

Revised Financial Performance Outlook and
Reversal of Deferred Tax Assets

Mitsui Chemicals, Inc. (MCI) announces revision in its financial performance outlook (consolidated and non-consolidated) for the year ending March 31, 2009 (announced January 30, 2009) as is shown in Section 1 and the reversal of deferred tax assets as is shown in Section 2.

1. Revision of Financial Performance Outlook for FY2008

(1) Revision of consolidated financial performance outlook for FY2008

(April 1, 2008 through March 31, 2009)

(unit: millions of yen)

| (¥ million) | Net Sales | Operating Income | Recurring Income | Net Income |
|--|-----------|------------------|------------------|------------|
| Original Outlook (A) (announced January 30, 2009) | 1,450,000 | (25,000) | (30,000) | (13,000) |
| Revised Outlook (B) | 1,500,000 | (46,000) | (51,000) | (95,000) |
| Difference (B-A) | 50,000 | (21,000) | (21,000) | (82,000) |
| Ratio | 3.4% | - | - | - |
| FY 2007 Actual (Reference) (April 1, 2007 – March 31, 2008) | 1,786,680 | 77,176 | 66,146 | 24,831 |

() denotes minus

(2) Revision of non-consolidated financial performance outlook for FY2008

(April 1, 2008 through March 31, 2009)

| (¥ million) | Net Sales | Operating Income | Recurring Income | Net Income |
|--|-----------|------------------|------------------|------------|
| Original Outlook (A) (announced January 30, 2009) | 900,000 | (25,000) | (17,000) | (9,000) |
| Revised Outlook (B) | 840,000 | (35,000) | (25,000) | (75,000) |
| Difference (B-A) | (60,000) | (10,000) | (8,000) | (66,000) |
| Ratio | (6.7%) | - | - | - |
| FY 2007 Actual (Reference) (April 1, 2007 - March 31, 2008) | 1,034,887 | 19,770 | 21,891 | 6,521 |

() denotes minus

(3) Reasons

Operating income and recurring income were impacted by difficult market conditions and the global financial crisis. Net income fell due to tax expense resulting from reversal of deferred tax assets. Further loss is expected on previous forecasts.

Financial Results for the Year Ending March 31, 2009 and Outlook for the 2009 Fiscal Year will be announced on May 11, 2009.

2. Reversal of deferred tax assets

Tax Effect Accounting Methods used by MCI and some of its consolidated subsidiaries list deferred tax assets. After carefully reviewing financial performance and considering poor market conditions, MCI has decided to reverse deferred tax assets at the end of FY2008. As a result, 44.7 billion yen will be recorded on a consolidated base and 39.1 billion yen on a non-consolidated base as deferred corporate income taxes (tax expense).

3. Implementation of additional emergency measures

In accordance with major revisions in the financial performance outlook, additional emergency measures will be announced on May 12, 2009.

(1) Current Emergency Measures

a) Decrease in Director Compensation

- Return of bonus payments
- Cut in monthly compensation by 10-15% depending on Board position
- As a result, Director compensation will be reduced by 20-30% on an annual basis
- Cuts commenced in February 2009 and continue until financial performance improves

b) Decrease in Management Compensation

- Cut in bonus payments in accordance with financial results
- Cut in monthly compensation by 5%. Details will be finalized later
- As a result, Management compensation will be reduced by 8% on an annual basis
- Cuts will commence after April 2009 and continue until financial performance improves

b) Intensification of Cost Cuts

In addition to the abovementioned measures, cost cuts to improve profitability and management of cash flow have been intensified.

- Investments other than those for safety and environmental measures will be reviewed from a “zero base”
- Intensification of expense cuts
- Inventory optimization by the end of the fourth quarter of FY2008
- Intensification of cost cuts in logistics and purchasing of raw materials and supplies
- Review of human resource placement in accordance with management objectives

(2) Main Points in Additional Emergency Measures

- Operational restructuring of core business
- Group-wide changes to strengthen profitability and sustainability

Attachment

Business Segment Sales and Operating Income

(unit: 100 million yen)

| | | FY2008 Jan 30 Forecast | FY2008 Revised Forecast (Apr 21) | Increase(Decrease) |
|---------------|------------------|------------------------------|---|--------------------|
| Performance | Sales | 4,100 | 4,300 | 200 |
| Materials | Operating Income | (60) | (160) | (100) |
| Advanced | Sales | 1,200 | 1,200 | - |
| Chemicals | Operating Income | 80 | 70 | (10) |
| Basic | Sales | 8,900 | 9,200 | 300 |
| Chemicals | Operating Income | (210) | (320) | (110) |
| Other | Sales | 300 | 300 | - |
| | Operating Income | - | - | - |
| Elimination & | Sales | - | - | - |
| Corporate | Operating Income | (60) | (50) | 10 |
| TOTAL | Sales | 14,500 | 15,000 | 500 |
| | Operating Income | (250) | (460) | (210) |

Note: The above-mentioned outlook constitutes projection based on information available at this point in time, and therefore involves certain risk and uncertainty. Therefore, there is a possibility that actual performance figures would differ largely from the outlook due to various factors that may arise henceforth.