

Financial Performance Forecast for Fiscal 2012 (year ending March 31, 2013),
Outlook on Impact of Iwakuni-Ohtake Works Accident on Financial Performance, and
Fiscal 2012 Annual Dividend Forecast

On April 22 (2:15am), 2012, a tragic explosion and fire occurred at Mitsui Chemicals' Iwakuni-Ohtake Works claiming the life of one employee and injuring persons from the local community and Works employees.

Mitsui Chemicals extends heartfelt sympathy to the family of the deceased and sincerest apologies to all persons injured in the accident, residents suffering damages to homes and property, persons of the local community, persons working at nearby companies, the authorities, customers, shareholders, and all stakeholders.

The forecast of operating results for fiscal 2012 (April 1, 2012 to March 31, 2013) and expected dividends per share that were undetermined in the *Summary of Financial Results for the Fiscal Year 2011* as announced on May 10, 2012 have been determined taking into account recent performance and the impact of the April 22, 2012 Iwakuni-Ohtake Works accident.

1. Financial Performance Outlook

(1) Financial Performance Outlook for FY2012 on a Consolidated Base

Taking into account the impact of the accident and recent performance, fiscal year (April 1, 2012 to March 31, 2013) consolidated results have been forecasted as follows:

Financial Performance Outlook for FY2012 (April 1, 2012 to March 31, 2013)

million yen	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per share
Outlook(A)	—	—	—	—	—
Revised Outlook(B)	1,510,000	32,000	29,000	8,000	7.99
Difference(B-A)	—	—	—	—	
Ratio(%)	—	—	—	—	
(Reference) FY2011 Results (April 1,2011 -March 31,2012)	1,454,024	21,564	22,884	△ 1,007	△1.01

(2) Reason for Announcement

The forecast for operating results for fiscal 2012 (April 1, 2012 to March 31, 2013) was undetermined in the *Summary of Financial Results for the Fiscal Year 2011* announced on May 10,

2012 due to the ongoing accident investigation by the authorities and Accident Investigation Committee, and suspension of operations at most plants within the Iwakuni-Ohtake Works which presented difficulties in determining expenses for recompense, dismantling and restoration, and impacts on our business operations including sales activities.

Although assessment of the impact of the Iwakuni-Ohtake Works accident on operations continues to be difficult at this point in time, as is stated in 2. *Outlook on Impact of Iwakuni-Ohtake Works Accident on Financial Performance (2) Outlook*, the Company announces its financial performance forecast for fiscal 2012 based on currently available information and certain assumptions.

This forecast is based on the following assumptions: exchange rate of 78 yen/US\$ and domestic naphtha price 52,000 yen/KL for the full year.

Note: The outlooks in this announcement are expectations, estimates, forecasts, and projections based on information available at this point in time, and therefore involve certain risks and uncertainties. As such, actual results may differ substantially from those projected in the outlook and the Mitsui Chemicals Group makes no guarantee that these outlooks will be achieved.

2. Outlook on Impact of Iwakuni-Ohtake Works Accident on Financial Performance

(1) Outline of Accident

As a result of the April 22nd accident at the Iwakuni-Ohtake Works, the Company formed an [Accident Investigation Committee] comprised of members of the academia and external specialists to investigate causes of the accident and develop measures to prevent future recurrences.

The Committee's investigation has determined the cause of the accident to be trouble at the "Resorcinol Plant". Fires which subsequently occurred within the Works and at other plants were caused by debris from the explosion at the "Resorcinol Plant".

(2) Outlook

Currently, plants in the Iwakuni area of the Iwakuni-Ohtake Works, with exception of the Resorcinol Plant and some other plants, are conducting safety inspections and routine annual maintenance. Operations are scheduled to resume at most plants when safety and conditions of plants have been confirmed with approval from authorities in July.

Some plants in the Ohtake area have resumed routine operations.

(3) Forecast of Impact on Financial Performance

Although it continues to be difficult to forecast resumption of plant operations, expenses for recompense, dismantling, and restoration, gains related to accident insurance, and the impact on business operations including sales activities, at this point in time, projections on the impact of the

accident on financial performance take into consideration the abovementioned factors based on certain assumptions and currently available information.

The Company estimates the impact of the accident on FY2012 consolidated profit and loss (before tax) to be approximately 6 billion yen.

As such, actual results may differ substantially from those projected in the outlook due to a variety of factors and the Mitsui Chemicals Group makes no guarantee that these outlooks will be achieved.

(Outlook on Impact of the accident on Financial Performance Forecast for Fiscal 2012)

	billion yen	Notes
Operating Income	△ 3.0	Losses related to production suspension, decline in sales, and procurement of substitute supplies, etc.
Special Gains and Losses	△ 3.0	Expenses for recompense ,dismantling and restoration , Fixed costs related to the suspension of plants following the accident, and Insurance income, etc.
Total	△ 6.0	

3. Annual Dividends per Share Outlook

(1) Forecast for Annual Dividends per Share

Expected dividend per share for fiscal 2012 (April 1, 2012 to March 31, 2013) which was undetermined in the *Summary of Financial Results for the Fiscal Year 2011* as announced on May 10, 2012 is as follows:

Dividends for FY2012

	Annual Dividends per share(yen)				
	1st Quarter	Interim	3rd Quarter	End of Term	Annual Dividends
Outlook	—	—	—	—	—
Revised Outlook	—	3.00	—	3.00	6.00
FY2012 Results					
FY2011 Results	—	3.00	—	3.00	6.00

(2) Reason for Announcement

The Company announces its forecast for dividend per share for fiscal 2012 (April 1, 2012 to March 31, 2013) in conjunction with the announcement of financial performance outlook.

(for reference)

Summary of Consolidated Financial Outlook for FY2012June 14,2012
Mitsui Chemicals, Inc.

1. Summary of Income Statement

(Unit : Billions of Yen)

	FY2011	Outlook for FY2012	Increase (Decrease)
Net Sales	1,454.0	1,510.0	56.0
Operating income	21.6	32.0	10.4
Ordinary income	22.9	29.0	6.1
Net income (loss)	(1.0)	8.0	9.0

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

· Net Sales

(Unit : Billions of Yen)

	FY2011	Outlook for FY2012	Increase (Decrease)
Petrochemicals	459.4	470.0	10.6
Basic Chemicals	472.9	482.0	9.1
Polyurethane	127.3	147.0	19.7
Functional Polymeric Materials	133.6	140.0	6.4
Functional Chemicals	148.4	155.0	6.6
Film and Sheet	79.6	81.0	1.4
Others	32.8	35.0	2.2
Total	1,454.0	1,510.0	56.0

· Operating Income (Loss)

(Unit : Billions of Yen)

	FY2011	Outlook for FY2012	Increase (Decrease)
Petrochemicals	8.8	15.0	6.2
Basic Chemicals	8.5	(2.5)	(11.0)
Polyurethane	(14.6)	0.0	14.6
Functional Polymeric Materials	8.2	9.0	0.8
Functional Chemicals	11.6	14.0	2.4
Film and Sheet	0.2	(1.0)	(1.2)
Others	0.4	(1.0)	(1.4)
Adjustment	(1.5)	(1.5)	-
Total	21.6	32.0	10.4

1) Change in Reported segments classification methods

The Company reorganized effective April 1st 2012 as part of the Company's effort to accelerate new growth strategies outlined in its 2011 Mid-Term Business Plan. Along with this reorganization, some business segment categorization has changed.

The Fabricated Product Business Segment was dissolved. Pellicle business in the segment was changed to the Functional Polymeric Materials Business Segment, and nonwovens fabric business in the segment was changed to the Functional Chemicals Business Segment. Film and sheet business became a new Film and Sheet Business

Each sales and operating income by changed segment in FY2011 is approximate estimates to compare with FY2012 forecast.

2) Change in method of depreciation of property, plant and equipment

MCI and domestic consolidated subsidiaries plan to apply the straight-line method from fiscal year 2012 instead of the declining-balance method for the depreciation of property, plant and equipment. As a result of this change, depreciation expenses are expected to decrease by approximately ¥11.0 billion compared to the case in which the declining-balance method is applied.

3. Accounting Fundamentals

		FY2011	Outlook for FY2012	Increase (Decrease)
R & D expenses	¥ Billions	33.2	33.0	(0.2)
Depreciation & amortization	¥ Billions	62.7	48.0	(14.7)
Capital expenditures	¥ Billions	44.8	70.0	25.2
Financing incomes & expenses	¥ Billions	(3.7)	(5.0)	(1.3)
Number of employees	person	12,868	13,000	132
Exchange rate	Yen / US\$	79	78	(1)
Domestic standard naphtha price	Yen / KL	54,900	52,000	(2,900)

4. Scope of Consolidation and Equity Method

(Unit : Number of Companies)

	As of Mar. 31, 2012	Outlook for FY2012	Increase (Decrease)
		As of Mar. 31, 2013	
Consolidated subsidiaries	70	72	2
Non-consolidated subsidiaries and affiliates (equity method)	31	32	1
Total	101	104	3