

**CONSOLIDATED FINANCIAL RESULTS FOR THE NINE-MONTH PERIOD ENDED DECEMBER 31, 2009**

(In accordance with Japanese accounting standards)

**FOR IMMEDIATE RELEASE**

FEBRUARY 8, 2010 -- Mitsubishi Rayon Company, Limited announces its consolidated financial results for the nine months ended December 31, 2009, the third quarter of the year ending March 31, 2010.

**Consolidated Financial Highlights**

(Millions of yen, except per share)

	Nine months ended		<u>Change</u>
	<b>December 31 2009</b>	December 31 2008	
Net sales	257,528	281,834	(8.6) %
Operating income	1,871	215	767.7 %
Net loss	(11,957)	(22,224)	- %
Amounts per share (yen):			
Net loss:			
Basic	(20.90)	(38.83)	

**Consolidated Net Assets, Liabilities and Total Assets**

(Millions of yen, except per share)

	Third Quarter ended	Year ended
	<b>December 31 2009</b>	March 31 2009
Total assets	569,734	408,933
Net assets	156,487	160,995
Equity ratio (%)	24.2 %	36.1 %
Net assets per share (yen)	240.69	258.26

**Forecast for the year ending March 31, 2010**

(Millions of yen)

	Year ending March 31 2010
Net sales	370,000
Operating income	4,600
Net loss	(11,000)

**Consolidated Statements of Income**

(Millions of yen)

	Nine months ended	
	December 31 2009	December 31 2008
<b>Net Sales</b>	257,528	281,834
<b>Cost of Sales</b>	207,635	234,499
Gross profit	49,893	47,335
<b>Selling, General and Administrative Expenses</b>	48,021	47,119
Operating income	1,871	215
<b>Other Income (Expenses):</b>		
Interest income	131	194
Dividends income	495	736
Interest expense	(2,514)	(1,611)
Equity in earnings of affiliates	423	-
Foreign currency translation adjustments	(7,241)	-
Gain on sales of fixed assets	59	33
Loss on sales and disposal of fixed assets	(510)	(1,193)
Loss of impairment of fixed assets	(3,527)	(11,468)
Gain on sales of securities and investments	842	1,327
Loss on sales of securities and investments	(0)	(0)
Gain on sales of investments in capital of subsidiaries and affiliates	1,341	-
Loss on sales of investments in capital of subsidiaries and affiliates	(106)	-
Loss on revaluation of securities and investments	(26)	(10,347)
Insurance income	-	266
Restructuring charges	(97)	(138)
Loss on business restructuring	(228)	(945)
Allowance for loss on business restructuring	(780)	(5,634)
Other, net	(2,034)	(428)
	(13,775)	(29,210)
Loss before income taxes and minority interests	(11,903)	(28,995)
<b>Income Taxes:</b>		
Current	(1,730)	(3,999)
Prior	-	(3,479)
Deferred for prior periods	-	3,080
Loss before minority interests	(10,173)	(24,595)
<b>Minority (Interests) Loss</b>	(1,784)	2,371
Net loss	(11,957)	(22,224)

	Nine months ended		Year ended
	December 31 2009	December 31 2008	March 31 2010
<b>Amounts per share (yen):</b>			
Net loss:			
Basic	(20.90)	(38.83)	(19.22)

**Consolidated Balance Sheets**

(Millions of yen)

	Third Quarter ended	Year ended
	December 31 2009	March 31 2009
<b>[Assets]</b>		
<b>Current Assets:</b>		
Cash and time deposits	28,670	45,491
Notes and accounts receivable:		
Notes receivable	6,299	5,907
Accounts receivable	76,124	49,924
Less allowance for doubtful accounts	(1,156)	(670)
	81,267	55,161
Finished goods	32,564	31,285
Work in process	3,683	3,311
Raw materials and supplies	19,178	13,293
Other current assets	23,042	19,193
<b>Total current assets</b>	<b>188,407</b>	<b>167,736</b>
<b>Property, Plant and Equipment, at Cost:</b>		
Land	29,574	26,140
Buildings	125,231	115,734
Machinery and equipment	479,761	395,448
Construction-in-progress	35,735	29,217
Leased assets	499	78
	670,803	566,620
Less accumulated depreciation	(405,130)	(396,817)
<b>Property, plant and equipment, net</b>	<b>265,673</b>	<b>169,802</b>
<b>Investments and Other Assets:</b>		
Investment securities	50,619	45,587
Less allowance for doubtful accounts	(114)	(80)
Goodwill	29,375	1,325
Other assets	35,772	24,562
<b>Total investments and other assets</b>	<b>115,653</b>	<b>71,395</b>
<b>Total assets</b>	<b>569,734</b>	<b>408,933</b>

**Consolidated Balance Sheets (continued)**

(Millions of yen)

	Third Quarter ended December 31	Year ended March 31
	2009	2009
<b>[Liabilities]</b>		
<b>Current Liabilities:</b>		
Short-term bank loans	44,995	71,511
Current portion of long-term debt	10,000	-
Notes and accounts payable:		
Notes payable	2,671	3,063
Accounts payable	57,627	28,280
	60,299	31,344
Allowance for loss on business restructuring	715	4,323
Other allowances	2,717	3,204
Other current liabilities	31,158	25,109
<b>Total current liabilities</b>	<b>149,885</b>	<b>135,492</b>
<b>Long-Term Liabilities:</b>		
Long-term debt	213,993	81,517
Retirement allowances	38,665	27,321
Other allowances	1,439	574
Other long-term liabilities	9,260	3,031
<b>Total long-term liabilities</b>	<b>263,360</b>	<b>112,445</b>
<b>Total liabilities</b>	<b>413,246</b>	<b>247,937</b>
<b>[Net Assets]</b>		
<b>Shareholders' Equity:</b>		
Common stock	53,229	53,229
Capital surplus	28,588	28,588
Retained earnings	75,018	87,553
Less treasury stock, at cost	(10,279)	(10,264)
<b>Total shareholders' equity</b>	<b>146,556</b>	<b>159,106</b>
<b>Valuation and translation adjustments and other:</b>		
Unrealized gain on other securities	4,493	1,510
Deferred loss on hedges	(229)	(160)
Foreign currency translation adjustments	(13,102)	(12,664)
<b>Total valuation, translation adjustments and other</b>	<b>(8,838)</b>	<b>(11,315)</b>
<b>Minority Interests in Consolidated Subsidiaries</b>	<b>18,769</b>	<b>13,204</b>
<b>Total net assets</b>	<b>156,487</b>	<b>160,995</b>
<b>Total liabilities and net assets</b>	<b>569,734</b>	<b>408,933</b>

**Consolidated Statements of Cash Flows**

(Millions of yen)

	Nine months ended	
	December 31 2009	December 31 2008
<b>Operating Activities:</b>		
Loss before income taxes and minority interests	(11,903)	(28,995)
Adjustments to reconcile loss before income taxes and minority interests to net cash provided by operating activities:		
Depreciation and amortization	21,675	20,072
Loss of impairment of fixed assets	3,527	11,468
Goodwill amortization	1,077	545
Loss on business restructuring	-	945
Increase in allowance for loss on business restructuring	666	5,634
Increase (decrease) in retirement allowances	1,668	(174)
Decrease in prepaid pension expense	1,135	5,081
Increase in allowance for doubtful accounts	39	15
Interest and dividends income	(627)	(930)
Interest expenses	2,514	1,611
Financing expenses	964	-
Foreign currency translation adjustments	6,938	-
Gain on sales of investment securities	(841)	(1,327)
Gain on sales of investments in capital of subsidiaries and affiliates	(1,235)	-
Loss on revaluation of securities and investments	26	10,347
Loss on revaluation of derivatives	1,069	-
Loss on sales and disposal of property, plant and equipment	332	649
Insurance income	-	(266)
(Increase) decrease in notes and accounts receivable	(8,332)	6,677
Decrease (increase) in inventories	4,696	(6,115)
Increase in notes and accounts payable	19,749	1,786
Increase (decrease) in accrued consumption taxes	1,789	(805)
Other, net	(149)	364
Subtotal	44,783	26,585
Interest and dividends income received	626	929
Interest expenses paid	(2,294)	(1,551)
Insurance income	-	266
Income taxes paid	(3,213)	(8,198)
Income taxes refund	2,051	4,958
Net cash provided by operating activities	41,954	22,990

**Consolidated Statements of Cash Flows (continued)**

(Millions of yen)

	Nine months ended	
	December 31 2009	December 31 2008
<b>Investing Activities:</b>		
Purchases of property, plant and equipment	(31,186)	(26,765)
Proceeds from sales of property, plant and equipment	112	107
Advanced proceeds from sales of property, plant and equipment	1,150	-
Purchases of investment securities	(1,015)	(214)
Proceeds from sales of investment securities	1,979	3,112
Decrease (increase) in short-term loans receivable	24	(662)
Collection of long-term loans receivable	-	567
Repayments 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)	-
Payments for sales of investments in capital of subsidiaries resulting in change in scope of consolidation	(445)	-
Other, net	(113)	(1,487)
<b>Net cash used in investing activities</b>	<b>(171,582)</b>	<b>(25,341)</b>
<b>Financing Activities:</b>		
Net (decrease) increase in short-term bank loans	(27,253)	11,834
Proceeds from long-term loans payable	142,785	5,000
Repayments of long-term loans payable	(3,907)	(3,708)
Financing expenses paid	(964)	-
Proceeds from transaction of derivatives resulting in business acquisition	5,091	-
Cash dividends paid	(592)	(4,858)
Cash dividends paid to minority shareholders	(1,259)	(803)
Proceeds from issuance of common stock to minority shareholders	-	1,227
Other, net	(84)	(44)
<b>Net cash used in financing activities</b>	<b>113,814</b>	<b>8,646</b>
Effect of exchange rate changes on cash and cash equivalents	(1,027)	(999)
Net (decrease) increase in cash and cash equivalents	(16,840)	5,297
Cash and cash equivalents at beginning of year	45,491	17,361
Cash and cash equivalents at end of third quarter	28,650	22,658

**Business Segment Information**

(Millions of yen)

Nine months ended December 31, 2009	Chemicals & Plastics	Acrylic Fibers	Carbon Fibers	Acetate Fibers, Membranes and Others	Total	Eliminations or Corporate	Consolidated
		& AN Monomer and Derivatives	& Composite Materials				
Sales and operating income							
Sales to third parties	150,249	25,853	17,513	63,912	257,528	-	257,528
Intergroup sales and transfers	11,095	1,328	33	20,500	32,957	(32,957)	-
<b>Total Sales</b>	<b>161,345</b>	<b>27,181</b>	<b>17,546</b>	<b>84,412</b>	<b>290,486</b>	<b>(32,957)</b>	<b>257,528</b>
Operating income (loss)	8,892	(1,715)	(5,580)	132	1,729	142	1,871
( Without recognition of previous years' actuarial gain or losses as Operating expenses )	[11,399]	[(1,446)]	[(5,054)]	[560]	[5,459]	[142]	[5,601]

Nine months ended December 31, 2008	Chemicals & Plastics	Acrylic Fibers	Carbon Fibers	Acetate Fibers, Membranes and Others	Total	Eliminations or Corporate	Consolidated
		& AN Monomer and Derivatives	& Composite Materials				
Sales and operating income							
Sales to third parties	131,056	39,880	31,288	79,608	281,834	-	281,834
Intergroup sales and transfers	9,151	3,114	20	33,676	45,962	(45,962)	-
<b>Total Sales</b>	<b>140,208</b>	<b>42,994</b>	<b>31,309</b>	<b>113,284</b>	<b>327,796</b>	<b>(45,962)</b>	<b>281,834</b>
Operating income (loss)	3,142	(6,680)	2,977	692	131	84	215
( Without recognition of previous years' actuarial gain or losses as Operating expenses )	[5,997]	[(6,241)]	[3,647]	[1,190]	[4,593]	[84]	[4,678]

**Geographical Segment Information**

(Millions of yen)

Nine months ended December 31, 2009	※1					Total	Eliminations or Corporate	Consolidated
	Japan	Asia	North America	Europe				
Sales and operating income								
Sales to third parties	168,052	45,601	27,369	16,505	257,528	-	257,528	
Intergroup sales and transfers	14,256	6,473	514	88	21,333	(21,333)	-	
<b>Total Sales</b>	<b>182,308</b>	<b>52,075</b>	<b>27,883</b>	<b>16,594</b>	<b>278,862</b>	<b>(21,333)</b>	<b>257,528</b>	
Operating (loss) income	(3,977)	5,763	(800)	861	1,847	23	1,871	

※1 The results of operations of the companies in Canada and Europe have been reflected because they are in scope of consolidation from the second quarter. As a result, the former geographical segment of "United States of America" has been changed to "North America", and the geographical segment of "Europe" has been added.

Nine months ended December 31, 2008	Japan	Asia	United States		Total	Eliminations or Corporate	Consolidated
			of America				
Sales and operating income							
Sales to third parties	215,091	44,088	22,654		281,834	-	281,834
Intergroup sales and transfers	21,098	8,265	417		29,781	(29,781)	-
<b>Total Sales</b>	<b>236,190</b>	<b>52,353</b>	<b>23,071</b>		<b>311,615</b>	<b>(29,781)</b>	<b>281,834</b>
Operating (loss) income	(4,206)	1,256	3,091		140	75	215

**Sales by Customer's Geographical Location**

(Millions of yen)

	Nine months ended	
	December 31 2009	December 31 2008
Sales designated for:		
Japan	117,246	157,608
Asia	86,648	85,985
Others	53,633	38,240
<b>Total</b>	<b>257,528</b>	<b>281,834</b>