

(for reference)

Summary of Financial Results of Second Quarter of FY2008

October 31, 2008
Mitsui Chemicals, Inc.

1. Scope of consolidation and equity method

(Unit : Number of Companies)

	As of Mar. 31, 2008	As of Sep. 30, 2008	Increase (Decrease)
Consolidated subsidiaries	63	66	3
Non-consolidated subsidiaries and Affiliates	38	34	(4)
Total	101	100	(1)

As of Mar. 31, 2008	Outlook for FY2008	Increase (Decrease)
63	64	1
38	33	(5)
101	97	(4)

2. Summary of Income statement

(Unit : Billions of Yen)

	2nd Q of FY2007	2nd Q of FY2008	Incr.(Decr.) Percentage change
Sales	881.6	905.6	24.0 2.7%
Operating income	42.7	10.0	(32.7) (76.6%)
Recurring income	40.5	13.3	(27.2) (67.0%)
Net income	20.2	7.6	(12.6) (62.1%)

FY2007	Outlook for FY2008	Incr.(Decr.) Percentage change
1,786.7	1,880.0	93.3 5.2%
77.2	45.0	(32.2) (41.7%)
66.1	48.0	(18.1) (27.4%)
24.8	22.0	(2.8) (11.4%)

· Special gains and losses

(Unit : Billions of Yen)

	2nd Q of FY2007	2nd Q of FY2008	Incr.(Decr.)
Gain on sales of fixed assets etc.	1.8	2.2	0.4
Loss on sales and disposal of fixed assets	(1.9)	(1.7)	0.2
Loss on impairment	-	(0.4)	(0.4)
Loss on related activities	(3.1)	(0.5)	2.6
Loss on business withdrawal	-	-	-
Environment measure expenses	(4.8)	(1.4)	3.4
Others	-	-	-
Total	(8.0)	(1.8)	6.2

FY2007	Outlook for FY2008	Incr.(Decr.)
2.9	2.5	(0.4)
(5.4)	(8.0)	(2.6)
(0.7)	(0.5)	0.2
(3.2)	(0.5)	2.7
(2.6)	-	2.6
(11.7)	(1.5)	10.2
(0.8)	-	0.8
(21.5)	(8.0)	13.5

3. Sales and Operating income (by business segment)

(Unit : Billions of Yen)

		2nd Q of FY2007	2nd Q of FY2008	Incr.(Decr.)
Performance Materials	Sales	246.7	257.3	10.6
	Operating income	19.0	9.2	(9.8)
Advanced Chemicals	Sales	58.2	60.9	2.7
	Operating income	5.0	3.6	(1.4)
Basic Chemicals	Sales	551.1	573.3	22.2
	Operating income	19.6	(0.2)	(19.8)
Others	Sales	25.6	14.1	(11.5)
	Operating income	1.4	(0.2)	(1.6)
Elimination and Corporate	Sales	-	-	-
	Operating income	(2.3)	(2.4)	(0.1)
Total	Sales	881.6	905.6	24.0
	Operating income	42.7	10.0	(32.7)

FY2007	Outlook for FY2008	Incr.(Decr.)
504.1	520.0	15.9
35.9	19.0	(16.9)
122.1	120.0	(2.1)
10.8	9.0	(1.8)
1,111.2	1,210.0	98.8
33.4	22.0	(11.4)
49.3	30.0	(19.3)
3.4	-	(3.4)
-	-	-
(6.3)	(5.0)	1.3
1,786.7	1,880.0	93.3
77.2	45.0	(32.2)

4. Breakdown of Increase(Decrease) by business segment

· Sales

(Unit : Billions of Yen)

	2nd Q of FY2007	2nd Q of FY2008	Incr.(Decr.)	Breakdown	
				Volume	Price
Performance Materials	246.7	257.3	10.6	(1.4)	12.0
Advanced Chemicals	58.2	60.9	2.7	2.2	0.5
Basic Chemicals	551.1	573.3	22.2	(43.7)	65.9
Others	25.6	14.1	(11.5)	(11.5)	-
Total	881.6	905.6	24.0	(54.4)	78.4

· Operating income

(Unit : Billions of Yen)

	2nd Q of FY2007	2nd Q of FY2008	Incr.(Decr.)	Breakdown				
				Volume	Price			Fixed Costs etc.
					Price	Valuable Cost	(Price)-(V.C)	
Performance Materials	19.0	9.2	(9.8)	(1.6)	12.0	(15.8)	(3.8)	(4.4)
Advanced Chemicals	5.0	3.6	(1.4)	-	0.5	(1.1)	(0.6)	(0.8)
Basic Chemicals	19.6	(0.2)	(19.8)	(2.8)	65.9	(80.9)	(15.0)	(2.0)
Others	1.4	(0.2)	(1.6)	(0.6)	-	(0.6)	(0.6)	(0.4)
Elimination and Corporate	(2.3)	(2.4)	(0.1)	-	-	-	-	(0.1)
Total	42.7	10.0	(32.7)	(5.0)	78.4	(98.4)	(20.0)	(7.7)

5. Summary of Balance sheet

(Unit : Billions of Yen)

	Assets				Liabilities and Net assets		
	As of Mar. 31, 2008	As of Sep. 30, 2008	Increase (Decrease)		As of Mar. 31, 2008	As of Sep. 30, 2008	Increase (Decrease)
Current assets	726.3	746.9	20.6	Interest-bearing liabilities	486.0	506.1	20.1
Tangible fixed assets	564.8	547.4	(17.4)	Other liabilities	419.0	428.6	9.6
Intangible fixed assets	22.3	30.6	8.3	Shareholders' equity	500.0	482.1	(17.9)
Investments and others	155.8	152.9	(2.9)	Minority interest	64.2	61.0	(3.2)
Total assets	1,469.2	1,477.8	8.6	Total liabilities and net assets	1,469.2	1,477.8	8.6

(D/E Ratio)

(0.97)

(1.05)

(0.08)

6. Cash flow

(Unit : Billions of Yen)

	2nd Q of FY2007	2nd Q of FY2008	Increase (Decrease)	FY2007	Outlook for FY2008	Incr.(Decr.)
Cash flows from investing activities	(34.1)	(43.1)	(9.0)	(78.2)	(110.0)	(31.8)
Free cash flows	29.3	(10.5)	(39.8)	14.2	(20.0)	(34.2)
Cash flows from financing activities	(23.3)	9.5	32.8	(28.7)	20.0	48.7
Others	0.2	(1.0)	(1.2)	(0.4)	-	0.4
Net incr.(decr.) in cash and cash equivalents	6.2	(2.0)	(8.2)	(14.9)	-	14.9

7. Topics in Second Quarter of FY2008

(1) Expansion of production capacity

EPT in Ichihara works, starting commercial operation, April 2008

"APEL™" cycloolefin copolymer in Osaka works, starting commercial operation, May 2008

(2) Others

Acquisition of SDC Technologies, Inc., which manufactures and sells high performance coating materials for plastics, in USA, June 2008