

CONSOLIDATED FINANCIAL RESULTS FOR THE NINE-MONTH PERIOD ENDED DECEMBER 31, 2008
(In accordance with Japanese accounting standards)

FOR IMMEDIATE RELEASE

FEBRUARY 9, 2009 -- Mitsubishi Rayon Company, Limited announces its consolidated financial results for the nine months ended December 31, 2008, the third quarter of the year ending March 31, 2009.

Consolidated Financial Highlights

(Millions of yen, except per share)

	Nine months ended	
	December 31 <u>2007</u>	December 31 <u>2008</u>
Net sales	312,746	281,834
Operating income	31,489	215
Net income	13,525	(22,224)
Amounts per share (yen):		
Net income:		
Basic	22.56	(38.83)

Consolidated Net Assets, Liabilities and Total Assets

(Millions of yen, except per share and ratio)

	Year ended	Third Quarter ended
	March 31 <u>2008</u>	December 31 <u>2008</u>
Total assets	451,540	425,880
Net assets	215,819	175,321
Equity ratio (%)	44.2 %	37.8 %
Net Assets per share (yen)	348.59	281.50

Forecast of Consolidated Results

(Millions of yen)

	Year ending
	March 31 <u>2009</u>
Net sales	355,000
Operating income	(6,000)
Net income	(27,000)

Consolidated Statements of Income

(Millions of yen)

	Nine months ended	
	December 31 2007	December 31 2008
Net Sales	312,746	281,834
Cost of Sales	236,247	234,499
Gross profit	76,498	47,335
Selling, General and Administrative Expenses	45,009	47,119
Operating income	31,489	215
Other Income (Expenses):		
Interest and dividend income	-	930
Interest expense	-	(1,611)
Gain on sales of fixed assets	-	33
Loss on sales and disposal of fixed assets	-	(1,193)
Loss of impairment of fixed assets	-	(11,468)
Gain on sales of securities and investments	-	1,327
Loss on sales of securities and investments	-	(0)
Loss on revaluation of securities and investments	-	(10,347)
Insurance income	-	266
Restructuring charges	-	(138)
Loss on business liquidation	-	(945)
Allowance for loss on business liquidation	-	(5,634)
Other, net	-	(428)
	(5,060)	(29,210)
Expenses (income) before income taxes and minority interest	26,429	(28,995)
Income Taxes:		
Current	10,211	(3,999)
Prior	-	(3,479)
Deferred for prior periods	-	3,080
Income before minority interests	16,217	(24,595)
Minority Interests	(2,692)	2,371
Net income	13,525	(22,224)

Note: The breakdowns of Other Income(Expenses) are omitted from consolidated statements of income, 2007.

(Yen)

	Third Quarter ended		Year ended
	December 31 2007	December 31 2008	March 31 2008
Amounts per Share:			
Net income:			
Basic	22.56	(38.83)	23.92

Consolidated Balance Sheets

(Millions of yen)

	Year ended	Third Quarter ended
	March 31 2008	December 31 2008
[Assets]		
Current Assets:		
Cash and time deposits	17,361	22,658
Notes and accounts receivable:		
Notes receivable	7,397	8,362
Accounts receivable	74,058	64,848
Less allowance for doubtful accounts	(345)	(407)
	81,110	72,803
Finished goods	34,435	40,997
Raw materials	15,105	14,233
Work in process	5,993	4,517
Other current assets	23,253	30,923
Total current assets	177,259	186,134
Property, Plant and Equipment, at Cost:		
Land	25,752	25,680
Buildings	112,864	113,685
Machinery and equipment	402,539	399,538
Construction-in-progress	18,422	25,538
Lease	-	24
	559,580	564,467
Less accumulated depreciation	(386,099)	(396,401)
Property, plant and equipment, net	173,481	168,065
Investments and Other Assets:		
Investments in and advances to unconsolidated subsidiaries and affiliates	22,330	19,981
Investment securities	48,665	29,518
Other assets	29,802	22,180
Total investments and other assets	100,799	71,680
Total assets	451,540	425,880

Consolidated Balance Sheets

(Millions of yen)

	Year ended March 31	Third Quarter ended December 31
	2008	2008
[Liabilities]		
Current Liabilities:		
Short-term bank loans	42,953	52,246
Notes and accounts payable:		
Notes payable	4,489	5,463
Accounts payable	57,433	56,521
Allowance for loss on business liquidation	61,923	61,984
Other allowance	-	5,634
Other current liabilities	4,177	2,381
Total current liabilities	137,914	151,843
Long-Term Liabilities:		
Long-term debt	65,711	67,921
Retirement allowances	27,659	27,483
Other allowance	1,084	383
Other long-term liabilities	3,352	2,927
Total long-term liabilities	97,806	98,716
Total liabilities	235,721	250,559
[Net Assets]		
Shareholders' Equity:		
Common stock	53,229	53,229
Capital surplus	28,796	28,547
Retained earnings	122,706	94,331
Less treasury stock, at cost	(10,488)	(10,273)
Total shareholders' equity	194,245	165,834
Valuation and translation adjustments and other:		
Unrealized gain on other securities	5,753	1,311
Deferred gains on hedges	7	486
Foreign currency translation adjustments	(476)	(6,542)
Total valuation, translation adjustments and other	5,283	(4,744)
Minority Interests in Consolidated Subsidiaries	16,290	14,230
Total net assets	215,819	175,321
Total liabilities and net assets	451,540	425,880

Consolidated Statements of Cash Flows

(Millions of yen)

	Nine months ended	
	December 31 2007	December 31 2008
Operating Activities:		
Income before income taxes and minority interests	26,429	(28,995)
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:		
Depreciation and amortization	18,831	20,072
Loss of impairment of fixed assets	-	11,468
Goodwill amortization	-	545
Loss on business liquidation	-	945
Increase in allowance for loss on business liquidation	-	5,634
Decrease in retirement allowances	(898)	(174)
Decrease in prepaid pension expense	2,999	5,081
Increase in allowance for doubtful accounts	-	15
Interest and dividends income	-	(930)
Interest expense	-	1,611
Gain on sales of investment securities	-	(1,327)
Loss on revaluation of securities and investments	-	10,347
Loss on sale of fixed assets	-	649
Insurance income	-	(266)
Decrease in notes and accounts receivable	7,656	6,677
Increase in inventories	(11,078)	(6,115)
Increase in notes and accounts payable	1,497	1,786
Other, net	(768)	(440)
Subtotal	44,668	26,585
Interest and dividends received	807	929
Interest paid	(1,317)	(1,551)
Insurance income	-	266
Income taxes paid	(17,143)	(8,198)
Income taxes refunded	-	4,958
Net cash provided by operating activities	27,015	22,990
Investing Activities:		
Purchases of property, plant and equipment	(21,489)	(26,765)
Proceeds from sales of property, plant and equipment	-	107
Purchases of investment securities	(12,744)	(214)
Proceeds from sales of investment securities	-	3,112
Increase in short-term loans receivable	-	(662)
Proceeds from collection of long-term loans	-	567
Other, net	(2,925)	(1,487)
Net cash used in investing activities	(37,159)	(25,341)
Financing Activities:		
Increase in short-term bank loans	2,616	11,834
Proceeds from long-term loans	5,000	5,000
Repayment of long-term loans	(2,904)	(3,708)
Proceeds from issuance of bonds	20,000	-
Cash dividends paid	(6,306)	(5,661)
Proceeds from issuance of common stock to minority sharehol	-	1,227
Other, net	(4,052)	(44)
Net cash used in financing activities	14,353	8,646
Effect of exchange rate changes on cash and cash equivalents	(116)	(999)
Net increase in cash and cash equivalents	4,093	5,297
Beginning balance of cash and cash equivalents	10,701	17,361
Cash and cash equivalents at end of second quarter	14,794	22,658

Note: Part of the breakdowns are omitted from consolidated statements of cash flows, 2007.

Business Segment Information

(Millions of yen)

Nine months ended December 31, 2007	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	138,284	58,685	35,980	79,796	312,746	-	312,746
Intergroup sales and transfers	9,190	4,183	10	27,836	41,220	(41,220)	-
Total Sales	147,474	62,869	35,990	107,632	353,967	(41,220)	312,746
Operating income	18,108	1,869	9,343	2,231	31,553	(63)	31,489
(Without recognition of previous years' actuarial gain or losses as Operating expenses)	[18,962]	[2,034]	[9,551]	[2,380]	[32,928]	[(63)]	[32,864]

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)	-
Total Sales	140,208	42,994	31,309	113,284	327,796	(45,962)	281,834
Operating income	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, 2008	Japan	Asia	United States of America	Total	Eliminations or Corporate	Consolidated
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)	-
Total Sales	236,190	52,353	23,071	311,615	(29,781)	281,834
Operating income	(4,206)	1,256	3,091	140	75	215

Sales by Customer's Geographical Location

(Millions of yen)

	Nine months ended
	December 31
	2008
Sales designated for:	
Japan	157,608
Asia	85,985
Other	38,240
Total	281,834