

CONSOLIDATED FINANCIAL RESULTS FOR THE FIRST QUARTER ENDED JUNE 30, 2009

(In accordance with Japanese accounting standards)

FOR IMMEDIATE RELEASE

August 7, 2009 -- Mitsubishi Rayon Company, Limited announces its consolidated financial results for the three months ended June 30, 2009, the first quarter of the year ending March 31, 2010.

Consolidated Financial Highlights

(Millions of yen, except per share)

	First Quarter ended		<u>Change</u>
	June 30	June 30	
	2009	<u>2008</u>	
Net sales	62,180	91,336	(31.9) %
Operating (loss) income	(5,683)	2,341	- %
Net (loss) income	(5,257)	1,223	- %
Amounts per share (yen):			
Net (loss) income:			
Basic	(9.19)	2.14	

Consolidated Net Assets, Liabilities and Total Assets

(Millions of yen, except per share)

	First Quarter ended	Year ending
	June 30	March 31
	2009	<u>2009</u>
Total assets	615,430	408,933
Net assets	166,687	160,995
Equity ratio (%)	24.3 %	36.1 %
Net Assets per share (yen)	261.72	258.26

Forecast for the year ending March 31, 2010

(Millions of yen)

	Six months ending	Year ending
	September 30	March 31
	<u>2009</u>	<u>2010</u>
Net sales	148,000	370,000
Operating income	(4,600)	4,600
Net (loss) income	(7,000)	(1,000)

Note:

The forecast of consolidated results announced on May 13, 2009 is revised by this report.

Consolidated Statements of Income

(Millions of yen)

	First Quarter ended	
	June 30 2009	June 30 2008
Net Sales	62,180	91,336
Cost of Sales	54,363	73,414
Gross profit	7,816	17,921
Selling, General and Administrative Expenses	13,499	15,580
Operating (loss) income	(5,683)	2,341
Other Income (Expenses):		
Interest income	39	62
Dividends income	251	381
Interest expense	(693)	(543)
Financing expenses	(738)	-
Equity in earnings of affiliates	-	464
Foreign currency translation adjustments	688	756
Gain on sales of fixed assets	0	20
Loss on sales and disposal of fixed assets	(186)	(386)
Loss of impairment of fixed assets	(201)	(32)
Gain on sales of securities and investments	1	-
Loss on sales of securities and investments	(0)	-
Loss on revaluation of securities and investments	(3)	(6)
Other, net	(168)	51
(Loss) income before income taxes and minority interests	(6,693)	3,108
Income Taxes:		
Current	(1,681)	1,537
(Loss) income before minority interests	(5,011)	1,570
Minority (Interests)	(245)	(347)
Net (loss) income	(5,257)	1,223

(Yen)

	First Quarter ended	
	June 30 2009	June 30 2008
Amounts per Share:		
Net income (loss):		
Basic	(9.19)	2.14

Consolidated Balance Sheets

(Millions of yen)

	First Quarter ended	Year ended
	June 30 2009	March 31 2009
[Assets]		
Current Assets:		
Cash and time deposits	62,894	45,491
Notes and accounts receivable:		
Notes receivable	5,530	5,907
Accounts receivable	65,538	49,924
Less allowance for doubtful accounts	(1,154)	(670)
	69,913	55,161
Finished goods	38,048	31,285
Work in process	3,296	3,311
Raw materials and supplies	18,706	13,293
Other current assets	14,414	19,193
Total current assets	207,275	167,736
Property, Plant and Equipment, at Cost:		
Land	29,783	26,140
Buildings	123,858	115,734
Machinery and equipment	493,493	395,448
Construction-in-progress	35,731	29,217
Leased assets	471	78
	683,338	566,620
Less accumulated depreciation	(400,471)	(396,817)
Property, plant and equipment, net	282,867	169,802
Investments and Other Assets:		
Investment securities	53,538	45,587
Less allowance for doubtful accounts	(88)	(80)
Goodwill	31,946	1,325
Other assets	39,890	24,562
Total investments and other assets	125,287	71,395
Total assets	615,430	408,933

Consolidated Balance Sheets (continued)

(Millions of yen)

	First Quarter ended June 30	Year ended March 31
	2009	2009
[Liabilities]		
Current Liabilities:		
Short-term bank loans	218,858	71,511
Notes and accounts payable:		
Notes payable	2,321	3,063
Accounts payable	46,908	28,280
	49,230	31,344
Allowances	2,346	7,527
Other current liabilities	35,656	25,109
Total current liabilities	306,091	135,492
Long-Term Liabilities:		
Long-term debt	92,138	81,517
Retirement allowances	37,573	27,321
Other allowances	2,239	574
Other long-term liabilities	10,699	3,031
Total long-term liabilities	142,651	112,445
Total liabilities	448,742	247,937
[Net Assets]		
Shareholders' Equity:		
Common stock	53,229	53,229
Capital surplus	28,588	28,588
Retained earnings	81,719	87,553
Less treasury stock, at cost	(10,263)	(10,264)
Total shareholders' equity	153,273	159,106
Valuation and translation adjustments and other:		
Unrealized gain on other securities	6,653	1,510
Deferred loss on hedges	(146)	(160)
Foreign currency translation adjustments	(10,013)	(12,664)
Total valuation, translation adjustments and other	(3,505)	(11,315)
Minority Interests in Consolidated Subsidiaries		
Total net assets	166,687	160,995
Total liabilities and net assets	615,430	408,933

Consolidated Statements of Cash Flows

(Millions of yen)

	First Quarter ended	
	June 30 2009	June 30 2008
Operating Activities:		
(Loss) income before income taxes and minority interests	(6,693)	3,108
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:		
Depreciation and amortization	6,295	6,439
Loss of impairment of fixed assets	201	32
Goodwill amortization	187	178
Increase (decrease) in retirement allowances	12	(282)
Decrease in prepaid pension expense	1,135	1,648
Decrease in allowance for doubtful accounts	(29)	(26)
Interest expenses	693	543
Financing expenses	738	-
Foreign currency translation adjustments	(665)	(30)
Interest and dividends income	(290)	(443)
Equity in losses (earnings) of affiliates	142	(464)
Loss on sales and disposal of property, plant and equipment	140	171
Loss on revaluation of securities and investments	3	6
Decrease in notes and accounts receivable	4,813	7,489
Decrease (increase) in inventories	1,746	(7,855)
Increase in notes and accounts payable	7,357	5,464
Increase in accrued consumption taxes	1,220	-
Other, net	1,135	(254)
Subtotal	18,145	15,726
Interest and dividends income received	290	443
Interest expenses paid	(629)	(448)
Income taxes paid	(1,013)	(3,691)
Net cash provided by operating activities	16,792	12,029
Investing Activities:		
Purchases of property, plant and equipment	(11,302)	(9,656)
Proceeds from sales of property, plant and equipment	11	66
Advanced proceeds from sales of property, plant and equipment	1,150	-
Purchases of investment securities	(1,005)	(4)
Proceeds from sales of investment securities	4	-
Purchase of investments in subsidiaries	(740)	-
Increase in short-term loans receivable	(34)	(185)
Repayment of loans payable of subsidiaries resulting in business acquisition	(153,187)	-
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	11,189	-
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	(89)	-
Other, net	(72)	(357)
Net cash used in investing activities	(154,077)	(10,137)
Financing Activities:		
Net increase in short-term bank loans	144,766	3,141
Proceeds from long-term loans payable	7,500	-
Repayment of long-term loans payable	(828)	(2,470)
Financing expenses paid	(738)	-
Proceeds from transaction of derivatives resulting in business acquisition	5,091	-
Cash dividends paid	(585)	(3,144)
Cash dividends paid to minority shareholders	(1,237)	(58)
Proceeds from issuance of common stock to minority shareholders	-	663
Other, net	(15)	(5)
Net cash used in financing activities	153,953	(1,874)
Effect of exchange rate changes on cash and cash equivalents	735	(565)
Net increase (decrease) in cash and cash equivalents	17,403	(547)
Cash and cash equivalents at beginning of year	45,491	17,361
Cash and cash equivalents at end of first quarter	62,894	16,814

Business Segment Information

(Millions of yen)

First Quarter ended June 30, 2009	Chemicals & Plastics	Acrylic Fibers	Carbon Fibers	Acetate Fibers, Membranes and Others	Total	Eliminations or Corporate	Consolidated
		& AN Monomer and Derivatives	& Composite Materials				
1. Sales and operating income							
Sales to third parties	30,130	8,758	5,607	17,684	62,180	-	62,180
Intergroup sales and transfers	2,370	484	8	8,099	10,962	(10,962)	-
Total Sales	32,501	9,243	5,615	25,783	73,143	(10,962)	62,180
Operating loss	(1,502)	(705)	(2,985)	(713)	(5,905)	222	(5,683)
(Without recognition of previous years' actuarial gain or losses as Operating expenses)	[(560)]	[(592)]	[(2,787)]	[(531)]	[(4,471)]	[222]	[(4,248)]

First Quarter ended June 30, 2008	Chemicals & Plastics	Acrylic Fibers	Carbon Fibers	Acetate Fibers, Membranes and Others	Total	Eliminations or Corporate	Consolidated
		& AN Monomer and Derivatives	& Composite Materials				
1. Sales and operating income							
Sales to third parties	42,897	14,389	10,559	23,490	91,336	-	91,336
Intergroup sales and transfers	3,046	1,272	2	9,479	13,799	(13,799)	-
Total Sales	45,943	15,661	10,561	32,969	105,135	(13,799)	91,336
Operating income (loss)	1,616	(878)	1,403	133	2,275	66	2,341
(Without recognition of previous years' actuarial gain or losses as Operating expenses)	[2,615]	[(699)]	[1,622]	[310]	[3,849]	[66]	[3,915]

Geographical Segment Information

(Millions of yen)

First Quarter ended June 30, 2009	Japan	Asia	United States of America	Total	Eliminations or Corporate	Consolidated
1.Sales and operating income						
Sales to third parties	51,447	7,037	3,695	62,180	-	62,180
Intergroup sales and transfers	4,179	1,198	46	5,424	(5,424)	-
Total Sales	55,627	8,236	3,741	67,605	(5,424)	62,180
Operating income (loss)	(5,701)	(343)	137	(5,907)	224	(5,683)

First Quarter ended June 30, 2008	Japan	Asia	United States of America	Total	Eliminations or Corporate	Consolidated
1.Sales and operating income						
Sales to third parties	72,073	11,653	7,609	91,336	-	91,336
Intergroup sales and transfers	6,928	2,217	158	9,304	(9,304)	-
Total Sales	79,001	13,871	7,768	100,641	(9,304)	91,336
Operating income	579	397	1,197	2,174	166	2,341

Sales by Customer's Geographical Location

(Millions of yen)

	First Quarter ended	
	June 30 2009	June 30 2008
Sales designated for:		
Japan	35,131	49,291
Asia	20,345	28,833
Other	6,703	13,211
Total	62,180	91,336