

Summary of Financial Results of Third Quarter of FY2008

Consolidated

January 30, 2009
Mitsui Chemicals, Inc.

1. Scope of consolidation and equity method

(Unit : Number of Companies)

	As of Mar. 31, 2008	As of Dec. 31, 2008	Increase (Decrease)
Consolidated subsidiaries	63	65	2
Non-consolidated subsidiaries and Affiliates	38	33	(5)
Total	101	98	(3)

As of Mar. 31, 2008	Outlook for FY2008	Increase (Decrease)
63	64	1
38	32	(6)
101	96	(5)

2. Summary of Income statement

(Unit : Billions of Yen)

	3rd Q of FY2007	3rd Q of FY2008	Incr.(Decr.) Percentage change
Sales	1,337.8	1,252.1	(85.7) (6.4%)
Operating income	70.3	12.0	(58.3) (82.9%)
Recurring income	67.8	9.0	(58.8) (86.7%)
Net income	36.0	3.6	(32.4) (90.1%)

FY2007	Outlook for FY2008	Incr.(Decr.) Percentage change
1,786.7	1,450.0	(336.7) (18.8%)
77.2	(25.0)	(102.2) -
66.1	(30.0)	(96.1) -
24.8	(13.0)	(37.8) -

·Indices

Exchange rate	Yen/US\$	117	103	(14)
Domestic standard naphtha price	Yen/KL	59,700	69,730	10,030
	Apr.- Sep.	58,750	78,350	
	Oct.- Dec.	61,600	52,500	

	114	100	(14)
Jan.-Mar.	66,700	26,000	(2,650)

·Special gains and losses

(Unit : Billions of Yen)

	2.3	2.2	(0.1)
Gain on sales of fixed assets etc.	2.3	2.2	(0.1)
Loss on sales and disposal of fixed assets	(2.6)	(2.5)	0.1
Loss on impairment	-	(0.6)	(0.6)
Loss on related activities	(3.1)	(0.8)	2.3
Loss on business withdrawal	-	-	-
Environment measure expenses	(4.8)	(1.4)	3.4
Others	-	(1.2)	(1.2)
Total	(8.2)	(4.3)	3.9

	2.9	3.0	0.1
	2.9	3.0	0.1
	(5.4)	(8.0)	(2.6)
	(0.7)	(1.0)	(0.3)
	(3.2)	(1.0)	2.2
	(2.6)	-	2.6
	(11.7)	(1.5)	10.2
	(0.8)	(1.5)	(0.7)
	(21.5)	(10.0)	11.5

3. Sales and Operating income (by business segment) : Please see appendix for details

(Unit : Billions of Yen)

		3rd Q of FY2007	3rd Q of FY2008	Incr.(Decr.)
Performance Materials	Sales	380.0	360.1	(19.9)
	Operating income	31.6	9.8	(21.8)
Advanced Chemicals	Sales	89.0	88.9	(0.1)
	Operating income	7.7	5.1	(2.6)
Basic Chemicals	Sales	830.8	783.2	(47.6)
	Operating income	32.4	0.7	(31.7)
Others	Sales	38.0	19.9	(18.1)
	Operating income	2.7	0.1	(2.6)
Elimination and Corporate	Sales	-	-	-
	Operating income	(4.1)	(3.7)	0.4
Total	Sales	1,337.8	1,252.1	(85.7)
	Operating income	70.3	12.0	(58.3)

FY2007	Outlook for FY2008	Incr.(Decr.)
504.1	410.0	(94.1)
35.9	(6.0)	(41.9)
122.1	120.0	(2.1)
10.8	8.0	(2.8)
1,111.2	890.0	(221.2)
33.4	(21.0)	(54.4)
49.3	30.0	(19.3)
3.4	-	(3.4)
-	-	-
(6.3)	(6.0)	0.3
1,786.7	1,450.0	(336.7)
77.2	(25.0)	(102.2)

(for reference)

4. Summary of Balance sheet

(Unit : Billions of Yen)

	Assets				Liabilities and Net assets		
	As of Mar. 31, 2008	As of Dec. 31, 2008	Increase (Decrease)		As of Mar. 31, 2008	As of Dec. 31, 2008	Increase (Decrease)
Current assets	726.3	726.2	(0.1)	Interest-bearing liabilities	486.0	550.9	64.9
Tangible fixed assets	564.8	537.8	(27.0)	Other liabilities	419.0	364.0	(55.0)
Intangible fixed assets	22.3	27.0	4.7	Shareholders' equity	500.0	459.7	(40.3)
Investments and others	155.8	141.5	(14.3)	Minority interest	64.2	57.9	(6.3)
Total assets	1,469.2	1,432.5	(36.7)	Total liabilities and net assets	1,469.2	1,432.5	(36.7)
				(D/E Ratio)	(0.97)	(1.20)	(0.23)

5. Cash flow

(Unit : Billions of Yen)

	3rd Q of FY2007	3rd Q of FY2008	Increase (Decrease)	FY2007	Outlook for FY2008	Incr.(Decr.)
Cash flows from operating activities	76.3	12.8	(63.5)	92.4	40.0	(52.4)
Cash flows from investing activities	(57.6)	(61.0)	(3.4)	(78.2)	(75.0)	3.2
Free cash flows	18.7	(48.2)	(66.9)	14.2	(35.0)	(49.2)
Cash flows from financing activities	(8.9)	54.8	63.7	(28.7)	35.0	63.7
Others	(0.5)	(2.2)	(1.7)	(0.4)	-	0.4
Net incr.(decr.) in cash and cash equivalents	9.3	4.4	(4.9)	(14.9)	-	14.9

6. Topics

(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

Breakdown of Increase(Decrease) by business segment

1. Against preceding FY (Apr.1 - Dec.31)

·Sales

(Unit : Billions of Yen)

	3rd Q of FY2007	3rd Q of FY2008	Incr.(Decr.)	Breakdown	
				Volume	Price
Performance Materials	380.0	360.1	(19.9)	(33.9)	14.0
Advanced Chemicals	89.0	88.9	(0.1)	(0.2)	0.1
Basic Chemicals	830.8	783.2	(47.6)	(109.4)	61.8
Others	38.0	19.9	(18.1)	(18.5)	0.4
Total	1,337.8	1,252.1	(85.7)	(162.0)	76.3

·Operating income

(Unit : Billions of Yen)

	3rd Q of FY2007	3rd Q of FY2008 (*)	Incr.(Decr.)	Breakdown			(*) The impact of adoption of the Lower of cost or net realizable value method for inventories
				Volume	Price [※] (*)	Fixed Costs etc.	
Performance Materials	31.6	9.8	(21.8)	(18.2)	(0.6)	(3.0)	(0.6)
Advanced Chemicals	7.7	5.1	(2.6)	(0.2)	(0.4)	(2.0)	0.2
Basic Chemicals	32.4	0.7	(31.7)	(9.9)	(18.7)	(3.1)	(2.3)
Others	2.7	0.1	(2.6)	(1.3)	(1.3)	-	-
Elimination and Corporate	(4.1)	(3.7)	0.4	-	-	0.4	-
Total	70.3	12.0	(58.3)	(29.6)	(21.0)	(7.7)	(2.7)

2. Against preceding FY (Annual)

·Sales

(Unit : Billions of Yen)

	FY2007	Outlook for FY2008	Incr.(Decr.)	Breakdown	
				Volume	Price
Performance Materials	504.1	410.0	(94.1)	(106.1)	12.0
Advanced Chemicals	122.1	120.0	(2.1)	(2.0)	(0.1)
Basic Chemicals	1,111.2	890.0	(221.2)	(249.9)	28.7
Others	49.3	30.0	(19.3)	(19.7)	0.4
Total	1,786.7	1,450.0	(336.7)	(377.7)	41.0

·Operating income

(Unit : Billions of Yen)

	FY2007	Outlook for FY2008 (*)	Incr.(Decr.)	Breakdown			(*) The impact of adoption of the Lower of cost or net realizable value method for inventories
				Volume	Price [※] (*)	Fixed Costs etc.	
Performance Materials	35.9	(6.0)	(41.9)	(24.0)	(7.5)	(10.4)	(3.5)
Advanced Chemicals	10.8	8.0	(2.8)	0.2	(0.6)	(2.4)	-
Basic Chemicals	33.4	(21.0)	(54.4)	(40.8)	(9.7)	(3.9)	(13.5)
Others	3.4	-	(3.4)	(2.0)	(1.4)	-	-
Elimination and Corporate	(6.3)	(6.0)	0.3	-	(0.1)	0.4	-
Total	77.2	(25.0)	(102.2)	(66.6)	(19.3)	(16.3)	(17.0)

※Price includes both selling and purchasing price variances