

## Summary of Financial Results for the Third Quarter Ended December 31, 2011

### Mitsui Chemicals, Inc. (4183)

#### Consolidated Financial Results (April 1, 2011–December 31, 2011)

##### 1. Consolidated Financial Results (1) Results of Operations

	Millions of Yen (Except per Share Data and Percentages)			
	Third Quarter Ended December 31,			
	2011	%	2010	%
Net Sales	1,100,016	7.8	1,020,547	18.1
Operating Income	27,576	2.6	26,889	—
Ordinary Income	28,660	17.6	24,381	—
Net Income (Loss)	(223)	—	21,000	—
Net Income (Loss) per Share (yen)	(0.22)	—	20.95	—
Net Income per Share, Diluted (yen)	—	—	—	—
Comprehensive Income (Loss)	(4,854)	—	15,526	—

\*Figures in the percentage column indicate the percentage increase/(decrease) for each item compared with the previous fiscal year.

##### (2) Financial Position

	Millions of Yen (Except per Share Data and Percentages)	
	At December 31, 2011	At March 31, 2011
Total Assets	1,239,057	1,295,627
Net Assets	414,924	431,101
Shareholders' Equity Ratio	29.5%	29.6%
Note: Shareholders' Equity	At December 31, 2011	365,484 million yen
	At March 31, 2011	383,740 million yen

## 2. Dividends

	Fiscal Year Ended/Ending March 31,		
	2011	2012	2012 (Forecast)
Annual Dividends per Share (yen)			
First Quarter	—	—	
Interim	3.00	3.00	
Third Quarter	—	—	
End of Term	3.00		3.00
Annual Dividends	6.00		6.00

Note: Recent revisions to announced dividend forecast: None

## 3. Forecast of Operating Results for the Fiscal Year Ending March 31, 2012 (April 1, 2011–March 31, 2012)

	Millions of Yen (Except per Share Data and Percentages)	
	Full Fiscal Year	%
Net Sales	1,430,000	2.8
Operating Income	25,000	(38.3)
Ordinary Income	23,000	(40.8)
Net Income (Loss)	(6,000)	—
Net Income (Loss) per Share (yen)	(5.99)	—

\*Figures in the percentage column indicate the percentage increase/(decrease) for each item compared with the previous fiscal year.

Note: Recent revisions to announced operating results forecast: Yes

## 4. Other

(1) Significant changes in subsidiaries during the period (changes in specified subsidiaries resulting in a change in the scope of consolidation): None

(2) Adoption of special accounting treatments used in the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates and restatements

1) Changes in accounting policies due to revisions in accounting standards: None

2) Changes in accounting policies other than 1): None

3) Changes in accounting estimates: Yes

4) Changes in restatements: None

(4) Number of shares outstanding (common stock)

1) Number of shares outstanding at term-end (including treasury stock):

At December 31, 2011: 1,022,020,076 shares

At March 31, 2011: 1,022,020,076 shares

2) Number of shares of treasury stock at term-end:

At December 31, 2011: 20,198,978 shares

At March 31, 2011: 20,097,891 shares

3) Average number of shares (Quarterly cumulative period):

Third Quarter ended December 31, 2011: 1,001,879,245 shares

Third Quarter ended December 30, 2010: 1,002,210,859 shares

Cautionary Statement and Other Explanatory Notes

*\*Presentation of quarterly review procedure implementation status*

*This quarterly earnings report is exempt from quarterly review procedure based upon the Financial Instruments and Exchange Act.*

*\*Cautionary Statement and Other Explanatory Notes*

- 1. Consolidated earnings projections for full-year results announced on November 2, 2011 were revised downward, as noted in "Notice on Special Losses and Revision of Consolidated Financial Performance Outlook (FY2011)" released on February 3, 2012.*
- 2. The aforementioned forecasts are based on management's assumptions and beliefs in light of currently available information and, accordingly, entail risks and uncertainties. Actual results may differ materially from forecasts due to a variety of factors. Please refer to 1. Qualitative Information Concerning Quarterly Consolidated Results (3) Qualitative Information Concerning Consolidated Results Forecasts of the attached documents.*

*(Explanation of Quarterly Earnings Results)*

*The Company held an internet briefing with institutional investors and analysts on Friday, February 3, 2012. The documents used in and a recording of these briefings (in Japanese) are presented on the Company's website.*

## Attached Documents

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## 1. Qualitative Information Concerning Quarterly Consolidated Results

### (1) Qualitative Information Concerning Consolidated Operating Results

#### (Overview)

In the fiscal period under review (the nine-month period from April 1, 2011 to December 31, 2011, hereafter, the “third quarter”), the operating environment remained severe. This was mainly attributable to stagnant production activities caused by severed supply chains in the aftermath of flooding in Thailand, the yen remaining at an unprecedentedly high level, the European financial crisis, and an economic slowdown in China. These conditions persisted despite a recovery in personal consumption, which had dropped off following the Great East Japan Earthquake. As a result, the Mitsui Chemicals Group reported the following operating results for the third quarter.

(Billions of Yen)

	Net Sales	Operating Income	Ordinary Income	Net Income (Loss)
Third Quarter of the Current Fiscal Year	1,100.0	27.6	28.7	(0.2)
Third Quarter of the previous fiscal year	1,020.5	26.9	24.4	21.0
Change	79.5	0.7	4.3	(21.2)
Change (%)	7.8	2.6	17.6	—

**Net Sales** rose 79.5 billion yen, or 7.8%, compared with the third quarter of the previous fiscal year to 1,100.0 billion yen. Of this increase, 87.6 billion yen was accounted for by a revision in sales prices that reflected higher naphtha and other raw material and fuel prices as well as an increase in sales prices on the back of improved market conditions for the Basic Chemicals segment during the first half of fiscal 2011. This rise in net sales occurred despite an 8.1 billion yen decrease in sales volume due primarily to declining demand in the polyurethane business, mainly in China.

**Operating income** was 27.6 billion yen, an increase of 0.7 billion yen, or 2.6%, year on year. This was mainly the result of a Companywide reduction in fixed and other costs. This rise occurred despite a decrease in sales volume due to lower demand for polyurethane materials primarily in China as well as a deterioration in terms of trade in light of the strong yen.

**Ordinary income** was 28.7 billion yen, an increase of 4.3 billion yen, or 17.6%, year on year. This result largely reflected increases in operating income and equity in earnings of non-consolidated subsidiaries and affiliates along with improvements in financial loss amounts.

**Extraordinary income and loss** decreased 20.6 billion yen year on year to a loss of 10.2 billion yen due in part to the posting of an 11.4 billion yen impairment loss (as is outlined in “Note on Special Loss and Revision of Consolidated Financial Performance Outlook(FY2011)” released on February 3, 2012) even though the Company recorded a 2.3 billion yen gain on sales of noncurrent assets and a 2.2 billion yen reversal of provision for environmental measures. In addition, in the corresponding period of the previous fiscal year, a reversal of provision for retirement benefits of 14.6 billion yen was recorded as extraordinary income in line with a restructuring of the retirement benefits system.

As a result of the aforementioned factors, **net income before income taxes and minority interests** amounted to 18.5 billion yen, down 16.3 billion yen, or 46.7%, year on year.

**Net income** after accounting for income taxes and minority interests in income declined 21.2 billion yen compared with the third quarter of the previous fiscal year to record a loss of 0.2 billion yen, or 0.22 yen per share for the period.

## (Results by Business Segment)

The status of each segment during the third quarter is as follows.

### Petrochemicals

The Petrochemicals segment experienced steady overall net sales.

In **ethylene and propylene**, production volume decreased year on year due to a decline in demand.

In **polyethylene and polypropylene**, net sales rose due to an increase in sales prices following a rise in raw material and fuel prices. This increase occurred despite a decline in sales volume.

As a result of the above, this segment's sales increased 19.7 billion yen compared with the third quarter of the previous fiscal year to 340.6 billion yen and comprised 31% of total sales. On the other hand, operating income decreased 1.6 billion yen year on year to 8.2 billion yen because of a decline in domestic sales volume and a rise in fixed costs.

### Basic Chemicals

The Basic Chemicals segment recorded favorable overall net sales.

In **phenols**, overall net sales remained on par with the third quarter of the previous fiscal year due to lower sales volume caused by a cutback in production amid rapid drops in demand and a market slowdown from October 2011 onward. This result occurred despite strong net sales in the first half of fiscal 2011 that reflected expanded demand in Asia, particularly in China.

In **bisphenol A**, overall net sales remained on par with the third quarter of the previous fiscal year due to lower sales volume caused by a cutback in production amid a rapid slowdown in demand and a decline in the market from October 2011 onward. This result occurred despite robust net sales in the first half of fiscal 2011 owing to steady demand, primarily for its main application, polycarbonate resin and epoxy resin.

In **purified terephthalic acid (PTA)**, net sales were favorable thanks to increased sales volume on the back of expanded demand and a rise in sales prices following price increases for raw materials and fuels.

In **polyethylene terephthalate (PET)** resins, net sales were strong thanks to the positive impact of the integration of a portion of Teijin Chemicals Ltd.'s business operations in April 2011.

In **ethylene oxide and derivatives**, net sales grew owing to a rise in sales prices accompanying an increase in raw material and fuel prices.

As a result, this segment's net sales rose 60.0 billion yen to 374.2 billion yen year on year, and accounted for 34% of total sales. Operating income increased 4.9 billion yen year on year to 17.2 billion yen thanks to an increase in sales volume (excluding certain products) and strong markets during the first half of fiscal 2011.

### Polyurethane

The Polyurethane segment experienced a decrease in overall net sales.

In **polyurethane materials**, net sales fell due to the suspension of production at the Kashima Works until mid-May 2011 and sluggish demand in the automotive market following the Great East Japan Earthquake as well as a fall in demand in China and the strong yen.

In **coating materials**, net sales were stagnant due to weak demand in the domestic automotive and IT device markets.

In **adhesive materials**, net sales were weak due to sluggish demand for large-sized LCD televisions in China and the rest of Asia despite steady demand for adhesives used in soft packaging in Japan.

In **molding materials**, net sales were steady due to construction-related demand generated by post-disaster restoration efforts despite stagnant demand for working machines and semiconductors in Japan and China.

As a result, net sales in this segment decreased 12.1 billion yen year on year to 97.7 billion yen, and comprised 9% of total sales. Operating loss rose 5.3 billion yen compared with the corresponding period of the previous fiscal year to 11.3 billion yen due to a decline in sales volume and the deteriorating profitability of exports as a result of the strong yen.

### Functional Polymeric Materials

The Functional Polymeric Materials segment enjoyed strong overall net sales.

In **elastomers**, which are used primarily in automotive components and resin modifiers, net sales were robust thanks to growing demand for automobiles and industrial materials mainly in Asia.

In **performance compounds**, net sales were firm because of a steady expansion in demand for packaging material-related applications and a recovery in demand for automotive component-related applications. This result occurred despite sluggish demand for electronic component-related applications.

In **specialty polyolefins**, overall net sales were steady. Despite this result, net sales currently remain weak due to sluggish demand for IT-related applications from the second half of fiscal 2011 onward.

As a result, net sales in this segment increased 7.1 billion yen compared with the corresponding period of the previous fiscal year to 85.6 billion yen, and accounted for 8% of total sales. Operating income increased 0.9 billion yen to 7.0 billion yen year on year mainly due to a reduction in costs that compensated for the strong yen.

### Fabricated Products

The Fabricated Products segment experienced firm overall net sales.

In **hygiene materials**, net sales were favorable thanks to expanded demand for disposable diapers in China and Southeast Asia.

In **semiconductor materials**, net sales fell because of sluggish demand in the semiconductor market from July 2011 onward.

In **energy materials**, net sales were steady owing to greater demand in the solar cell encapsulant market.

In **packaging films**, net sales were firm due to the effect of price increases. This result occurred despite a slowdown in demand from July 2011 onward, reflecting the effect of a front loading of disaster-related demand.

As a result, net sales in this segment increased 2.9 billion yen compared with the same period of the previous fiscal year to 102.9 billion yen, and comprised 9% of total sales. Operating income increased 0.1 billion yen year on year to 1.8 billion yen, reflecting a reduction in fixed costs. This result occurred despite a deterioration in the terms of trade.

## Functional Chemicals

The Functional Chemicals segment experienced steady overall net sales.

In **healthcare materials**, net sales were favorable because of active overseas demand for ophthalmic lens materials and the positive impact of the acquisition of the Swiss company, ACOMON AG, in April 2011.

In **specialty gas**, net sales increased compared with the corresponding period of the previous fiscal year following the partial resumption of production in the summer of 2010, which had been halted by an accident that occurred in the autumn of 2009. On the other hand, net sales of **specialty chemicals** fell due to the reorganization and elimination of unprofitable products.

In **catalysts**, net sales were stagnant as a result of the strong yen.

In **agrochemical products**, net sales rose as a result of product shipments scheduled for fiscal 2010 being carried over to the current fiscal year because of the disaster.

As a result, this segment experienced a 2.5 billion yen increase in sales year on year to 85.4 billion yen, accounting for 8% of total sales. Operating income grew 1.5 billion yen compared with the same period of the previous fiscal year to 6.4 billion yen. This result was primarily attributable to a recovery in demand for certain products.

## Others

In the Others segment, net sales decreased 0.6 billion yen year on year to 13.6 billion yen, comprising 1% of total sales. Operating loss stood at 0.6 billion yen, a worsening of 0.6 billion yen compared with the same period of the previous fiscal year.

## (2) Qualitative Information Concerning Consolidated Financial Position

### Status of Assets, Liabilities and Net Assets

**Total assets** at the end of the third quarter stood at 1,239.1 billion yen, down 56.5 billion yen compared with the end of the previous fiscal year.

**Total liabilities** at the end of the third quarter decreased 40.3 billion yen compared with the previous fiscal year-end to 824.2 billion yen. **Interest-bearing debt** amounted to 461.8 billion yen, a decline of 18.9 billion yen compared with the end of the previous fiscal year.. As a result, the interest-bearing debt ratio was 37.3%, an increase of 0.2 of a percentage point.

**Net assets** totaled 414.9 billion yen, an increase of 16.2 billion yen compared with the previous fiscal year-end. The **ratio of shareholders' equity to total assets** was 29.5%, a decrease of 0.1 of a percentage point from the previous fiscal year-end.

Accounting for the aforementioned factors, the **debt-equity ratio** stood at 1.26 at the end of the third quarter, an increase of 0.01 of a percentage point from the previous fiscal year-end.

### Cash Flow Status

Cash and cash equivalents (hereafter called "cash") were down 26.5 billion yen to 54.6 billion yen as of the end of the third quarter compared with the previous fiscal year-end.

### Cash Flows from Operating Activities

Net cash provided by operating activities fell 4.9 billion yen to 35.5 billion yen year on year mainly due to a decline in income before income taxes and minority interests and higher working capital following a rise in inventories.



**Cash Flows from Investing Activities**

Net cash used in investing activities increased 2.2 billion yen compared with the same period of the previous fiscal year to 32.5 billion yen. This rise was mainly attributable to higher outflows for the acquisition of shares of subsidiaries and the purchase of investment securities in line with the Company's new growth strategy.

**Cash Flows from Financing Activities**

Net cash used in financing activities increased 11.1 billion yen to 28.4 billion yen year on year. This was primarily due to the progressive repayment of interest-bearing debt and an increase in the payment of dividends to minority shareholders.

### (3) Qualitative Information Concerning Consolidated Results Forecasts

#### (Overall Outlook for Operating Results)

Consolidated operating results forecasts for the full fiscal year that were disclosed on November 2, 2011 have been revised as follows based on “Notice on Special Losses and Revision of Consolidated Financial Performance Outlook(FY2011)” released on February 3, 2012.

Financial performance revisions are based on the following assumptions:

- a) Exchange rate for the full year is 79 yen/US\$ (January to March is 78 yen/US\$)
- b) Average price of domestic naphtha for the full year period is 54,400 yen /kl (January to March is 52,000 yen/kl)

As a result, operating income and ordinary income are expected to be lower than previously announced forecasts despite thorough cost reductions being undertaken in the second half of fiscal 2011. These forecast revisions are attributable to a decrease in sales volume due mainly to the European debt problems and a slowdown in demand in China as well as a deterioration in the terms of trade in the Petrochemicals and Basic Chemicals segments.

In addition, net income is expected to be lower than previously announced forecasts due to decreases in operating income and ordinary income as well as the recording of an impairment loss on fixed assets (outlined in “Notice on Special Losses and Revision of Consolidated Financial Performance Outlook (FY2011)”).

(Billions of Yen)

	Net Sales	Operating Income (Loss)	Ordinary Income (Loss)	Net Income (Loss)
Previous Forecast	1,510.0	50.0	51.0	26.0
Revised Forecast	1,430.0	25.0	23.0	(6.0)
Change	(80.0)	(25.0)	(28.0)	(32.0)

#### (Outlook by Business Segment)

Outlook by business segment is as follows.

(Billions of Yen)

	Net Sales								Total
	Petrochemicals	Basic Chemicals	Polyurethane	Functional Polymeric Materials	Fabricated Products	Functional Chemicals	Others	Elimination and Corporate	
Previous Forecast	466.0	499.0	138.0	121.0	141.0	127.0	18.0	—	1,510.0
Revised Forecast	441.0	467.0	132.0	115.0	134.0	123.0	18.0	—	1,430.0
Change	(25.0)	(32.0)	(6.0)	(6.0)	(7.0)	(4.0)	—	—	(80.0)

(Billions of Yen)

	Operating Income (Loss)								Total
	Petrochemicals	Basic Chemicals	Polyurethane	Functional Polymeric Materials	Fabricated Products	Functional Chemicals	Others	Elimination and Corporate	
Previous Forecast	13.0	24.0	(12.0)	10.5	4.0	12.0	(0.5)	(1.0)	50.0
Revised Forecast	8.0	11.0	(13.5)	9.0	1.5	10.5	(0.5)	(1.0)	25.0
Change	(5.0)	(13.0)	(1.5)	(1.5)	(2.5)	(1.5)	—	—	(25.0)

## 2. Consolidated Financial Statements

### (1) Consolidated Balance Sheets (Summary)

	Millions of Yen	
	As of December 31, 2011	As of March 31, 2011
<b>Assets</b>		
Current Assets	647,660	665,976
Fixed Assets	591,397	629,651
<b>Total Assets</b>	<b>1,239,057</b>	<b>1,295,627</b>
<b>Liabilities</b>		
Current Liabilities	437,390	442,298
Long-Term Liabilities	386,743	422,228
<b>Total Liabilities</b>	<b>824,133</b>	<b>864,526</b>
<b>Net Assets</b>		
<b>Shareholders' Equity</b>		
Common stock	125,053	125,053
Capital surplus	91,065	91,065
Retained earnings	195,438	201,692
Treasury stock, at cost	(14,261)	(14,254)
<b>Total Shareholders' Equity</b>	<b>397,295</b>	<b>403,556</b>
<b>Accumulated Other Comprehensive Income (Loss)</b>		
Net unrealized holding gain on securities	7,681	11,490
Net unrealized holding gain on hedging derivatives	(74)	120
Foreign currency translation adjustments	(39,418)	(31,426)
<b>Total Accumulated Other Comprehensive Income (Loss)</b>	<b>(31,811)</b>	<b>(19,816)</b>
<b>Minority Interests</b>	<b>49,440</b>	<b>47,361</b>
<b>Total Net Assets</b>	<b>414,924</b>	<b>431,101</b>
<b>Total Liabilities and Net Assets</b>	<b>1,239,057</b>	<b>1,295,627</b>

## (2) Consolidated Income Statements and Consolidated Comprehensive Income Statements

### (Consolidated Income Statements)

	Millions of Yen	
	April 1, 2011 to December 31, 2011	April 1, 2010 to December 31, 2010
<b>Net Sales</b>	<b>1,100,016</b>	<b>1,020,547</b>
Cost of Sales	944,653	862,528
<b>Gross Profit</b>	<b>155,363</b>	<b>158,019</b>
Selling, general and administrative expenses	127,787	131,130
<b>Operating Income</b>	<b>27,576</b>	<b>26,889</b>
<b>Non-operating Income and Expenses</b>		
<b>Non-operating Income</b>		
Interest income	137	110
Dividend income	1,807	1,491
Equity in earnings of non-consolidated subsidiaries and affiliates	5,468	5,053
Other	5,557	4,052
<b>Non-operating Income</b>	<b>12,969</b>	<b>10,706</b>
<b>Non-operating Expenses</b>		
Interest expenses	5,326	5,816
Foreign exchange losses	2,655	2,805
Other	3,904	4,593
<b>Non-operating Expenses</b>	<b>11,885</b>	<b>13,214</b>
<b>Ordinary Income</b>	<b>28,660</b>	<b>24,381</b>
<b>Extraordinary Income and Loss</b>		
<b>Extraordinary Income</b>		
Gain on sales of noncurrent assets	2,274	309
Gain on sales of investment securities	19	58
Reversal of provision for retirement benefits	–	14,618
Reversal of provision for environmental measures	2,194	–
Gain on transfer of business	543	–
<b>Extraordinary Income</b>	<b>5,030</b>	<b>14,985</b>
<b>Extraordinary Loss</b>		
Loss on disposal of noncurrent assets	1,177	2,006
Loss on sales of noncurrent assets	134	66
Impairment loss	11,451	779
Loss on restructuring of subsidiaries and affiliates	–	701
Loss on valuation of investment securities	1,028	80
Loss on disaster	1,380	–
Loss on adjustment for change of accounting standard for asset retirement obligations	–	970
<b>Extraordinary Loss</b>	<b>15,170</b>	<b>4,602</b>
<b>Net Income before Income Taxes and Minority Interests</b>	<b>18,520</b>	<b>34,764</b>
<b>Income Taxes</b>	<b>8,973</b>	<b>7,837</b>
<b>Income before Minority Interests</b>	<b>9,547</b>	<b>26,927</b>
<b>Minority Interests in Income</b>	<b>9,770</b>	<b>5,927</b>
<b>Net Income (Loss)</b>	<b>(223)</b>	<b>21,000</b>

(Consolidated Comprehensive Income Statements)

	Millions of Yen	
	April 1, 2011 to December 31, 2011	April 1, 2010 to December 31, 2010
<b>Income before Minority Interests</b>	<b>9,547</b>	<b>26,927</b>
<b>Other Comprehensive Income</b>		
Net unrealized holding gain (loss) on securities	(3,857)	(2,209)
Net unrealized holding gain (loss) on hedging derivatives	(339)	64
Foreign currency translation adjustment	(8,895)	(8,116)
Share of other comprehensive income (loss) of associates accounted for using equity method	(1,310)	(1,140)
<b>Total Other Comprehensive Income (Loss)</b>	<b>(14,401)</b>	<b>(11,401)</b>
<b>Comprehensive Income (Loss)</b>	<b>(4,854)</b>	<b>15,526</b>
Comprehensive income (loss) attributable to:		
Owners of the parent	(12,218)	10,305
Minority interests	7,364	5,221

**(3) Consolidated Cash Flow Statements (Summary)**

		Millions of Yen	
		April 1, 2011 to December 31, 2011	April 1, 2010 to December 31, 2010
<b>I.</b>	<b>Cash Flows from Operating Activities</b>	35,495	40,375
<b>II.</b>	<b>Cash Flows from Investing Activities</b>	(32,450)	(30,322)
<b>III.</b>	<b>Cash Flows from Financing Activities</b>	(28,401)	(17,325)
<b>IV.</b>	<b>Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>	(1,118)	(981)
<b>V.</b>	<b>Net Decrease in Cash and Cash Equivalents</b>	(26,474)	(8,253)
<b>VI.</b>	<b>Cash and Cash Equivalents at Beginning of Period</b>	81,119	72,962
<b>VII.</b>	<b>Increase (Decrease) in Cash and Cash Equivalents Resulting from Changes in Scope of Consolidation</b>	(15)	—
<b>VIII.</b>	<b>Cash and Cash Equivalents at End of Period</b>	54,630	64,709

#### (4) Notes Regarding Going Concern Assumption

None

#### (5) Segment Information

##### 1. The previous first half (April 1, 2010 – December 31, 2010)

##### (a) Information concerning net sales, profits and losses for each reportable segment

(Millions of yen)

	Reportable Segment							Others (Note)	Sum total
	Petro-chemicals	Basic Chemicals	Polyurethane	Functional Polymeric Materials	Fabricated Products	Functional Chemicals	Total		
Net sales									
1) To external customers	320,879	314,178	109,861	78,515	100,038	82,911	1,006,382	14,165	1,020,547
2) Internal sales among segments and transfers	92,273	19,430	3,093	11,849	225	3,843	130,713	38,327	169,040
Total	413,152	333,608	112,954	90,364	100,263	86,754	1,137,095	52,492	1,189,587
Segment income (loss)	9,818	12,265	(5,963)	6,054	1,686	4,904	28,764	17	28,781

Note: The "Other Business" category incorporates operations not included in reportable segments.

##### (b) Difference between Total Amount of Consolidated Income/Loss by Reportable Segment and Operating Income/Loss from Consolidated Income Statements (adjustment of difference)

(Millions of yen)

Items	Amount
Total reportable segment income	28,764
Income classified under "Others"	17
Elimination of intersegment transactions	185
Corporate expenses (note)	(2,077)
Operating income recorded in Consolidated Income Statements	26,889

Note: Corporate mainly comprises strategic R&D expenses not usually attributed to segments

##### 2. The current first half (April 1, 2011 – December 31, 2011)

##### (a) Information concerning net sales, profits and losses for each reportable segment

(Millions of yen)

	Reportable Segment							Others (Note)	Sum total
	Petro-chemicals	Basic Chemicals	Polyurethane	Functional Polymeric Materials	Fabricated Products	Functional Chemicals	Total		
Net sales									
1) To external customers	340,595	374,175	97,730	85,615	102,912	85,427	1,086,454	13,562	1,100,016
2) Internal sales among segments and transfers	104,055	20,106	3,398	10,749	62	4,357	142,727	44,071	186,798
Total	444,650	394,281	101,128	96,364	102,974	89,784	1,229,181	57,633	1,286,814
Segment income (loss)	8,243	17,163	(11,262)	6,953	1,818	6,356	29,271	(574)	28,697

Note: The "Other Business" category incorporates operations not included in reportable segments.

##### (b) Difference between Total Amount of Consolidated Income/Loss by Reportable Segment and Operating Income/Loss from Consolidated Income Statements (adjustment of difference)

(Millions of yen)

Items	Amount
Total reportable segment income	29,271
Loss classified under "Others"	(574)
Elimination of intersegment transactions	92
Corporate expenses (note)	(1,213)
Operating income recorded in Consolidated Income Statements	27,576

Note: Corporate mainly comprises general and administrative expenses not usually attributed to segments

(c) Information of Impairment loss of Fixed Assets and Goodwill by Reportable Segment  
(Material Impairment loss of Fixed Assets)

Business conditions for polyurethane materials in Polyurethane segment remained severe due to stagnant markets for TDI and MDI and yen appreciation. Due to this further drop in demand, the remeasured recoverable amount of fixed assets which belongs to this business was lower than their book value. As a result, the impairment loss for the fixed assets was recorded in the amount of 11.415 billion yen.

**(6) Notes in the Event of Significant Changes in Amount of Shareholders' Equity**

None