



Financial Summary

Results of FY2007 & Outlook for FY2008

Mitsui Chemicals, Inc.

<Remarks>

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

FY2008 indicates the fiscal year starting from April 1 of 2008 and ending at March 31 of 2009

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Reference

1. Results of FY2007

(April 1, 2007 – March 31, 2008)

1) Operation Topics in FY2007

Project	Action	Production Capacity	Location	Date
◆ Performance Materials & Advanced Chemicals				
1) New Start of Sankyo Agro as a 100% Subsidiary Company	Starting business			Apr. 07
2) Acquisition of Toner Resin Business from Sekisui Chemical	Acquisition			Apr. 07
3) Expansion of MDI Production Capacity (Completion in Jun.09) (Kumho Mitsui Chemicals)	Reached an agreement with Korea Kumho Petrochemicals	+65K t/y (65→130K t/y)	Korea	Apr. 07
4) Expansion of Nitrogen Trifluoride Production Capacity	Starting commercial operation	+400 t/y (1,300→1,700 t/y)	Shimonoseki	Aug. 07
5) Expansion of Nonwoven Polypropylene Fabric Production Capacity (MHM)	Starting commercial operation	+16K t/y (14→30K t/y)	Thailand	Dec. 07
6) Expansion of Ethylene/ α Olefin Olygomer (LUCANT™) Capacity	Starting commercial operation	+6K t/y (5→11K t/y)	Iwakuni-Ohtake	Feb. 08
7) Withdrawal from Optical Filter Business for PDP	Withdrawal			Mar. 08

1) Operation Topics in FY2007

Project	Action	Production Capacity	Location	Date
◆Petro- & Basic Chemicals 1) Expansion of PP Automotive Materials Production Capacity (ACP, GSC, MCZ)	Starting commercial operation	+63K t/y (537→600K t/y)	North America Thailand China	May. 07
2) Expansion of Phenol Production Capacity (Mitsui Phenols Singapore)	Starting commercial operation	+50K t/y (250→300K t/y)	Singapore	Aug. 07
3) Establishment of New PP Automotive Materials Company in India (Mitsui Prime Advanced Composites India)	Establishment	15K t/y	India	Sep. 07
4) Propylene Production System Utilizing C-4 Fraction By-products (Launch of trial verification in the middle of FY09)	Starting construction	150K t/y	Ichihara	Feb. 08
◆Others 1) Withdrawal from JV of GE and Nagase (GE Plastics Japan & GEM PC)	Reached an agreement			Jun. 07

2) Number of Subsidiaries and Affiliates

Items	FY2006 (a)	FY2007 (b)	Incr. (Decr.) (b)-(a)
Number of consolidated subsidiaries	70	63	(7)
Number of non-consolidated subsidiaries and affiliates to which the equity method is applied	47	38	(9)
Total	117	101	(16)

3) Consolidated Financial Highlights

(Billions of yen)

Items	FY2006	FY2007	Increase (Decrease)	%
Sales	1,688.1	1,786.7	98.6	6%
Operating income	91.7	77.2	(14.5)	(16%)
None-Operating income/expenses	3.8	(11.1)	(14.9)	-
Recurring income	95.5	66.1	(29.4)	(31%)
Special gains/losses	(11.0)	(21.5)	(10.5)	-
Income before income taxes	84.5	44.6	(39.9)	(47%)
Net income	52.3	24.8	(27.5)	(53%)
Earnings Per Share (Yen/Share)	66.68	32.22	(34.46)	-
Exchange Rate (Yen/US\$)	117	114	(3)	
Domestic Standard Naphtha Price (Yen/KL)	49,950	61,450	11,500	
Interest-bearing liabilities	498.3	486.0	(12.3)	(2%)
D/E Ratio	0.99	0.97	(0.02)	-
Dividend (Yen/Share)	10.00	12.00	2.00	-

4) 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 FY2006 being recomposed accordingly as below.

(Billions of yen)

Old Segment	FY2006		New Segment	FY2006
Functional Chemicals & Engineered Materials	214.0	➔	Performance Materials	496.3
Functional Polymeric Materials	317.3		Advanced Chemicals	93.9
Basic Chemicals	553.5		Basic Chemicals	1,037.8
Petrochemicals	559.9		Others	60.1
Others	43.4			
Total	1,688.1			Total

5) 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 FY2006 being recomposed accordingly as below.

(Billions of yen)

Old Segment	FY2006		New Segment	FY2006
Functional Chemicals & Engineered Materials	13.5	➔	Performance Materials	25.9
Functional Polymeric Materials	22.2		Advanced Chemicals	11.7
Basic Chemicals	11.0		Basic Chemicals	53.1
Petrochemicals	45.4		Others	1.0
Others	(0.4)			
Total	91.7			Total

6) Sales (by Business Segment)

(Billions of Yen)

Segment	FY2006	FY2007	Incr. (Decr.)	Breakdown	
				Volume	Price
Performance Materials	496.3	504.1	7.8	(22.1)	29.9
Advanced Chemicals	93.9	122.1	28.2	28.6	(0.4)
Basic Chemicals	1,037.8	1,111.2	73.4	(32.5)	105.9
Others	60.1	49.3	(10.8)	(10.8)	0.0
Total	1,688.1	1,786.7	98.6	(36.8)	135.4

7) Operating Income (by Business Segment)

(Billions of Yen)

Segment	FY2006	FY2007	Incr. (Decr.)	Breakdown		
				Volume	* Price	Costs
Performance Materials	25.9	35.9	10.0	1.1	13.4	(4.5)
Advanced Chemicals	11.7	10.8	(0.9)	4.6	(4.3)	(1.2)
Basic Chemicals	53.1	33.4	(19.7)	(2.1)	(14.6)	(3.0)
Others	1.0	(2.9)	(3.9)	(0.1)	0.0	(3.8)
Total	91.7	77.2	(14.5)	3.5	(5.5)	(12.5)

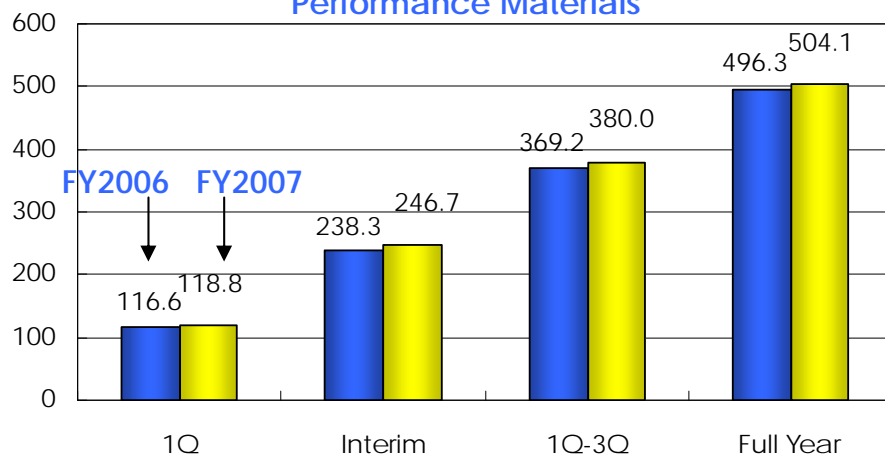
* Price: including both selling and purchase price variances



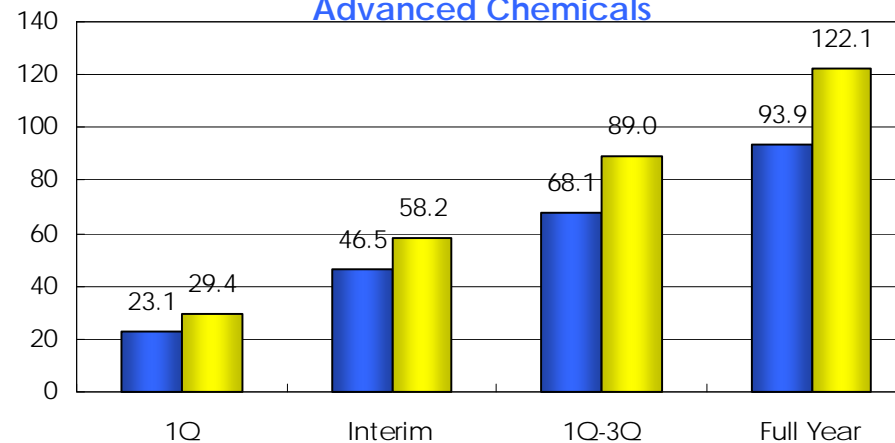
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8) Sales (by Business Segment)

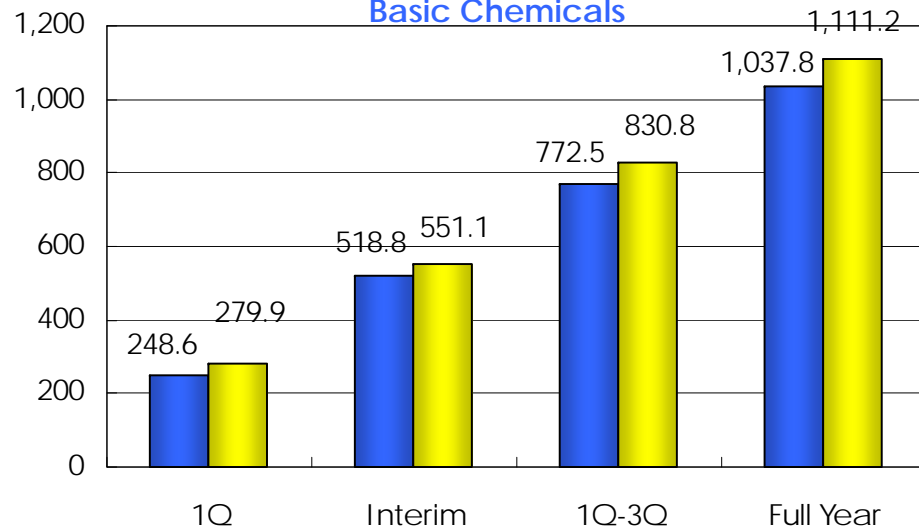
Performance Materials



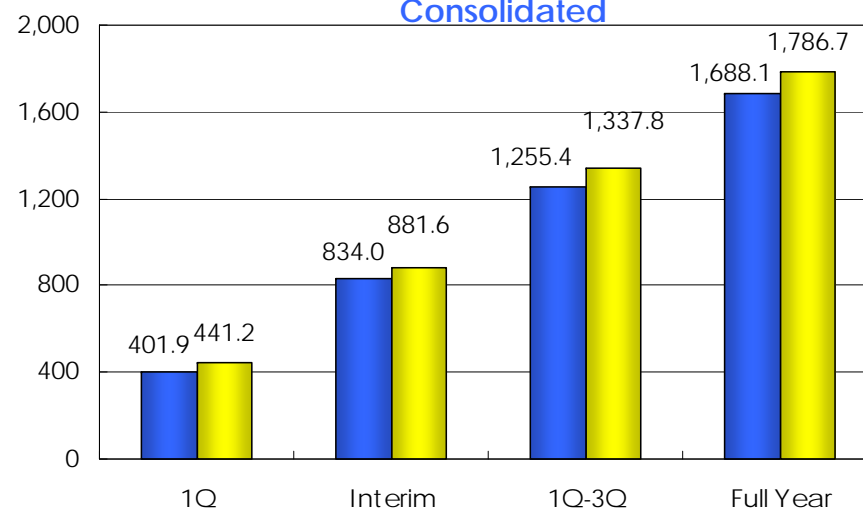
Advanced Chemicals



Basic Chemicals



Consolidated

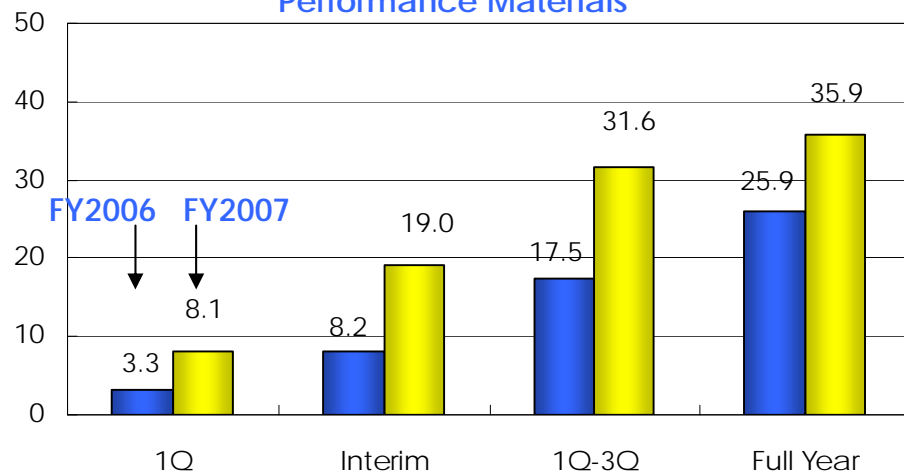




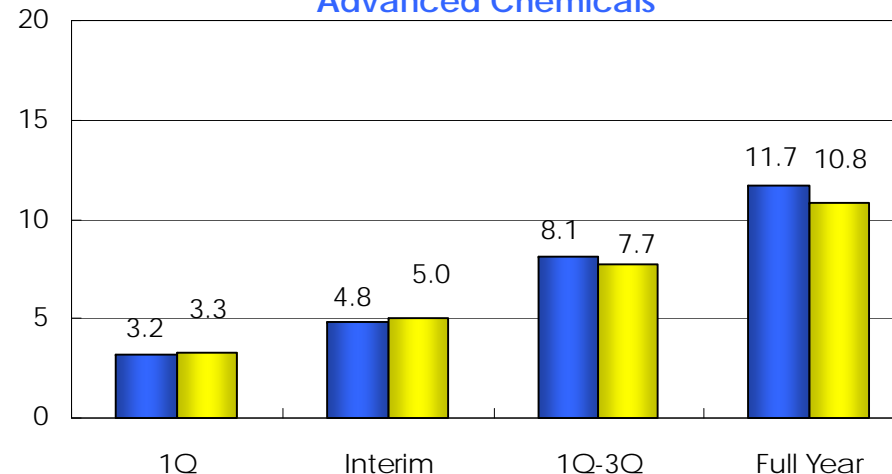
(Billions of Yen)

9) Operating Income (by Business Segment)

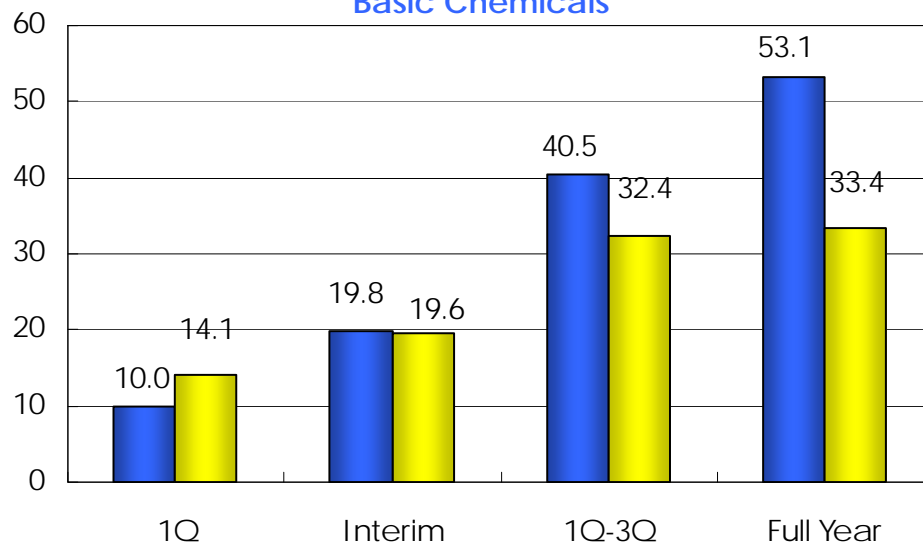
Performance Materials



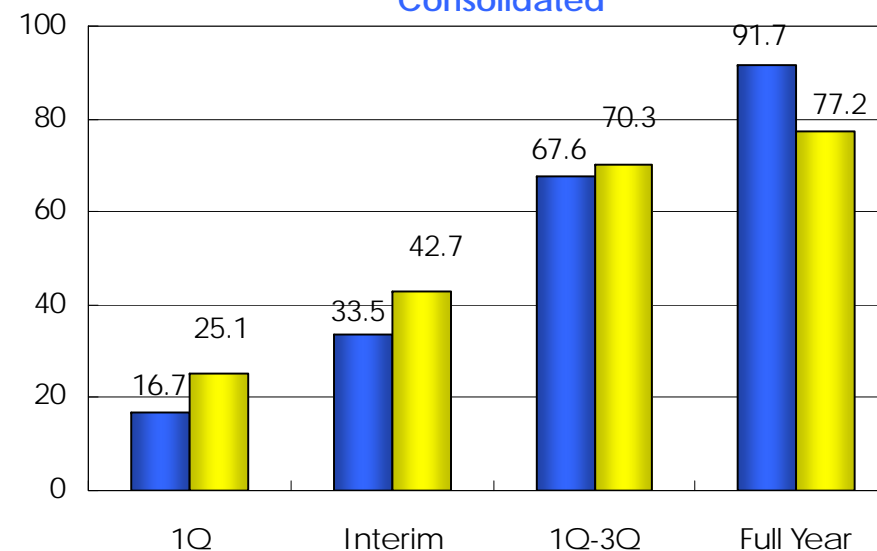
Advanced Chemicals



Basic Chemicals



Consolidated



10) Assets, Depreciation, Capex (by Business Segment)

FY2006 (a)

(Billions of Yen)

	Performance Materials	Advanced Chemicals	Basic Chemicals	Others	Total
Assets	477.0	160.0	710.1	151.1	1,498.2
Depreciation	30.0	5.4	31.2	3.6	70.2
Capex	42.1	7.9	14.9	7.8	72.7

FY2007 (b)

	Performance Materials	Advanced Chemicals	Basic Chemicals	Others	Total
Assets	490.0	159.0	697.9	122.3	1,469.2
Depreciation	29.6	6.3	30.8	5.9	72.6
Capex	50.4	6.2	20.6	7.5	84.7

Incr.(Decr.) (b)-(a)

	Performance Materials	Advanced Chemicals	Basic Chemicals	Others	Total
Assets	13.0	(1.0)	(12.2)	(28.8)	(29.0)
Depreciation	(0.4)	0.9	(0.4)	2.3	2.4
Capex	8.3	(1.7)	5.7	(0.3)	12.0

11) Regional Sales and Operating Income

Sales (Billions of Yen)

Segment	FY2006		FY2007		Incr.(Decr.)	
	amount	%	amount	%	amount	%
Japan	1,412.8	84%	1,466.6	82%	53.8	4%
Asia	178.4	11%	215.6	12%	37.2	21%
Others	96.9	5%	104.5	6%	7.6	8%
Total	1,688.1	100%	1,786.7	100%	98.6	6%

Operating Income

Segment	FY2006		FY2007		Incr.(Decr.)	
	amount	%	amount	%	amount	%
Japan	84.8	92%	72.1	93%	(12.7)	(15%)
Asia	4.0	4%	1.2	2%	(2.8)	(70%)
Others	2.9	3%	3.9	5%	1.0	34%
Total	91.7	100%	77.2	100%	(14.5)	(16%)

12) Non-Operating Income and Expenses

(Billions of yen)

Items	FY2006	FY2007	Incr. (Decr.)
Equity in earnings of non-consolidated subsidiaries and affiliates	6.0	5.9	(0.1)
Interest expenses, interest and dividend income	(5.4)	(5.5)	(0.1)
Gain (loss) on Foreign exchange	2.7	(6.1)	(8.8)
Other net	0.5	(5.4)	(5.9)
Total	3.8	(11.1)	(14.9)

13) Special Gains and Losses

(Billions of yen)

Items	FY2006	FY2007	Incr. (Decr.)
Special gains (a)	5.0	2.9	(2.1)
Gain on sales of fixed assets	1.9	2.9	1.0
Gain on change in interests in consolidated subsidiaries	3.1	0.0	(3.1)
Special losses (b)	(16.0)	(24.4)	(8.4)
Loss on sales and disposal of fixed assets	(6.0)	(5.4)	0.6
Impairment loss	(1.3)	(0.7)	0.6
Loss on restructuring of subsidiaries and affiliates etc.	(5.6)	(3.2)	2.4
Loss on business withdrawal	0.0	(2.6)	(2.6)
Environmental measure expenses	0.0	(11.7)	(11.7)
Others	(3.1)	(0.8)	2.3
Special gains and losses (a)+(b)	(11.0)	(21.5)	(10.5)

14) Consolidated Balance Sheets

(Billions of Yen)

Items	End of 07/3	End of 08/3	Incr. (Decr.)	Items	End of 07/3	End of 08/3	Incr. (Decr.)
Current assets	733.2	726.3	(6.9)	Liabilities	927.9	905.0	(22.9)
Cash and cash equivalents	40.4	25.5	(14.9)	Notes and accounts payables	244.9	239.5	(5.4)
Notes and accounts receivables	346.7	332.9	(13.8)	Interest-bearing liabilities	498.3	486.0	(12.3)
Inventories	257.1	269.2	12.1	Other liabilities	184.7	179.5	(5.2)
Other current assets	89.0	98.7	9.7				
				Net assets	570.3	564.2	(6.1)
Fixed assets	765.0	742.9	(22.1)	Shareholders' equity	465.9	479.5	13.6
Tangible fixed assets	542.3	564.8	22.5	Appraisal and Translation Differences	38.6	20.5	(18.1)
Investments & other non-current assets	222.7	178.1	(44.6)	Minority interest	65.8	64.2	(1.6)
Total	1,498.2	1,469.2	(29.0)	Total	1,498.2	1,469.2	(29.0)
				Contingent liabilities as guarantor of indebtedness	15.0	11.5	(3.5)

15) Consolidated Statements of Cash Flow

(Billions of yen)

Items	FY2006	FY2007	Incr. (Decr.)
I. Cash flows from operating activities[A]	100.5	92.4	(8.1)
II. Cash flows from investing activities[B]	(133.6)	(78.2)	55.4
Free cash flows[A+B]	(33.1)	14.2	47.3
III. Cash flows from financing activities	41.2	(28.7)	(69.9)
IV. Others	1.1	(0.4)	(1.5)
Net incr.(decr.) in cash and cash equivalents	9.2	(14.9)	(24.1)

2. Outlook for FY2008

(April 1, 2008 – March 31, 2009)

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 in FY2008

Project	Action	Production Capacity	Location	Date
◆Performance Materials				
1) Expansion of EPT Production Capacity	Starting commercial operation	+75K t/y (45→120K t/y)	Ichihara	Apr. 08
2) Expansion of Cycloolefin Copolymer (APEL™) Production Capacity	Starting commercial operation	+3K t/y (3.4→6.4K t/y)	Osaka	May. 08
3) Expansion of Alpha-Olefin Copolymer (TAFMER™) Production Capacity (Mitsui Elastmers Singapore)	Starting construction	+100K t/y (100→200K t/y)	Singapore	Jul. 08
◆Petro- & Basic Chemicals				
4) Announcement on the Establishment of a Joint Venture towards the Construction of Nghi Son Complex	Reached a decision to participate in a joint venture		Vietnam	Apr. 08
5) A new BPA Plant	Plant completed	120K t/y	Shanghai, China (SSMC)	Jul. 08
6) A new PP Automotive Materials Plant	Plant completed	15K t/y	India (ACI)	Oct. 08

2) Consolidated Financial Highlights

(Billions of yen)

Items	FY2007	FY2008 Outlook		Increase (Decrease)	%
		1-2Q	Full Year		
Sales	1,786.7	930.0	1,900.0	113.3	6%
Operating income	77.2	25.0	66.0	(11.2)	(15%)
(Equity in earnings of non-consolidated subsidiaries&affiliates)	5.9	3.0	6.5	0.6	-
Recurring income	66.1	24.0	64.0	(2.1)	(3%)
Special gains/losses	(21.5)	(3.0)	(9.0)	12.5	-
Net income	24.8	12.0	29.0	4.2	17%
Earnings Per Share (Yen/Share)	32.22	15.59	37.68	5.46	-
Exchange Rate (Yen/US\$)	114	100	100	(14)	
Domestic Standard Naphtha Price (Yen/KL)	61,450	72,000	72,000	10,550	
Dividend (Yen/Share)	12.00	6.00	13.00	1.00	-

3) Sales (by Business Segment)

(Billions of Yen)

Segment	FY2007	FY2008 Outlook	Incr. (Decr.)	Breakdown	
				Volume	Price
Performance Materials	504.1	550.0	45.9	42.0	3.9
Advanced Chemicals	122.1	130.0	7.9	7.3	0.6
Basic Chemicals	1,111.2	1,200.0	88.8	2.7	86.1
Others	49.3	20.0	(29.3)	(29.3)	0.0
Total	1,786.7	1,900.0	113.3	22.7	90.6

4) Operating Income (by Business Segment)

(Billions of Yen)

Segment	FY2007	FY2008 Outlook	Incr. (Decr.)	Breakdown		
				Volume	* Price	Costs
Performance Materials	35.9	25.0	(10.9)	11.8	(8.8)	(13.9)
Advanced Chemicals	10.8	12.0	1.2	3.0	(0.2)	(1.6)
Basic Chemicals	33.4	31.0	(2.4)	2.1	(1.1)	(3.4)
Others	(2.9)	(2.0)	0.9	0.0	0.0	0.9
Total	77.2	66.0	(11.2)	16.9	(10.1)	(18.0)

* Price: including both selling and purchase price variances

5) Sales and Operating Income (Interim and Full year)



(Billions of yen)

Sales

Segment	FY2008 Outlook	
	1-2Q	Full Year
Performance Materials	270.0	550.0
Advanced Chemicals	60.0	130.0
Basic Chemicals	590.0	1,200.0
Others	10.0	20.0
Total	930.0	1,900.0

Operating Income

Segment	FY2008 Outlook	
	1-2Q	Full Year
Performance Materials	9.0	25.0
Advanced Chemicals	4.0	12.0
Basic Chemicals	13.0	31.0
Others	(1.0)	(2.0)
Total	25.0	66.0

6) Special Gains and Losses

(Billions of yen)

Items	FY2007	FY2008 Outlook		Incr. (Decr.)
		1-2Q	Full Year	
Special gains (a)	2.9	0.0	0.0	(2.9)
Gain on sales of fixed assets	2.9	0.0	0.0	(2.9)
Gain on change in interests in consolidated subsidiaries	0.0	0.0	0.0	0.0
Special losses (b)	(24.4)	(3.0)	(9.0)	15.4
Loss on sales and disposal of fixed assets	(5.4)	(3.0)	(9.0)	(3.6)
Impairment loss	(0.7)	0.0	0.0	0.7
Loss on restructuring of subsidiaries and affiliates etc.	(3.2)	0.0	0.0	3.2
Loss on Business withdrawal	(2.6)	0.0	0.0	2.6
Environmental measure expenses	(11.7)	0.0	0.0	11.7
Others	(0.8)	0.0	0.0	0.8
Special gains and losses (a)+(b)	(21.5)	(3.0)	(9.0)	12.5

7) Consolidated Statements of Cash Flow

(Billions of yen)

Items	FY2007 (a)	FY2008 Outlook		Incr. (Decr.) (b)-(a)
		1-2Q	Full Year(b)	
I. Cash flows from operating activities[A]	92.4	40.0	110.0	17.6
II. Cash flows from investing activities[B]	(78.2)	(80.0)	(160.0)	(81.8)
Free cash flows[A+B]	14.2	(40.0)	(50.0)	(64.2)
III. Cash flows from financing activities	(28.7)	40.0	50.0	78.7
IV. Others	(0.4)	0.0	0.0	0.4
Net incr.(decr.) in cash and cash equivalents	(14.9)	0.0	0.0	14.9

8) Consolidated Accounting Fundamentals

Items		FY2006	FY2007	FY2008 Outlook	
				1-2Q	Full Year
Exchange Rate	Yen/US\$	117	114	100	100
Domestic Standard Napht ha Price	Yen/KL	49,950	61,450	72,000	72,000
R&D Expendit ures	¥ Billions	36.9	42.1	23.0	46.0
Depreciation & Amortization	¥ Billions	70.2	72.6	40.0	90.0
Capital Expenditure	¥ Billions	72.7	84.7	70.0	130.0
Financing income and expense	¥ Billions	(5.4)	(5.5)	(4.0)	(8.0)
Interest-bearing liabilities	¥ Billions	498.3	486.0	530.0	550.0
Number of Employees	person	12,511	12,814	13,300	13,500

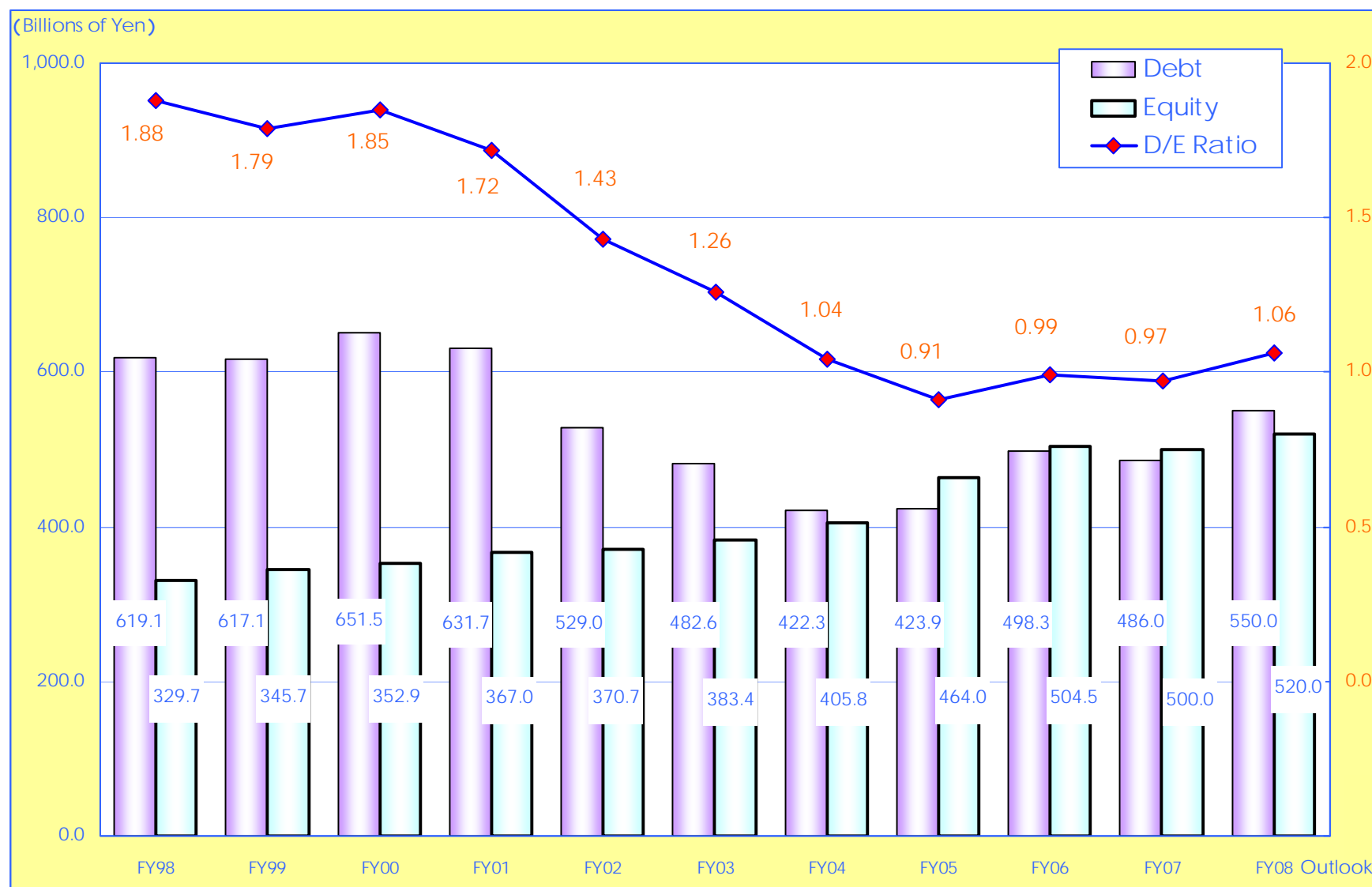
3. Appendix

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				2008
Month	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.
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	66,700
PE (Yen/KG)	+10 more	→	+20~25	→	→	about +12	about +10	about (10)	about +13	about +13	→	about +15
(HN)	36,000		45,000			approx. 50,000	approx. 55,000	approx. 50,000	approx. 56,000	approx. 62,000		approx. 68,000
PP (Yen/KG)	+10 more	→	+20~25	→	→	about +12	about +10	about (10)	about +13	about +13	→	about +15
(HN)	36,000		45,000			approx. 50,000	approx. 55,000	approx. 50,000	approx. 56,000	approx. 62,000		approx. 68,000
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	\$1,030
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	\$2,030
PTA (US\$/T)	\$860	\$880	\$890	\$880	\$915	\$1,030	\$880	\$860	+\$70 *	(\$30) *	(\$60) *	+\$60 *
(PX)	\$925	\$915	\$1,010	\$1,010	\$1,070	\$1,320	\$1,160	\$1,110	+\$120 *	(\$60) *	(\$30) *	+\$40 *
	* 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	\$4,000

2) History of Consolidated D/E Ratio



3) Main Subsidiaries and Affiliates

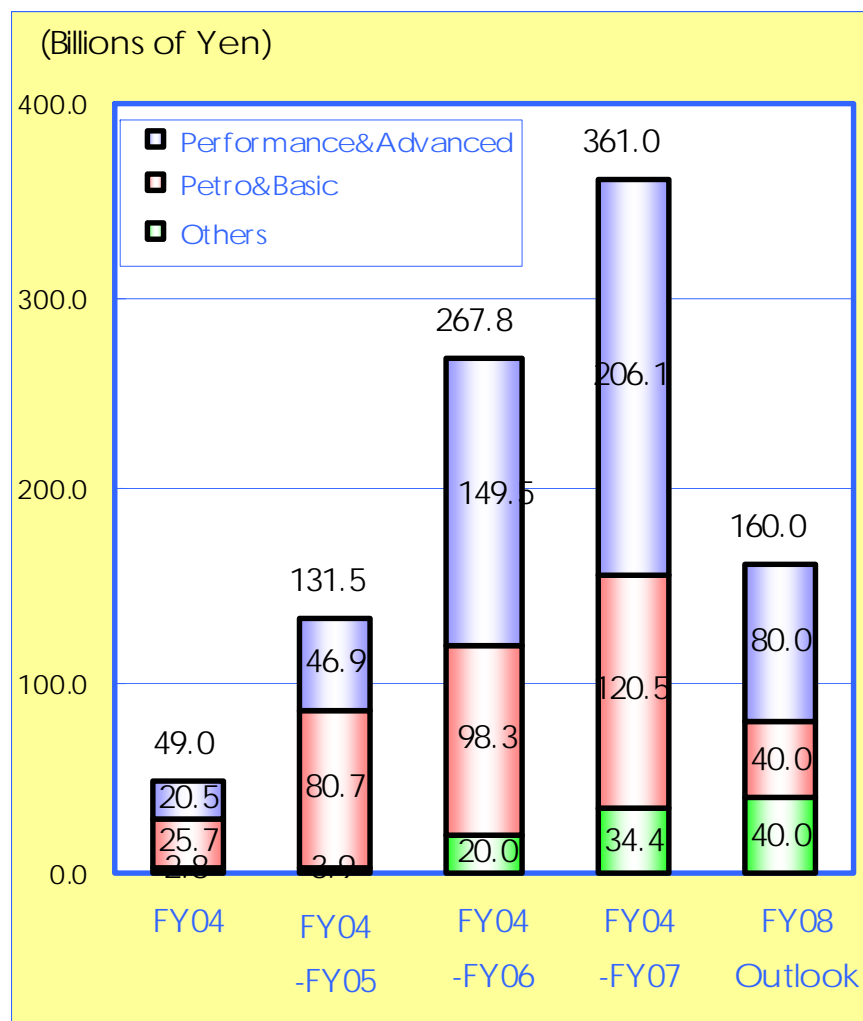
Item	Common stock		Our share	Sales amount	Operating Income	
					FY2007	FY2008 Outlook
Subsidiaries			%	Billions of Yen		
Mitsui Chemicals Polyurethanes	Billions of Yen	20	100.0	169	gain	↓
Prime Polymer	Billions of Yen	20	65.0	375	gain	↑
Osaka Petrochemical Industries	Billions of Yen	5	100.0	167	gain	↓
Mitsui Chemicals America	Millions of USD	72	100.0	81	gain	→
Siam Mitsui PTA	Millions of BAHT	2,800	50.02	143	loss	↑
Mitsui Phenols Singapore	Millions of USD	120	95.0	72	gain	→
Mitsui Elastomers Singapore	Millions of USD	64	100.0	27	gain	→
Affiliates						
DU PONT-Mitsui Polychemicals	Billions of Yen	6	50.0	40	gain	→
Amoco Mitsui PTA Indonesia	Millions of USD	160	45.0	47	loss	↑

Operating Income:

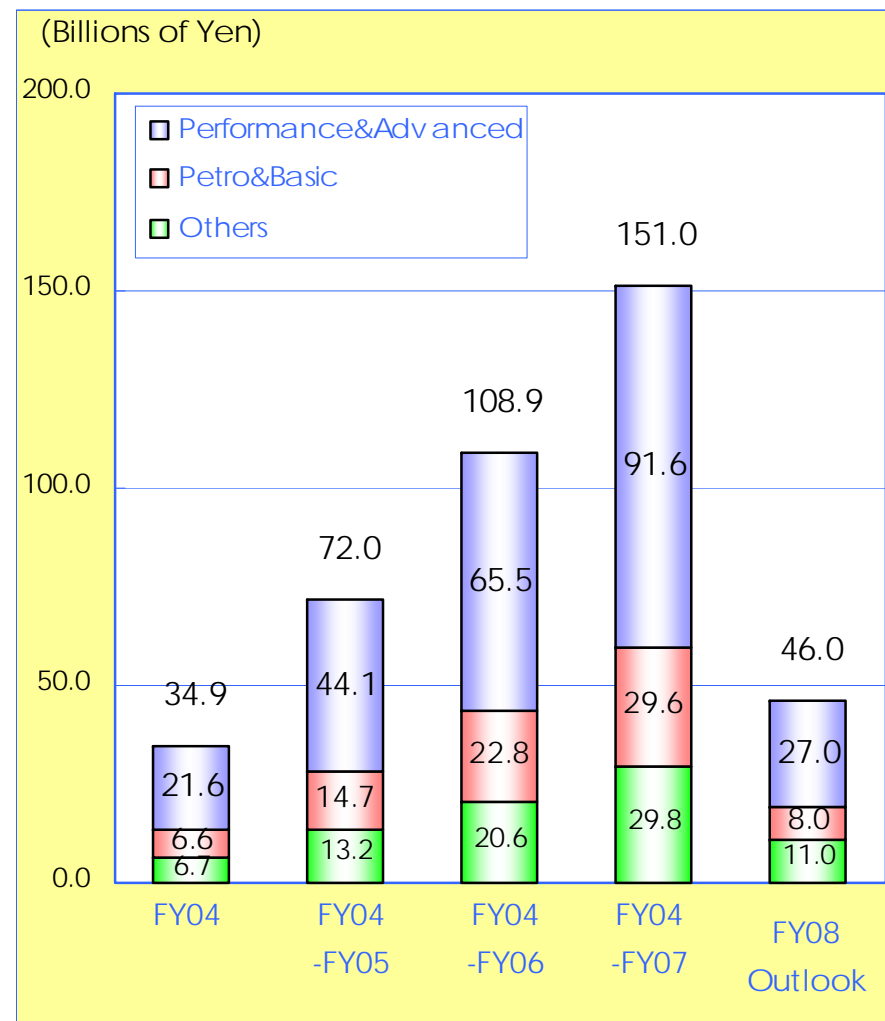
"→" represents "flat", or a gain/loss under 500million yen compared to FY2007.

4) Capital Expenditure and R&D

Capital Expenditure



R&D



Reference



<Company Names>

- ACI (Mitsui Prime Advanced Composites India)
- ACP (Advanced Composites, Inc.)
- GSC (Grand Siam Composites Co., Ltd.)
- MCZ (Mitsui Chemicals Plastic Compounds (Zhongshan) Co., Ltd.)
- MHM (Mitsui Hygiene Materials Thailand)
- SSMC(Shanghai Sinopec Mitsui Chemicals,Co.,Ltd)

<Product Names>

- PDP(Plasma Display Panel)
- MDI (Methylene diphenyl isocyanate)

Mitsui Chemicals, Inc.

CSR & Corporate Communications Division

TEL: +81 3 6253 2100

FAX: +81 3 6253 4245

Email: Web_Master@mitsui-chem.co.jp

URL: <http://www.mitsui-chem.co.jp/e>