



FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31,2002  
(In accordance with Japanese Accounting Standard)  
FOR IMMEDIATE RELEASE

Mitsubishi Rayon Company Limited announces its financial results for the year ended March 31,2002

Consolidated Financial Highlights

(Millions of yen,except per share amounts)

	Year ended March 31		Change	Six Months
	2002	2001		ended September 30
Net sales	306,455	326,254	-6.1 %	156,895
Operating income	19,207	20,607	-6.8 %	11,299
Net (loss)income	(964)	(141)	-	1,084
Per share				
Net income				
Basic	(1.54)	(0.23)		1.73
Depreciation expenses	16,537	16,898		7,971
Capital expenditures	16,722	14,866		8,184
R&D expenses	10,795	10,768		5,261

Consolidated Shareholders'equity,Debts and Total Assets

(Millions of yen,except per share and ratio amounts)

	Year ended March 31		Six Months
	2002	2001	ended September 30
Shareholders'equity	136,153	138,942	137,850
Equity ratio	39.1 %	38.7 %	39.1 %
Equity per share	217.34	221.77	220.03
Debts	91,060	97,665	95,953
Total assets	348,102	359,041	352,776

Consolidated Cash Flows

(Millions of yen)

	Year ended March 31		Six Months
	2002	2001	ended September 30
Net cash provided by operating activities	31,685	28,612	11,489
Net cash used in investing activities	(16,991)	(7,361)	(8,199)
Net cash used in financing activities	(14,534)	(20,044)	(7,588)
Cash and cash equivalents at the ended of year	10,948	10,331	6,387

Number of Group Companies

Consolidated subsidiaries	45	45	45
Unconsolidated subsidiaries applying equity method	-	-	-
Associated companies applying equity method	26	29	28

Forecast of Consolidated Results

(Millions of yen)

	Year ended	Six Months
	March 31	ended September 30
	2003	2002
Net sales	300,000	147,000
Operating income	22,000	10,000
Net income	9,000	4,000
Depreciation expenses	15,500	7,500
Capital expenditures	23,000	12,000
R&D expenses	10,800	5,400

Consolidated Statements of Income and Retained Earnings

(Millions of yen)

	Year ended	Year ended	Six Months
	March 31	March 31	ended September 30
	2002	2001	2001
Net Sales	306,455	326,254	156,895
Cost of Sales	230,410	246,732	116,638
Gross profit	76,044	79,522	40,256
Selling, General and Administrative Expenses	56,837	58,915	28,956
Operating income	19,207	20,607	11,299
Other Income(Expenses):			
Interest and dividend income	454	525	255
Interest expense	(2,360)	(2,455)	(1,264)
Equity in earnings(loss) of affiliates	(336)	419	28
Restructuring charges	(1,168)	(1,563)	(324)
Gain on sales of marketable securities	521	99	49
Loss on revaluation of marketable securities	(2,726)	(3,024)	(2,931)
Provision for doubtful accounts	(869)	(74)	(403)
Other, net	(12,190)	(17,359)	(3,682)
	(18,678)	(23,431)	(8,272)
(Loss) income before income taxes and minority interest	529	(2,824)	3,027
Income Taxes:			
Current	2,911	8,916	1,428
Deferred	(2,505)	(11,754)	-
Income before minority interest	124	14	1,598
Minority Interest	(1,088)	(155)	(513)
Net (loss) income	(964)	(141)	1,084
Retained Earnings at Beginning of the Year	53,087	57,630	53,087
Adjustments for merger of consolidated subsidiaries	1	-	1
Adjustments for inclusion of certain subsidiaries and affiliates in consolidation or the equity method of accounting	-	(624)	-
Adjustments for inclusion in or exclusion from consolidation of certain subsidiaries and affiliates	-	12	-
Cash dividends paid	(3,759)	(3,759)	(1,879)
Bonuses to directors	(1)	(30)	(1)
Staff and workers bonus and welfare fund	(1)	-	(1)
Net (loss) income	(964)	(141)	1,084
Retained Earnings at End of the Year	48,363	53,087	52,292

	Year ended	Year ended	Six Months
	March 31	March 31	ended September 30
	2002	2001	2001
Amounts Per Share:			
Net (loss) income	(1.54)	(0.23)	1.73
Cash dividends	6.00	6.00	3.00

Consolidated Balance Sheets

(Millions of yen)

[Assets]	Year ended March 31 2002	Year ended March 31 2001	Six Months ended September 30 2001
Current Assets:			
Cash and time deposits	11,100	10,449	6,834
Marketable securities	-	679	159
Notes and accounts receivable:			
Notes	12,228	16,397	14,217
Accounts	61,912	74,492	67,702
Less allowance for doubtful accounts	(1,020)	(603)	(955)
	73,120	90,287	80,964
Inventories	43,438	43,790	45,525
Deferred tax assets	1,568	2,152	2,268
Other current assets	14,694	11,189	15,673
Total current assets	143,923	158,548	151,427
Property, Plant And Equipment:	475,812	476,014	474,572
Less accumulated depreciation	(345,367)	(350,374)	(344,160)
Property, plant and equipment, net	130,444	125,639	130,412
Investments And Other Assets:			
Investments in and advances to unconsolidated subsidiaries and affiliates	12,922	15,697	14,514
Other investment securities	32,554	34,491	30,147
Deferred tax assets	16,398	13,336	13,930
Other assets	11,858	11,327	12,343
Total investments and other assets	73,734	74,853	70,935
Total assets	348,102	359,041	352,776

Consolidated Balance Sheets

	Year ended March 31	Year ended March 31	Six Months ended September 30
[Liabilities and Shareholder'Equity]	2002	2001	2001
Current Liabilities:			
Short-term bank loans	49,984	56,912	53,699
Notes and accounts payable:			
Notes	10,197	12,386	11,042
Accounts	40,184	47,612	43,241
	50,381	59,998	54,283
Accrued expenses	4,536	4,677	4,409
Accrued income taxes	709	6,146	1,183
Deferred tax liabilities	40	41	68
Other current liabilities	26,232	23,503	24,607
Total current liabilities	131,886	151,279	138,252
Long-Term Liabilities			
Long-term debt	41,075	40,753	42,253
Retirement allowance	30,678	21,193	25,241
Deferred tax liabilities	66	138	103
Other long-term liabilities	2,635	4,630	4,549
Total long-term liabilities	74,455	66,715	72,148
Minority Interests In Consolidated Subsidiaries	5,606	2,105	4,525
Shareholders'Equity			
Common stock	53,229	53,229	53,229
Capital surplus	38,088	38,088	38,088
Revaluation difference	30	30	30
Retained earnings	48,363	53,087	52,292
Unrealized gain on marketable securities	(69)	(45)	(945)
Translation adjustments	(3,470)	(5,447)	(4,844)
Less treasury common stock,at cost	(18)	(0)	(0)
Total shareholders'equity	136,153	138,942	137,850
Contingent Liabilities			
Total liabilities and Shareholders'equity	348,102	359,041	352,776

Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended March 31	Year ended March 31	Six Months ended September 30
	2002	2001	2001
<b>Operating Activities:</b>			
Income(loss) before income taxes and minority interests	529	(2,824)	3,027
Adjustments to reconcile net income(loss) to net cash provided by operating activities:			
Depreciation and amortization	16,903	17,025	7,971
Increase in retirement allowances	9,936	-	4,569
Provision for retirement benefits	-	18,769	-
Interest expense	2,360	2,455	1,264
Decrease(increase) in trade receivables	18,241	(5,828)	10,082
Decrease(increase) in inventories	1,459	(2,655)	(1,030)
(Decrease)increase in trade payables	(10,182)	9,375	(6,013)
Bonuses to directors	(2)	(32)	(2)
Other,net	(7,559)	(7,673)	(8,380)
<b>Net cash provided by operating activities</b>	<b>31,685</b>	<b>28,612</b>	<b>11,489</b>
<b>Investing Activities:</b>			
Purchases of property,plant and equipment	(18,122)	(12,959)	(8,215)
Proceeds from sales of property,plant,and equipment	1,236	5,962	433
Purchases of investment securities	(1,422)	(2,238)	(522)
Proceeds from sales of investment securities	1,083	1,012	180
Other,net	233	860	(76)
<b>Net cash used in investing activities</b>	<b>(16,991)</b>	<b>(7,361)</b>	<b>(8,199)</b>
<b>Financing Activities:</b>			
Proceeds from long-term loans	1,342	2,030	307
Decrease in short-term bank loans	(6,207)	(11,288)	(2,143)
Repayment of long-term loans	(5,413)	(6,835)	(2,958)
Cash dividends paid	(4,490)	(3,822)	(2,566)
Other,net	233	(128)	(227)
<b>Net cash used in financing activities</b>	<b>(14,534)</b>	<b>(20,044)</b>	<b>(7,588)</b>
Effect of exchange rate changes on cash and cash equivalents	148	15	46
<b>Net increase in cash and cash equivalents</b>	<b>309</b>	<b>1,221</b>	<b>(4,251)</b>
<b>Beginning balance of cash and cash equivalents</b>	<b>10,639</b>	<b>9,110</b>	<b>10,639</b>
<b>Cash and cash equivalents at end of year</b>	<b>10,948</b>	<b>10,331</b>	<b>6,387</b>
<b>Supplemental Disclosures of Cash Flow Information:</b>			
Cash paid during the year for:			
Interest	2,309	2,446	1,245
Income taxes	10,202	4,384	6,383

Business Segment Information

(Millions of Yen)

	Chemicals and Plastics	Fibers	Special products, Engineering and Others	Total	Eliminations or corporate	Consolidated
Year ended March 31, 2002						
1.Sales and operating income						
Customers	123,272	96,997	86,184	306,455		306,455
Intersegment	11,981	189	25,207	37,377	(37,377)	
Total Sales	135,253	97,186	111,392	343,833	(37,377)	306,455
Operating expenses	121,652	94,394	108,741	324,788	(37,541)	287,247
Operating income	13,600	2,792	2,650	19,044	163	19,207
2.Assets,depreciation and capital expenditures						
Total assets	120,241	98,213	99,335	317,790	30,311	348,102
Depreciation	7,696	5,263	3,576	16,537		16,537
Capital expenditures	7,958	4,230	4,533	16,722		16,722

	Chemicals and Plastics	Fibers	Special products, Engineering and Others	Total	Eliminations or corporate	Consolidated
Year ended March 31, 2001						
1.Sales and operating income						
Customers	135,828	101,926	88,499	326,254		326,254
Intersegment	20,341	236	23,344	43,921	(43,921)	
Total Sales	156,169	102,162	111,844	370,176	(43,921)	326,254
Operating expenses	141,832	99,655	108,251	349,738	(44,091)	305,647
Operating income	14,337	2,507	3,592	20,437	169	20,607
2.Assets,depreciation and capital expenditures						
Total assets	127,421	103,982	89,851	321,255	37,786	359,041
Depreciation	7,524	5,736	3,637	16,898		16,898
Capital expenditures	7,074	4,455	3,336	14,866		14,866

Geographic Segment Information

(Millions of Yen)

	Japan	Asia	United States of America	Total	Eliminations or corporate	Consolidated
Year ended March 31, 2002						
1.Sales and operating income						
Customers	275,514	14,341	16,599	306,455		306,455
Intersegment	8,066	6,050	319	14,437	(14,437)	
Total Sales	283,580	20,392	16,918	320,892	(14,437)	306,455
Operating expenses	266,577	17,988	16,849	301,415	(14,168)	287,247
Operating income	17,003	2,403	69	19,476	(268)	19,207
2.Assets,depreciation and capital expenditures						
Total assets	265,688	21,994	12,063	299,746	48,355	348,102

Net Overseas Sales by Customer's Geographic Location

(millions of yen)

	Asia	Others	Total
Year ended March 31, 2002			
Net sales	59,666	39,188	98,854
As % of consolidated net sales	% 19.4	12.7	32.2

	Asia	Others	Total
Year ended March 31, 2001			
Net sales	55,247	36,986	92,234
As % of consolidated net sales	% 16.9	11.3	28.2