.0	427.0	(7.0)	(18.9)	(7.0)	(14.0)
Petrochemicals	228.7	469.0	238.0	528.0	1.5	7.7	8.5	16.0
Films and sheets	37.6	74.8	39.0	78.0	(1.5)	(3.3)	0.0	(2.0)
Others	17.3	30.2	13.0	28.0	(1.6)	0.6	(4.0)	(5.0)
Total	680.5	1,406.2	728.0	1,600.0	1.5	4.3	12.0	28.0



# 4) Operating Income/Loss (by Business segment)



(Billions of Yen)

( ) Denotes a minus

Segment	FY2012 1st half	FY2013 1st half (Forecast)	Incr. (Decr.)	Breakdown			FY2013 1st half (On 10.May)
				Volume	* Price	Costs	
Functional Chemicals	7.2	8.5	1.3	0.1	0.3	0.9	6.5
Functional Polymeric Materials	4.7	6.5	1.8	2.1	0.5	(0.8)	4.5
Polyurethane	(1.8)	(0.5)	1.3	2.8	0.0	(1.5)	2.5
Basic Chemicals	(7.0)	(7.0)	0.0	0.3	1.1	(1.4)	(9.0)
Petrochemicals	1.5	8.5	7.0	0.5	4.1	2.4	4.5
Films and Sheets	(1.5)	0.0	1.5	0.5	0.9	0.1	(1.0)
Others	(1.6)	(4.0)	(2.4)	0.0	0.0	(2.4)	(3.0)
Total	1.5	12.0	10.5	6.3	6.9	(2.7)	5.0

\* Price: including both sale and purchase price variances

2. Forecast for FY2013

# 5) Non-Operating Income and Expenses



(Billions of yen)

( ) Denotes a minus tes a minus

Items	FY2012		FY2013 Forecast		Incr.(Decr.)		FY2013 (Forecast on May.10)
	1st half	full year	1st half	full year	1st half	full year	
Equity in earnings of non-consolidated subsidiaries and affiliates	1.1	1.6	1.5	3.5	0.4	1.9	3.5
Interest expenses, interest and dividend income	(1.7)	(3.1)	(2.5)	(5.0)	(0.8)	(1.9)	(5.0)
Gain (loss) on foreign exchange	(2.6)	4.1	1.2	1.2	3.8	(2.9)	0.0
Other	(0.8)	2.3	(0.2)	(4.7)	0.6	(7.0)	(3.5)
Total	(4.0)	4.9	0.0	(5.0)	4.0	(9.9)	(5.0)

# 6) Special Gains and Losses



(Billions of yen)

( ) Denotes a minus

Items	FY2012		FY2013 Forecast		Incr.(Decr.)		FY2013 (Forecast on May.10)	
	1st half	full year	1st half	full year	1st half	full year	1st half	full year
<b>Special gains and losses</b>								
Gain on sales of fixed assets	0.4	0.4	0.0	0.0	(0.4)	(0.4)	0.0	0.0
Gain on sales of investment securities	0.0	1.3	0.0	0.0	0.0	(1.3)	0.0	0.0
Reversal of provision for environmental measures	0.0	3.3	0.0	0.0	0.0	(3.3)	0.0	0.0
Insurance income	0.0	5.5	0.0	0.0	0.0	(5.5)	0.0	0.0
Loss on sales and disposal of fixed assets	(1.6)	(4.5)	(1.5)	(5.0)	0.1	(0.5)	(1.0)	(5.0)
Impairment loss	(1.0)	(5.6)	0.0	0.0	1.0	5.6	0.0	0.0
Loss on restructuring of subsidiaries and affiliates	(0.9)	(4.1)	0.0	0.0	0.9	4.1	0.0	0.0
Loss on valuation of investment securities	(0.8)	(0.8)	0.0	0.0	0.8	0.8	0.0	0.0
Loss on explosion and Fire	(4.6)	(4.9)	0.0	0.0	4.6	4.9	0.0	0.0
Others	(0.5)	(0.6)	(1.5)	(3.0)	(1.0)	(2.4)	0.0	(3.0)
<b>Total</b>	<b>(9.0)</b>	<b>(10.0)</b>	<b>(3.0)</b>	<b>(8.0)</b>	<b>6.0</b>	<b>2.0</b>	<b>(1.0)</b>	<b>(8.0)</b>

# 7) Consolidated Statement of Cash Flow



(Billions of yen)

( ) Denotes a minus

Items	FY2012		FY2013 (Forecast on 10.May)		Incr.(Decr.)	
	1st half	full year	1st half	full year	1st half	full year
I. Cash flows from operating activities[A]	19.0	18.5	11.0	47.0	(8.0)	28.5
II. Cash flows from investing activities[B]	(28.4)	(58.1)	(83.0)	(117.0)	(54.6)	(58.9)
Free cash flows[A+B]	(9.4)	(39.6)	(72.0)	(70.0)	(62.6)	(30.4)
III. Cash flows from financing activities	(1.1)	27.3	64.0	62.0	65.1	34.7
IV. Others	0.5	2.7	0.0	0.0	(0.5)	(2.7)
Net incr.(decr.) in cash and cash equivalents	(10.0)	(9.6)	(8.0)	(8.0)	2.0	1.6

# 3. Appendix

---

# 1) Trends in Main Product Prices

(Naphtha prices are Domestic Standard Naphtha Price )

(PE, PP, PH, BPA(Japan) : Change in Prices and Raw Materials Prices in Japan / BPA(China), PTA, TDI : Chinese Market Price)

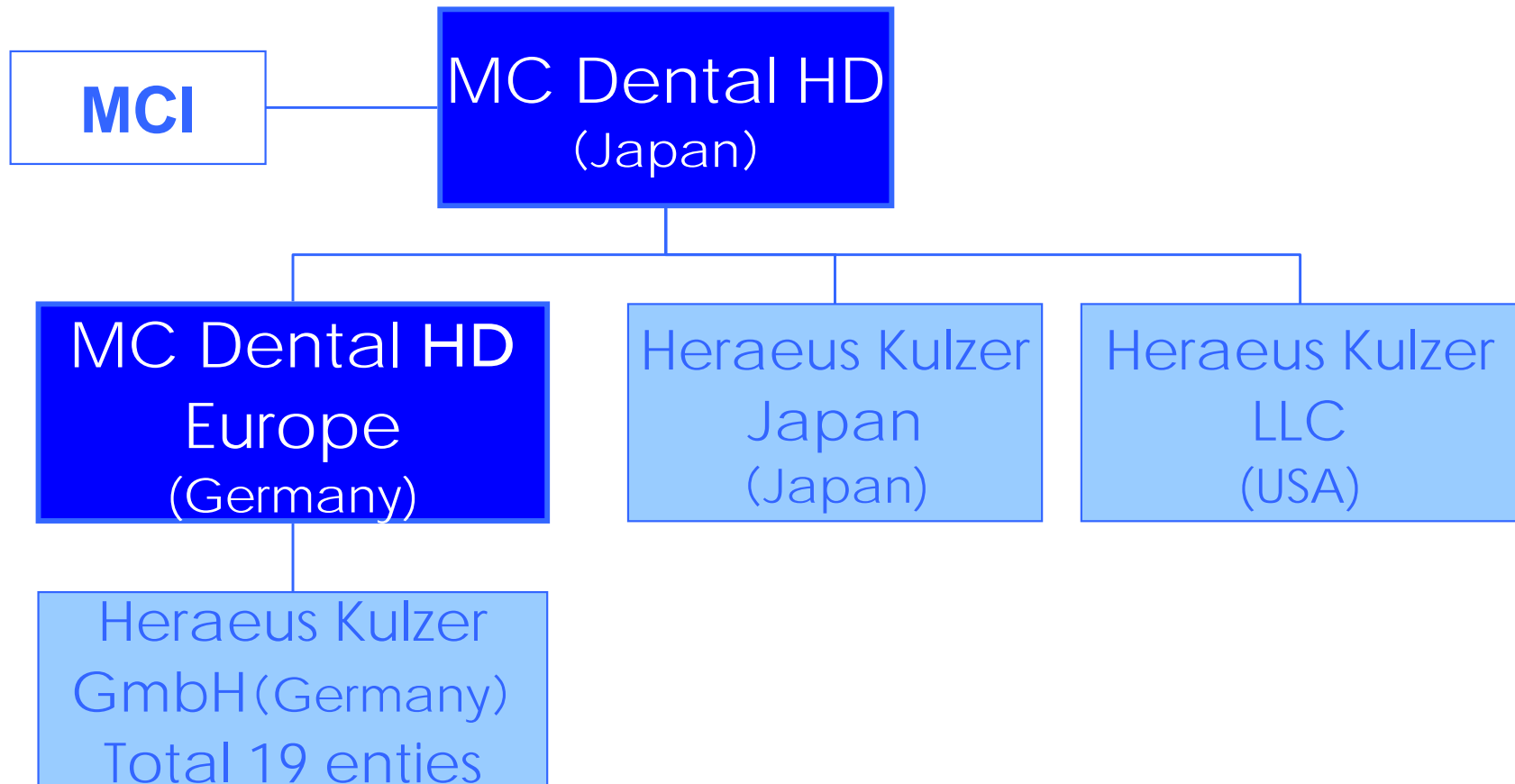
Year	2010			2011			2012			2013		
Month	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	
Naphtha (Yen/KL)	45,200	52,400	59,000	54,900	51,700	54,100	60,600	49,800	55,800	63,800	65,500	
PE (Yen/KG)	about (10)	about +15	about +20	about (10)	about (5)	about (5)	about +20	about (20)	about +10	about +15	about +5	
PP (Yen/KG)	about (10)	about +15	about +20	about (10)	about (5)	about (5)	about +20	about (20)	about +10	about +15	about +5	
PH (Yen/KG)			+25 Base Price of Formula									
BZ(ACP) (US\$/T)	\$920	\$1,120	\$1,160	\$1,130	\$1,000	\$1,160	\$1,160	\$1,110	\$1,320	\$1,430	\$1,310	
BPA(Japan) (Yen/KG)		+30				(30)	+25	(14) From Aug.	+13 From Nov	+36 From Mar		
BPA (China)	negotiation based on BZ price and BPA market price											
BPA (China)	\$2,280	\$2,430	\$2,450	\$2,080	\$1,570	\$1,730	\$1,690	\$1,690	\$1,750	\$1,920	\$1,740	
PTA (China) (US\$/T)	\$1,130	\$1,440	\$1,280	\$1,250	\$1,110	\$1,180	\$1,070	\$1,030	\$1,120	\$1,170	\$1,050	
PX(ACP) (US\$/T)	\$1,170	\$1,550	\$1,600	\$1,530	\$1,480	\$1,560	\$1,500	\$1,340	\$1,530	\$1,630	\$1,410	
TDI (US\$/T)	\$2,530	\$2,430	\$2,670	\$2,250	\$2,180	\$2,560	\$3,030	\$2,830	\$2,770	\$2,680	\$2,530	

# 2 – a ) Acquisition of Dental Business from Heraeus Holding GmbH (Structure)



Trade Name : Heraeus Kulzer Dental

Type of business : Production, sales and marketing of dental related products (e.g restoratives)



Increasing Subsidiaries : 23 Entities

# 2 – b ) Acquisition of Dental Business from Heraeus Holding GmbH (Impact in Balance Sheet)



## 1. B/S of Dental Business at the end of First Quarter of 2013

(Unit:Millions of Euro)

Items	Amount	Items	Amount
Assets	259	Liabilities	147
		Net assets	112
<b>Total</b>	<b>259</b>	<b>Total</b>	<b>259</b>
<b>Total</b> (Billions of yen)	<b>33.4</b>	<b>Total</b> (Billions of yen)	<b>33.4</b>

## 2. Acquisition cost and goodwill

Items	Millions of Euro	Billions of yen	
Consideration of the purchase	471	60.6	} Acquisition cost
Expenses	-	0.5	
Others	1	0.1	
<b>Total</b>	<b>472</b>	<b>61.2</b>	
<b>Net Assets</b>	<b>112</b>	<b>14.4</b>	
<b>Goodwill</b>	<b>360</b>	<b>46.8</b>	

→Amortization method and period  
Equally amortized over 20 years

Goodwill has been tentatively measured at the end of the first quarter based on provisional calculation values and allocation of liabilities and assets of the acquisition.

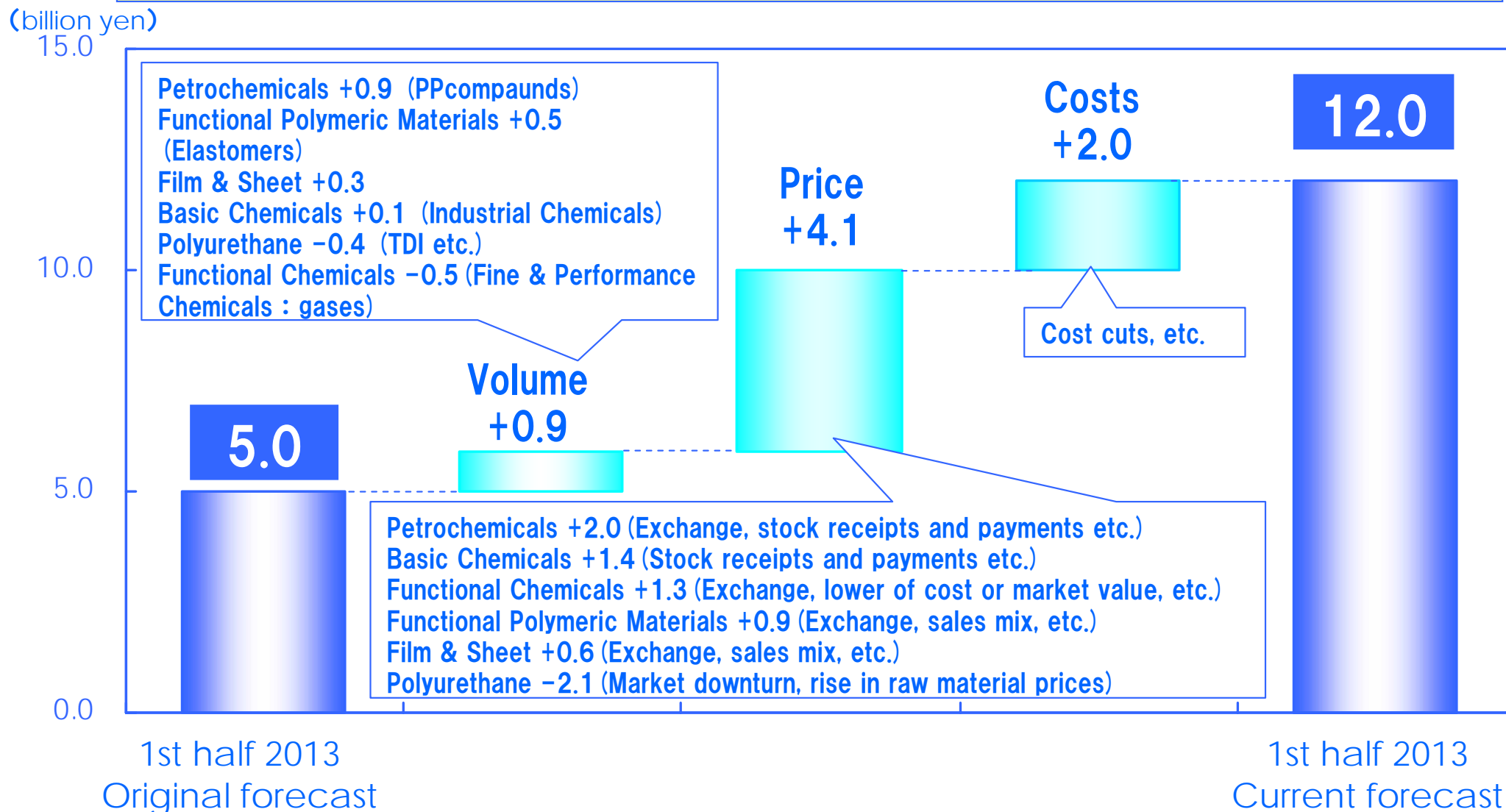


# 3) Operating Income for the First Half of FY2013

(original forecast → current forecast)



Original forecast 5.0billion → Current forecast 12.0billion(+7.0billion)



# 4) Comprehensive Income



(Billions of yen)

( ) Denotes a minus

Items		FY2012 1st Q	FY2013 1st Q	Incr. (Decr.)													
Net income before Minority Interests	[A]	(1.1)	5.6	6.7													
Other Comprehensive Income	[B]	4.5	10.5	6.0													
<table border="0"> <tr> <td rowspan="3" style="font-size: 3em; vertical-align: middle;">{</td> <td>Net unrealized holding gain on securities</td> <td>(3.0)</td> <td>2.2</td> <td>5.2</td> </tr> <tr> <td>Foreign currency translation adjustments</td> <td>6.2</td> <td>6.3</td> <td>0.1</td> </tr> <tr> <td>Others</td> <td>1.3</td> <td>2.0</td> <td>0.7</td> </tr> </table>	{	Net unrealized holding gain on securities	(3.0)	2.2	5.2	Foreign currency translation adjustments	6.2	6.3	0.1	Others	1.3	2.0	0.7				
{		Net unrealized holding gain on securities	(3.0)	2.2	5.2												
		Foreign currency translation adjustments	6.2	6.3	0.1												
	Others	1.3	2.0	0.7													
Comprehensive Income[A+B]		3.4	16.1	12.7													

(Breakdown of the total Comprehensive Income)

Comprehensive Income for Parent company's Shareholder	0.5	14.3	13.8
Comprehensive Income for Minority Shareholder	2.9	1.8	(1.1)

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.