

February 16, 2010

Mitsubishi Rayon Co., Ltd.

Announcement of Opinion with Respect to Tender Offer conducted by Mitsubishi Chemical Holdings Corporation for Shares of Mitsubishi Rayon Co., Ltd.

The Board of Directors of Mitsubishi Rayon Co., Ltd. (the “Company”) resolved, at a meeting held on February 16, 2010, to announce its opinion with respect to the tender offer conducted by Mitsubishi Chemical Holdings Corporation (the “Tender Offeror”) for the common stock of the Company (the “Tender Offer”). In connection with such resolution, we would like to provide notice of the following.

The resolution at the meeting of the Company’s Board of Directors was based on the assumption that, if the Tender Offer is successful, the Tender Offeror will make the Company its wholly-owned subsidiary and that the shares of the Company may be delisted.

1. Description of the Tender Offeror

(1) Trade Name	Mitsubishi Chemical Holdings Corporation																				
(2) Address of Head Office	14-1, Shiba 4-chome, Minato-ku, Tokyo																				
(3) Name and Title of Representative	Yoshimitsu Kobayashi, President and CEO																				
(4) Business Description	Management of the business activities of its group companies (including establishment of strategy for the whole group and distribution of resources)																				
(5) Amount of Share Capital	¥50,000 million (as of February 16, 2010)																				
(6) Date of Incorporation	October 3, 2005																				
(7) Major Shareholders and Shareholding Ratio (as of September 30, 2009)	<table><tr><td>The Master Trust Bank of Japan Ltd. (Trust Account)</td><td>4.7%</td></tr><tr><td>Meiji Yasuda Life Insurance Company (Standing proxy) Trust & Custody Services Bank, Ltd.</td><td>4.0%</td></tr><tr><td>Takeda Pharmaceutical Company Limited</td><td>3.4%</td></tr><tr><td>The Bank of Tokyo-Mitsubishi UFJ, Ltd.</td><td>3.3%</td></tr><tr><td>Nippon Life Insurance Company</td><td>3.2%</td></tr><tr><td>Japan Trustee Services Bank, Ltd. (Trust Account)</td><td>3.0%</td></tr><tr><td>Tokio Marine & Nichido Fire Insurance Co., Ltd.</td><td>2.7%</td></tr><tr><td>Taiyo Life Insurance Company</td><td>1.5%</td></tr><tr><td>Japan Trustee Services Bank, Ltd. (Trust Account 4G)</td><td>1.5%</td></tr><tr><td>Mitsubishi UFJ Trust and Banking Corporation (Standing proxy: The Master Trust Bank of Japan Ltd.)</td><td>1.3%</td></tr></table>	The Master Trust Bank of Japan Ltd. (Trust Account)	4.7%	Meiji Yasuda Life Insurance Company (Standing proxy) Trust & Custody Services Bank, Ltd.	4.0%	Takeda Pharmaceutical Company Limited	3.4%	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3.3%	Nippon Life Insurance Company	3.2%	Japan Trustee Services Bank, Ltd. (Trust Account)	3.0%	Tokio Marine & Nichido Fire Insurance Co., Ltd.	2.7%	Taiyo Life Insurance Company	1.5%	Japan Trustee Services Bank, Ltd. (Trust Account 4G)	1.5%	Mitsubishi UFJ Trust and Banking Corporation (Standing proxy: The Master Trust Bank of Japan Ltd.)	1.3%
The Master Trust Bank of Japan Ltd. (Trust Account)	4.7%																				
Meiji Yasuda Life Insurance Company (Standing proxy) Trust & Custody Services Bank, Ltd.	4.0%																				
Takeda Pharmaceutical Company Limited	3.4%																				
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3.3%																				
Nippon Life Insurance Company	3.2%																				
Japan Trustee Services Bank, Ltd. (Trust Account)	3.0%																				
Tokio Marine & Nichido Fire Insurance Co., Ltd.	2.7%																				
Taiyo Life Insurance Company	1.5%																				
Japan Trustee Services Bank, Ltd. (Trust Account 4G)	1.5%																				
Mitsubishi UFJ Trust and Banking Corporation (Standing proxy: The Master Trust Bank of Japan Ltd.)	1.3%																				

(8) Relationship between the Company and the Tender Offeror	Capital relationship	As of February 16, 2010, Mitsubishi Chemical Corporation, a wholly-owned subsidiary of the Tender Offeror, holds 1.0% of all the issued and outstanding shares (599,997,820 shares) of the Company. And the Company holds 0.2% of all the issued and outstanding shares (1,506,288,107 shares) of the Tender Offeror.
	Personal Relationship	There is no personal relationship between the Company and the Tender Offeror which should be mentioned. In addition, there is no personal relationship between related persons and related companies of the Company and those of the Tender Offeror which should be mentioned.
	Transactional Relationship	There is no transactional relationship between the Company and the Tender Offeror which should be mentioned. In addition, there is no transactional relationship between related persons and related companies of the Company and those of the Tender Offeror which should be mentioned.
	Relationship with Related Parties	There is no transactional relationship between the Company and the Tender Offeror which should be mentioned. In addition, there is no transactional relationship between related persons and related companies of the Company and those of the Tender Offeror which should be mentioned.

2. Contents, Basis and Reasons of Opinion with Respect to the Tender Offer

(1) Contents of Opinion with Respect to the Tender Offer

The Board of the Company resolved, at a meeting held on February 16, 2010, to announce its approval of the Tender Offer by the Tender Offeror based on the basis and reasons described in “(2) Basis and Reasons for the Opinion with Respect to the Tender Offer” below, and recommend that shareholders of the Company tender their shares in the Tender Offer.

(2) Basis and Reasons for the Opinion with Respect to the Tender Offer

a. Description of the Tender Offer

The Tender Offeror reached an agreement with the Company to conduct a management integration (the “Management Integration”), pursuant to which the Company will be integrated into the business group of the Tender Offeror (the “Tender Offeror Group”), which is the holding company of the business group. The

two companies executed a “Memorandum of Understanding for Management Integration” (the “Memorandum of Understanding”) as of November 19, 2009 in connection with the foregoing. The Company is listed on the First Sections of the Tokyo Stock Exchange Group, Inc. (the “Tokyo Stock Exchange”) and the Osaka Securities Exchange Co., Ltd. (the “Osaka Securities Exchange”). The Tender Offeror and the Company have confirmed in the Memorandum of Understanding that the ultimate objective of the Management Integration is for the Tender Offeror to acquire all of the issued and outstanding shares of the Company, excluding treasury shares of the Company (the “Common Stock of the Company”). The details of the Memorandum of Understanding are outlined in “(3) Background to the Execution of Memorandum of Understanding for Management Integration and Contents Thereof” under “b. Decision-Making Process of and Reasons for the Tender Offer” below.

In the Memorandum of Understanding, the Tender Offeror planned to implement the Tender Offer for all Common Stock of the Company as the first step of the Management of Integration. The Board of Directors of the Tender Offeror resolved at its meeting on February 16, 2010 to commence the Tender Offer, after confirming the details of the Memorandum of Understanding that the Tender Offer may be implemented. In order to complete the Management Integration, the Tender Offeror will implement the Tender Offer to acquire all of the shares of the Company. Furthermore, the minimum number of shares of the Company to be purchased in the Tender Offer has been set at 286,114,000 shares, which is equivalent to a majority of the voting rights. In the event that the number of shares tendered in the Tender Offer does not reach 286,114,000 shares, none of the shares will be purchased.

The Company, at the meeting of its Board of Directors held on February 16, 2010, resolved to announce its approval of the Tender Offer and to recommend that its shareholders tender their shares in the Tender Offer.

b. Decision-Making Process of and Reasons for the Tender Offer

(1) Description of the Company

Since being established in June 1933 as a manufacturing company of rayon staple, the Company has developed its core business operations in the fields of synthetic fibers and synthetic resins and now the cornerstone of these businesses is methyl methacrylate (“MMA”) and acrylonitrile monomer operations. In its MMA business, through the establishment of a unified business structure with products ranging from chemicals to functional plastics and functional chemicals, the Company has grown to enjoy the number one position in Asia. Following the completion of the acquisition of UK-based Lucite International Group Limited (“Lucite”) in May 2009, the Company enjoys the largest MMA business operations in the world. In its acrylonitrile monomer business, the Company has established a unified system in the production of carbon-fiber precursors, carbon fibers and composite materials, and will continue to pursue growth whilst developing water treatment business using hollow fiber membranes.

(2) Description of the Tender Offeror

According to the press release entitled “Notification with Respect to Commencement of Tender Offer” which was announced by the Tender Offeror on February 16, 2010, the Tender Offeror was established as a pure holding company in October 2005 through a share transfer of Mitsubishi Chemical

Corporation (head office: Minato-ku, Tokyo; President: Yoshimitsu Kobayashi; hereinafter, “Mitsubishi Chemical”) and Mitsubishi Pharma Corporation (“Mitsubishi Pharma”), a subsidiary of Mitsubishi Chemical at the time, pursuant to which both companies became wholly-owned subsidiaries of the Tender Offeror. Subsequently, in October 2007, the Tender Offeror made Mitsubishi Plastics, Inc. (head office: Chuo-ku, Tokyo; President: Hiroshi Yoshida; hereinafter, “Mitsubishi Plastics”) a subsidiary of Mitsubishi Chemical, a direct subsidiary of the Tender Offeror, and Mitsubishi Pharma merged with Tanabe Seiyaku Co., Ltd to become Mitsubishi Tanabe Pharma Corporation (head office: Osaka city, Osaka; President: Michihiro Tsuchiya; hereinafter “Mitsubishi Tanabe Pharma”), a listed subsidiary in October 2007. At present, with the Tender Offeror as a holding company, and with Mitsubishi Chemical, Mitsubishi Plastics and Mitsubishi Tanabe Pharma as its core operating business companies, the Tender Offeror Group operates its business in the three business domains of Performance Products, Health Care and Chemicals. In April 2009, the Tender Offeror established a direct subsidiary, The KAITEKI Institute, Inc., as a research institute that conducts research and studies relating to future social trends.

(3) Background to the Execution of the Memorandum of Understanding for Management Integration and Contents Thereof

In its core chemicals business, the Tender Offeror Group faces a harsh operating environment due to factors such as declining demand and falling product prices accompanying the slowdown of the world economy; volatile price movements for crude oil and other raw materials; and the strengthening of the yen. Moreover, Japanese companies have inevitably suffered relative declines in international competitiveness due to the emergence of Chinese companies having an enormous market and Middle Eastern companies, which boast overwhelming strong competitiveness in commodity chemicals markets. Furthermore, amid increasingly active movements toward large-scale business restructurings, mainly in Europe and the United States, chemicals-related businesses unavoidably face intensifying global competition, increased internationalization of business activities, and initiatives for realizing large business scales.

In response to such circumstances, the Tender Offeror is implementing APTSIS 10, the Tender Offeror Group’s mid-term management plan that is based on a fundamental policy: “respond swiftly to economic contraction by structural reforms, accelerated innovation and leaping ahead.” In keeping with APTSIS 10, the Tender Offeror is undertaking a drastic business restructuring by concentrating investments on existing growth businesses and scaling back or withdrawing from low-profit businesses; accelerating M&A and R&D activities to realize high performance and high added-value in businesses and to quickly launch new businesses; and expanding overseas businesses to strengthen its international competitiveness.

On the other hand, based on the same recognition of the environment, the Company is promoting thorough business portfolio management in accordance with its mid-term management plan New Design MRC (the “New Design MRC Plan”), with the fundamental objectives to “establish and develop the top-ranking business units in the global markets” and “achieve sales revenue of 1 trillion yen and operating profit of 100 billion yen by 2018.” The acquisition of Lucite gives the Company an important foothold and represents a significant

step forward as a company that carries out operations globally.

As described above, the Tender Offeror and the Company are implementing their own respective measures to respond to the present harsh business environment. However, with the aim of becoming a corporate group that can survive the expected increasingly severe global competition, the Tender Offeror and the Company have reached an agreement to carry out the Management Integration and to conduct the Tender Offer, under which the Tender Offeror will acquire all of the Company's shares. Under the agreement, the Company will become a new core business company of the Tender Offeror Group, with the Tender Offeror serving as the pure holding company, which will enable both companies to consolidate management resources, achieve an expansion in corporate scale and establish a solid business foundation while strengthening business competitiveness and fortifying development capabilities.

The Tender Offeror and the Company have entered into a Memorandum of Understanding with respect to their Management Integration dated November 19, 2009 as outlined below.

I. Purpose of the Management Integration

With the participation of the Company, as a core business company, in the corporate group under which the Tender Offeror will serve as the pure holding company, the Tender Offeror and the Company, through the Management Integration, aim to become a corporate group that can survive amid expected increasingly severe global competition by consolidating their management resources, achieving an expansion in corporate scale and establishing a solid business foundation while strengthening business competitiveness and fortifying development capabilities.

II. Method and schedule of the Management Integration

- (i) As a result of the Tender Offer, if the Tender Offeror is unable to acquire all of the Common Stock of the Company, as the second phase of the Management Integration, the Tender Offeror and the Company will implement a share exchange (the "Share Exchange") with the Tender Offeror as the wholly-owning parent company and the Company as the wholly-owned subsidiary as soon as possible. Following the day of completion of the Tender Offer, and up until the effective day of the Share Exchange, the Company will cancel all of its treasury shares.
- (ii) The share exchange ratio (the "Share Exchange Ratio") to be used in the Share Exchange will be determined based on the purchase price (the "Purchase Price") for the Tender Offer, after diverse and rational review by the Tender Offeror and the Company giving consideration to the respective share prices, financial situations, business results trends and other factors of the Tender Offeror and the Company, and following discussion and agreement in good faith between the Tender Offeror and the Company, after the completion of the Tender Offer.
- (iii) Following the completion of the Tender Offer, if either the Tender Offeror or the Company (a) is unable to obtain the necessary approval for the Share Exchange at a general meeting of its shareholders, (b)

believes, based upon reasonable grounds, that it is unable to obtain the necessary approval for the Share Exchange at a general meeting of its shareholders, or (c) believes, based upon reasonable grounds, that there is a high possibility that either the Tender Offeror or the Company will become a party to litigation in relation to the Management Integration, the Tender Offeror and the Company shall hold discussions and reach agreement in good faith regarding the actions to be taken.

- (iv) The general meetings of shareholders for approval of the Share Exchange is scheduled to be held in June 2010, and the effective date of the Share Exchange is scheduled to be October 1, 2010. These general meetings of shareholders will only be held if deemed necessary under the Company Law of Japan (the “Company Law”).

III. Management of the corporate group after the commencement of the Management Integration

- (i) With respect to the management of the corporate group of the Tender Offeror after the completion of the Tender Offer or the Share Exchange (the “Commencement of the Management Integration”), with an aim to maximize the profits of the whole group, the Tender Offeror shall respect the independence of the management of the Company, in accordance with the internal rules of the corporate group (the “Internal Rules on the Group Management”).
- (ii) After the Commencement of the Management Integration, the Tender Offeror shall respect the will of the Company with respect to the maintenance or modification of trademarks (including the logos) and management principles of the Company.
- (iii) After the Commencement of the Management Integration, in order to maximize the shareholder profits as a whole, the Company shall respect the basic policy of the group management and the Internal Rules on the Group Management, and share with the Tender Offeror the management principles and management strategies of the Tender Offeror, in addition to managing its own business in accordance with the Internal Rules on the Group Management. Furthermore, the Company can request the Tender Offeror to hold discussions for the purpose of modifying or adding Internal Rules on the Group Management when necessary.
- (iv) After the Commencement of the Management Integration, the Tender Offeror and the Company shall mutually dispatch one part-time director, as soon as practically possible. Provided, however, that, separately from the aforementioned part-time director, according to the role that the Company plays in the management of the Tender Offeror such as its scale of business sales and profitability, the Company shall recommend a candidate for director of the Tender Offeror from among employees who belong to the Company, and the Tender Offeror shall respect such recommendation to the maximum extent possible and do its best to make such person a candidate for director of the Tender Offeror at its general meeting of shareholders.

- (v) As measures to realize the synergy effects of the Management Integration and to strengthen their businesses, the Tender Offeror and the Company shall, after the Commencement of the Management Integration, actively promote interaction with personnel within the group, business alliance, and restructure and integration of subsidiaries.

IV. Management plan, business operations and general human resources-related matters after the completion of the Management Integration

- (i) After the Tender Offeror completes the acquisition of all Common Stock of the Company (including the acquisition of such shares through the share exchange), the Company shall establish its mid to long term consolidated management plan and consolidated operation budget in accordance with the Internal Rules on the Group Management, and seek an approval of the Tender Offeror.
- (ii) After the completion of the Management Integration, the Tender Offeror shall, with respect to the business operation and general human resources issues relating to the business of the Company, respect the independence of the Company in accordance with the Internal Rules on the Group Management. On the other hand, the Company shall, with respect to such business operation and general human resources issues, give consideration to the maximization of the profit of the whole group.

V. Handling of important human resources and organization of the Company after the completion of the Management Integration

After the completion of the Management Integration, the Company shall prepare plans in relation to the election/removal of its representative director, director with officer's post, executive officers with officer's post and executive officers, as well as material change/abolishment of its organization, and seek an approval of the Tender Offeror. The Tender Offeror shall, at the time of such approval, respect the independence of the Company in accordance with the Internal Rules on the Group Management.

VI. Handling of employees of the Company

- (i) In implementing the Management Integration, the Tender Offeror shall not ask the Company for the change of employment conditions or dismissal of the current employees of the Company.
- (ii) With respect to the employment conditions of the employees of the Company after the Commencement of the Management Integration, the Tender Offeror shall respect the will of the Company's Board of Directors.
- (iii) Each of the Tender Offeror and the Company shall pay attention to the interaction among employees of two companies after the Commencement of the Management Integration, so that no employee of the companies will be disadvantaged because of the company he or she was employed before the Management Integration.

VII. Competitors with respect to the Tender Offer

- (i) Before the completion of the Tender Offer, if it becomes clear that a

third party other than the Tender Offeror commences or will possibly commence a tender offer for the shares of the Company, the Tender Offeror and the Company shall determine measures against such issue upon mutual discussion and agreement in good faith.

- (ii) If a third party other than the Tender Offeror conducts a tender offer for the shares of the Company, the Company shall, after cautious deliberation, based on its own judgment, and with the care of a good manager to its shareholders, make a statement of its opinion.

VIII. Retention of the corporate value

After the execution of the Memorandum of Understanding and until the completion of the Management Integration, the Tender Offeror and the Company shall be aware that the realization of the Management Integration is a common objective of both companies, and conduct respective businesses and management/operation of each asset with the care of a good manager, and shall not take any action which might cause a significant change in their assets, profit and loss in the future or any other actions which might have material adverse effects on the implementation of the Management Integration. The foregoing sentence does not apply if prior approval from the other party has been obtained with respect to the implementation of such actions.

- (4) Synergy Effects Expected from the Cooperative Business Operations between the Company and the Tender Offeror

Through the Management Integration, the Tender Offeror believes that the Company will be able to utilize the strong business foundation and excellent management resources of the Tender Offeror Group in working to attain the key tasks of the New Design MRC Plan. These tasks include acceleration of growth of MMA-related businesses and cultivation and expansion of next-generation core businesses such as carbon fiber and composite materials as well as water treatment. As a result, the Company expects to accelerate the realization of a fundamental objective of the New Design MRC Plan, namely, to “establish and develop the top-ranking business units in the global markets” by the synergy effects in the Tender Offeror Group. The Company’s participation in the Management Integration will also lead to an upgrading, expansion, and strengthening of human resources and other management resources.

On the other hand, the Management Integration will allow the Tender Offeror Group to expand its corporate scale to better respond to an era of global competition, which is a key issue addressed under *APTSIS 10*, in addition to enabling the Tender Offeror Group to acquire a new core business in the form of the Company’s MMA business. The Tender Offeror Group will also acquire businesses that include the carbon fiber and composite materials businesses, for which demand is expected to expand rapidly, as well as the water treatment business. Consequently, the Tender Offeror Group will be able to accelerate its current shift toward high added-value businesses and anticipates synergies in carbon fiber and composite materials, water treatment and such specialty chemicals as additives and coatings. The Tender Offeror also expects to realize cost synergies through the integration of logistics, purchasing and procurement, and business bases as well as through the integration of similar functions carried

out by affiliated companies. Also, the addition of the Company and its strong business foundations in Asia, Europe and the United States will enable the Tender Offeror Group to further bolster and accelerate the development of its global business operations.

In the event the Management Integration is completed, in order to become a corporate group that can succeed among the severe global competition, the Tender Offeror plans to strive for prompt realization of the synergies described above, as well as allocating management resources within the Tender Offeror Group in the most appropriate manner and strengthening developmental capability and business competitiveness with the aim of maximizing profit of the Tender Offeror Group as a whole.

(5) Basis of Opinion with Respect to the Tender Offer

The Purchase Price of the Tender Offer of JPY380 per share is equal to (i) the closing price of JPY271 of the Common Stock of the Company quoted on the First Section of the Tokyo Stock Exchange on November 18, 2009 which is one business day prior to the announcement of the proposed Purchase Price (the “Proposed Purchase Price”), plus a premium of 40.22% (rounded to the nearest hundredth of a percent), (ii) the average closing price of JPY303 (rounded to the nearest whole number) for the month preceding November 18, 2009, plus a premium of 25.41% (rounded to the nearest hundredth of a percent), (iii) the average closing price of JPY311 (rounded to the nearest whole number) for the three months preceding November 18, 2009, plus a premium of 22.19% (rounded to the nearest hundredth of a percent), (iv) the average closing price of JPY288 (rounded to the nearest whole number) for the six months preceding November 18, 2009, plus a premium of 31.94% (rounded to the nearest hundredth of a percent), and (v) the closing price of JPY372 of the Common Stock of the Company quoted on the First Section of the Tokyo Stock Exchange on February 15, 2010, plus a premium of 2.15% (rounded to the nearest hundredth of a percent).

In determining the appropriateness of the Proposed Purchase Price as set forth in the Memorandum of Understanding, executed between the Tender Offeror and the Company, the Company chose Mizuho Securities Co., Ltd. (“Mizuho Securities”) and JPMorgan Securities Japan Co., Ltd. (“JPMorgan Securities”), third parties independent from both the Tender Offeror and the Company and unrelated parties of the Tender Offeror and the Company, as their financial advisors and requested calculations of the Company’s equity value. The Company received these respective calculations, in share valuation reports (the “Mizuho Valuation Report,” the “JPMorgan Valuation Report,” or collectively, the “Share Valuation Reports”) with certain preconditions and disclaimers from Mizuho Securities and JPMorgan on November 19, 2009. Furthermore, in addition to the Share Valuation Reports, the Company received opinion reports (the “Mizuho Opinion Report,” the “JPMorgan Opinion Report,” or collectively, the “Opinion Reports”) from Mizuho Securities and JPMorgan Securities respectively on November 19, 2009, to the effect that, with certain preconditions, the Proposed Purchase Price is appropriate to the shareholders of the Company from a financial point of view.

In the submission of the Mizuho Opinion Report, Mizuho Securities relied on information provided by the Company, and information and other materials

available to the general public. Mizuho Securities assumed that all of these materials and information were accurate and complete and has not conducted any independent verification of the accuracy and completeness of this information. Mizuho Securities assumed that there were no undisclosed facts that would potentially have a material effect on the calculation of the Proposed Purchase Price. Furthermore, with respect to assets and liabilities (including contingent liabilities) of the Company, its subsidiaries and affiliated companies, the Mizuho Opinion Report reflects information and economic conditions current as of November 19, 2009, and Mizuho Securities has not conducted independent evaluation or appraisal of these assets and liabilities. With respect to the financial forecasts (including profit plans and other information) of the Company, Mizuho Securities assumed that this information was reasonably prepared based on assumptions reflecting the best currently available forecasts and judgments that the Company's management could obtain at the time. The Mizuho Opinion Report contains amendments made with the Company's consent as a precondition.

Under the preconditions and other specific conditions to the JPMorgan Opinion Report, and in relation to the evaluation of the Tender Offer by the Board of Directors of the Company, JPMorgan submitted the JPMorgan Opinion Report to the Board of Directors solely for the purpose of being used as reference material. The JPMorgan Opinion Report is not intended to make any recommendations with respect to any actions to be taken by shareholders of the Company including with respect to the exercise of voting rights at the general meeting of shareholders of the Company to be held regarding the Tender Offer and the Share Exchange. The JPMorgan Opinion Report is based on information current as of November 19, 2009, and is dated November 19, 2009. Please refer to the "Note" below for the preconditions and disclaimer applicable to the JPMorgan Opinion Report.

Following this, in order to evaluate the fairness of the Purchase Price, the Company received the respective share valuation reports from Mizuho Securities and JPMorgan, with certain preconditions and disclaimers, as reference material on February 16, 2010. Furthermore, in addition to the Share Valuation Reports, the Company received Opinion Reports from Mizuho Securities and JPMorgan Securities respectively on February 16, 2010, to the effect that, with certain preconditions, the Proposed Purchase Price is appropriate to the shareholders of the Company from a financial point of view.

In the submission of the Mizuho Opinion Report, Mizuho Securities relied on information provided by the Company, and information and other materials available to the general public. Mizuho Securities assumed that all of these materials and information were accurate and complete and has not conducted any independent verification of the accuracy and completeness of this information. Mizuho Securities assumed that there were no undisclosed facts that would potentially have a material effect on the calculation of the Proposed Purchase Price. Furthermore, with respect to assets and liabilities (including contingent liabilities) of the Company, its subsidiaries and affiliated companies, the Mizuho Opinion Report reflects information and economic conditions current as of February 16, 2010, and Mizuho Securities has not conducted independent evaluation or appraisal of these assets and liabilities. With respect to the financial forecasts (including profit plans and other information) of the Company, Mizuho Securities assumed that this information was reasonably prepared based

on assumptions reflecting the best currently available forecasts and judgments that the Company's management could obtain at the time. The Mizuho Opinion Report contains amendments made with the Company's consent as a precondition.

Mizuho Securities determined the equity value of the Common Stock of the Company using the DCF method, the comparable companies method and the average market price method in the share valuation analysis of the Company. The ranges of the per share value of the Common Stock of the Company reached using each method are as follows.

- (i) DCF method: ¥334 – ¥421

Under the DCF method, the range of the per share value of the Common Stock of the Company derived was between JPY334 and JPY421. The DCF method is used to calculate the share value through calculating the business value of the Company by discounting the current value of future cash flows by an estimated discount rate, and adding the value of non-operating assets to the business value and excluding net losses. It is a valid and common method used in finance theory and this method has been used here.

- (ii) comparable companies method: ¥349 – ¥373

Under the comparable companies method, the range of the per share value of the Company derived was between JPY349 and JPY373. The comparable companies method is used to calculate the share value by comparing financial indicators of the Company relating to the total value of the share price to other listed companies that engage in businesses similar to those of the Company. It is used to obtain results showing main market forces, scale of operations, and probability and has been used here.

- (iii) average market price method: ¥288 – ¥311

Under the average market price method, with November 18, 2009 as the record date, the range of the per share value of the Common Stock of the Company derived was between JPY288 and JPY311. The average market price method is used to calculate the share value on the basis of the competition principle that says that the market share price of the Company's shares is determined by the participation of many people on the market, and because of the broad and objective disclosure of this method, this method is always taken into account with regards to public companies and is therefore used here. The Company comprehensively considered and based the analysis on the average closing price of the shares of the Company for the one month, three months and six months prior to February 2, 2010.

Under the preconditions and other specific conditions to the JPMorgan Opinion Report, and in relation to the evaluation of the Tender Offer by the Board of Directors of the Company, JPMorgan submitted the JPMorgan Opinion Report to the Board of Directors solely for the purpose of being used as reference material. The JPMorgan Opinion Report is not intended to make any recommendations with respect to any actions to be taken by shareholders of the Company including with respect to the exercise of voting rights at the general meeting of

shareholders of the Company to be held regarding the Tender Offer and the Share Exchange. The JPMorgan Opinion Report is based on information current as of February 16, 2010, and is dated February 16, 2010. Please refer to the “Note” below for the preconditions and disclaimer applicable to the JPMorgan Opinion Report.

In the JPMorgan Valuation Report that the Company received from JPMorgan on February 16, 2010 as reference material, JPMorgan determined the equity value of the Common Stock of the Company using the DCF method, and the comparable companies method in the equity value analysis of the Company. The ranges of the per share value of the Common Stock of the Company reached using each method are as follows. Please refer to the “Note” below for the preconditions and disclaimer applicable to the valuations conducted by JPMorgan.

- (i) DCF method: ¥328 — ¥460
- (ii) comparable companies method: ¥260 — ¥406

The Company has received the necessary legal opinions from its legal advisors, TMI Associates, with respect to the ensuring the fairness of the decision-making process regarding the Tender Offer.

Based on the above awareness of the whole transaction, including advice from third party financial advisors, consideration and analysis of the appropriateness of the Purchase Price of the Tender Offer, among other factors, as a result of the Company’s serious consideration and discussion of the various conditions of the Tender Offer, the Company has determined that the Tender Offer will provide an opportunity for growth by maximizing the Company’s corporate value through the strengthening and expansion of the operating resources of the Company, and that the conditions of the Tender Offer are fair and provide an opportunity for shareholders to sell their shares at a reasonable price. The Company is in agreement with the implementation of the Tender Offer, under which the Company will become a wholly-owned subsidiary of the Tender Offeror, and has decided to recommend that shareholders tender their shares in the Tender Offer.

(6) Expected Delisting and Reasons Thereof

The shares of Common Stock of the Company are, at present, listed on the First Sections of the Tokyo Stock Exchange and the Osaka Securities Exchange. However, because the Tender Offeror has not set the maximum number of shares which the Tender Offeror will purchase through the Tender Offer, depending on the result of the Tender Offer, the shares of the Company may be delisted through specified procedures pursuant to the delisting standards of the Tokyo Stock Exchange and the Osaka Securities Exchange. Even if such delisting standards are not met upon completion of the Tender Offer, as detailed in “(7) Policies on Organizational Restructuring after the Tender Offer (Matters Relating to the Second-Step Takeover)” below, the Tender Offeror plans to make the Company a wholly-owned subsidiary through the Share Exchange and the Common Stock of the Company is scheduled to be exchanged for shares of the Tender Offeror. In such case, pursuant to the delisting standards of the Tokyo Stock Exchange and the Osaka Securities Exchange, and upon completing the necessary procedures, the Common Stock of the Company will be delisted. After

the delisting, the Common Stock of the Company will not be able to be traded on either the Tokyo Stock Exchange or the Osaka Securities Exchange.

The Company considers the acquisition of the Common Stock of the Company by the Tender Offeror to be the most effective method of continuing to improve the corporate value of the Company. The Company is in agreement with the Tender Offer and recommends that shareholders tender their shares in the Tender Offer.

As stated in “(5) Basis of Opinion with Respect to the Tender Offer,” above the Tender Offer provides an opportunity for shareholders of the Company to sell their shares at a higher price than the market price at the time the Memorandum of Understanding was executed.

To protect the profits of the shareholders of the Company, the Tender Offeror plans to provide shareholders of the Company with the opportunity exchange for their shares of Common Stock of the Company with shares of the Tender Offeror as an alternative measure in conjunction with the delisting of the Common Stock of the Company, through the methods described below in “(7) Policies on Organizational Restructuring after the Tender Offer (Matters Relating to the Second-Step Takeover),” while proceeding to make the Company its wholly-owned subsidiary.

(7) Policies on Organizational Restructuring after the Tender Offer (Matters Relating to the Second-Step Takeover)

As detailed in “(a) Outline of the Tender Offeror” of “(2) Basis and Reasons for the Opinion with Respect to the Tender Offer” above, the Tender Offeror plans to acquire all of the Common Stock of the Company. If the Tender Offeror is unable to acquire all of the Common Stock of the Company through the Tender Offer, following the completion of the Tender Offer, the Tender Offeror plans to acquire all of the Common Stock of the Company (excluding Common Stock of the Company held by the Tender Offeror) through the Share Exchange to make the Company a wholly-owned subsidiary of the Tender Offeror on or around October 1, 2010. With respect to the Share Exchange, shareholders of the Company, excluding the Tender Offeror, will, in exchange for their shares of the Company, be allocated shares of the Tender Offeror as consideration and shareholders of the Company who are allocated 1 (one) or more share of the Tender Offeror will become shareholders of the Tender Offeror. The Share Exchange may be implemented without obtaining approval at a general meeting of shareholders of the Tender Offeror, pursuant to a short form statutory share exchange as prescribed under Article 796, Paragraph 3 of the Company Law. Furthermore, the Share Exchange may be implemented without obtaining approval at a general meeting of shareholders of the Company pursuant to a short form share exchange under Article 784, Paragraph 1 of the Company Law.

The Share Exchange Ratio will be determined based on the Purchase Price of the Tender Offer, after diverse and rational review by the Tender Offeror and the Company taking into consideration the respective share prices, financial conditions, business results trends and other factors of the Tender Offeror and the Company, and following discussion and agreement in good faith between the Tender Offeror and the Company. At the commencement of the Tender Offer, unless there are specific circumstances, the Purchase Price will be used to determine the equity value of the Common Stock of the Company in deciding the

consideration to be received by the shareholders of the Company through the Share Exchange (shareholders are scheduled to receive shares of the Tender Offeror). However, due to differences in the point of time of the equity value to be used in this calculation, as a result of discussions between the Tender Offeror and the Company, the Tender Offeror and the Company may, upon thorough consideration of the profits of each of their respective shareholders, use an equity value that differs from the Purchase Price.

Furthermore, the Company intends to cancel all of its treasury shares following the completion of the Tender Offer and by the effective date of the Share Exchange. (The number of treasury shares held by Company as of September 30, 2009, stated in the 85th Third Quarter Securities Report submitted by the Company to the Kanto Local Finance Bureau on February 12, 2010, was 27,771,772 shares or the equivalent of 4.63% of the total number of shares of Common Stock of the Company as stated in the same report.)

During the Share Exchange, shareholders of the Company, which is to become a wholly-owned subsidiary of the Tender Offeror, have the right to demand that the shares he or she holds be purchased in accordance with the procedures pursuant to the Company Law. The price at which shares will be purchased pursuant to such demand may differ from the Purchase Price of the Common Stock of the Company in the Tender Offer and the economic value of the consideration received through the Share Exchange as a result of factors such as the respective share prices, financial conditions and business results trends of the Tender Offeror and the Company and any judicial determinations.

Please consult your tax advisor regarding the tax treatment regarding the Tender Offer, the Share Exchange or the right to demand the purchase of shares during the Share Exchange.

Due to (i) any tax or legal effect that the Tender Offeror or the Company may be subject to in connection with the Share Exchange, (ii) legal, tax-related, systematic or other amendments or regulator's interpretations related to the Share Exchange, (iii) changes in the ratio of the Tender Offeror's shareholdings following the Tender Offer, (iv) changes in the shareholdings of the Company's shareholders other than the Tender Offeror, (v) fluctuations in the business results trends of the Tender Offeror and the Company, and (vi) the impact of the stock market, and other factors, the Share Exchange may or may not be implemented and the timing, conditions or method of making the Company a wholly-owned subsidiary may change. In the event that the details of the Share Exchange are modified or there is a change in the method of making the Company a wholly-owned subsidiary, the details will be discussed with the Tender Offeror and publicly announced as soon as they are determined.

(3) Measures to Ensure the Fairness of the Tender Offer

The Company and the Tender Offeror take the following measures to ensure the fairness of the Tender Offer.

- a. Receipt of share valuation report from independent third party appraiser

As measures to ensure the fairness of the Tender Offer, as outlined in "b. Decision-Making Process of and Reasons for the Tender Offer, (5) Basis of Opinion with

Respect to the Tender Offer” of “(2) Basis and Reasons for the Opinion with Respect to the Tender Offer” above, in consideration of the Purchase Price and the Proposed Purchase Price, the Company received the respective Share Valuation Reports from Mizuho Securities and JPMorgan as reference material on November 19, 2009 and February 16, 2010. Furthermore, the Company received Opinion Reports from Mizuho Securities and JPMorgan Securities respectively on November 19, 2009 and February 16, 2010, to the effect that, with certain preconditions, the Proposed Purchase Price and the Purchase Price is appropriate to the shareholders of the Company from a financial point of view.

On the other hand, the Tender Offeror also received a share valuation report from Mitsubishi UFJ Securities Co., Ltd. (“Mitsubishi UFJ Securities”) on November 19, 2009 (the “November Mitsubishi Valuation Report”). In determining the Purchase Price of the Tender Offer, the Tender Offeror comprehensively considered (i) the Company’s due diligence results, (ii) the likelihood of approval of the Tender Offer by the Company’s board of directors, (iii) the discussions between the Tender Offeror and the Company regarding the terms and conditions of the Tender Offer, and (iv) the prospects of the Tender Offer, in addition to the November Mitsubishi Valuation Report. The board of directors of the Tender Offeror determined at its meeting held on November 19, 2009 that the Proposed Purchase Price shall be JPY380 per share, and the Tender Offeror entered into the Memorandum of Understanding the same day. The Tender Offeror has received, with certain preconditions, a fairness opinion dated November 19, 2009 from Mitsubishi UFJ Securities, that the Proposed Purchase Price is appropriate from a financial point of view. Subsequently, in accordance with domestic and international competition laws, the Tender Offeror took necessary procedures in China, the U.S., the EU and various other countries. On February 16, 2010, after completing the following procedures and based on the Memorandum of Understanding, the Tender Offeror determined that the Proposed Purchase Price shall be the definitive Purchase Price.

In determining the Proposed Purchase Price to be the definitive Purchase Price, on February 16, 2010, based on the Memorandum of Understanding, the Tender Offeror considered the opinions in the second share valuation report with respect to the Target Company’s shares dated February 16, 2010, which it requested Mitsubishi UFJ Securities to submit to use as reference material. The Tender Offeror has received, with certain preconditions, a second fairness opinion dated February 16, 2010 from Mitsubishi UFJ Securities, that the Proposed Purchase Price is appropriate from a financial point of view.

b. Advice from independent law firm

The Company has received legal advice from TMI Associates, a third party law firm independent from both the Company and the Tender Offeror, with respect to the fairness of the process of reaching the management decision at the meetings of the board of directors of the Company.

(4) Matters regarding Important Agreement between the Tender Offeror and Shareholders, Directors, etc. of the Company with Respect to Tendering their Shares in the Tender Offer

N/A

3. Summary of Profit-Sharing by the Tender Offeror or its Specially Related Parties

N/A

4. Counter-Policies with respect to Basic Policies Regarding the Control of the Company

N/A

5. Inquiries to the Tender Offeror

N/A

6. Request for Extension of Tender Offer Period

N/A

7. Details of Tender Offer by the Tender Offeror

Please refer to the attached press release (“Notification with Respect to Commencement of Tender Offer for Shares of Mitsubishi Rayon Co., Ltd.” which was announced by the Tender Offeror on February 16, 2010.

(End of Document)

(Note)

In preparing and giving, and making underlying valuation of the share value in relation thereof, of J.P. Morgan’s opinion and valuation report as of November 19, 2009, and opinion and valuation report as of February 16, 2010 (collectively, “Opinions, etc.”), J.P. Morgan relied upon and assumed the accuracy and completeness of any and all information that was publicly available or was furnished to or discussed with J.P. Morgan by Mitsubishi Rayon Co., Ltd. (“Mitsubishi Rayon”) or otherwise reviewed by or for J.P. Morgan, and J.P. Morgan did not independently verify (nor assume responsibility or liability for independently verifying) any such information or its accuracy or completeness. J.P. Morgan did not conduct nor was provided with any valuation or appraisal of any assets or liabilities. Further, J.P. Morgan did not evaluate the solvency of Mitsubishi Rayon or Mitsubishi Chemical Holdings Corporation (“Mitsubishi Chemical”) under any applicable laws relating to bankruptcy, insolvency or similar matters. In relying on financial analyses and forecasts provided to J.P. Morgan or derived therefrom, J.P. Morgan assumed that they have been reasonably prepared based on assumptions reflecting the best currently available estimates and judgments by management of Mitsubishi Rayon as of, the respective dates of November 19, 2009 and February 16, 2010 on which the Opinions, etc. were prepared as to the expected future results of operations and financial condition of Mitsubishi Rayon to which such analyses or forecasts relate. J.P. Morgan expressed no view as to such analyses or forecasts or the assumptions on which they were based.

Opinions, etc. made by J.P. Morgan are necessarily based on economic, market and other conditions as in effect on, and the information made available to J.P. Morgan as of, the respective dates of November 19, 2009 and February 16, 2010. It should be understood that subsequent developments may affect the opinions and the result of the valuation stated in the Opinions, etc. and that J.P. Morgan does not have any obligation to update, revise, or reaffirm these opinions or the result of the valuation. J.P. Morgan’s opinions stated in the Opinions, etc. are limited to the fairness, from a financial point of view, of the preliminary tender offer price or the tender offer price, as applicable, to be paid to the

holders of common stock of Mitsubishi Rayon in the proposed tender offer and J.P. Morgan expressed no opinion as to the fairness of the tender offer and the preliminary tender offer price or the tender offer price to the holders of any other class of securities, creditors or other constituencies of Mitsubishi Rayon or as to the opinion expressed by Mitsubishi Rayon in connection with the tender offer.

J.P. Morgan expressed no opinion as to the price at which common stock of Mitsubishi Rayon or common stock of Mitsubishi Chemical will trade at any future time after November 19, 2009 and February 16, 2010, which are the dates of preparation and submission of the Opinions, etc.

J.P. Morgan also assumed that the tender offer and the other transactions contemplated by a "Memorandum of Understanding for Management Integration" (the "Memorandum of Understanding") will be consummated as described in the Memorandum of Understanding. J.P. Morgan also assumed that the representations and warranties made by Mitsubishi Rayon and Mitsubishi Chemical in the Memorandum of Understanding and the related agreements are and will be true and correct in all respects material to J.P. Morgan's analysis and that Mitsubishi Rayon will have no exposure under any indemnification obligations contained in the Memorandum of Understanding or the related agreements in any amount material to J.P. Morgan's analysis. J.P. Morgan relied on the advice of counsel as to all legal matters relevant to the rendering of its opinion stated in the Opinions, etc. J.P. Morgan is not a legal, regulatory or tax expert and thus relied on the assessments made by advisors to Mitsubishi Rayon with respect to such issues. J.P. Morgan further assumed that all material governmental, regulatory or other consents and approvals necessary for the consummation of the tender offer will be obtained without any adverse effect on Mitsubishi Rayon or on the contemplated benefits of the tender offer.

The projections for Mitsubishi Rayon furnished to J.P. Morgan were prepared by the management of Mitsubishi Rayon. Mitsubishi Rayon does not publicly disclose internal management projections provided to J.P. Morgan in connection with J.P. Morgan's analysis of the preliminary tender offer price or the tender offer price, as applicable, and such projections were not prepared with a view toward public disclosure. These projections were based on numerous variables and assumptions that are inherently uncertain and may be beyond the control of management, including, without limitation, factors related to general economic and competitive conditions and prevailing interest rates. Accordingly, actual results could vary significantly from those set forth in such projections.

Furthermore, J.P. Morgan expressed no opinion with respect to the amount or nature of any compensation to any officers, directors, or employees of any party to the tender offer, or any class of such persons relative to the tender offer price in the preliminary tender offer price or the tender offer, as applicable, or with respect to the fairness of any such compensation.

The foregoing summary of certain material financial analyses does not purport to be a complete description of the analyses or data presented by J.P. Morgan. The preparation of the Opinions, etc. is a complex process and is not necessarily susceptible to partial analysis or summary description. J.P. Morgan believes that the foregoing summary and its analyses must be considered as a whole and that selecting portions of the foregoing summary and these analyses, without considering all of its analyses as a whole, could create an incomplete view of the processes underlying the analyses and its opinion. In arriving at its opinion, J.P. Morgan did not attribute any particular weight to any

analyses or factors considered by it and did not form an opinion as to whether any individual analysis or factor (positive or negative), considered in isolation, supported or failed to support its opinion. Rather, J.P. Morgan considered the totality of the factors and analyses performed in determining its opinion. Analyses based upon forecasts of future results are inherently uncertain, as they are subject to numerous factors or events beyond the control of Mitsubishi Rayon and its advisors. Accordingly, forecasts and analyses used or made by J.P. Morgan are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by those analyses. Moreover, J.P. Morgan's analyses are not and do not purport to be appraisals or otherwise reflective of the prices at which businesses actually could be bought or sold. None of the selected companies reviewed in the analysis as a comparison is identical to Mitsubishi Rayon or any of their respective operating units or subsidiaries. However, the companies selected were chosen because they are publicly traded companies with operations and businesses that, for purposes of J.P. Morgan's analysis, may be considered similar to those of Mitsubishi Rayon. The analyses made by J.P. Morgan necessarily involve complex considerations and judgments concerning differences in financial and operational characteristics of the companies involved and other factors that could affect the companies compared to Mitsubishi Rayon.

In preparing the Opinions, etc., J.P. Morgan noted that J.P. Morgan is not authorized to and did not solicit any expressions of interest from any other parties with respect to any combination of all or part of Mitsubishi Rayon with any other party or any other alternative transaction.

J.P. Morgan acted as financial advisor to Mitsubishi Rayon with respect to the tender offer and will receive a fee from Mitsubishi Rayon for its services, including a portion of which will become payable if the proposed Management Integration is consummated. In addition, Mitsubishi Rayon has agreed to reimburse J.P. Morgan for its expenses incurred in connection with its services, and will indemnify J.P. Morgan for certain liabilities arising out of its engagement. During the two years preceding the dates of the Opinions, etc., neither J.P. Morgan nor its affiliates have had any other financial advisory or other commercial or investment banking relationships with Mitsubishi Rayon or Mitsubishi Chemical, or their affiliates. In the ordinary course of businesses of J.P. Morgan and its affiliates, J.P. Morgan and its affiliates may actively trade the debt and equity securities of Mitsubishi Rayon or Mitsubishi Chemical for its own account or for the accounts of customers and, accordingly, J.P. Morgan and its affiliates may at any time hold long or short positions in such securities. J.P. Morgan and its affiliates may provide investment banking services and other business services relating to financial instruments to Mitsubishi Rayon or Mitsubishi Chemical, or their affiliates, and may receive a fee therefrom in the future.

This report has been prepared only for the purpose of informing the public of the Tender Offer and other issues. This has not been prepared for soliciting sales or purchases. When conducting any sales, shareholders should make appropriate judgments after reviewing the tender offer explanatory statement for the Tender Offer prepared by the Company.

Neither this Report nor any part hereof constitutes an offer to subscribe for, solicit the sales of, or solicit applications for the purchase of, securities. Neither this Report (nor any part hereof) nor its distribution shall be interpreted to be the basis of any agreement in relation to the Tender Offer, nor may it be relied on at the time of concluding any agreement.

Certain countries, regions and other jurisdictions may impose certain restrictions on the release, issue or distribution of reports of this nature under their laws and regulations. In such cases, you are required to comply with such laws and regulations in such countries, regions and other jurisdictions in light of such restrictions.



February 16, 2010

Company Name: Mitsubishi Chemical Holdings Corporation
(Stock Code: 4188)
Name of Representative: Yoshimitsu Kobayashi, President and CEO
Direct your queries to: Hajime Takasaka, General Manager, Public Relations and Investor Relations Office
(Tel: +81-3-6414-4870)

Notification with Respect to Commencement of Tender Offer for Shares of Mitsubishi Rayon Co., Ltd.

Mitsubishi Chemical Holdings Corporation (the "Tender Offeror") previously announced, in the press release entitled "Announcement of Memorandum of Understanding for Management Integration" dated November 19, 2009, that it would conduct a management integration (the "Management Integration") with Mitsubishi Rayon Co., Ltd. (the "Target Company"). The Tender Offeror resolved at the meeting of the Board of Directors held on February 16, 2010 to commence a tender offer (the "Tender Offer") for the shares of the Target Company. In connection with the foregoing, we would like to provide notice of the following.

1. Purpose of the Tender Offer

(1) Description of the Tender Offer

The Tender Offeror reached an agreement with the Target Company to conduct Management Integration, pursuant to which the Target Company will be integrated into the business group of the Tender Offeror (the "Tender Offeror Group"), which is the holding company of the business group. The two companies executed a "Memorandum of Understanding for Management Integration" (the "Memorandum of Understanding") as of November 19, 2009 in connection with the foregoing. The Target Company is listed on the First Sections of the Tokyo Stock Exchange Group, Inc. (the "Tokyo Stock Exchange") and the Osaka Securities Exchange Co., Ltd. (the "Osaka Securities Exchange"). The Tender Offeror and the Target Company have confirmed in the Memorandum of Understanding that the ultimate objective of the Management Integration is for the Tender Offeror to acquire all of the issued and outstanding shares of the Target Company, excluding treasury shares of the Target Company (the "Common Stock of the Target Company"). The details of the Memorandum of Understanding are outlined in "(1) Agreements between Tender Offeror and Target Company or its Directors and Officers, and Contents Thereof" under "4. Other" below.

In the Memorandum of Understanding, the Tender Offeror planned to implement the Tender Offer for all Common Stock of the Target Company as the first step of the Management Integration. The Board of Directors of the Tender Offeror resolved at its meeting on February 16, 2010 to commence the Tender Offer, after confirming the details of the Memorandum of Understanding that the Tender Offer may be implemented. In order to complete the Management Integration, the Tender Offeror will implement the Tender Offer to acquire all of the shares of the Target Company. Furthermore, the minimum number of shares of the Target Company to be purchased in the Tender Offer has been set at 286,114,000 shares, which is

equivalent to a majority of the voting rights. In the event that the number of shares tendered in the Tender Offer does not reach 286,114,000 shares, none of the shares will be purchased.

The Target Company, at the meeting of its Board of Directors held on February 16, 2010, resolved to announce its approval of the Tender Offer and to recommend that its shareholders tender their shares in the Tender Offer.

(2) Background and Reason for the Tender Offer

The Tender Offeror was established as a pure holding company in October 2005 through a stock-for-stock exchange of Mitsubishi Chemical Corporation (head office: Minato-ku, Tokyo; President: Yoshimitsu Kobayashi; hereinafter, “Mitsubishi Chemical”) and Mitsubishi Pharma Corporation (“Mitsubishi Pharma”), a subsidiary of Mitsubishi Chemical at the time, pursuant to which both companies became wholly-owned subsidiaries of the Tender Offeror. Subsequently, in October 2007, the Tender Offeror made Mitsubishi Plastics, Inc. (head office: Chuo-ku, Tokyo; President: Hiroshi Yoshida; hereinafter, “Mitsubishi Plastics”) a subsidiary of Mitsubishi Chemical, a direct subsidiary of the Tender Offeror, and Mitsubishi Pharma merged with Tanabe Seiyaku Co., Ltd. to become Mitsubishi Tanabe Pharma Corporation (head office: Osaka city, Osaka; President: Michihiro Tsuchiya; hereinafter “Mitsubishi Tanabe Pharma”) a listed subsidiary in October 2007. At present, with the Tender Offeror as a holding company, and with Mitsubishi Chemical, Mitsubishi Plastics and Mitsubishi Tanabe Pharma as its core operating business companies, the Tender Offeror Group operates its business in the three business domains of Performance Products, Health Care and Chemicals. In April 2009, the Tender Offeror established a direct subsidiary, The KAITEKI Institute, Inc., as a research institute that conducts research and studies relating to future societal trends.

On the other hand, since being established in June 1933 as a manufacturing company of rayon staple, the Target Company has developed its core business operations in the fields of synthetic fibers and synthetic resins and now the cornerstone of these businesses is methyl methacrylate (“MMA”) and acrylonitrile monomer operations. In its MMA business, through the establishment of a unified business structure with products ranging from chemicals to functional plastics and functional chemicals, the Target Company has grown to enjoy the number one position in Asia. Following the completion of the acquisition of UK-based Lucite International Group Limited (“Lucite”) in May 2009, the Target Company enjoys the largest MMA business operations in the world. In its acrylonitrile monomer business, the Target Company has established a unified system in the production of carbon-fiber precursors, carbon fibers and composite materials, and will continue to pursue growth whilst developing water treatment business using hollow fiber membranes.

In its core chemicals business, the Tender Offeror Group faces a harsh operating environment due to factors such as declining demand and falling product prices accompanying the slowdown of the world economy; volatile price movements for crude oil and other raw materials; and the strengthening of the yen. Moreover, Japanese companies have inevitably suffered relative declines in international competitiveness due to the emergence of Chinese companies having an enormous market and Middle Eastern companies, which boast overwhelming strong competitiveness in commodity chemicals markets. Furthermore, amid increasingly active movements toward large-scale business restructurings, mainly in Europe and the United States, chemicals-related businesses unavoidably face intensifying global competition, increased internationalization of business activities, and initiatives for realizing large business scales.

In response to such circumstances, the Tender Offeror is implementing *APTSIS 10*, the Tender Offeror Group’s mid-term management plan that is based on a fundamental policy: “respond swiftly to economic contraction by structural reforms, accelerated innovation and leaping ahead.” In keeping with *APTSIS 10*, the Tender Offeror is undertaking a drastic business restructuring by concentrating investments on existing growth businesses and scaling back or

withdrawing from low-profit businesses; accelerating M&A and R&D activities to realize high performance and high added-value in businesses and to quickly launch new businesses; and expanding overseas businesses to strengthen its international competitiveness.

On the other hand, based on the same recognition of the environment, the Target Company is promoting thorough business portfolio management in accordance with its mid-term management plan New Design MRC (the “New Design MRC Plan”), with the fundamental objectives to “establish and develop the top-ranking business units in the global markets” and “achieve sales revenue of 1 trillion yen and operating profit of 100 billion yen by 2018.” The acquisition of Lucite gives the Target Company an important foothold and represents a significant step forward as a company that carries out operations globally.

As described above, the Tender Offeror and the Target Company are implementing their own respective measures to respond to the present harsh business environment. However, with the aim of becoming a corporate group that can survive the expected increasingly severe global competition, the Tender Offeror and the Target Company have reached an agreement to carry out the Management Integration and to conduct the Tender Offer, under which the Tender Offeror will acquire all of the Target Company’s shares. Under the agreement, the Target Company will become a new core business company of the Tender Offeror Group, with the Tender Offeror serving as the pure holding company, which will enable both companies to consolidate management resources, achieve an expansion in corporate scale and establish a solid business foundation while strengthening business competitiveness and fortifying development capabilities.

The Management Integration will allow the Tender Offeror Group to expand its corporate scale to better respond to an era of global competition, which is a key issue addressed under *APTSIS 10*, in addition to enabling the Tender Offeror Group to acquire a new core business in the form of the Target Company’s MMA business. The Tender Offeror Group will also acquire businesses that include the carbon fiber and composite materials businesses, for which demand is expected to expand rapidly, as well as the water treatment business. Consequently, the Tender Offeror Group will be able to accelerate its current shift toward high added-value businesses and anticipates synergies in carbon fiber and composite materials, water treatment and such specialty chemicals as additives and coatings. The Tender Offeror also expects to realize cost synergies through the integration of logistics, purchasing and procurement, and business bases as well as through the integration of similar functions carried out by affiliated companies. Also, the addition of the Target Company and its strong business foundations in Asia, Europe and the United States will enable the Tender Offeror Group to further bolster and accelerate the development of its global business operations.

On the other hand, through the Management Integration, the Tender Offeror believes that the Target Company will be able to utilize the strong business foundation and excellent management resources of the Tender Offeror Group in working to attain the key tasks of the New Design MRC Plan. These tasks include acceleration of growth of MMA-related businesses and cultivation and expansion of next-generation core businesses such as carbon fiber and composite materials as well as water treatment. As a result, the Target Company expects to accelerate the realization of a fundamental objective of the New Design MRC Plan, namely, to “establish and develop the top-ranking business units in the global markets” by the synergy effects in the Tender Offeror Group. The Target Company’s participation in the Management Integration will also lead to an upgrading, expansion, and strengthening of human resources and other management resources.

In the event the Management Integration is completed, in order to become a corporate group that can succeed among the severe global competition, the Tender Offeror will strive for prompt realization of the synergies described above, as well as allocating management resources within the Tender Offeror Group in the most appropriate manner and strengthening developmental

capability and business competitiveness with the aim of maximizing profit of the Tender Offeror Group as a whole.

(3) Purchase Price of the Tender Offer

The Tender Offeror received a share valuation report from Mitsubishi UFJ Securities Co., Ltd. (“Mitsubishi UFJ Securities”) on November 19, 2009 (the “November Mitsubishi Valuation Report”). In determining the Purchase Price of the Tender Offer (the “Purchase Price”), the Tender Offeror comprehensively considered (i) the Target Company’s due diligence results, (ii) the likelihood of approval of the Tender Offer by the Target Company’s Board of Directors, (iii) the discussions between the Tender Offeror and the Target Company regarding the terms and conditions of the Tender Offer, and (iv) the prospects of the Tender Offer, in addition to the November Mitsubishi Valuation Report. The Board of Directors of the Tender Offeror determined at its meeting held on November 19, 2009 that the proposed Purchase Price (the “Proposed Purchase Price”) shall be JPY380 per share, and the Tender Offeror entered into the Memorandum of Understanding the same day. The Tender Offeror has received, with certain preconditions, a fairness opinion dated November 19, 2009, from Mitsubishi UFJ Securities, that the Proposed Purchase Price is appropriate from a financial point of view.

Subsequently, in accordance with domestic and international competition laws, the Tender Offeror took necessary procedures in China, the U.S., the EU and various other countries. On February 16, 2010, after completing the following procedures and based on the Memorandum of Understanding, the Tender Offeror determined that the Proposed Purchase Price shall be the Purchase Price.

In determining the Proposed Purchase Price to be the Purchase Price on February 16, 2010, based on the Memorandum of Understanding, the Tender Offeror considered the opinions in the second share valuation report with respect to the Target Company’s shares dated February 16, 2010 (the “February Mitsubishi Valuation Report”), which it requested Mitsubishi UFJ Securities to submit to use as reference material. The Tender Offeror has received, with certain preconditions, a second fairness opinion dated February 16, 2010 from Mitsubishi UFJ Securities, that the Proposed Purchase Price is appropriate from a financial point of view.

Mitsubishi UFJ Securities used the average market price method and the discounted cash flow method (“DCF method”) in the share valuation analysis of the Target Company in the November Mitsubishi Valuation Report and the February Mitsubishi Valuation Report. The ranges of the per share value of the Common Stock of the Target Company reached using each method in the February Mitsubishi Valuation Report are as follows:

1. average market price method: ¥230 — ¥259

2. DCF method: ¥353— ¥434

1. Under the average market price method, the range of the per share value of the Common Stock of the Target Company derived was between JPY230 and JPY259. Based on the assumption that the share price of the Target Company increased due to speculation about the Tender Offer reported in the news media on August 10, 2009, the share value was derived based on the average closing price of the Common Stock of the Target Company on the First Section of the Tokyo Stock Exchange for the three months and six months prior to August 7, 2009, which is the business day prior to any impact from the news media.

2. Under the DCF method, the range of the per share value of the Common Stock of the Target Company derived was between JPY353 and JPY434. Through the DCF method, the corporate value and share value of the Target Company were analyzed using the

present value of free cash flows which the Target Company is expected to produce in the future discounted at a certain discount rate, based on various factors including earnings forecasts and business investment plans of the Target Company, and the expected synergies between the Target Company and the Tender Offeror, and other factors of the Target Company.

The Tender Offeror considers the valuation results obtained under the DCF method to be the most comprehensive in terms of reflecting the future earnings capability and growth potential of the Target Company. Accordingly, in considering the Proposed Purchase Price and the Purchase Price, the Tender Offeror put emphasis on the calculation results of the DCF method and considered the ranges in relation to the results.

After comprehensive consideration of the above Mitsubishi UFJ Securities calculation results, the results of the additional due diligence conducted in order to verify any change to the Target Company's status after November 19, 2009, and other factors, at the Tender Offeror's Board of Directors' meeting on February 16, 2010, the Tender Offeror, based on the Memorandum of Understanding, determined that the Proposed Purchase Price of JPY380 per share would be the Purchase Price of Common Stock of the Target Company.

The Purchase Price of the Tender Offer of JPY380 per share is equal to (i) the closing price of JPY271 of the Common Stock of the Target Company quoted on the First Section of the Tokyo Stock Exchange on November 18, 2009 which is one business day prior to the announcement of the Proposed Purchase Price, plus a premium of 40.22% (rounded to the nearest hundredth of a percent), (ii) the average closing price of JPY303 (rounded to the nearest whole number) for the month preceding November 18, 2009, plus a premium of 25.41% (rounded to the nearest hundredth of a percent), (iii) the average closing price of JPY311 (rounded to the nearest whole number) for the three months preceding November 18, 2009, plus a premium of 22.19% (rounded to the nearest hundredth of a percent), (iv) the average closing price of JPY288 (rounded to the nearest whole number) for the six months preceding November 18, 2009, plus a premium of 31.94% (rounded to the nearest hundredth of a percent), and (v) the closing price of JPY372 of the Common Stock of the Target Company quoted on the First Section of the Tokyo Stock Exchange on February 15, 2010 which is one business day prior to February 16, 2010, the date on which the commencement of the Tender Offer was announced, plus a premium of 2.15% (rounded to the nearest hundredth of a percent).

(Note) As stated above, speculation about the Tender Offer was reported in the news media on August 10, 2009, which has likely caused the share price of the Target Company to increase with the expectation of implementing the Tender Offer as a part of the Management Integration. The Purchase Price of JPY380 per share for the Tender Offer is also equal to (vi) the average closing price of JPY259 (rounded to the nearest whole number) of the Common Stock of the Target Company quoted on the First Section of the Tokyo Stock Exchange for the three months preceding August 7, 2009, one business day immediately prior to any impact from the news media on August 10, 2009, when the share price of the Target Company increased, plus a premium of 46.72% (rounded to the nearest hundredth of a percent), and (vii) the average closing price of JPY230 (rounded to the nearest whole number) of the Common Stock of the Target Company quoted on the First Section of the Tokyo Stock Exchange for the six months preceding August 7, 2009 which is also one business day prior to the news media on August 10, 2009, plus a premium of 65.22% (rounded to the nearest hundredth of a percent).

(4) Matters Relating to Material Agreement Between the Tender Offeror and Shareholders of the Target Company with Respect to Tendering Their Shares in the Tender Offer

N/A

(5) Policies on Organizational Restructuring after the Tender Offer (Matters Relating to the Second-Step Takeover)

As detailed in “(1) Outline of the Tender Offeror” above, the Tender Offeror plans to acquire all of the Common Stock of the Target Company. If the Tender Offeror is unable to acquire all of the Common Stock of the Target Company through the Tender Offer, following the completion of the Tender Offer, the Tender Offeror plans to acquire all of the Common Stock of the Target Company through a share exchange to make the Tender Offeror the sole shareholder of the Target Company and the Target Company a wholly-owned subsidiary of the Tender Offeror (the “Share Exchange”) on or around October 1, 2010.

With respect to the Share Exchange, shareholders of the Target Company, excluding the Tender Offeror, will, in exchange for their shares of the Target Company, be allocated shares of the Tender Offeror as consideration, and shareholders of the Target Company who are allocated 1 (one) or more share of the Tender Offeror will become shareholders of the Tender Offeror. The Share Exchange may be implemented without obtaining approval at a general meeting of shareholders of the Tender Offeror, pursuant to a short form statutory share exchange as prescribed under Article 796, Paragraph 3 of the Company Law of Japan (the “Company Law”). Furthermore, the Share Exchange may be implemented without obtaining approval at a general meeting of shareholders of the Target Company pursuant to a short form share exchange under Article 784, Paragraph 1 of the Company Law.

The share exchange ratio to be used in the Share Exchange (the “Share Exchange Ratio”) will be determined based on the Purchase Price of the Tender Offer, after diverse and rational review by the Tender Offeror and the Target Company taking into consideration the respective share prices, financial conditions, business results trends and other factors of the Tender Offeror and the Target Company, and following discussion and agreement in good faith between the Tender Offeror and the Target Company. At the commencement of the Tender Offer, unless there are specific circumstances, the Purchase Price will be used to determine the equity value of the Common Stock of the Target Company in deciding the consideration to be received by the shareholders of the Target Company through the Share Exchange (shareholders are scheduled to receive shares of the Tender Offeror). However, due to differences in the point of time of the equity value to be used in this calculation, as a result of discussions between the Tender Offeror and the Target Company, the Tender Offeror and the Target Company may, upon thorough consideration of the profits of each of their respective shareholders, use an equity value that differs from the Purchase Price.

Furthermore, the Target Company intends to cancel all of its treasury shares following the completion of the Tender Offer and by the effective date of the Share Exchange. (According to the 85th Third Quarter Securities Report submitted by the Target Company to the Kanto Local Finance Bureau on February 12, 2010, the number of treasury shares of the Target Company as of September 30, 2009 is 27,771,772, representing 4.63% of the Common Stock of the Target Company.)

During the Share Exchange, shareholders of the Target Company, which is to become a wholly-owned subsidiary of the Tender Offeror, have the right to demand that the shares he or she holds be purchased in accordance with the procedures pursuant to the Company Law. The price at which shares will be purchased pursuant to such demand may differ from the Purchase Price of the Common Stock of the Target Company in the Tender Offer and the economic value of the consideration received through the Share Exchange as a result of factors such as the

respective share prices, financial conditions and business results trends of the Tender Offeror and the Target Company and any judicial determinations.

Please consult your tax advisor regarding the tax treatment regarding the Tender Offer, the Share Exchange or the right to demand the purchase of shares during the Share Exchange.

Due to (i) any tax or legal effect that the Tender Offeror or the Target Company may be subject to in connection with the Share Exchange, (ii) legal, tax-related, systematic or other amendments or regulator's interpretations related to the Share Exchange, (iii) changes in the ratio of the Tender Offeror's shareholdings following the Tender Offer, (iv) changes in the shareholdings of the Target Company's shareholders other than the Tender Offeror, (v) fluctuations in the business results trends of the Tender Offeror and the Target Company and (vi) the impact of the stock market, and other factors, the Share Exchange may or may not be implemented and the timing, conditions or method of making the Target Company a wholly-owned subsidiary may change. In the event that the details of the Share Exchange are modified or there is a change in the method of making the Target Company a wholly-owned subsidiary, the details will be discussed with the Target Company and publicly announced as soon as they are determined.

(6) Expected Delisting and Reasons Thereof

The shares of Common Stock of the Target Company are, at present, listed on the First Sections of the Tokyo Stock Exchange and the Osaka Securities Exchange. However, because the Tender Offeror has not set the maximum number of shares which the Tender Offeror will purchase through the Tender Offer, depending on the result of the Tender Offer, the shares of the Target Company may be delisted through specified procedures pursuant to the delisting standards of the Tokyo Stock Exchange and the Osaka Securities Exchange. Even if such delisting standards are not met upon completion of the Tender Offer, as detailed in "(5) Policies on Organizational Restructuring after the Tender Offer (Matters Relating to the Second-Step Takeover)" above, the Tender Offeror plans to make the Target Company a wholly-owned subsidiary through the Share Exchange and the Common Stock of the Target Company is scheduled to be exchanged for shares of the Tender Offeror. In such case, pursuant to the delisting standards of the Tokyo Stock Exchange and the Osaka Securities Exchange, and upon completing the necessary procedures, the Common Stock of the Target Company will be delisted. After the delisting, the Common Stock of the Target Company will not be able to be traded on either the Tokyo Stock Exchange or the Osaka Securities Exchange.

(7) Other

a. Dividend Forecast of the Target Company

According to the Target Company's Third Quarter Consolidated Financial Results for the fiscal year ending March 31, 2010 (dated February 8, 2010), the forecasted cash dividend amount for the fiscal year ending March 31, 2010 is ¥0.

b. Remedial Measures under the Anti-Monopoly Act

In 2001, Mitsubishi Chemical Corporation, a wholly-owned subsidiary of the Tender Offeror, and the Target Company established Dia-Nitrix Co., Ltd. ("DNX"), a joint venture which manufactures acrylamide ("AAM") for paper strengthener. In establishing DNX, the Japan Fair Trade Commission (the "JFTC") raised concerns regarding the AAM sales market under the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade of Japan (Act No. 54 of 1947, as amended) (the "Anti-Monopoly Act"). As a remedial measure to address such concerns, with respect to the sales of AAM manufactured by DNX, each of Mitsubishi Chemical Corporation and the Target Company have independently operated its sales business of AAM products by buying the products from DNX.

In the event the Management Integration is completed, the Target Company will participate in the Tender Offeror's corporate group which Mitsubishi Chemical Corporation belongs to. As a result of the advance pre-filing consultation with the JFTC regarding the acquisition of shares of the Target Company through the Tender Offer, the Tender Offeror and the Target Company plan to transfer the Target Company's AAM sales business to SNF CO., LTD. ("SNF") as of April 1, 2010, as a remedial measure to address the aforementioned concerns.

2. Description of Tender Offer

(1) Description of the Target Company

a.	Trade Name	Mitsubishi Rayon Co., Ltd.	
b.	Address of Head Office	6-41, Konan 1-chome, Minato-ku, Tokyo	
c.	Name and Title of Representative	Masanao Kambara, Representative Director, Member of the Board, President & Chief Executive Officer	
d.	Business Description	Chemical and plastics business, acrylic fibers & AN monomer and derivatives business, carbon fibers & composite materials business, acetate fibers & membranes and others business	
e.	Paid-in Capital	JPY53,229 million (as of December 31, 2009)	
f.	Date of Incorporation	June 1, 1950	
g.	Major Shareholders and Shareholding Ratio (as of September 30, 2009)	Japan Trustee Services Bank, Ltd. (Trust Account)	4.8%
		The Master Trust Bank of Japan Ltd. (Trust Account)	4.6%
		The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3.6%
		Meiji Yasuda Life Insurance Company (Standing proxy: Trust & Custody Services Bank, Ltd.)	3.4%
		Japan Agricultural Cooperative (Standing proxy: The Master Trust Bank of Japan Ltd.)	2.7%
		Nippon Life Insurance Company	2.2%
		UFJ Trust and Banking Corporation (Standing proxy: The Master Trust Bank of Japan Ltd.)	1.7%
		Mitsubishi Heavy Industries, Ltd.	1.6%
		Bank of New York GCM Client Account JPRD ISG FE-AC (Standing proxy: The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	1.1%
		Mitsubishi Chemical Corporation	1.0%
h.	Relationship between the Tender Offeror and the Target Company	Capital Relationship	The Target Company holds 0.2% of the issued and outstanding shares (1,506,288,107 shares) of the Tender Offeror. Mitsubishi Chemical Corporation, a wholly-owned subsidiary of the Tender Offeror, holds 1.0% of the issued and outstanding shares (599,997,820 shares) of the Target Company.
		Personal Relationship	There is no personal relationship between the Tender Offeror and the Target Company which should be mentioned. In addition, there is no personal relationship between

		related persons and related companies of the Tender Offeror and those of the Target Company which should be mentioned.
	Transactional Relationship	There is no transactional relationship between the Tender Offeror and the Target Company which should be mentioned. In addition, there is no transactional relationship between related persons and related companies of the Tender Offeror and those of the Target Company which should be mentioned.
	Relationship with Related Parties	The Target Company is not a related party of the Tender Offeror. In addition, related persons and related companies of the Target Company are not related parties of the Tender Offeror.

(Note) The above information about the Target Company is based on the 85th Third Quarter Securities Report submitted by the Target Company to the Kanto Local Finance Bureau on February 12, 2010.

(2) Tender Offer Period

- a. Tender Offer Period as of the time of filing of the Tender Offer Registration Statement (the “Registration Statement”)

From Wednesday, February 17, 2010 through Friday, March 19, 2010 (Japan standard time)
(23 business days in Japan)

- b. Possible extension of the Tender Offer Period based on the Target Company’s request

If the Target Company submits an opinion report requesting an extension of the tender offer period (the “Tender Offer Period”) pursuant to Article 27-10, Paragraph 3 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) (the “Law”), the Tender Offer Period shall be extended to 30 business days in Japan, until Wednesday, March 31, 2010.

(3) Tender Offer Purchase Price

Common Stock of the Target Company: JPY380 per share of common stock

(4) Basis of Calculation of Tender Offer Purchase Price

- a. Basis of Calculation

The Tender Offeror received the November Mitsubishi Valuation Report from Mitsubishi UFJ Securities on November 19, 2009. In determining the Purchase Price of the Tender Offer, the Tender Offeror comprehensively considered (i) the Target Company’s due diligence results, (ii) the likelihood of approval of the Tender Offer by the Target Company’s Board of Directors, (iii) the discussions between the Tender Offeror and the Target Company regarding the terms and conditions of the Tender Offer, and (iv) the prospects of the Tender Offer, in addition to the November Mitsubishi Valuation Report. The Board of Directors of the Tender Offeror determined the Proposed Purchase Price as JPY380 per share at its meeting on November 19, 2009, and the Tender Offeror entered into the Memorandum of Understanding the same day. The Tender Offeror has received, with certain preconditions, a fairness opinion dated November 19, 2009 from Mitsubishi UFJ Securities, that the Proposed Purchase Price is

appropriate from a financial point of view. Subsequently, in accordance with domestic and international competition laws, and after proceeding with and completing the necessary procedures in China, the U.S., the EU and various other countries, the Tender Offeror completed the following procedures and, based on the Memorandum of Understanding, determined that the Proposed Purchase Price would be the Purchase Price, on February 16, 2010.

In determining that, based on the Memorandum of Understanding, the Proposed Purchase Price would be the Purchase Price, on February 16, 2010, the Tender Offeror requested Mitsubishi UFJ Securities to re-submit the February Mitsubishi Valuation Report with respect to the Target Company's shares as reference material and the Tender Offeror considered these opinions in its determination. The Tender Offeror has received, with certain preconditions, a second fairness opinion dated February 16, 2010 from Mitsubishi UFJ Securities, that the Proposed Purchase Price is appropriate from a financial point of view.

Mitsubishi UFJ Securities used the average market price method and the DCF method in the equity value analysis of the Target Company in the November Mitsubishi Valuation Report and the February Mitsubishi Valuation Report. The ranges of the per share value of the Common Stock of the Target Company reached using each method in the February Mitsubishi Valuation Report are as follows:

1. average market price method: ¥230 — ¥259
 2. DCF method: ¥353— ¥434
1. Under the average market price method, the range of the per share value of the Target Company derived was between JPY230 and JPY259. Based on the assumption that the share price of the Target Company increased due to certain media reports reporting details of the Tender Offer on August 10, 2009, the share value was derived based on the average closing price of the Common Stock of the Target Company on the First Section of the Tokyo Stock Exchange for the three months and six months prior to August 7, 2009, which is the business day prior to any impact from the media reports.
 2. Under the DCF method, the range of the per share value of the Target Company derived was between JPY353 and JPY434. Through the DCF method, the corporate value and share value of the Target Company were analyzed using the present value of free cash flows which the Target Company is expected to produce in the future discounted at a certain discount rate, based on the future earnings forecasts and various business investment plans of the Target Company, taking into account the synergies between the Target Company and the Tender Offeror, and other factors of the Target Company.

With respect to the consideration of the Proposed Purchase Price and the Purchase Price, the Tender Offeror considers the valuation results obtained under the DCF method to be the most comprehensive in terms of reflecting the future earnings capability and growth potential of the Target Company. Accordingly, the Tender Offeror gave priority to the calculation results achieved through the DCF method and reviewed the ranges in relation to the results.

After comprehensive consideration of the above Mitsubishi UFJ Securities calculation results, the results of the additional due diligence conducted in order to verify any change to the Target Company's status after November 19, 2009, and other factors, at the Tender Offeror's Board of Directors' meeting on February 16, 2010, the Tender Offeror, based on the Memorandum of Understanding, determined that the Proposed Purchase Price of JPY380 per share would be the Purchase Price of Common Stock of the Target Company.

The Purchase Price of the Tender Offer of JPY380 per share is equal to (i) the closing price of JPY271 of the Common Stock of the Target Company quoted on the First Section of the Tokyo Stock Exchange on November 18, 2009 which is one business day prior to the announcement of the Proposed Purchase Price, plus a premium of 40.22% (rounded to the nearest hundredth of a percent), (ii) the average closing price of JPY303 (rounded to the nearest whole number) for the month preceding November 18, 2009, plus a premium of 25.41% (rounded to the nearest hundredth of a percent), (iii) the average closing price of JPY311 (rounded to the nearest whole number) for the three months preceding November 18, 2009, plus a premium of 22.19% (rounded to the nearest hundredth of a percent), (iv) the average closing price of JPY288 (rounded to the nearest whole number) for the six months preceding November 18, 2009, plus a premium of 31.94% (rounded to the nearest hundredth of a percent), and (v) the closing price of JPY372 of the Common Stock of the Target Company quoted on the First Section of the Tokyo Stock Exchange on February 15, 2010 which is one business day prior to February 16, 2010, the date on which the commencement of the Tender Offer was announced, plus a premium of 2.15% (rounded to the nearest hundredth of a percent).

(Note) As stated above, although media reports on August 10, 2009, based on certain assumptions regarding the potential Tender Offer, are likely to have caused the share price of the Target Company to increase with the expectation of implementing the Tender Offer as a part of the Management Integration, the Purchase Price of JPY380 per share for the Tender Offer is also equal to (v) the average closing price of JPY259 (rounded to the nearest whole number) of the Common Stock of the Target Company quoted on the First Section of the Tokyo Stock Exchange for the three months preceding August 7, 2009, one business day immediately prior to any impact from the media reports on August 10, 2009, when the share price of the Target Company increased, plus a premium of 46.72% (rounded to the nearest hundredth of a percent), and (vi) the average closing price of JPY230 (rounded to the nearest whole number) of the Common Stock of the Target Company quoted on the First Section of the Tokyo Stock Exchange for the six months preceding August 7, 2009 which is also one business day prior to the media reports on August 10, 2009, plus a premium of 65.22% (rounded to the nearest hundredth of a percent).

b. Background of Calculation

With the participation of the Target Company, as a core business company, in the corporate group under which the Tender Offeror will serve as the pure holding company, the Tender Offeror and the Target Company have held numerous discussions from around September 2008 with the aim to become a corporate group that can survive amid expected increasingly severe global competition by consolidating their management resources, achieving an expansion in corporate scale and establishing a solid business foundation while strengthening business competitiveness and fortifying development capabilities. During this process, the Tender Offeror comprehensively considered (i) the November Mitsubishi Valuation Report received from Mitsubishi UFJ Securities on November 19, 2009, (ii) the Target Company's due diligence results, (iii) the likelihood of approval of the Tender Offer by the Target Company's Board of Directors, (iv) the discussions between the Tender Offeror and the Target Company regarding the terms and conditions of the Tender Offer, and (v) the prospects of the Tender Offer, the Tender Offeror's Board of Directors determined the Proposed Purchase Price to be JPY380 per share at its meeting on November 19, 2009, and executed a Memorandum of Understanding. The Tender Offeror has received, with certain preconditions, a fairness opinion dated November 19, 2009 from Mitsubishi UFJ Securities, that the Proposed Purchase Price is appropriate from a financial point of view. Subsequently, in accordance with domestic and international competition laws, and after proceeding with and completing the necessary procedures in China, the U.S., the EU and various other countries, the Tender Offeror completed the following procedures and, based on the Memorandum of

Understanding, determined that the Proposed Purchase Price would be the Purchase Price, on February 16, 2010.

In determining that, based on the Memorandum of Understanding, the Proposed Purchase Price would be the Purchase Price, on February 16, 2010, the Tender Offeror requested Mitsubishi UFJ Securities to re-submit the February Mitsubishi Valuation Report with respect to the Target Company's shares as reference material and the Tender Offeror considered these opinions in its determination. The Tender Offeror has received, with certain preconditions, a second fairness opinion dated February 16, 2010 from Mitsubishi UFJ Securities, that the Proposed Purchase Price is appropriate from a financial point of view.

Mitsubishi UFJ Securities used the average market price method and the DCF method in the equity value analysis of the Target Company in the November Mitsubishi Valuation Report and the February Mitsubishi Valuation Report. The ranges of the per share value of the Common Stock of the Target Company reached using each method in the February Mitsubishi Valuation Report are as follows:

1. average market price method: ¥230 — ¥259
 2. DCF method: ¥353— ¥434
1. Under the average market price method, the range of the per share value of the Target Company derived was between JPY230 and JPY259. Based on the assumption that the share price of the Target Company increased due to certain media reports reporting details of the Tender Offer on August 10, 2009, the share value was derived based on the average closing price of the Common Stock of the Target Company on the First Section of the Tokyo Stock Exchange for the three months and six months prior to August 7, 2009, which is the business day prior to any impact from the media reports.
 2. Under the DCF method, the range of the per share value of the Target Company derived was between JPY353 and JPY434. Through the DCF method, the corporate value and share value of the Target Company were analyzed using the present value of free cash flows which the Target Company is expected to produce in the future discounted at a certain discount rate, based on the future earnings forecasts and various business investment plans of the Target Company, taking into account the synergies between the Target Company and the Tender Offeror, and other factors of the Target Company.

With respect to the consideration of the Proposed Purchase Price and the Purchase Price, the Tender Offeror considers the valuation results obtained under the DCF method to be the most comprehensive in terms of reflecting the future earnings capability and growth potential of the Target Company.

Accordingly, the Tender Offeror gave priority to the above calculation results achieved through the DCF method and reviewed the ranges in relation to the results. After comprehensive consideration of the Mitsubishi UFJ Securities calculation results, the results of the additional due diligence conducted in order to verify any change to the Target Company's status after November 19, 2009, and other factors, at the Tender Offeror's Board of Directors' meeting on February 16, 2010, the Tender Offeror, based on the Memorandum of Understanding, determined that the Proposed Purchase Price of JPY380 per share would be the Purchase Price of Common Stock of the Target Company.

The Purchase Price of the Tender Offer is equal to (i) the closing price of JPY271 of the Common Stock of the Target Company quoted on the First Section of the Tokyo Stock Exchange on November 18, 2009 which is one business day prior to the announcement of the Proposed Purchase Price, plus a premium of 40.22% (rounded to the nearest hundredth of a percent), (ii) the average closing price of JPY303 (rounded to the nearest whole number) for

the month preceding November 18, 2009, plus a premium of 25.41% (rounded to the nearest hundredth of a percent), (iii) the average closing price of JPY311 (rounded to the nearest whole number) for the three months preceding November 18, 2009, plus a premium of 22.19% (rounded to the nearest hundredth of a percent), (iv) the average closing price of JPY288 (rounded to the nearest whole number) for the six months preceding November 18, 2009, plus a premium of 31.94% (rounded to the nearest hundredth of a percent) and (v) the closing price of JPY372 of the Common Stock of the Target Company quoted on the First Section of the Tokyo Stock Exchange on February 15, 2010 which is one business day prior to February 16, 2010, the date on which the commencement of the Tender Offer was announced, plus a premium of 2.15% (rounded to the nearest hundredth of a percent).

As stated above, although media reports on August 10, 2009, based on certain assumptions regarding the potential Tender Offer, are likely to have caused the share price of the Target Company to increase with the expectation of implementing the Tender Offer as a part of the Management Integration, the Purchase Price of JPY380 per share for the Tender Offer is also equal to (v) the average closing price of JPY259 (rounded to the nearest whole number) of the Common Stock of the Target Company quoted on the First Section of the Tokyo Stock Exchange for the three months preceding August 7, 2009, one business day immediately prior to any impact from the media reports on August 10, 2009, when the share price of the Target Company increased, plus a premium of 46.72% (rounded to the nearest hundredth of a percent), and (vi) the average closing price of JPY230 (rounded to the nearest whole number) of the Common Stock of the Target Company quoted on the First Section of the Tokyo Stock Exchange for the six months preceding August 7, 2009 which is also one business day prior to the media reports on August 10, 2009, plus a premium of 65.22% (rounded to the nearest hundredth of a percent).

On the other hand, in determining the appropriateness of the Proposed Purchase Price as set forth in the Memorandum of Understanding dated November 19, 2009, executed between the Tender Offeror and the Target Company, the Target Company chose Mizuho Securities Co., Ltd. ("Mizuho Securities") and JPMorgan Securities Japan Co., Ltd. ("JPMorgan Securities"), third parties independent from both the Tender Offeror and the Target Company and unrelated parties of the Tender Offeror and the Target Company, as their financial advisors and requested calculations of the Target Company's equity value. The Target Company received these calculations in share valuation reports (the "Mizuho Valuation Report" or the "JPMorgan Valuation Report") from Mizuho Securities and JPMorgan on November 19, 2009. The Target Company received opinion letters from Mizuho Securities and JPMorgan Securities, respectively, on November 19, 2009, to the effect that, under certain preconditions, the Proposed Purchase Price is appropriate to the shareholders of the Target Company from a financial point of view.

Following this, in order to evaluate the fairness of the Purchase Price, the Target Company received, as reference material, the Mizuho Valuation Report and JPMorgan Valuation Report from Mizuho Securities and JPMorgan Securities, respectively, on February 16, 2010. The Target Company again received opinion letters from Mizuho Securities and JPMorgan Securities, respectively, on February 16, 2010, to the effect that, under certain preconditions, the Proposed Purchase Price is appropriate to the shareholders of the Target Company from a financial point of view.

With respect to certain preconditions and disclaimer conditions specified respectively by Mizuho Securities and JPMorgan Securities in the preparation and submission of the aforementioned opinion letters, please refer to the Target Company's press release entitled, "Announcement of Opinion with respect to Tender Offer conducted by Mitsubishi Chemical Holdings Corporation for Shares of Mitsubishi Rayon Co., Ltd." dated February 16, 2010.

Based on the above awareness, consideration and analysis of the appropriateness of the Purchase Price of the Tender Offer, among other factors, as a result of the Target Company's serious consideration and discussion of the various conditions of the Tender Offer, the Target Company has determined that the Tender Offer will provide an opportunity for growth by maximizing the Target Company's corporate value through the strengthening and expansion of the operating resources of the Target Company, and that the conditions of the Tender Offer are fair and provide an opportunity for shareholders to sell their shares at a reasonable price. The Target Company is in agreement with the implementation of the Tender Offer, under which the Target Company will become a wholly-owned subsidiary of the Tender Offeror, and recommends that shareholders tender their shares in the Tender Offer.

The Target Company has received the necessary legal opinions from its legal advisors, TMI Associates, with respect to the ensuring the fairness of the decision-making process regarding the Tender Offer.

c. Relationship with Appraisers

Mitsubishi UFJ Securities is a third party appraiser independent from the Tender Offeror and is not an associated party of the Tender Offeror.

(5) Number of Shares to be Purchased in the Tender Offer

(Unit: shares)

Class of Shares	Number of shares intended to be purchased	Minimum number of shares intended to be purchased	Maximum number of shares intended to be purchased
Shares	572,226,048	286,114,000	—
			—
			—
			—
			—
Total	572,226,048	286,114,000	—
(Total number of Shares (diluted))	572,226,048	286,114,000	—

(Note 1) If the total number of shares tendered is less than the number indicated above in “Minimum number of shares intended to be purchased” (286,114,000 shares) (the “Minimum Number of Shares Intended to be Purchased”), none of the tendered shares will be purchased by the Tender Offeror. If the total number of shares tendered in the Tender Offer exceeds the Minimum Number of Shares Intended to be Purchased, all tendered shares will be purchased by the Tender Offeror.

(Note 2) The Tender Offeror does not intend to acquire treasury shares of the Target Company through the Tender Offer.

(Note 3) The number of shares intended to be purchased is 572,226,048 shares. This number is calculated by deducting the number of treasury shares of the Target Company as of September 30, 2009 (27,771,772 shares) (as described in the 85th Third Quarter Securities Report filed by the Target Company with the Kanto Local Finance Bureau on February 12, 2010) from the total number of issued and outstanding shares of the Target Company as of February 12, 2010 (599,997,820 shares) (as described in the 85th Third Quarter Securities Report).

(Note 4) The Minimum Number of Shares Intended to be Purchased (286,114,000 shares) is equivalent to the majority (286,114 units) of voting rights (572,226 units) with respect to the number of shares (572,226,048 shares) which is calculated by deducting the treasury shares of the Target Company as of September 30, 2009 (27,771,772 shares) from the total number of issued and outstanding shares of the Target Company as of February 12, 2010 described in the 85th Third Quarter Securities Report filed by the Target Company with the Kanto Local Finance Bureau on February 12, 2010 (599,997,820 shares).

(Note 5) Shares constituting less than a whole unit and cross-held shares will also be subject to purchase through the Tender Offer. The Target Company may purchase its own shares in accordance with legal procedures during the Tender Offer Period from any shareholder who exercises the right under the Company Law to require the Target Company to purchase shares constituting less than a whole unit.

(6) Changes in Ownership Percentage of Shares after the Tender Offer

Number of Voting Rights Represented by Shares Owned by the Tender Offeror prior to the Tender Offer	— units	(Ownership Percentage of Shares prior to the Tender Offer: —%)
Number of Voting Rights Represented by Shares Owned by Specially Related Parties prior to the Tender Offer	6,517 units	(Ownership Percentage of Shares prior to the Tender Offer: 1.15%)
Number of Voting Rights Represented by Shares to be Purchased	572,226 units	(Ownership Percentage of Shares after the Tender Offer: 100.00%)
Total Number of Voting Rights of Shareholders and Other Parties of the Target Company (as of September 30, 2009)	568,504 units	

(Note 1) “Number of Voting Rights Represented by Shares Owned by Specially Related Parties prior to the Tender Offer” represents the total number of voting rights with respect to the number of shares held by each specially related party.

(Note 2) The “Number of Voting Rights Represented by Shares to be Purchased” is the number of voting rights with respect to the number of shares intended to be purchased (572,226,048 shares).

(Note 3) The “Total Number of Voting Rights of Shareholders and Other Parties of the Target Company (as of September 30, 2009)” represents the total number of voting rights of all shareholders of the Target Company as of September 30, 2009, as described in the 85th Third Quarter Securities Report (submitted by the Target Company to the Kanto Local Finance Bureau as of February 12, 2010). However, because shares constituting less than a whole unit and cross-held shares are also subject to the Tender Offer, for the purpose of calculating the “Ownership Percentage of Shares after the Tender Offer, the “Total Number of Voting Rights of Shareholders and Other Parties of the Target Company” used in the calculation was 572,226 units. This number was calculated by adding the number of voting rights corresponding to the shares constituting less than a whole unit and cross-held shares (3,722 units, (the number of voting rights corresponding to the 3,722,048 shares which was calculated by adding 18,000 cross-held shares as of September 30, 2009 to the number calculated by deducting 772 treasury shares constituting less than a whole unit as of September 30, 2009 from 3,704,820 shares constituting less than a whole unit as of September 30, 2009 described in the 85th Second Quarter Securities Report as mentioned above)), to the “Total Number of Voting Rights of Shareholders and Other Parties of the Target Company”.

(Note 4) “Ownership Percentage of Shares prior to the Tender Offer” and “Ownership Percentage of Shares after the Tender Offer” are rounded to the nearest hundredth of a percent.

(7) Aggregate Tender Offer Price

JPY217,445,898,240

(Note 1) The Aggregate Tender Offer Price is calculated by multiplying the number of shares intended to be purchased (572,226,048 shares) by the Purchase Price per share (JPY380).

(Note 2) Consumption tax and similar charges are not included in the above amount.

(8) Method of Settlement

a. Name and Address of the Head Office of the Financial Instrument Firm in Charge of Settlement

Mitsubishi UFJ Securities Co., Ltd.
2-4-1, Marunouchi, Chiyoda-ku, Tokyo

b. Settlement Commencement Date

Tuesday, March 30, 2010

(Note) If the Target Company submits an opinion report requesting an extension of the Tender Offer Period pursuant to Article 27-10, Paragraph 3 of the Law, the settlement commencement date shall be Thursday, April 8, 2010.

c. Method of Settlement

A notice of purchase will be mailed to the address of each shareholder who has applied for the Tender Offer (or the standing proxy in the case of Foreign Shareholders) promptly after the end of the Tender Offer Period.

Payment of the purchase price will be made in cash. The Tender Offer Agent will, in accordance with the instructions of the Tendering Shareholders (or the standing proxy in the case of Foreign Shareholders), remit the purchase price promptly after the commencement of settlement to the account designated by the Tendering Shareholder (or the standing proxy in the case of Foreign Shareholders).

d. Method of Returning Shares

If all of the shares tendered are not purchased under the terms mentioned in “a. Conditions set forth in each Item of Article 27-13, Paragraph 4 of the Law” and “b. Conditions of Withdrawal, etc. of Tender Offer, Details thereof and Method of Disclosure of Withdrawal” under “(9) Other Conditions and Methods of Purchase, etc.”, the tendered shares will be returned to the Tendering Shareholders by restoring the record of such shares to the original record as of immediately before the shares have been tendered, promptly after the settlement date.

(9) Other Conditions and Methods of Purchase, etc.

a. Conditions set forth in each Item of Article 27-13, Paragraph 4 of the Law

If the total number of shares tendered is less than the Minimum Number of Shares Intended to be Purchased (286,114,000 shares), none of the tendered shares will be purchased by the Tender Offeror. If the total number of shares tendered meets or exceeds the Minimum Number of Shares Intended to be Purchased (286,114,000 shares), the Tender Offeror will purchase all of the tendered shares.

b. Conditions of Withdrawal, etc. of Tender Offer, Details thereof and Method of Disclosure of Withdrawal

Upon the occurrence of any event listed in Article 14, Paragraph 1, Items 1.1 through 1.9 and Items 1.12 through 1.18, Items 3.1 through 3.8, Item 4, Item 5, as well as Article 14, Paragraph 2, Items 3 through 6 of the Financial Instruments and Exchange Law Enforcement Ordinance of Japan (Government Ordinance No. 321 of 1965, as amended) (the “Enforcement Order”), the Tender Offeror may withdraw the Tender Offer if, up until one day prior to the last day of the Tender Offer Period (including the case where the Tender Offer Period is extended), (a) the waiting period under the HSR Act does not terminate, or an injunction order against the Acquisition of Shares is issued by a court upon request of the U.S. Antitrust Agencies, (b) the statutory review period by the European Commission does not end, or (c) the Russian Federal Antimonopoly Service does not approve the Acquisition of Shares and does not confirm that an approval is not required for the Acquisition of Shares.

Should the Tender Offeror intend to withdraw the Tender Offer, it will give notice through electronic disclosure as well as in the *Nihon Keizai Shimbun*; provided, that if it is deemed difficult to give such notice within the Tender Offer Period, the Tender Offeror will make an official announcement pursuant to Article 20 of the Cabinet Ordinance of Japan regarding disclosure of tender offers for shares by non-issuers (MOF Ordinance No. 38 of 1990, as amended) (the “TOB Order”) and forthwith give public notice.

c. Conditions of Reduction of Purchase Price, etc., Details thereof and Method of Disclosure of Reduction, etc.

Pursuant to Article 27-6, Paragraph 1, Section 1 of the Law, if the Target Company takes any action enumerated in Article 13, Paragraph 1 of the Enforcement Order during the Tender Offer Period, the Tender Offeror may reduce the Purchase Price of the Tender Offer pursuant to standards set forth in Article 19, Paragraph 1, of the TOB Order. Should the Tender Offeror intend to reduce the per share Purchase Price to be paid in the Tender Offer, it will give notice through electronic disclosure and give notice of such disclosure in the *Nihon Keizai Shimbun*; provided, however, that if it is deemed difficult to give such notice within the Tender Offer Period, the Tender Offeror will make an official announcement pursuant to Article 20 of the TOB Order and forthwith give notice. If the Purchase Price is reduced, the Tender Offeror will purchase any shares tendered prior to the announcement of such reduction at the amended Purchase Price.

d. Matters Concerning Tendering Shareholders’ Right of Cancellation of Application

Shareholders wishing to tender their shares in the Tender Offer (“Tendering Shareholders”) may, at any time during the Tender Offer Period, cancel an application for the Tender Offer. In the event of such cancellation, the Tendering Shareholders must deliver or mail a written request to cancel the application for the Tender Offer (the “Written Request for Cancellation”), with the Receipt of Application for the Tender Offer attached, to the head office or any branch office in Japan of the Tender Offer Agent by 16:00 on the last day of the Tender Offer Period. Cancellation of application shall become effective when the Written Request for Cancellation is delivered to or received by the Tender Offer Agent defined below. If by mail, the cancellation of the acceptance of the Tender Offer will not be effective unless the Written Request for Cancellation is received by the Tender Offer Agent by 16:00 on the last day of the Tender Offer Period.

No compensation for damages or penalty payment will be demanded of any Tendering Shareholder by the Tender Offeror in the event that the application by the Tendering Shareholder is canceled. The cost of returning the shares by the Tender Offeror will be borne by the Tender Offeror.

e. Method of Disclosure if the Conditions or other Terms of Tender Offer are Changed

Except where such change is prohibited pursuant to each item of Paragraph 1 of Article 27-6 of the Law and Article 13 of the Enforcement Order, the Tender Offeror may change the terms or conditions of the Tender Offer during the Tender Offer Period.

Should any terms or conditions of the Tender Offer be changed, the Tender Offeror will give public notice thereof through electronic disclosure and give notice of such disclosure in the *Nihon Keizai Shimbun*; provided, however, that if it is deemed difficult to make such notice within the Tender Offer Period, the Tender Offeror will make an official announcement in accordance with Article 20 of the TOB Order, and forthwith give public notice. The purchase of the shares and other securities tendered prior to such public notice will also be made in accordance with the terms and conditions as changed.

f. Method of Disclosure if Amendment to Registration Statement is Submitted

If the Tender Offeror submits an amendment to the Registration Statement to the Director-General of the Kanto Local Finance Bureau (except in circumstances provided for under the proviso in Article 28-8, Paragraph 11 of the Law), the Tender Offeror will promptly make an official announcement of the contents of such amended statement to the extent relevant to the contents of the public notice of the Tender Offer, pursuant to Article 20 of the TOB Order. The Tender Offeror will also promptly amend this Statement and provide an amended Statement to the Tendering Shareholders who have received the original Statement. If the amendments are limited in extent, however, the Tender Offeror may, instead of providing an amended Statement, prepare and deliver a document stating the reason for the amendments, the matters amended and the details thereof to the Tendering Shareholders.

g. Method of Disclosure of Results of Tender Offer

The Tender Offeror will announce the results of the Tender Offer in accordance with methods stipulated in Article 9-4 of the Enforcement Order and Article 30-2 of the TOB Order on the day following the last day of the Tender Offer Period.

(10) Date of Public Notification

Wednesday, February 17, 2010

(11) Tender Offer Agent

Mitsubishi UFJ Securities Co., Ltd.
2-4-1, Marunouchi, Chiyoda-ku, Tokyo

3. Policies following the Tender Offer and Outlook

(1) Policies following the Tender Offer

Please refer to “1. Purpose of the Tender Offer,” for information pertaining to policies following the Tender Offer.

(2) Outlook

Effects of the Tender Offer on the Tender Offeror’s business results forecasts for the current fiscal year are currently being reviewed by the Tender Offeror. If revisions to the business results forecasts become necessary or there are matters which should be announced, the Tender Offeror will promptly disclose such matters.

4. Other

(1) Agreements between Tender Offeror and Target Company or its Directors and Officers, and Contents Thereof

The Target Company resolved at the meeting of its Board of Directors held on February 16, 2010, to announce its approval of the Tender Offer and to recommend that the Target Company’s shareholders tender their shares in the Tender Offer.

The Tender Offeror and the Target Company entered into a Memorandum of Understanding with respect to their Management Integration as of November 19, 2009 as outlined below.

a. Purpose of the Management Integration

With the participation of the Target Company, as a core business company, in the corporate group under which the Tender Offeror will serve as the pure holding company, the Tender Offeror and the Target Company, through the Management Integration, aim to become a corporate group that can survive amid expected increasingly severe global competition by consolidating their management resources, achieving an expansion in corporate scale and establishing a solid business foundation while strengthening business competitiveness and fortifying development capabilities.

b. Method and schedule of the Management Integration

- (i)** As a result of the Tender Offer, if the Tender Offeror is unable to acquire all of the Common Stock of the Target Company, as the second phase of the Management Integration, the Tender Offeror and the Target Company will implement a Share Exchange as soon as possible. Following the day of completion of the Tender Offer, and up until the effective day of the Share Exchange, The Target Company will cancel all of its treasury shares.
- (ii)** The Share Exchange Ratio to be used in the Share Exchange will be determined based on the Purchase Price of the Tender Offer, after diverse and rational review by the Tender Offeror and the Target Company giving consideration to the respective share prices, financial situations, business results trends and other factors of the Tender Offeror and the Target Company, and following discussion and agreement in good faith between the Tender Offeror and the Target Company, after the completion of the Tender Offer.
- (iii)** Following the completion of the Tender Offer, if either the Tender Offeror or the Target Company (i) is unable to obtain the necessary approval for the Share Exchange at a general meeting of its shareholders, (ii) believes, based upon reasonable grounds, that it is unable to obtain the necessary approval for the Share Exchange at a general meeting of its shareholders, or (iii) believes, based upon reasonable grounds, that there is a high possibility that either the Tender Offeror or the Target Company will become a party to litigation in relation to the Management Integration, the Tender Offeror and Target

Company shall hold discussions and reach agreement in good faith regarding the actions to be taken.

- (iv) The general meetings of shareholders for approval of the Share Exchange are scheduled to be held in June 2010, and the effective date of the Share Exchange is scheduled to be October 1, 2010. These general meetings of shareholders will only be held if deemed necessary under the Company Law.
- c. Management of the corporate group after the commencement of the Management Integration
- (i) With respect to the management of the corporate group of the Tender Offeror after the completion of either the Tender Offer or the Share Exchange (the “Commencement of the Management Integration”), with an aim to maximize the profits of the whole group, the Tender Offeror shall respect the independence of the management of the Target Company, in accordance with the internal rules of the corporate group (the “Internal Rules on the Group Management”).
 - (ii) With respect to the continuation or change of a trade name (including the logo) and the management principles of the Target Company after the Commencement of the Management Integration, the Tender Offeror shall respect the Target Company’s will.
 - (iii) After the Commencement of the Management Integration, in order to maximize the shareholder profits as a whole, the Target Company shall respect the basic policy of the group management and the Internal Rules on the Group Management, and share with the Tender Offeror the management principles and management strategies of the Tender Offeror, in addition to managing its own business in accordance with the Internal Rules on the Group Management. The Target Company may, when necessary, ask the Tender Offeror to hold a discussion with respect to additions to or amendments to the Internal Rules on the Group Management.
 - (iv) After the Commencement of the Management Integration, the Tender Offeror and the Target Company shall mutually dispatch one part-time director, as soon as practically possible. Provided, however, that, separately from the aforementioned part-time director, according to the role that the Target Company plays in the management of the Tender Offeror such as its scale of business sales and profitability, the Target Company shall recommend a candidate for director of the Tender Offeror from among employees who belong to the Target Company, and the Tender Offeror shall respect such recommendation to the maximum extent possible and do its best to make such person a candidate for director of the Tender Offeror at its general meeting of shareholders.
 - (v) As measures to realize the synergy effects of the Management Integration and to strengthen their businesses, the Tender Offeror and the Target Company shall, after the Commencement of the Management Integration, actively promote interaction with personnel within the group, business alliance, and restructure and integration of subsidiaries.
- d. Management plan, business operations and general human resources-related matters after the completion of the Management Integration
- (i) After the Tender Offeror completes the acquisition of all Common Stock of the Target Company (including the acquisition of such shares through the share exchange), the Target Company shall establish its mid to long term consolidated management plan and consolidated operation budget in accordance with the Internal Rules on the Group Management, and seek an approval of the Tender Offeror.
 - (ii) After the completion of the Management Integration, the Tender Offeror shall, with respect to the business operation and general human resources issues relating to the business of the Target Company, respect the independence of the Target Company in

accordance with the Internal Rules on the Group Management. On the other hand, the Target Company shall, with respect to such business operation and general human resources issues, give consideration to the maximization of the profit of the whole group.

- e. Handling of important human resources and organization of the Target Company after the completion of the Management Integration

After the completion of the Management Integration, the Target Company shall prepare plans in relation to the election/removal of its representative director, director with officer's post, executive officers with officer's post and executive officers, as well as material change/abolishment of its organization, and seek an approval of the Tender Offeror. The Tender Offeror shall, at the time of such approval, respect the independence of the Target Company in accordance with the Internal Rules on the Group Management.

- f. Handling of employees of the Target Company

- (i) In implementing the Management Integration, the Tender Offeror shall not ask the Target Company for the change of employment conditions or dismissal of the current employees of the Target Company.
- (ii) With respect to the employment conditions of the employees of the Target Company after the Commencement of the Management Integration, the Tender Offeror shall respect the will of the Target Company's Board of Directors.
- (iii) Each of the Tender Offeror and the Target Company shall pay attention to the interaction among employees of two companies after the Commencement of the Management Integration, so that no employee of the companies will be disadvantaged because of the company he or she was employed before the Management Integration.

- g. Competitors with respect to the Tender Offer

- (i) Before the completion of the Tender Offer, if it becomes clear that a third party other than the Tender Offeror commences or will possibly commence a tender offer for the shares of the Target Company, the Tender Offeror and the Target Company shall determine measures against such issue upon mutual discussion and agreement in good faith.
- (ii) If a third party other than the Tender Offeror conducts a tender offer for the shares of the Target Company, the Target Company shall, after cautious deliberation, based on its own judgment, and with the care of a good manager to its shareholders, make a statement of its opinion.

- h. Retention of the corporate value

After the conclusion of the Memorandum of Understanding and until the completion of the Management Integration, the Tender Offeror and the Target Company shall be aware that the realization of the Management Integration is a common objective of both companies, and conduct respective businesses and management/operation of each asset with the care of a good manager, and shall not take any action which might cause a significant change in their assets, profit and loss in the future or any other actions which might have material adverse effects on the implementation of the Management Integration. The foregoing sentence does not apply if prior approval from the other party has been obtained with respect to the implementation of such actions.

(2) Other Relevant Information Investors May Need in Evaluating the Tender Offer

N/A

(End of Document)

Please be advised that pursuant to Article 167, Paragraph 3 of the Financial Instrument and Exchange Law of Japan (the “Law”) and Article 30 of the Financial Instruments and Exchange Law Enforcement Ordinance of Japan, any person who has received information concerning the Tender Offer through this press release may be restricted from purchasing or otherwise trading the shares and other securities of Mitsubishi Rayon as a first-hand recipient of information under the regulations on insider trading, for 12 hours from the publication of this press release (i.e., 15:30 on February 16, 2010, the time this press release was published on the Tokyo Stock Exchange’s Timely Disclosure Information Access Service.) Also, please note that the Tender Offeror or the Target Company shall not be held responsible for any criminal, civil or administrative changes brought against any person for his/her purchase or other trade.

This press release has been prepared only for the purpose of informing the public of the Tender Offer. This has not been prepared for soliciting sales or purchases in relation to the Tender Offer. When conducting any sales, shareholders should make appropriate judgments after reviewing the tender offer explanatory statement for the Tender Offer.

Neither this press release nor any part hereof constitutes a document to subscribe for, solicit the sales of, or apply for the purchase of, securities. Neither this press release (nor any part hereof) nor its distribution shall be interpreted to be the basis of any agreement in relation to the Tender Offer, nor may it be relied on at the time of concluding any agreement.

This press release contains future business development predictions based on the considerations of the management teams of Mitsubishi Chemical Holdings and Mitsubishi Rayon. Actual results are affected by many factors and may differ materially from these predictions.

Unless otherwise stipulated, all procedures with respect to the Tender Offer shall be conducted in Japanese. If any part of the documents relating to the Tender Offer is prepared in English, and in the event that any inconsistency exists between the English and Japanese documents, the Japanese documents shall take priority over the English documents.

Although the Tender Offer is being conducted in accordance with the procedures and disclosure standards prescribed by the Law, these procedures and disclosure standards may not always coincide with those of the United States. In particular, the rules and regulations under Sections 13(e) and 14(d) of the U.S. Securities Exchange Act of 1934, as amended do not apply to the Tender Offer and the Tender Offer is not being conducted in accordance with the procedures and requirements thereunder.

This press release includes forward-looking statements. These forward-looking statements contain predictions relating to future operating results and financial position; discussion, plans, differing opinions, strategies and expectations relating to such predictions; as well as foundations of the assumptions for these forward-looking statements and other information pertaining to the future. As a result of known or unknown risks, uncertainty or other factors, actual results could differ materially from any forward-looking statements contained herein. No guarantee is given by the Mitsubishi Chemical Holdings, Mitsubishi Rayon or its affiliates that any such forward-looking statements or expectations will be achieved. The forward-looking statements contained in this press release were made based on the information available to Mitsubishi Chemical Holdings and Mitsubishi Rayon as of the date of this press release and, except where required by laws, regulations or stock exchange rules, neither the Tender Offeror nor any of its affiliates accepts any obligation to change or revise the statements to reflect future events or circumstances.

Certain countries, regions and other jurisdictions may impose certain restrictions on the release, issue or distribution of press releases of this nature under their laws and regulations. In such cases, you are required to comply with such laws and regulations in such countries, regions and other jurisdictions in light of such restrictions. In jurisdictions where the implementation of the Tender Offer is illegal, even if you receive this press release or its translation, such receipt shall not constitute any application for the sale of share certificates or solicitation for the application for the purchase of share certificates in relation to this Tender Offer, and this press release shall be deemed as the distribution of information for reference only.

THIS ENGLISH TRANSLATION OF THE “NOTIFICATION WITH RESPECT TO COMMENCEMENT OF TENDER OFFER FOR SHARES OF MITSUBISHI RAYON CO., LTD.” HAS BEEN PREPARED SOLELY FOR THE CONVENIENCE OF NON-JAPANESE SPEAKING SHAREHOLDERS OF MITSUBISHI RAYON CO., LTD. WHILE THIS ENGLISH TRANSLATION IS BELIEVED TO BE GENERALLY ACCURATE, IT IS SUBJECT TO, AND QUALIFIED BY, IN ITS ENTIRETY, THE OFFICIAL JAPANESE-LANGUAGE ORIGINAL FILED WITH THE DIRECTOR-GENERAL OF THE KANTO LOCAL FINANCE BUREAU. SUCH JAPANESE-LANGUAGE ORIGINAL SHALL BE THE CONTROLLING DOCUMENT FOR ALL PURPOSES.