

Financial Summary

Results of FY2016 & Outlook for FY2017

Mitsui Chemicals, Inc.

May 12, 2017

<Remarks>

FY2016 indicates the period from April 1, 2016 to March 31, 2017.

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Please note that this document has been translated from the original Japanese into English for the convenience of our stakeholders. The information was originally provided in Japanese. If there is any discrepancy, the Japanese language version is the official document and is available on our Japanese language website.

1. Results of FY2016

(April 1, 2016 – March 31, 2017)

1) Review of FY2016 (Business Overview and Topics)

<Business Overview>

- **Mobility:** Overseas, healthy demand for elastomers, performance compounds and polypropylene compounds continued for automotive applications. Healthy demand continued in performance polymers especially for information and communication technology applications.
- **Health Care:** Sales were stable in vision care materials. In nonwoven fabrics, consumption of premium paper diapers remained firm, but demand was continually impacted by the digestion of distribution inventories. Sales in dental materials were stable mainly in Europe and North America.
- **Food & Packaging:** Sales for coating & engineering materials and performance films & sheets were stable. Sales in agrochemicals were dropped from FY2015.
- **Basic Materials:** Healthy domestic demand continued and operating rates remained at high levels for naphtha crackers and other production facilities. The overseas market for petrochemical and other such products remained strong due mainly to disruptions at major suppliers. Business restructuring and cost cutting also progressed as scheduled in bulk & commodity products.

1) Review of FY2016 (Business Overview and Topics)

<Topics in 4th Quarter>

- Mitsui Chemicals developed the world's first high refractive lens materials containing photochromic dyes (January 2017)
- Mitsui Chemicals Agro: Acquisition of shares of Belchim Crop Protection in Belgium (February 2017)
- Mitsui Chemicals & SKC Polyurethanes established system house in India (February 2017)
- Startup breathable film production facilities in Thailand (February 2017, +4,200 tons/annum)
- Mitsui Chemicals Agro: Acquisition of additional shares of Sotus International in Thailand (March 2017)
- Commercial operations for 2 new specialty isocyanates in Japan (March 2017, 2,000 tons/annum)

2) Consolidated Financial Highlights

(Billions of Yen)

() Denotes a minus

Items	FY2015	FY2016	Increase (Decrease)	%	Previous Outlook (on Feb 2,2017)
Sales	1,343.9	1,212.3	(131.6)	(10%)	1,185.0
Operating income	70.9	102.1	31.2	44%	97.0
Non-operating incomes and expenses	(7.7)	(4.9)	2.8	—	(6.0)
Ordinary income	63.2	97.2	34.0	54%	91.0
Extraordinary gains and losses	(21.9)	(11.4)	10.5	—	(10.0)
Net income before income taxes and minority interests	41.3	85.8	44.5	108%	81.0
Profit attributable to owners of parent	23.0	64.8	41.8	182%	55.0
Exchange rate (Yen/US\$)	120	108	(12)		109
Domestic standard naphtha price (Yen/KL)	42,800	34,700	(8,100)		34,700
Dividend (Yen/Share)	8.0	* 14.0	6.0	—	11.0

*Regular:12(Interim:5、Year-end:7)+Memorial:2

2) Consolidated Financial Highlights

(Billions of Yen)

() Denotes a minus

Items	End of Mar. 2016	End of Mar. 2017	Increase (Decrease)	%
Interest-bearing liabilities	473.0	439.9	(33.1)	(7%)
Interest-bearing liabilities (net)	393.4	355.8	(37.6)	(10%)
Equity	381.9	449.7	67.8	18%
Net D/E Ratio (Times)	1.03	0.79	(0.24)	—
Equity Ratio (%)	30.3	33.9	3.6	—

(Number of companies)

Items	End of Mar. 2016	End of Mar. 2017	Increase (Decrease)
Consolidated companies			
Consolidated subsidiaries	95	94	(1)
Non-consolidated subsidiaries and affiliates to which the equity method is applied	36	37	1
Total	131	131	0

3) Sales and Operating Income/Loss by Business Segment (compared with FY2015 results)

(Billions of Yen)

() Denotes a minus

Segment	Sales			Operating Income/Loss			Breakdown		
	FY2015	FY2016	Incr. (Decr.)	FY2015	FY2016	Incr. (Decr.)	Volume	Terms of trade	Costs
Mobility	318.2	293.3	(24.9)	44.9	40.7	(4.2)	3.9	(7.9)	(0.2)
Health Care	161.1	134.2	(26.9)	11.6	10.1	(1.5)	(1.2)	(0.6)	0.3
Food & Packaging	195.2	182.5	(12.7)	20.3	20.6	0.3	1.4	(1.1)	0.0
Basic Materials	630.8	565.6	(65.2)	1.0	38.5	37.5	1.2	29.5	6.8
Others	38.6	36.7	(1.9)	(6.9)	(7.8)	(0.9)	-	-	(0.9)
Total	1,343.9	1,212.3	(131.6)	70.9	102.1	31.2	5.3	19.9	6.0

4) Non-Operating Income and Expenses, and Extraordinary Gains and Losses

(Billions of Yen) **Non-Operating Incomes and Expenses** () Denotes a minus

Items	FY2015	FY2016	Incr. (Decr.)
Equity in earnings of non-consolidated subsidiaries and affiliates	(2.2)	0.2	2.4
Interest expenses, interest and dividend income	(2.6)	(2.1)	0.5
Gain (loss) on foreign exchange	(1.9)	(1.3)	0.6
Others	(1.0)	(1.7)	(0.7)
Non-operating incomes and expenses total	(7.7)	(4.9)	2.8

(Billions of Yen) **Extraordinary Gains and Losses** () Denotes a minus

Items	FY2015	FY2016	Incr. (Decr.)
Gain on sales of non-current assets & investment securities	5.1	2.6	(2.5)
Gains on transfer of business	3.7	–	(3.7)
Extraordinary gains (a)	8.8	2.6	(6.2)
Loss on sales and disposal of non-current assets	(5.6)	(7.3)	(1.7)
Impairment loss	(24.1)	(4.1)	20.0
Loss on valuation of investment securities	–	(0.2)	(0.2)
Loss on restructuring of subsidiaries and affiliates	(1.0)	–	1.0
Others	–	(2.4)	(2.4)
Extraordinary losses (b)	(30.7)	(14.0)	16.7
Extraordinary gains and losses total (a)+(b)	(21.9)	(11.4)	10.5

5) Consolidated Balance Sheet

(Billions of Yen)

() Denotes a minus

Items	End of Mar. 2016	End of Mar. 2017	Incr. (Decr.)	Items	End of Mar. 2016	End of Mar. 2017	Incr. (Decr.)
Current assets	628.2	678.9	50.7	Liabilities	815.7	810.9	(4.8)
Cash and deposits	79.6	84.1	4.5	Notes and accounts payables	118.3	145.7	27.4
Notes and accounts receivables	245.3	271.7	26.4	Interest-bearing liabilities	473.0	439.9	(33.1)
Inventories	240.7	247.5	6.8	Other liabilities	224.4	225.3	0.9
Other current assets	62.6	75.6	13.0				
Fixed assets	630.7	646.6	15.9	Net assets	443.2	514.6	71.4
Tangible fixed assets	413.4	409.4	(4.0)	Shareholders' equity	382.4	437.8	55.4
Intangible fixed assets	40.2	35.2	(5.0)	Other accumulated comprehensive income	(0.5)	11.9	12.4
Investments and other non-current assets	177.1	202.0	24.9	Non-controlling interests	61.3	64.9	3.6
Total	1,258.9	1,325.5	66.6	Total	1,258.9	1,325.5	66.6

6) Consolidated Statement of Cash Flow

(Billions of Yen)

() Denotes a minus

Items	FY2015	FY2016	Incr. (Decr.)
I . Cash flows from operating activities (a)	145.9	100.4	(45.5)
II . Cash flows from investing activities (b)	(36.4)	(47.4)	(11.0)
Free cash flows (a)+(b)	109.5	53.0	(56.5)
III . Cash flows from financing activities	(79.0)	(47.6)	31.4
IV . Others	(2.9)	(0.7)	2.2
Net incr.(decr.) in cash and cash equivalents	27.6	4.7	(22.9)

2. Outlook for FY2017 (April 1, 2017 – March 31, 2018)

This summary contains forward-looking statements about the future plans, strategies, belief and performance of the Mitsui Chemicals Group as a whole and its individual consolidated companies. These forward-looking statements are not historical facts. They are expectations, estimates, forecasts and projections based on information currently available to the Mitsui Chemicals Group and are subject to a number of risks, uncertainties and assumptions, which, without limitation, include economic trends, fluctuations in foreign currency exchange rates, fluctuations in the price of raw materials, competition in markets where the Company is active, personal consumption, market demand, the tax system and other legislation. As such, actual results may differ materially from those projected and the Mitsui Chemicals Group cannot guarantee that these forward-looking statements are accurate or will be achieved.

1) Topics for FY2017

<Topics (Planned) >

- Establishment of Mitsui Chemicals Thailand (April 2017)
- Commercial operations for electrolyte solution production facilities at Nagoya Works in Japan (April 2017, 5,000 tons/annum)
- Commercial operations for capacity expansion of polypropylene compounds (2nd Quarter of FY2017, Total for U.S., Mexico, and India +50,000 tons/annum)
- Commercial operations for capacity expansion of thermoplastic olefinic elastomer Milastomer™ (3rd Quarter of FY2017, +5,000 tons/annum)
- Commercial operations for capacity expansion of electrolyte solution for Taiwan joint venture (3rd Quarter of FY2017, +3,500 tons/annum)
- Mitsui Chemicals SKC Polyurethanes: New system house base starts operations in India (4th Quarter of FY2017, 13,000 tons/annum)
- Commercial operations for high performance nonwovens at Nagoya Works in Japan (4th Quarter of FY2017, 15,000 tons/annum)
- Commercial operations for capacity expansion of premium high performance nonwovens in Japan (4th Quarter of FY2017, 6,000 tons/annum)

2) Consolidated Financial Highlights of Outlook

(Billions of Yen)

() Denotes a minus

Items	FY2016 (a)		FY2017 Outlook (b)		Incr.(Decr.) (b)-(a)	
	1st Half	Full Year	1st Half	Full Year	Full Year	%
Sales	568.7	1,212.3	620.0	1,300.0	87.7	7%
Operating income	45.4	102.1	43.0	98.0	(4.1)	(4%)
Non-operating incomes and expenses	(3.5)	(4.9)	(2.0)	(2.0)	2.9	–
Ordinary income	41.9	97.2	41.0	96.0	(1.2)	(1%)
Extraordinary gains and losses	(2.2)	(11.4)	(2.0)	(7.0)	4.4	–
Net income before income taxes and minority interests	39.7	85.8	39.0	89.0	3.2	4%
Profit attributable to owners of parent	27.8	64.8	29.0	65.0	0.2	0%

Exchange rate (Yen/US\$)	105	108	110	110	2
Domestic standard naphtha price (Yen/KL)	31,450	34,700	42,000	42,000	7,300

	Interim	Year-end	Interim	Year-end	Interim	Year-end
Dividend (Yen/Share)	5.0	9.0	8.0	8.0	+3.0	(1.0)
	Full year	* 14.0	Full year	16.0	Full year	+2.0

*Regular:12+Memorial:2

The aforementioned dividend plan is calculated based on the number of shares before the 5-to-1 share consolidation, which will be proposed at Mitsui Chemicals Inc.'s 20th Ordinary General Meeting of Shareholders and conducted on October 1, 2017.

3) Sales and Operating Income/Loss by Business Segment MITSUI CHEMICALS, INC.

(compared with FY2016 results)

(Billions of Yen)

() Denotes a minus

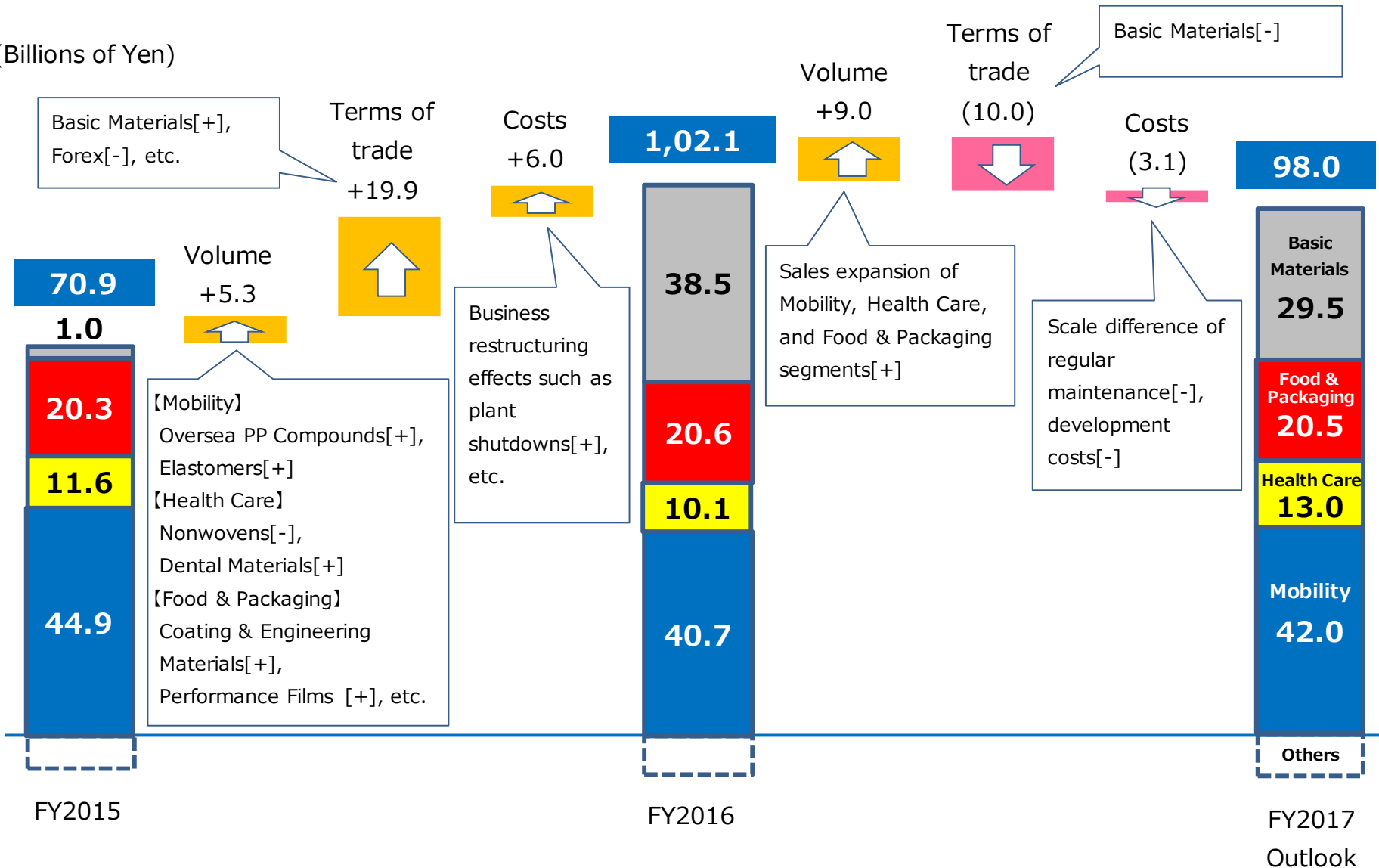
Segment	Sales					Operating Income/Loss				
	FY2016		FY2017 Outlook		Incr.(Decr.) (b) - (a)	FY2016		FY2017 Outlook		Incr.(Decr.) (d) - (c)
	1st Half	Full Year (a)	1st Half	Full Year (b)		1st Half	Full Year (c)	1st Half	Full Year (d)	
Mobility	141.7	293.3	150.0	310.0	16.7	21.1	40.7	20.5	42.0	1.3
Health Care	67.2	134.2	65.0	140.0	5.8	5.4	10.1	5.0	13.0	2.9
Food & Packaging	88.3	182.5	90.0	190.0	7.5	11.0	20.6	8.5	20.5	(0.1)
Basic Materials	253.2	565.6	300.0	630.0	64.4	11.8	38.5	13.0	29.5	(9.0)
Others	18.3	36.7	15.0	30.0	(6.7)	(3.9)	(7.8)	(4.0)	(7.0)	0.8
Total	568.7	1,212.3	620.0	1,300.0	87.7	45.4	102.1	43.0	98.0	(4.1)

4) Transition of Operating Income

(FY2015 → FY2016 → FY2017 outlook)

() Denotes a minus

(Billions of Yen)

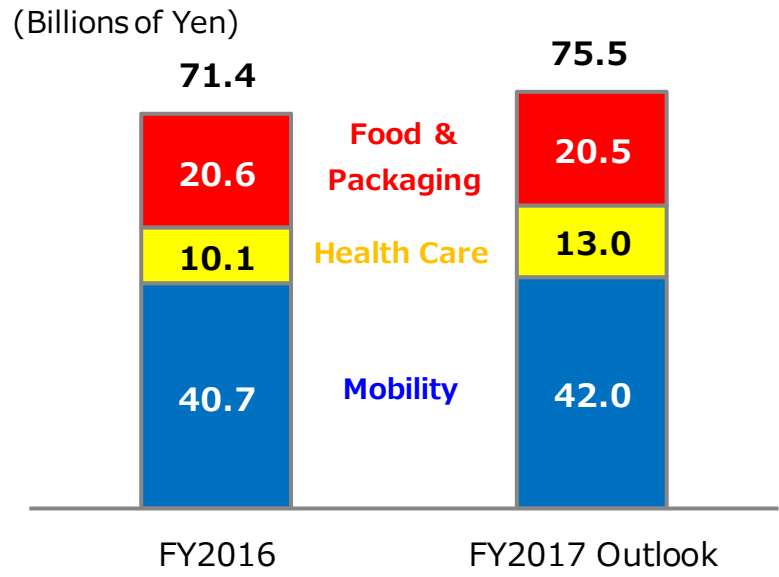


5) Trends of Business Segment

(Mobility, Health Care, and Food & Packaging segments)

<Business Environment>

- ◆ **Mobility:** Global automotive production will expand gradually. Forecast continuation of demand growth for information and communication technology applications.
- ◆ **Health Care:** Forecast stable demand for vision care materials and dental materials. In nonwoven fabrics, consumption of premium paper diapers is expected to expand continuously.
- ◆ **Food & Packaging:** Forecast stable demand.



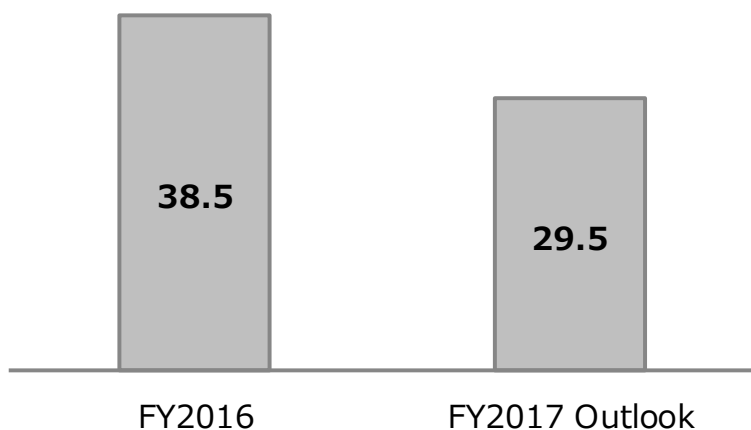
Trends of Operating Income	
FY2016 → FY2017 Outlook	
Mobility	↗ Sales expansion of oversea PP compounds, performance compounds, performance polymers[+], etc.
Health Care	↗ Sales expansion of vision care materials, nonwoven fabrics, dental materials[+], etc.
Food & Packaging	→ Sales expansion of coating & engineering materials, performance films & sheets, agrochemicals[+], etc.

5) Trends of Business Segment (Basic Materials segment)

<Business Environment>

- ◆ Forecast stable demand for domestic petrochemicals and continued high operating rates.
- ◆ Overseas market conditions, which had been booming towards the end of FY2016, will steadily weaken.

(Billions of Yen)



Breakdown of Basic Materials

	Sales Ratio (%)	Trends of Operating Income FY2016 → FY2017 Outlook	
Petrochemical feedstocks and Polyolefins	60%	↘	Terms of trade[-], scale difference of regular maintenance[-], etc.
Phenols, PTA&PET and Industrial Chemicals	35%	→	
Polyurethane Materials	5%	→	

Note: All figures are approximation for reference purpose only.

6) Non-Operating Income and Expenses, and Extraordinary Gains and Losses

(Billions of Yen) Non-Operating Incomes and Expenses () Denotes a minus

Items	FY2016		FY2017 Outlook		Incr.(Decr.) (b) - (a)
	1st Half	Full Year (a)	1st Half	Full Year (b)	
Equity in earnings of non-consolidated subsidiaries and affiliates	1.0	0.2	1.0	3.0	2.8
Interest expenses, interest and dividend income	(1.1)	(2.1)	(1.5)	(3.0)	(0.9)
Gain (loss) on foreign exchange	(3.3)	(1.3)	–	–	1.3
Others	(0.1)	(1.7)	(1.5)	(2.0)	(0.3)
Non-operating incomes and expenses total	(3.5)	(4.9)	(2.0)	(2.0)	2.9

(Billions of Yen) Extraordinary Gains and Losses () Denotes a minus

Items	FY2016		FY2017 Outlook		Incr.(Decr.) (b) - (a)
	1st Half	Full Year (a)	1st Half	Full Year (b)	
Gain on sales of non-current assets & investment securities	0.5	2.6	–	–	(2.6)
Extraordinary gains (a)	0.5	2.6	–	–	(2.6)
Loss on sales and disposal of non-current assets	(2.4)	(7.3)	(2.0)	(7.0)	0.3
Impairment loss	(0.3)	(4.1)	–	–	4.1
Loss on valuation of investment securities	–	(0.2)	–	–	0.2
Others	–	(2.4)	–	–	2.4
Extraordinary losses (b)	(2.7)	(14.0)	(2.0)	(7.0)	7.0
Extraordinary gains and losses Total (a)+(b)	(2.2)	(11.4)	(2.0)	(7.0)	4.4

7) Consolidated Statement of Cash Flow

(Billions of Yen)

() Denotes a minus

Items	FY2016		FY2017 Outlook		Incr.(Decr.) (b) - (a)
	1st Half	Full Year (a)	1st Half	Full Year (b)	
I . Cash flows from operating activities (a)	67.5	100.4	40.0	95.0	(5.4)
II . Cash flows from investing activities (b)	(20.6)	(47.4)	(35.0)	(85.0)	(37.6)
Free cash flows (a)+(b)	46.9	53.0	5.0	10.0	(43.0)
III . Cash flows from financing activities	(22.3)	(47.6)	(5.0)	(10.0)	37.6
IV . Others	(3.4)	(0.7)	–	–	0.7
Net incr.(decr.) in cash and cash equivalents	21.2	4.7	0.0	0.0	(4.7)

8) Strengthening Shareholder Returns

Basic Policy on Appropriation of Profits

Mitsui Chemicals Inc. (hereafter, the Company) adopts a holistic approach to profit sharing, including returning profits to our shareholders and increasing retained earnings in preparation for strategic growth and expansion in the future.

Under its policy on shareholder returns from FY2017, in addition to continually raising dividends in line with performance trends, the Company will flexibly acquire treasury stock depending on the stock price and market environment, therefore to enhance returns to shareholders.

Specifically, the Company will aim to gradually achieve a total return ratio of 30% or more.

Note: Total return ratio = (dividends paid + treasury stock acquired) / profit attributable to owners of parent

(Policy until FY2016: Consolidated dividend payout ratio of at least 25% and consolidated dividends on equity of at least 2%)

(Significant Subsequent Events) For details, please refer each disclosure documents.

1. Share Consolidation, Revision of Number of Shares Per Share Unit, and Partial Amendment of the Articles of Incorporation
2. Notice of Capital Reserve Reduction

9) Consolidated Accounting Fundamentals

() Denotes a minus

Items		FY2016		FY2017 Outlook	
		1st Half	Full Year	1st Half	Full Year
Exchange Rate	Yen/US\$	105	108	110	110
Domestic Standard Naphtha Price	Yen/KL	31,450	34,700	42,000	42,000
Capital Expenditures	¥ Billions	18.7	45.4	30.0	74.0
Research and Development Expenses	¥ Billions	14.8	30.8	18.0	36.0
Depreciation and Amortization	¥ Billions	21.5	44.1	24.0	49.0
Financing Incomes and Expenses	¥ Billions	(1.1)	(2.1)	(1.5)	(3.0)
Interest-bearing Liabilities	¥ Billions	455.2	439.9	445.0	450.0
Net D/E Ratio	times	0.92	0.79	0.77	0.73
Number of Employees	persons	13,487	13,423	13,700	13,700

3. Appendix

- 1) Trends in Product Prices
- 2) Increase/Decrease in Business Segment (Sales and Operating Income, year on year)
- 3) Sales and Operating Income/Loss by Business Segment (by Quarter)
- 4) Main Subsidiaries and Affiliates
- 5) Financial Summary
- 6) Sales by Region
- 7) Topics of FY2016

This summary contains forward-looking statements about the future plans, strategies, belief and performance of the Mitsui Chemicals Group as a whole and its individual consolidated companies. These forward-looking statements are not historical facts. They are expectations, estimates, forecasts and projections based on information currently available to the Mitsui Chemicals Group and are subject to a number of risks, uncertainties and assumptions, which, without limitation, include economic trends, fluctuations in foreign currency exchange rates, fluctuations in the price of raw materials, competition in markets where the Company is active, personal consumption, market demand, the tax system and other legislation. As such, actual results may differ materially from those projected and the Mitsui Chemicals Group cannot guarantee that these forward-looking statements are accurate or will be achieved.

1) Trends in Product Prices

(Naphtha prices are Domestic Standard Naphtha Price)

(PE, PP, PH, BPA(Japan) : Change in Prices and Raw Materials Prices in Japan / BPA(China), PTA, TDI : Chinese Market Price)

(ACP) : Asian contract price

Year	2014			2015				2016				2017
Month	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.
Naphtha (Yen/KL)	69,900	70,900	66,000	47,000	48,800	47,200	40,900	34,300	31,600	31,300	34,100	41,800
PE (Yen/KG)				about (30)			about (10)	about (10)		about (10)		about +20
PP (Yen/KG)				about (30)			about (10)	about (10)		about (10)		about +20
PH (Formula Price) (Yen/KG)												
BZ(ACP) (US\$/T)	\$1,270	\$1,380	\$1,060	\$650	\$790	\$720	\$610	\$560	\$640	\$640	\$670	\$950
BPA(Japan) (Yen/KG)							(30) From Oct.					+20 From Mar.
BPA (China) (US\$/T)	\$1,670	\$1,910	\$1,620	\$1,430	\$1,390	\$1,060	\$910	\$940	\$1,140	\$1,130	\$1,170	\$1,360
PTA (US\$/T)	\$910	\$980	\$760	\$620	\$720	\$630	\$600	\$570	\$610	\$610	\$610	\$670
PX(ACP) (US\$/T)	\$1,260	\$1,350	\$1,040	\$780	\$930	\$820	\$790	\$720	\$800	\$790	\$790	\$890
TDI (US\$/T)	\$2,320	\$2,340	\$2,280	\$1,940	\$1,740	\$1,570	\$1,510	\$1,510	\$2,080	\$2,360	\$3,590	\$3,480

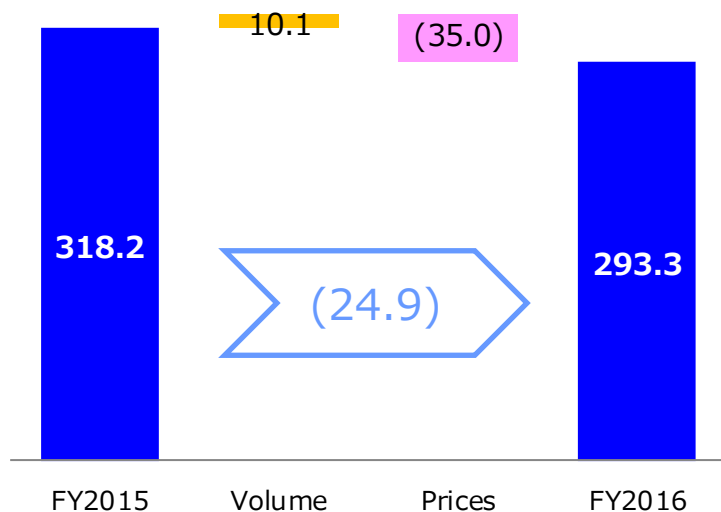
2-1) Increase/Decrease in Mobility

(Sales and Operating Income, year on year)

() Denotes a minus

Increase/Decrease of Net Sales (FY2016 vs. FY2015)

(Unit: Billions of yen)



293.3 billion yen ((24.9) billion yen year on year)

Volume +10.1 billion yen

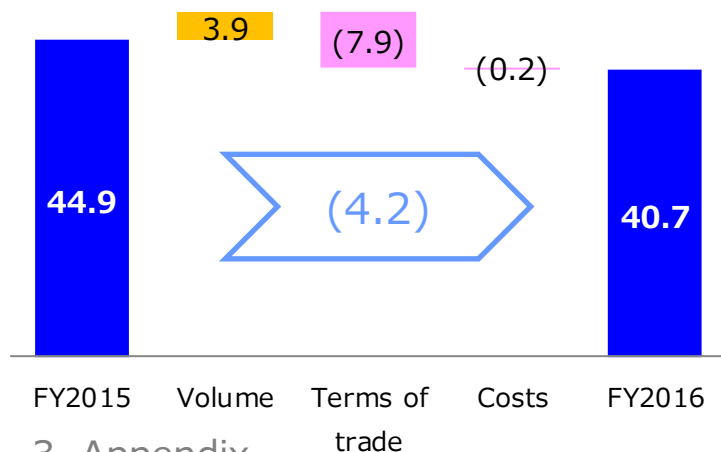
- Prompt response to healthy global automotive use demand.
- Prompt response to healthy demand for information and communication technology applications.

Prices (35.0) billion yen

- Decrease from sales price revision in line with downward swing in raw material prices.
- Decrease from strong yen, etc.

Increase/Decrease of Operating Income (FY2016 vs. FY2015)

(Unit: Billions of yen)



40.7 billion yen ((4.2) billion yen year on year)

Volume +3.9 billion yen

- Prompt response to healthy global automotive use demand.
- Prompt response to healthy demand for information and communication technology applications.

Terms of trade (7.9) billion yen

- Decrease from unfavorable terms of trade due to strong yen, etc.

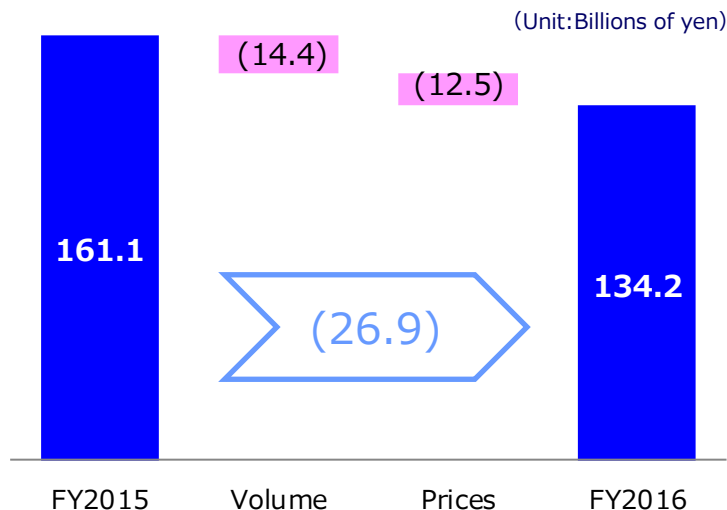
Costs (0.2) billion yen

2-2) Increase/Decrease in Health Care

(Sales and Operating Income, year on year)

() Denotes a minus

Increase/Decrease of Net Sales (FY2016 vs. FY2015)



134.2 billion yen ((26.9) billion yen year on year)

Volume (14.4) billion yen

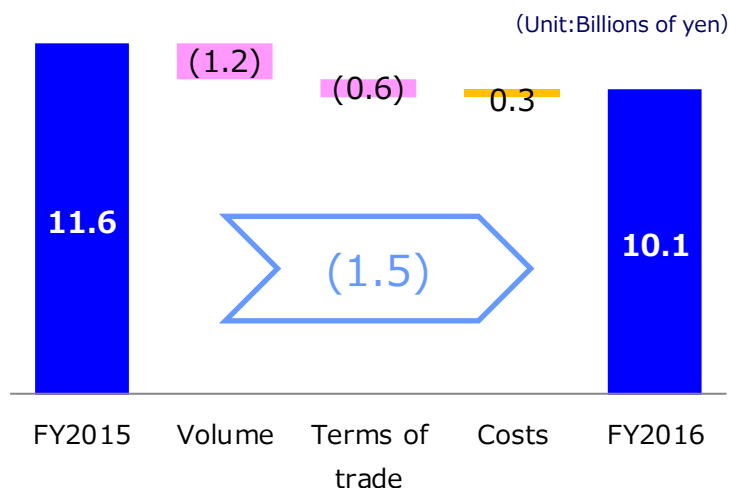
include effects of fiscal period adjustment in FY2015 : (11.4)

- Stable sales of vision care materials and dental materials.
- Inventory adjustment in nonwoven fabrics.

Prices (12.5) billion yen

- Decrease from sales price revision in line with downward swing in raw material prices.
- Decrease from strong yen, etc.

Increase/Decrease of Operating Income (FY2016 vs. FY2015)



10.1 billion yen ((1.5) billion yen year on year)

Volume (1.2) billion yen

- Stable sales of vision care materials and dental materials.
- Inventory adjustment in nonwoven fabrics.

Terms of trade (0.6) billion yen

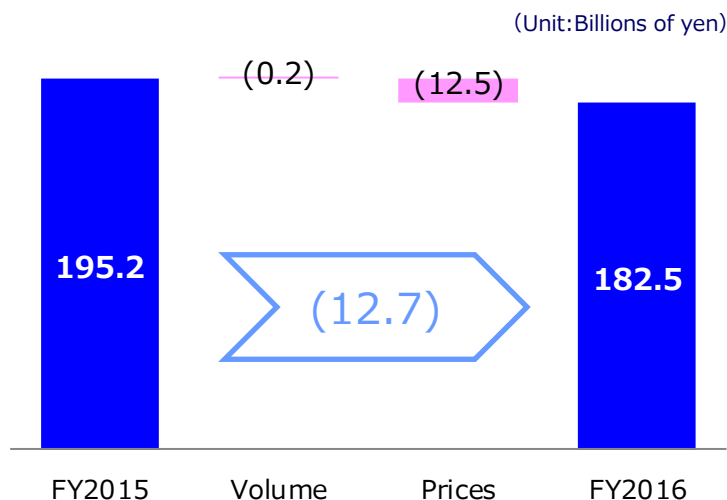
Costs +0.3 billion yen

2-3) Increase/Decrease in Food & Packaging

(Sales and Operating Income, year on year)

() Denotes a minus

Increase/Decrease of Net Sales (FY2016 vs. FY2015)



182.5 billion yen ((12.7) billion yen year on year)

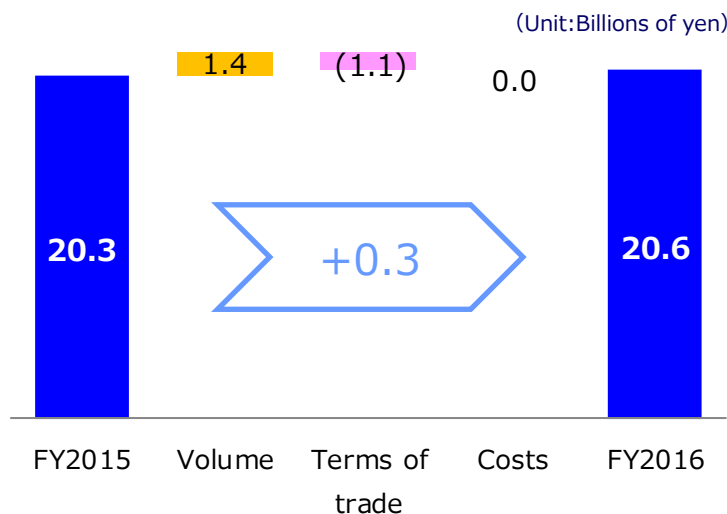
Volume (0.2) billion yen

- Stable sales of coating & engineering materials, and performance films & sheets.
- Decrease in agrochemicals.

Prices (12.5) billion yen

- Decrease from sales price revision in line with downward swing in raw material prices.
- Decrease from strong yen, etc.

Increase/Decrease of Operating Income (FY2016 vs. FY2015)



20.6 billion yen (+0.3 billion yen year on year)

Volume +1.4 billion yen

- Stable sales of coating & engineering materials, and performance films & sheets.
- Decrease in agrochemicals.

Terms of trade (1.1) billion yen

- Decrease from unfavorable terms of trade due to strong yen, etc.

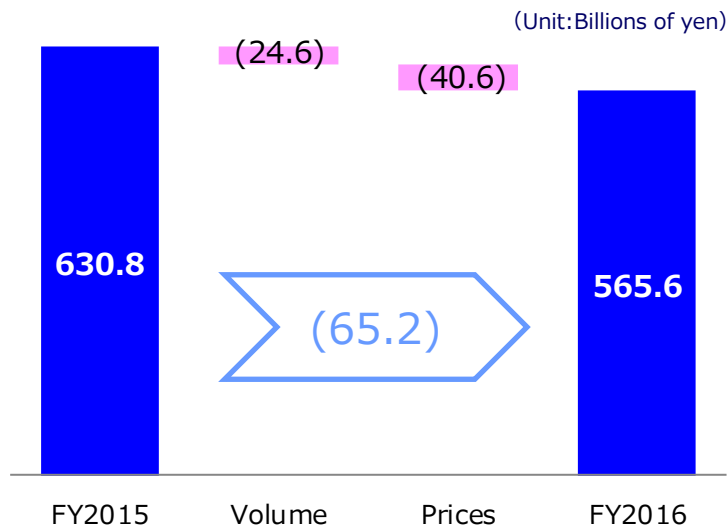
Costs 0.0 billion yen

2-4) Increase/Decrease in Basic Materials

(Sales and Operating Income, year on year)

() Denotes a minus

Increase/Decrease of Net Sales (FY2016 vs. FY2015)



565.6 billion yen ((65.2) billion yen year on year)

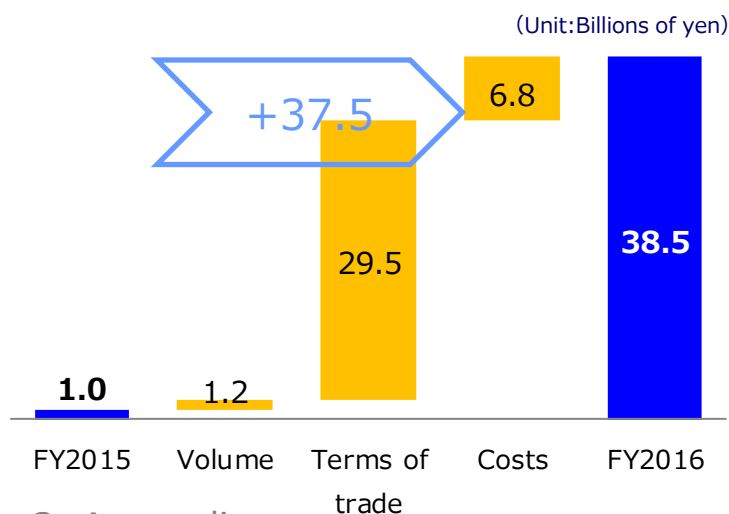
Volume (24.6) billion yen

- Decrease from company split-up of polyurethane materials.
- Decrease from production rationalization, etc.

Prices (40.6) billion yen

- Decrease from sales price revision in line with downward swing in raw material prices.
- Decrease from strong yen, etc.

Increase/Decrease of Operating Income (FY2016 vs. FY2015)



38.5 billion yen (+37.5 billion yen year on year)

Volume +1.2 billion yen

Terms of trade +29.5 billion yen

- Market price.
- Improvement from high operating rates, etc.

Costs +6.8 billion yen

- Improvement from production suspension of polyurethane materials, etc.

3) Sales and Operating Income/Loss by Business Segment (by Quarter)

Sales

(Billions of Yen)

Segment	FY2015				FY2016			
	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar
Mobility	86.2	78.3	76.2	77.5	74.7	67.0	74.4	77.2
Health Care	49.2	38.2	37.8	35.9	35.1	32.1	32.8	34.2
Food & Packaging	50.3	46.3	47.7	50.9	44.4	43.9	43.7	50.5
Basic Materials	184.2	157.1	152.3	137.2	130.7	122.5	142.2	170.2
Others	9.2	9.6	9.2	10.6	8.8	9.5	8.3	10.1
Total	379.1	329.5	323.2	312.1	293.7	275.0	301.4	342.2

Operating Income/Loss

(Billions of Yen)

() Denotes a minus

Segment	FY2015				FY2016			
	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar
Mobility	12.8	11.2	10.9	10.0	12.0	9.1	10.0	9.6
Health Care	2.2	2.9	3.3	3.2	3.2	2.2	2.5	2.2
Food & Packaging	6.5	4.4	4.8	4.6	5.7	5.3	3.9	5.7
Basic Materials	2.9	1.4	(1.9)	(1.4)	7.0	4.8	12.1	14.6
Others	(1.7)	(1.2)	(2.1)	(1.9)	(2.4)	(1.5)	(2.3)	(1.6)
Total	22.7	18.7	15.0	14.5	25.5	19.9	26.2	30.5

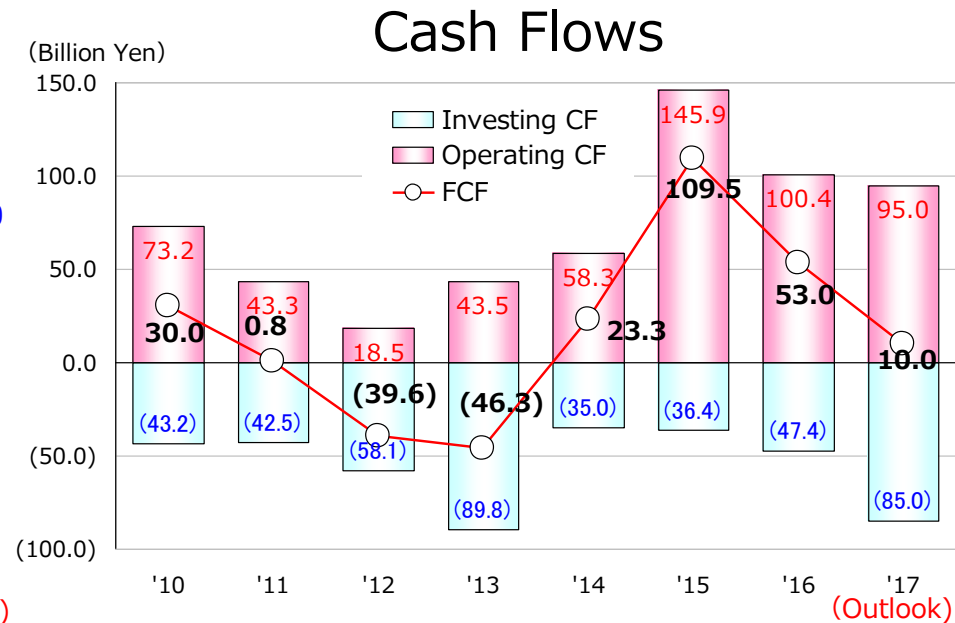
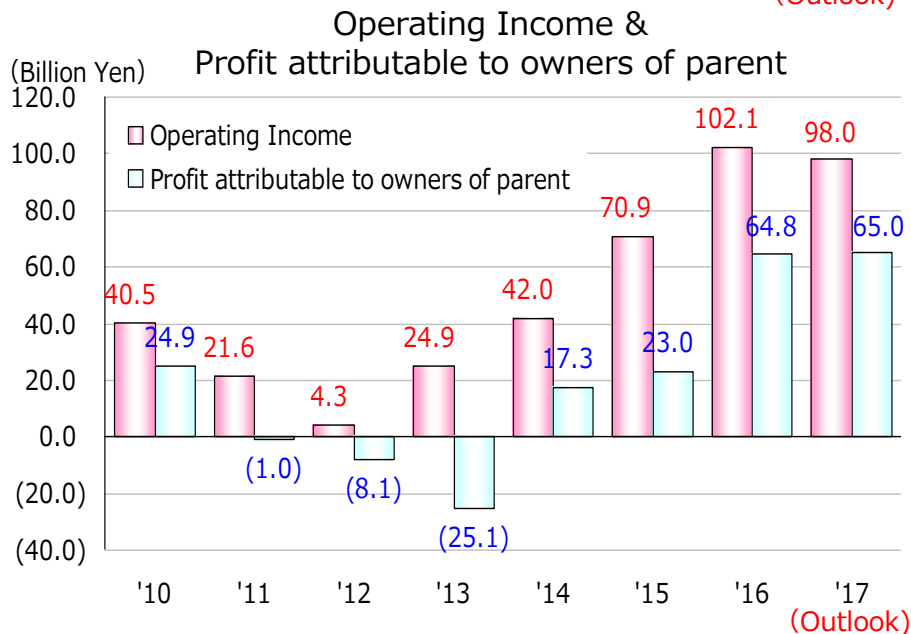
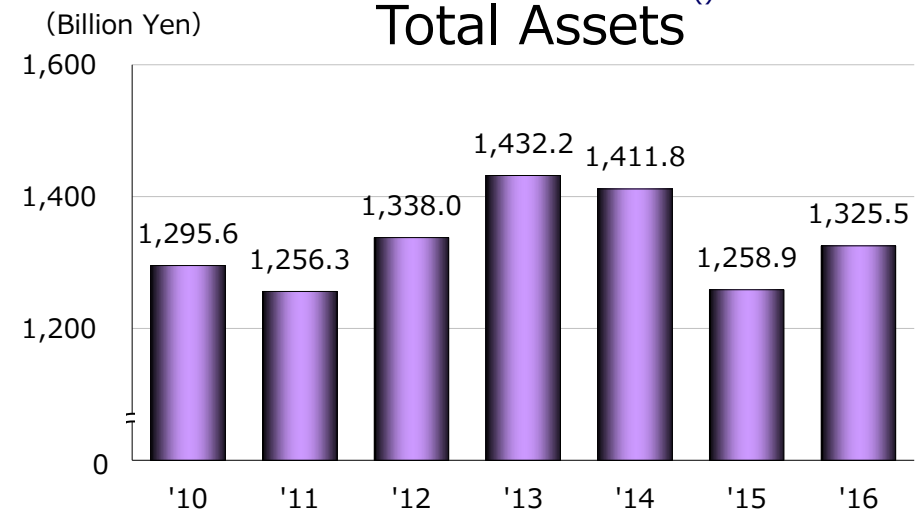
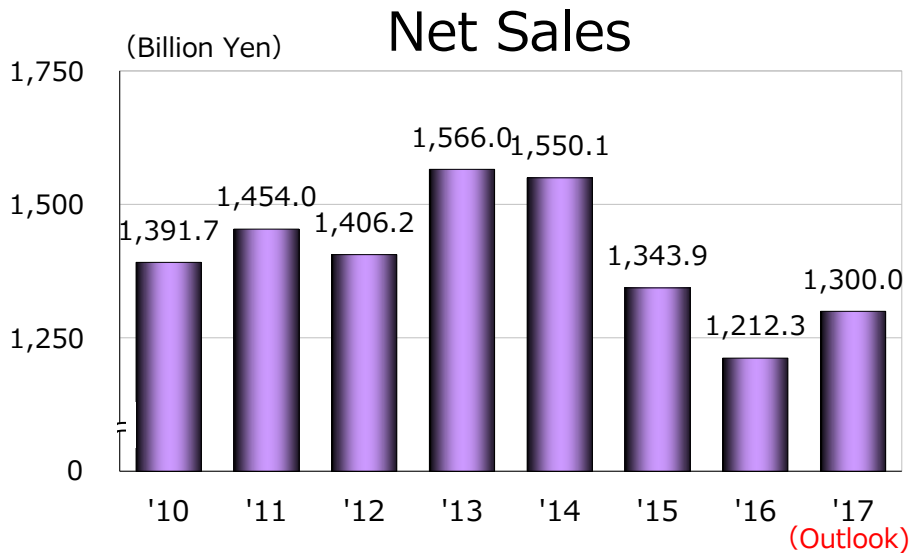
4) Main Subsidiaries and Affiliates

Items	Our share	Sales	Operating Income/Loss	
		FY2016	FY2016	FY2017 Outlook
Subsidiaries	%	Billions of Yen		
Prime Polymer	65.0	210	gain	↘ Terms of trade[-]
Advanced Composites	61.8	100	gain	→
Mitsui Phenols Singapore	95.0	40	loss	→
Mitsui Elastomers Singapore	100.0	50	gain	→
Mitsui Chemicals Tohcello, Inc.	100.0	70	gain	→
Mitsui Chemicals Agro, Inc.	100.0	40	gain	→
Affiliates				
Dupont-Mitsui Polychemicals	50.0	40	gain	↘
Dupont-Mitsui Fluorochemicals	50.0	30	gain	→
Shanghai Shinopec Mitsui Chemicals	50.0	30	loss	↗
Siam Mitsui PTA	50.0	70	gain	→

Operating Income/Loss : FY2017 outlook "→" represents "no change", or change less than 0.5 billion yen compared with FY2016.

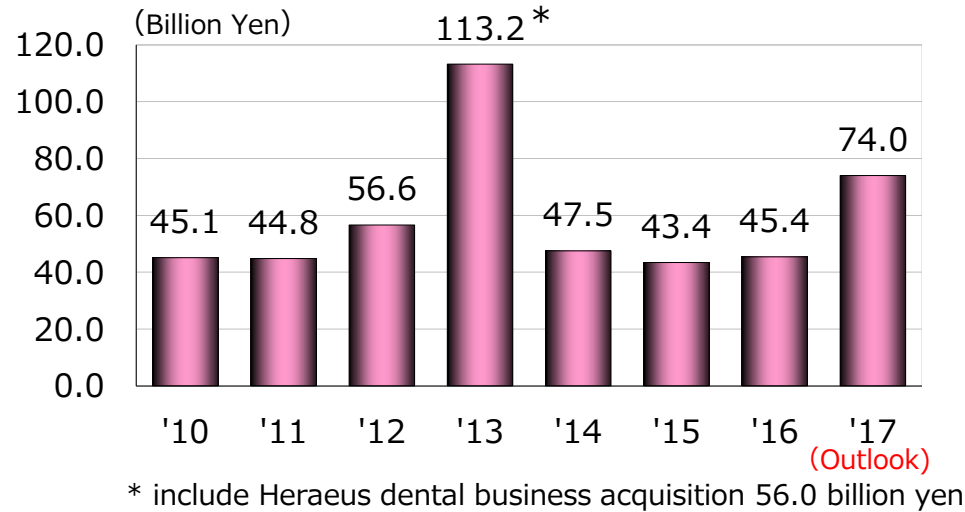
5-1) Financial Summary

() Denotes a minus

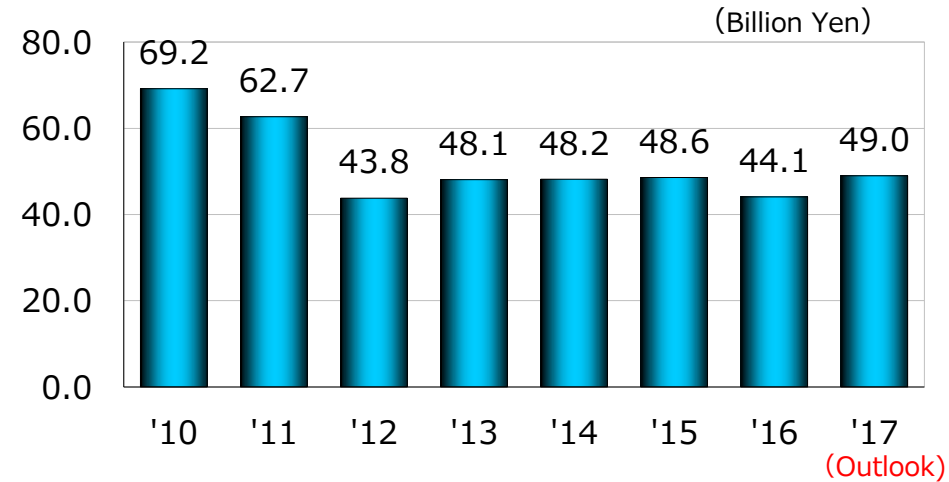


5-2) Financial Summary

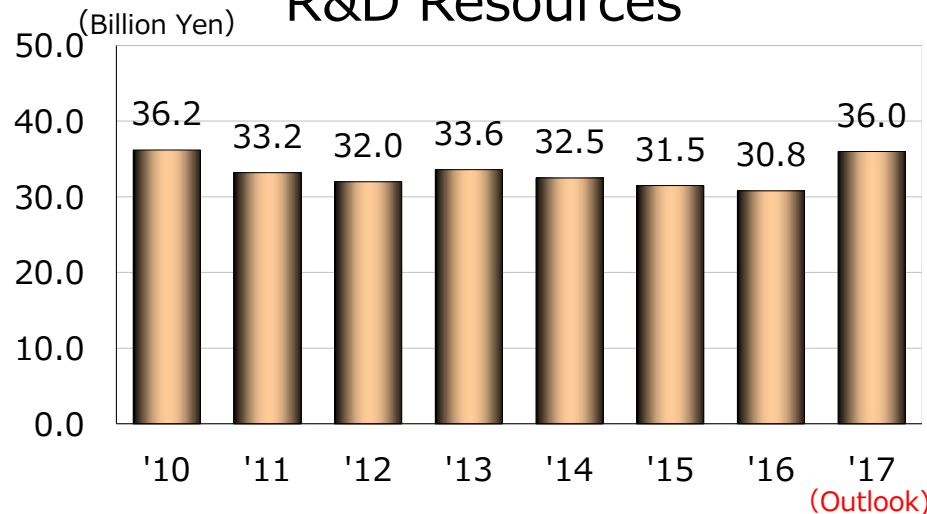
Capital Expenditure



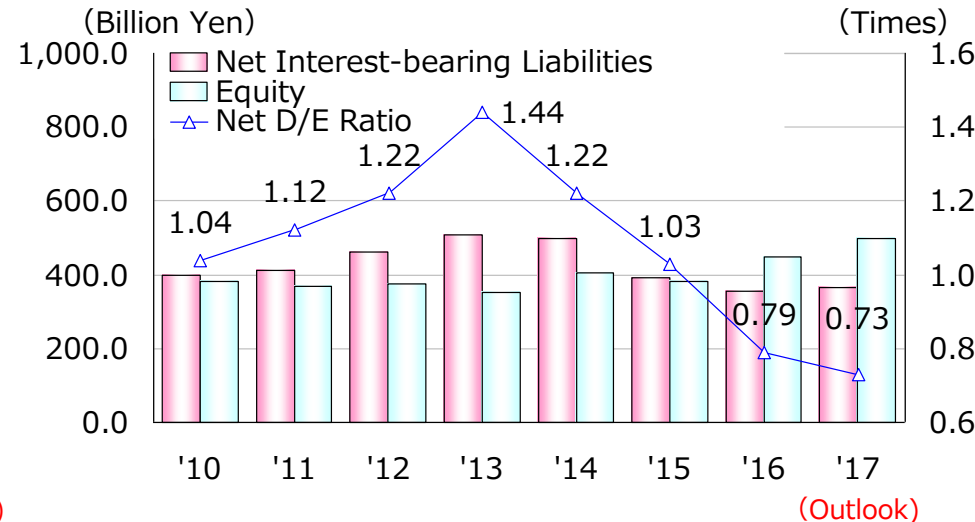
Depreciation & Amortization



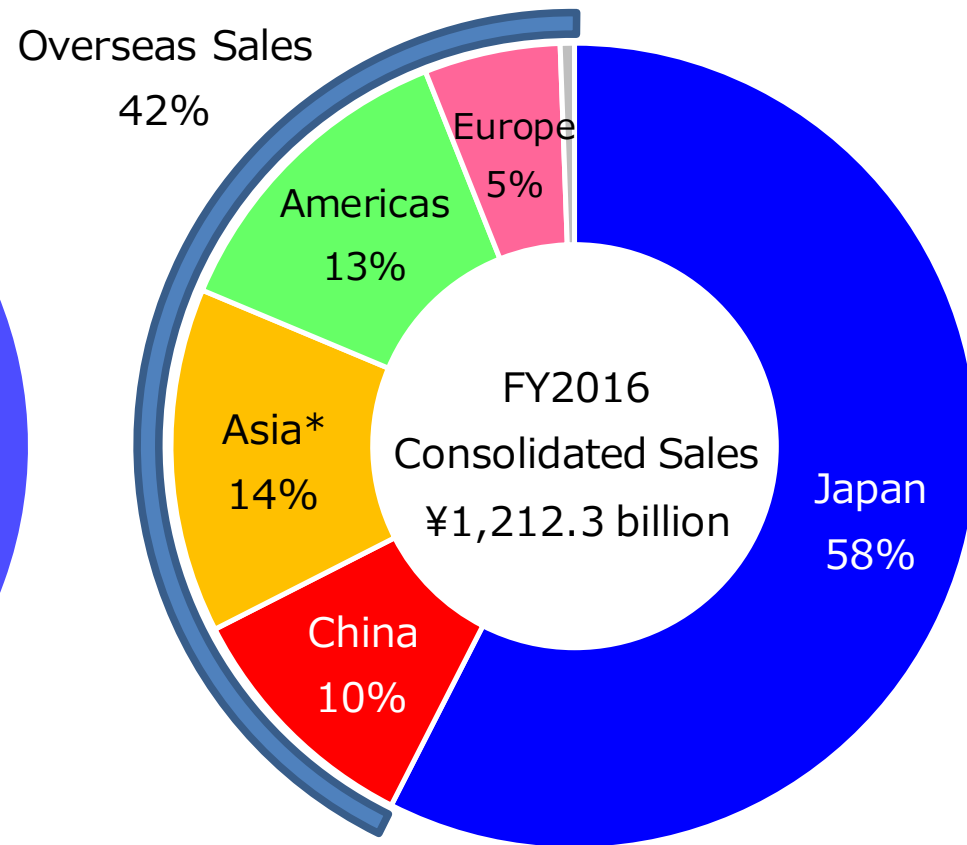
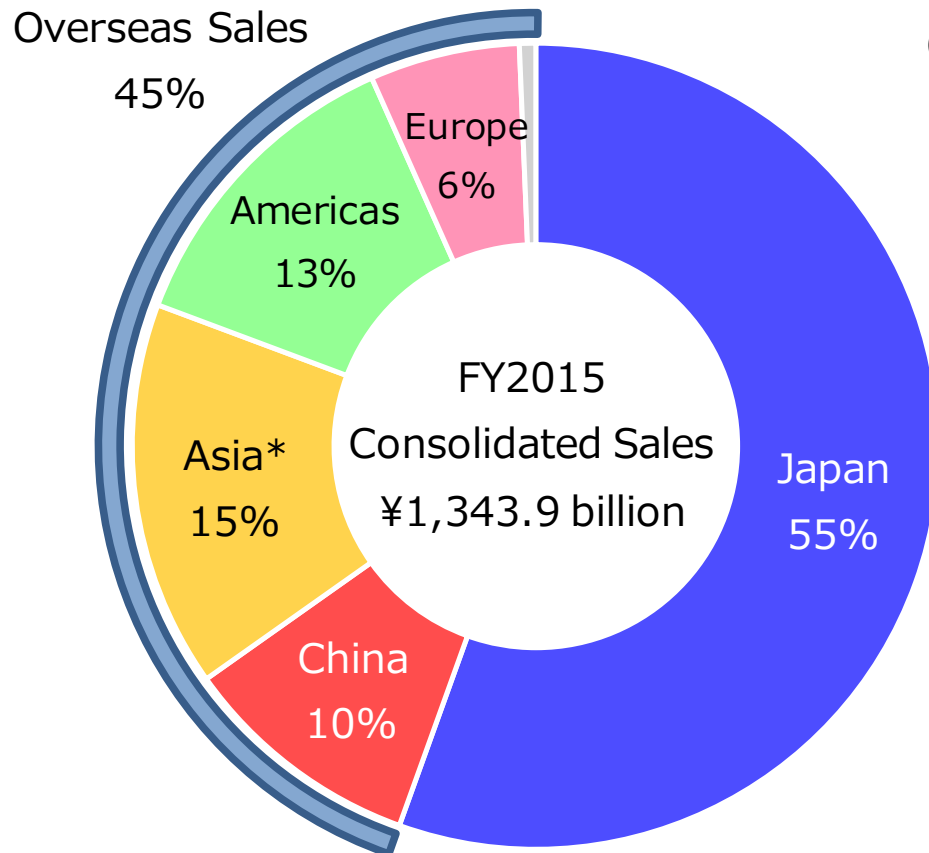
R&D Resources



Net D/E Ratio



6) Sales by Region



* Asia excluding Japan and China

7-1) Topics of FY2016

() Denotes a minus

- Mitsui Chemicals commences operations at Korean subsidiary (April 2016)
- Construction starts at new facility for high performance nonwovens at Nagoya Works in Japan (April 2016, 15,000 tons/annum, commercial operations in 4th Quarter of FY2017)
- Mitsui Chemicals & SKC Polyurethanes: New system house base starts operations in Mexico (April 2016)
- Termination of MDI plant at Omuta Works in Japan (May 2016, (60,000) tons/annum)
- Mitsui Chemicals Agro and PI Industries entered into an agreement to establish a joint venture for agrochemical registration in India (May 2016)
- Construction starts to expand facilities for polypropylene compounds (July 2016, Total for U.S., Mexico, and India +50,000 tons/annum, commercial operations in 2nd Quarter of FY2017)
- Construction starts to expand facilities for premium high performance nonwovens in Japan (July 2016, 6,000 tons/annum, commercial operations in 4th Quarter of FY2017)
- Taiwan joint venture for electrolyte solution starts operations (July 2016, 1,500 tons/annum)
- Mitsui Chemicals Agro reached an agreement for the business and capital tie-up with Cuulong in Vietnam (August 2016)
- Startup of Evolve™ Plant in Singapore (August 2016, 300,000 tons/annum)
- NTT Com and Mitsui Chemicals succeeded quality prediction of chemical products using AI (September 2016)
- New high performance sunglass lens material NeoContrast™ (September 2016)
- Developing rapid diagnostic system identifying the sepsis-causing bacteria (October 2016, joint research with University of Toyama, selected as a program in Innovation Setup Scheme by Japan Agency for Medical Research and Development)
- Construction completion of electrolyte solution production facilities at Nagoya Works in Japan (October 2016, 5,000 tons/annum, commercial operations in April 2017)

7-2) Topics of FY2016 (continued)

- Construction starts to expand production capacity of electrolyte solution for Taiwan joint venture (December 2016, +3,500 tons/annum, commercial operations in 3rd Quarter of FY2017)
- Mitsui Chemicals developed the world's first high refractive lens materials containing photochromic dyes (January 2017)
- Mitsui Chemicals Agro: Acquisition of shares of Belchim Crop Protection in Belgium (February 2017)
- Mitsui Chemicals & SKC Polyurethanes established system house in India (February 2017)
- Startup breathable film production facilities in Thailand (February 2017, +4,200 tons/annum)
- Mitsui Chemicals Agro: Acquisition of additional shares of Sotus International in Thailand (March 2017)
- Commercial operations for 2 new specialty isocyanates in Japan (March 2017, 2,000 tons/annum)



Mitsui Chemicals

Creating New Customer Value and
Solving Social Challenges through Business Activities