

CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2009

(In accordance with Japanese accounting standards)

FOR IMMEDIATE RELEASE

May 13, 2009 -- Mitsubishi Rayon Company, Limited announces its consolidated financial results for the year ended March 31, 2009.

Consolidated Financial Highlights

(Millions of yen, except per share)

	Year ended				
	March	31			
	2008	<u>2009</u>	<u>Change</u>		
Net sales	418,529	345,048	(17.6) %		
Operating income (loss)	37,508	(7,612)	- %		
Net income (loss)	$14,\!274$	(28,950)	- %		
Amounts per share (yen): Net income (loss):					
Basic	23.92	(50.59)			
Depreciation	24,709	27,063			
Capital expenditures	29,208	44,290			
R&D expenses %1	11,872	13,409			

Consolidated Net Assets, Liabilities and Total Assets

(Millions of yen, except per share)

	Year ended			
	March 31			
	<u>2008</u>		<u>2009</u>	
Total assets	451,540		408,933	
Net assets	215,819		160,995	
Equity ratio (%)	44.2	%	36.1	%
Net Assets per share (yen)	348.59		258.26	

Consolidated Cash Flows

(Millions of yen)

	Year ended March 31	
	<u>2008</u>	<u>2009</u>
Net cash provided by operating activities	31,823	21,359
Net cash used in investing activities	(50,839)	(34,305)
Net cash used in financing activities	26,494	44,350
Cash and cash equivalents at end of year	17,361	45,491

Number of Group Companies

	Year ended			
	March 31			
	<u>2008</u>	<u>2009</u>		
Consolidated subsidiaries	51	52		
Unconsolidated subsidiaries applying equity method	-	-		
Equity method affiliates	19	18		

Forecast for the year ending March 31, 2010

	Six months ending September 30 2009	Year ending March 31 2010 <u>**</u> 2
Net sales	145,000	-
Operating income	1,500	-
Net income (loss)	(500)	-
Depreciation	12,500	_
Capital expenditures	13,000	-
R&D expenses %1	7,000	_

X1 Without recognition of previous years' actuarial gain or losses as Operating expenses

 $[\]frak{\%}2$ Forecast for the year ending March 31,2010 is pending at the minute.



Consolidated Statements of Income

(Millions of yen)

	Year ended		
	March 31	March 31	
	2008	2009	
Net Sales	418,529	345,048	
Cost of Sales	320,815	292,166	
Gross profit	97,713	52,881	
Selling, General and Administrative Expenses	60,205	60,494	
Operating income (loss)	37,508	(7,612)	
Other Income (Expenses):			
Interest and dividend income	972	1,060	
Interest expense	(2,043)	(2,148)	
Equity in earnings of affiliates	897	(2 ,110)	
Equity in loss of affiliates	-	(463)	
Foreign currency translation adjustments	(993)	5,145	
Gain on sales of fixed assets	61	51	
Loss on sales and disposal of fixed assets	(1,735)	(1,809)	
Loss of impairment of fixed assets	(1,421)	(11,346)	
Gain on sales of securities and investments	19	1,327	
Loss on sales of securities and investments	(646)	(4)	
Loss on revaluation of securities and investments	(129)	(13,165)	
Insurance income	-	280	
Restructuring charges	(1,462)	(650)	
Legal settlement	(679)	=	
Loss on business liquidation	_	(2,228)	
Allowance for loss on business liquidation	_	(4,323)	
Other, net	(2,527)	260	
,	(9,687)	(28,015)	
Income (loss) before income taxes and minority interests	27,820	(35,628)	
Income Taxes:			
Current	9,234	3,345	
Deferred	1,155	(7,205)	
Prior	-	(3,479)	
Deferred for prior periods	_	3,080	
Income (loss) before minority interests	17,429	(31,369)	
Minority (Interests) Loss	(3,155)	2,418	
Net income (loss)	14,274	(28,950)	

(Yen)

	Year e	Year ended		
	March 31 2008	March 31 2009		
Amounts per Share:				
Net income (loss):				
Basic	23.92	(50.59)		
Cash dividends	11.00	4.00		



Consolidated Balance Sheets

	Year ended			
	March 31	March 31		
[Assets]	2008	2009		
Current Assets:				
Cash and time deposits	17,361	45,491		
Notes and accounts receivable:				
Notes receivable	7,397	5,907		
Accounts receivable	74,058	49,924		
Less allowance for doubtful accounts	(345)	(670)		
	81,110	55,161		
Finished goods	34,435	31,285		
Work in process	5,993	3,311		
Raw materials and supplies	18,435	13,293		
Deferred tax assets	2,939	4,106		
Other current assets	16,983	15,087		
Total current assets	177,259	167,736		
		_		
Property, Plant and Equipment, at Cost:				
Land	25,752	26,140		
Buildings	112,864	115,734		
Machinery and equipment	$402,\!539$	395,448		
Construction-in-progress	18,422	29,217		
Lease	-	78		
	559,580	566,620		
Less accumulated depreciation	(386,099)	(396,817)		
Property, plant and equipment, net	173,481	169,802		
Investments and Other Assets:				
Investment securities	70,996	45,587		
Deferred tax assets	10,173	15,767		
Less allowance for doubtful accounts	(137)	(80)		
Other assets	19,766	10,120		
Total investments and other assets	100,799	71,395		
Total assets	451,540	408,933		



Consolidated Balance Sheets (continued)

	Year ended		
_	March 31	March 31	
[Liabilities]	2008	2009	
Current Liabilities:		,	
Short-term bank loans	42,953	71,511	
Notes and accounts payable:			
Notes payable	4,489	3,063	
Accounts payable	57,433	28,280	
	61,923	31,344	
Accrued income taxes	3,305	1,063	
Defferd tax liabilities	111	62	
Allowance for loss on business liquidation	-	4,323	
Other allowance	4,177	3,204	
Other current liabilities	25,442	23,984	
Total current liabilities	137,914	135,492	
Long-Term Liabilities:			
Long-term debt	65,711	81,517	
Defferd tax liabilities	82	125	
Retirement allowances	27,659	27,321	
Other allowance	1,084	574	
Other long-term liabilities	3,270	2,906	
Total long-term liabilities	97,806	112,445	
Total liabilities	235,721	247,937	
[Net Assets]	·	·	
Shareholders' Equity:			
Common stock	53,229	53,229	
Capital surplus	28,796	$28,\!588$	
Retained earnings	122,706	87,553	
Less treasury stock, at cost	(10,488)	(10,264)	
Total shareholders' equity	194,245	159,106	
Valuation and translation adjustments and other:			
Unrealized gain on other securities	5,753	1,510	
Deferred gains on hedges	7	(160)	
Foreign currency translation adjustments	(476)	(12,664)	
Total valuation, translation adjustments and other	5,283	(11,315)	
Minority Interests in Consolidated Subsidiaries	16,290	13,204	
Total net assets	215,819	160,995	
Total liabilities and net assets	451,540	408,933	



Consolidated Statements of Changes in Net Assets

	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total Shareholders' Equity
Balance at March 31, 2007	53,229	28,793	114,700	(350)	196,372
Changes in interim of year 2007					_
Net income	_	_	14,274	_	14,274
Cash dividends paid	_	_	(6,294)	_	(6,294)
Purchases of treasury stock	_	_	_	(10,154)	(10,154)
Disposal of treasury stock	_	3	_	17	20
Asset revaluation reserve	_	_	30	_	30
Other	_	_	(4)	_	(4)
Total changes in interim of year 2007	-	3	8,005	(10,137)	(2,127)
Balance at March 31, 2008	53,229	28,796	122,706	(10,488)	194,245

	Unrealized gain on other securities	Deferred losses on hedges	Revaluation difference	Foreign currency translation adjustments	Total Valuation and Translation Adjustments and Others	Minority Interests in Consolidated Subsidiaries	Total Net Assets
Balance at March 31, 2007	16,150	0	30	(131)	16,050	13,289	225,713
Changes in interim of year 2007							
Net income	_	_	_	_	-	-	14,274
Cash dividends paid	-	_	_	-	-	-	(6,294)
Purchases of treasury stock	-	_	_	-	-	-	(10,154)
Disposal of treasury stock	-	-	_	-	_	-	20
Asset revaluation reserve	-	_	_	-	-	-	30
Other	-	_	_	-	-	-	(4)
Net changes in items other than those in shareholders' equity	(10,396)	6	(30)	(345)	(10,766)	3,000	(7,766)
Total changes in interim of year 2007	(10,396)	6	(30)	(345)	(10,766)	3,000	(9,894)
Balance at March 31, 2008	5,753	7	-	(476)	5,283	16,290	215,819



Consolidated Statements of Changes in Net Assets (continued)

	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total Shareholders' Equity
Balance at March 31, 2008	53,229	28,796	122,706	(10,488)	194,245
Effect of unification of accounting policies applied to foreign subsidiaries	_	-	(1,285)	-	(1,285)
Changes in interim of year 2008					
Net loss	_	_	(28,950)	-	(28,950)
Cash dividends paid	-	_	(4,865)	_	(4,865)
Purchases of treasury stock	_	_	-	(146)	(146)
Disposal of treasury stock	-	(208)	(51)	369	109
Asset revaluation reserve	-	_	_	_	-
Other	_	_	(0)	_	(0)
Total changes in interim of year 2008		(208)	(33,868)	223	(33,853)
Balance at March 31, 2009	53,229	28,588	87,553	(10,264)	159,106

	Unrealized gain on other securities	Deferred losses on hedges	Foreign currency translation adjustments	Total Valuation and Translation Adjustments and Others	Minority Interests in Consolidated Subsidiaries	Total Net Assets
Balance at March 31, 2008	5,753	7	(476)	5,283	16,290	215,819
Effect of unification of accounting policies applied to foreign subsidiaries	-	-	-	-	-	(1,285)
Changes in interim of year 2008						_
Net loss	_	_	_	-	-	(28,950)
Cash dividends paid	-	_	-	-	-	(4,865)
Purchases of treasury stock	-	_	-	-	-	(146)
Disposal of treasury stock	-	-	-	-	-	109
Asset revaluation reserve	-	_	_	-	-	_
Other	-	_	_	-	-	(0)
Net changes in items other than those in shareholders' equity	(4,243)	(168)	(12,188)	(16,599)	(3,085)	(19,684)
Total changes in interim of year 2008	(4,243)	(168)	(12,188)	(16,599)	(3,085)	(53,538)
Balance at March 31, 2009	1,510	(160)	(12,664)	(11,315)	13,204	160,995



Consolidated Statements of Cash Flows

	Year ended		
	March 31	March 31	
	2008	2009	
Operating Activities:			
Income (loss) before income taxes and minority interests	27,820	(35,628)	
Adjustments to reconcile income befor income taxes and			
minority interests to net cash provided by operating activities:			
Depreciation and amortization	25,281	27,159	
Loss of impairment of fixed assets	1,421	11,346	
Goodwill amortization	744	719	
Loss on business liquidation	-	2,228	
Increase in allowance for loss on business liquidation		4,323	
Decrease in retirement allowances	(996)	(336)	
Decrease in prepaid pension expense	3,998	6,774	
(Decrease) increase in allowance for doubtful accounts	(44)	294	
Interest expense	2,043	2,148	
Foreign currency translation adjustments	(116)	(5,240)	
Interest and dividends income	(972)	(1,060)	
Loss on sale and disposal of fixed assets	1,120	938	
Loss (gain) on sales of investment securities	627	(1,322)	
Loss on revaluation of securities and investments	129	13,165	
Insurance income	-	(280)	
Special retirement benefits	488	_	
Legal settlement	679	-	
Decrease in notes and accounts receivable	14,746	22,771	
(Increase) decrease in inventories	(5,993)	7,927	
Decrease in notes and accounts payable	(15,476)	(27,747)	
Other, net	(3,697)	(2,377)	
Subtotal Interest and dividends received	51,801	25,803	
	1,010	1,061	
Interest paid Insurance income	(1,942)	(2,133) 280	
Legal settlement	(679)	200	
Special retirement benefits	(488)	_	
Income taxes paid	(17,879)	(8,588)	
Income taxes part Income taxes refunded	(17,679)	4,937	
Net cash provided by operating activities	31,823	21,359	
Theo easir provided by operating activities	01,020	21,000	
Investing Activities:			
Purchases of property, plant and equipment	(32,594)	(39,383)	
Proceeds from sales of property, plant and equipment	491	129	
Purchases of investment securities	(16,090)	(218)	
Proceeds from sales of investment securities	1,124	3,112	
(Increase) decrease in short-term loans receivable	(3,066)	3,009	
Proceeds from collection of long-term loans	293	570	
Other, net	(997)	(1,525)	
Net cash used in investing activities	(50,839)	(34,305)	
		_	
Financing Activities:			
Increase in short-term bank loans	1,903	33,813	
Proceeds from long-term loans	25,000	20,796	
Repayment of long-term loans	(3,621)	(5,780)	
Proceeds from issuance of bonds	20,000	_	
Acquisition of treasury stock	(10,133)	(146)	
Cash dividends paid	(12,275)	(5,662)	
Proceeds from issuance of common stock to minority shareholders	5,752	1,227	
Other, net	(130)	101	
Net cash used in financing activities	26,494	44,350	
	(010)	(0.054)	
Effect of exchange rate changes on cash and cash equivalents	(818)	(3,274)	
Net increase in cash and cash equivalents	6,660	28,129	
Beginning balance of cash and cash equivalents Cash and cash equivalents at end of second quarter	10,701 17,361	17,361 45,491	
Cash and cash equivalents at end of second quarter	11,001	40,431	



Business Segment Information

Depreciation

Capital expenditures

Loss of impairment of fixed assets

(Millions of yen)

		Acrylic Fibers	Carbon Fibers	s			
		& AN	&	Acetate Fibers,			
	Chemicals &	Monomer	Composite	Membranes		Eliminations	
Year ended March 31, 2008	Plastics	and Derivatives	Materials	and Others	Total	or Corporate	Consolidated
1.Sales and operating income						•	
Sales to third parties	186,968	73,737	46,790	111,032	418,529	_	418,529
Intergroup sales and transfers	12,156	5,243	27	38,393	55,820	(55,820)	_
Total Sales	199,125	78,980	46,818	149,426	474,350	(55,820)	418,529
Operating expenses	176,811	78,241	35,783	146,027	436,863	(55,842)	381,021
Operating income	22,313	738	11,034	3,399	37,486	21	37,508
Without recognition of previous years' actuarial gain or losses as Operating expenses] [23,595]	[980]	[11,340]	[3,620]	[39,537]	[21]	[39,558]
2.Assets,depreciation and capital exp Total assets Depreciation Capital expenditures	penditures 185,609 12,830 17,005	61,732 3,965 2,758	45,519 4,793 6,723	$ \begin{array}{r} 107,624 \\ 3,119 \\ 2,720 \end{array} $	400,485 24,709 29,208	51,054 -	451,540 24,709 29,208
Capital expenditures	17,000	2,198	6,725	2,720	29,208		29,208
		Acrylic Fibers	Carbon Fibers				
		& AN	&	Acetate Fibers,			
	Chemicals &	Monomer	Composite	Membranes		Eliminations	
Year ended March 31, 2009	Plastics	and Derivatives	Materials	and Others	Total		Consolidated
1.Sales and operating income	1 1450105	ana Berraerres	1,14,011415	ana o moro	10001	or corporate	Componidated
Sales to third parties	156,835	47,275	37,887	103,050	345,048	_	345,048
Intergroup sales and transfers	11,075	3,393	31	50,206	64,707	(64,707)	-
Total Sales	167,910	50,668	37,919	153,256	409,756	(64,707)	345,048
Operating expenses	167,284	60,318	36,942	152,896	417,441	(64,780)	352,661
Operating income (loss)	626	(9,649)	976	359	(7,686)	73	(7,612)
Without recognition of previous years' actuarial gain or losses as Operating expenses] [4,377]	[(9,074)]	[1,875]	[1,034]	[(1,786)]	[73]	[(1,712)]
2.Assets,depreciation and capital exp Total assets	penditures 152,369	39,402	49,113	110,448	351,334	57,598	408,933

14,209

22,343

32

3,461 10,714

3,090

5,906

14,505

3,487

4,351

600

27,063

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44,290

27,063 11,346

44,290



Geographical Segment Information

(Millions of yen)

			United States		Eliminations	
Year ended March 31, 2008	Japan	Asia	of America	Total	or Corporate	Consolidated
1.Sales and operating income						
Sales to third parties	325,199	$62,\!276$	31,053	418,529	_	$418,\!529$
Intergroup sales and transfers	$27,\!232$	15,384	446	43,063	(43,063)	_
Total Sales	352,432	77,660	31,500	461,592	(43,063)	418,529
Operating expenses	326,013	70,671	26,694	423,380	(42,358)	381,021
Operating income (loss)	26,418	6,988	4,805	38,212	(704)	37,508
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2.Total assets	306,758	83,694	16,861	407,314	44,226	451,540
			United States		Eliminations	
Year ended March 31, 2009	Japan	Asia	of America	Total	or Corporate	Consolidated
1.Sales and operating income	-					
Sales to third parties	265,613	51,836	27,597	345,048	-	345,048
Sales to third parties Intergroup sales and transfers	265,613 $26,393$	51,836 12,548	27,597 627	345,048 39,569	(39,569)	345,048
-	,	,	,	,	(39,569)	345,048
Intergroup sales and transfers	26,393	12,548	627	39,569		
Intergroup sales and transfers Total Sales	26,393 292,007	12,548 64,385	627 28,224	39,569 384,618	(39,569) (39,701)	345,048

Sales by Customer's Geographical Location

	Year	Year ended		
	March 31	March 31		
	2008	2009		
Sales designated for:				
Japan	$220,\!559$	196,653		
Asia	139,974	101,661		
Other	57,994	46,733		
Total	418,529	345,048		