

Summary of Consolidated Financial Results for Second Quarter of FY2011

Nov. 2, 2011
Mitsui Chemicals, Inc.

1. Summary of Income Statement

(Unit : Billions of Yen)

		2nd Q of FY2010	2nd Q of FY2011	Increase (Decrease)	FY2010	Outlook for FY2011 [※]	Increase (Decrease)
Net sales		672.8	755.8	83.0	1,391.7	1,510.0	118.3
Operating income		17.4	28.7	11.3	40.5	50.0	9.5
Ordinary income		14.6	27.9	13.3	38.9	51.0	12.1
Net income		17.1	13.4	(3.7)	24.9	26.0	1.1
(Supplementary)							
Net income(Excluding reversal of provision for retirement benefits)		2.5	13.4	10.9	10.3	26.0	15.7
Exchange rate	Yen / US\$	89	80	(9)	86	79	(7)
Domestic standard naphtha price	Yen / KL	46,200	57,000	10,800	47,500	54,000	6,500
				Oct.-Mar.	Exchange rate	77	
					Domestic standard naphtha price	51,000	

2. Net Sales and Operating Income (Loss) (by business segment)

·Net Sales

(Unit : Billions of Yen)

	2nd Q of FY2010	2nd Q of FY2011	Increase (Decrease)	Breakdown		FY2010	Outlook for FY2011 [※]	Increase (Decrease)
				Volume	Price			
Petrochemicals	211.2	227.4	16.2	(2.6)	18.8	434.0	466.0	32.0
Basic Chemicals	206.0	267.1	61.1	15.3	45.8	435.7	499.0	63.3
Polyurethane	71.2	65.0	(6.2)	(3.7)	(2.5)	144.8	138.0	(6.8)
Functional Polymeric Materials	52.6	57.8	5.2	2.1	3.1	106.2	121.0	14.8
Fabricated Products	65.5	69.6	4.1	3.4	0.7	132.0	141.0	9.0
Functional Chemicals	56.9	59.8	2.9	4.3	(1.4)	119.8	127.0	7.2
Others	9.4	9.1	(0.3)	(0.4)	0.1	19.2	18.0	(1.2)
Total	672.8	755.8	83.0	18.4	64.6	1,391.7	1,510.0	118.3

·Operating Income (Loss)

(Unit : Billions of Yen)

	2nd Q of FY2010	2nd Q of FY2011	Increase (Decrease)	Breakdown			FY2010	Outlook for FY2011 [※]	Increase (Decrease)
				Volume	Price *	Fixed Costs etc.			
Petrochemicals	6.2	6.5	0.3	(1.1)	2.4	(1.0)	12.8	13.0	0.2
Basic Chemicals	6.5	18.3	11.8	2.5	9.2	0.1	20.4	24.0	3.6
Polyurethane	(4.3)	(7.1)	(2.8)	(1.0)	(4.3)	2.5	(9.0)	(12.0)	(3.0)
Functional Polymeric Materials	4.5	4.7	0.2	-	(0.4)	0.6	7.2	10.5	3.3
Fabricated Products	1.2	2.2	1.0	0.2	(0.2)	1.0	1.4	4.0	2.6
Functional Chemicals	4.5	5.5	1.0	1.2	(0.6)	0.4	10.0	12.0	2.0
Others	0.1	(0.6)	(0.7)	-	-	(0.7)	0.2	(0.5)	(0.7)
Adjustment	(1.3)	(0.8)	0.5	-	-	0.5	(2.5)	(1.0)	1.5
Total	17.4	28.7	11.3	1.8	6.1	3.4	40.5	50.0	9.5

* Price includes both selling and purchasing price variances

3. Special Gains and Losses

(Unit : Billions of Yen)

	2nd Q of FY2010	2nd Q of FY2011	Increase (Decrease)	FY2010	Outlook for FY2011 [※]	Increase (Decrease)
Gain on sales of fixed assets	0.3	0.2	(0.1)	0.7	0.2	(0.5)
Reversal of provision for environmental measures	-	2.2	2.2	-	2.2	2.2
Reversal of provision for retirement benefits	14.6	-	(14.6)	14.6	-	(14.6)
Loss on sales and disposal of fixed assets	(1.6)	(0.8)	0.8	(2.9)	(2.7)	0.2
Loss on impairment	(0.6)	-	0.6	(2.2)	-	2.2
Loss on related activities etc.	(0.7)	-	0.7	(1.0)	-	1.0
Loss on valuation of investment securities	-	(0.3)	(0.3)	(0.7)	(0.3)	0.4
Others	(1.0)	(1.4)	(0.4)	(2.4)	(1.4)	1.0
Total	11.0	(0.1)	(11.1)	6.1	(2.0)	(8.1)

4. Summary of Balance Sheet

(Unit : Billions of Yen)

	Assets				Liabilities and Net assets		
	As of Mar. 31, 2011	As of Sep. 30, 2011	Increase (Decrease)		As of Mar. 31, 2011	As of Sep. 30, 2011	Increase (Decrease)
Current assets	666.0	668.4	2.4	Interest-bearing liabilities	480.7	472.8	(7.9)
Tangible fixed assets	467.7	453.6	(14.1)	Other liabilities	383.8	373.5	(10.3)
Intangible fixed assets	11.3	12.6	1.3	Shareholders' equity	383.7	387.2	3.5
Investments and others	150.6	147.7	(2.9)	Minority interests	47.4	48.8	1.4
Total assets	1,295.6	1,282.3	(13.3)	Total liabilities and net assets	1,295.6	1,282.3	(13.3)
				[D/E Ratio]	1.25	1.22	(0.03)

5. Summary of Cash Flow

(Unit : Billions of Yen)

	2nd Q of FY2010	2nd Q of FY2011	Increase (Decrease)	FY2010	Outlook for	Increase (Decrease)
					FY2011 [※]	
Cash flows from operating activities	35.6	33.0	(2.6)	73.2	75.0	1.8
Cash flows from investing activities	(17.7)	(22.2)	(4.5)	(43.2)	(70.0)	(26.8)
Free cash flows	17.9	10.8	(7.1)	30.0	5.0	(25.0)
Cash flows from financing activities	2.2	(16.2)	(18.4)	(20.1)	(15.0)	5.1
Others	(0.6)	(0.2)	0.4	(1.8)	-	1.8
Net incr.(decr.) in cash and cash equivalents	19.5	(5.6)	(25.1)	8.1	(10.0)	(18.1)

6. Accounting Fundamentals

		2nd Q of FY2010	2nd Q of FY2011	Increase (Decrease)	FY2010	Outlook for	Increase (Decrease)
						FY2011 [※]	
R & D expenses	¥ Billions	18.3	16.0	(2.3)	36.2	35.0	(1.2)
Depreciation & amortization	¥ Billions	33.9	31.0	(2.9)	69.2	67.0	(2.2)
Capital expenditures	¥ Billions	22.1	21.0	(1.1)	45.1	60.0	14.9
Financing incomes & expenses	¥ Billions	(2.7)	(2.1)	0.6	(5.4)	(4.5)	0.9
Interest-bearing liabilities	¥ Billions	499.5	472.8	(26.7)	480.7	480.0	(0.7)
Number of employees	person	12,860	12,823	(37)	12,782	13,000	218
Number of group companies	company	95	100	5	95	102	7

7. Topic

- Acquisition of Acomon AG , a manufacturer and distributor of monomers for optical lenses, in Switzerland, Apr 2011
- 1-hexene, mainly used as co-monomer for EVORUE™, in Ichihara works starting commercial operation, Apr 2011
- Foshan Mitsui Chemicals Polyurethanes Co.,Ltd. , a System house which manufactures and sells polyurethane foam materials , in China starting commercial operation, May 2011
- Shares purchase of Iharabras S.A. ,an agrochemicals company which manufactures and distributes of formulations for pesticides, in Brazil, Sep 2011

※ Outlook for FY2011 is announced on November 2, 2011.