

CONSOLIDATED FINANCIAL RESULTS FOR THE THIRD QUARTER ENDED DECEMBER 31, 2004

(In accordance with Japanese accounting standards)

FOR IMMEDIATE RELEASE

February 10, 2005 -- Mitsubishi Rayon Company, Limited announces its consolidated financial results for the nine months ended December 31, 2004, the third quarter of the year ending March 31, 2005.

Consolidated Financial Highlights

(Millions of yen, except per share)

	Third Quarter ended		Change	Year ended
	December 31	December 31		March 31
	<u>2004</u>	<u>2003</u>		<u>2004</u>
Net sales	240,114	224,831	6.8 %	309,593
Operating income	22,113	19,846	11.4 %	27,302
Net income	11,186	10,366	7.9 %	12,293
Amounts per share (yen):				
Net income:				
Basic	18.29	16.93		20.01
Diluted	-	-		-

Consolidated Shareholders' Equity and Total Assets

(Millions of yen, except per share and ratio)

	Third Quarter ended		Year ended
	December 31	December 31	March 31
	<u>2004</u>	<u>2003</u>	<u>2004</u>
Shareholders' equity	153,914	142,659	146,476
Equity ratio	43.8 %	41.1 %	42.8 %
Equity per share (yen)	251.73	233.26	239.44
Total assets	351,128	347,213	342,300

Consolidated Cash Flows

(Millions of yen)

	Third Quarter ended		Year ended
	December 31	December 31	March 31
	<u>2004</u>	<u>2003</u>	<u>2004</u>
Net cash provided by operating activities	31,898	17,952	22,189
Net cash used in investing activities	(14,622)	(8,024)	(8,953)
Net cash used in financing activities	(19,081)	(2,311)	(7,516)
Cash and cash equivalents at end of year	11,221	14,800	12,783

Forecast of Consolidated Results

(Millions of yen)

	Year ending
	March 31
	<u>2005</u>
Net sales	330,000
Operating income	30,000
Net income	14,500

Consolidated Statements of Operations

(Millions of yen)

	Third Quarter ended		Year ended
	December 31 2004	December 31 2003	March 31 2004
Net Sales	240,114	224,831	309,593
Cost of Sales	179,415	166,055	230,235
Gross profit	60,699	58,776	79,358
Selling, General and Administrative Expenses	38,586	38,929	52,055
Operating income	22,113	19,846	27,302
Other Income	3,025	4,076	4,334
Other Expenses	(6,371)	(7,057)	(10,565)
Income before income taxes and minority interest	18,767	16,864	21,071
Income Taxes:			
Current	5,913	4,704	7,908
Deferred	-	-	(1,412)
Income before minority interests	12,854	12,160	14,576
Minority Interests	(1,668)	(1,793)	(2,283)
Net income	11,186	10,366	12,293

(Yen)

	Third Quarter ended		Year ended
	December 31 2004	December 31 2003	March 31 2004
Amounts per Share:			
Net income:			
Basic	18.29	16.93	20.01
Diluted	-	-	-

Consolidated Balance Sheets

(Millions of yen)

	Third Quarter ended		Year ended
	December 31 2004	December 31 2003	March 31 2004
[Assets]			
Current Assets:			
Cash and time deposits	11,241	14,875	12,849
Notes and accounts receivable	73,872	68,593	76,842
Inventories	44,191	44,381	38,719
Other current assets	16,596	19,235	13,321
Total current assets	145,902	147,085	141,733
Property, Plant and Equipment:	133,109	127,472	127,978
Investments and Other Assets:	72,117	72,656	72,588
Total assets	351,128	347,213	342,300
[Liabilities and Shareholders' Equity]			
Current Liabilities:			
Short-term bank loans	36,290	43,268	37,965
Current portion of long term debt	10,000	-	10,000
Notes and accounts payable	59,818	53,289	48,550
Other current liabilities	26,936	24,449	24,809
Total current liabilities	133,046	121,007	121,325
Long-Term Liabilities:			
Long-term debt	15,993	38,116	27,658
Retirement allowances	35,271	33,348	34,392
Other long-term liabilities	2,851	2,876	2,927
Total long-term liabilities	54,116	74,342	64,978
Minority Interests in Consolidated Subsidiaries	10,052	9,204	9,520
Shareholders' Equity:			
Common stock	53,229	53,229	53,229
Capital surplus	33,956	34,522	33,952
Retained earnings	66,456	57,301	59,227
Revaluation difference	30	30	30
Unrealized gain on other securities	4,666	2,508	4,893
Foreign currency translation adjustments	(4,163)	(4,164)	(4,648)
Less treasury stock, at cost	(263)	(768)	(209)
Total shareholders' equity	153,914	142,659	146,476
Total liabilities and Shareholders' equity	351,128	347,213	342,300

Business Segment Information

(Millions of yen)

Third Quarter ended December 31, 2004	Chemicals and Plastics	Fibers	Specialty Products, Engineering and Others	Total	Eliminations or corporate	Consolidated
Sales and operating income						
Sales to third parties	103,242	65,609	71,262	240,114	-	240,114
Intergroup sales and transfers	6,444	78	22,981	29,505	(29,505)	-
Total Sales	109,687	65,688	94,244	269,620	(29,505)	240,114
Operating expenses	95,223	63,610	88,744	247,579	(29,577)	218,001
Operating income	14,463	2,077	5,499	22,041	71	22,113

Third Quarter ended December 31, 2003	Chemicals and Plastics	Fibers	Specialty Products, Engineering and Others	Total	Eliminations or corporate	Consolidated
Sales and operating income						
Sales to third parties	92,807	67,666	64,357	224,831	-	224,831
Intergroup sales and transfers	6,270	87	19,273	25,632	(25,632)	-
Total Sales	99,078	67,754	83,631	250,463	(25,632)	224,831
Operating expenses	83,817	64,649	82,160	230,627	(25,642)	204,984
Operating income	15,260	3,104	1,470	19,835	10	19,846

Year ended March 31, 2004	Chemicals and Plastics	Fibers	Specialty Products, Engineering and Others	Total	Eliminations or corporate	Consolidated
Sales and operating income						
Sales to third parties	125,196	90,816	93,580	309,593	-	309,593
Intergroup sales and transfers	8,511	131	27,380	36,024	(36,024)	-
Total Sales	133,708	90,948	120,961	345,617	(36,024)	309,593
Operating expenses	113,039	87,117	118,119	318,276	(35,985)	282,290
Operating income	20,668	3,830	2,841	27,341	(38)	27,302