

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		Change
	<u>2008</u>	<u>2009</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

(Millions of yen)

	Six months ending	Year ending
	September 30	March 31
	<u>2009</u>	<u>2010 ※2</u>
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	-

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

※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 2008	March 31 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	-
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 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

(Millions of yen)

[Assets]	Year ended	
	March 31 2008	March 31 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)

(Millions of yen)

	Year ended	
	March 31 2008	March 31 2009
[Liabilities]		
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

(Millions of yen)

	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)

(Millions of yen)

	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

(Millions of yen)

	Year ended	
	March 31 2008	March 31 2009
Operating Activities:		
Income (loss) before income taxes and minority interests	27,820	(35,628)
Adjustments to reconcile income before 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	51,801	25,803
Interest and dividends received	1,010	1,061
Interest paid	(1,942)	(2,133)
Insurance income	-	280
Legal settlement	(679)	-
Special retirement benefits	(488)	-
Income taxes paid	(17,879)	(8,588)
Income taxes refunded	-	4,937
Net cash provided by operating activities	31,823	21,359
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
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	10,701	17,361
Cash and cash equivalents at end of second quarter	17,361	45,491

Business Segment Information

(Millions of yen)

Year ended March 31, 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	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 expenditures							
Total assets	185,609	61,732	45,519	107,624	400,485	51,054	451,540
Depreciation	12,830	3,965	4,793	3,119	24,709	-	24,709
Capital expenditures	17,005	2,758	6,723	2,720	29,208	-	29,208

Year ended March 31, 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	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 expenditures							
Total assets	152,369	39,402	49,113	110,448	351,334	57,598	408,933
Depreciation	14,209	3,461	5,906	3,487	27,063	-	27,063
Loss of impairment of fixed assets	32	10,714	-	600	11,346	-	11,346
Capital expenditures	22,343	3,090	14,505	4,351	44,290	-	44,290

Geographical Segment Information

(Millions of yen)

Year ended March 31, 2008	Japan	Asia	United States of America	Total	Eliminations 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
2.Total assets	306,758	83,694	16,861	407,314	44,226	451,540
Year ended March 31, 2009	Japan	Asia	United States of America	Total	Eliminations or Corporate	Consolidated
1.Sales and operating income						
Sales to third parties	265,613	51,836	27,597	345,048	-	345,048
Intergroup sales and transfers	26,393	12,548	627	39,569	(39,569)	-
Total Sales	292,007	64,385	28,224	384,618	(39,569)	345,048
Operating expenses	304,363	63,101	24,898	392,362	(39,701)	352,661
Operating income (loss)	(12,355)	1,284	3,326	(7,744)	131	(7,612)
2.Total assets	285,947	62,150	13,844	361,942	46,991	408,933

Sales by Customer's Geographical Location

(Millions of yen)

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