

**CONSOLIDATED FINANCIAL RESULTS FOR THE THIRD QUARTER ENDED DECEMBER 31, 2005**

(In accordance with Japanese accounting standards)

**FOR IMMEDIATE RELEASE**

February 8, 2006 -- Mitsubishi Rayon Company, Limited announces its consolidated financial results for the nine months Dec 31, 2005, the third quarter of the year ending March 31, 2006.

**Consolidated Financial Highlights**

(Millions of yen, except per share)

	Third Quarter ended		Change	Year ended March 31 2005
	December 31 2005	December 31 2004		
Net sales	252,174	240,114	5.0 %	330,106
Operating income	29,106	22,113	31.6 %	30,802
Net income	19,083	11,186	70.6 %	14,438
Amounts per share (yen):				
Net income:				
Basic	31.68	18.29		23.52

**Consolidated Shareholders' Equity, Debts and Total Assets**

(Millions of yen, except per share and ratio)

	Third Quarter ended		Year ended March 31 2005
	December 31 2005	December 31 2004	
Shareholders' equity	177,363	153,914	156,842
Equity ratio	46.0 %	43.8 %	45.3 %
Equity per share (yen)	295.71	251.73	256.46
Total assets	385,190	351,128	345,989

**Consolidated Cash Flows**

(Millions of yen)

	Third Quarter ended		Year ended March 31 2005
	December 31 2005	December 31 2004	
Net cash provided by operating activities	27,974	31,898	38,046
Net cash used in investing activities	(17,533)	(14,622)	(23,081)
Net cash used in financing activities	(9,426)	(19,081)	(19,115)
Cash and cash equivalents at end of year	9,764	11,221	8,426

**Forecast of Consolidated Results**

(Millions of yen)

	Year ending March 31 2006
	Net sales
Operating income	38,000
Net income	22,500



**Consolidated Statements of Operations**

(Millions of yen)

	Third Quarter ended		Year ended
	December 31 2005	December 31 2004	March 31 2005
<b>Net Sales</b>	252,174	240,114	330,106
<b>Cost of Sales</b>	184,212	179,415	247,633
Gross profit	67,962	60,699	82,472
<b>Selling, General and Administrative Expenses</b>	38,856	38,586	51,670
Operating income	29,106	22,113	30,802
<b>Other Income</b>	13,390	3,025	4,944
<b>Other Expenses</b>	(10,402)	(6,371)	(11,353)
Income before income taxes and minority interest	32,094	18,767	24,393
<b>Income Taxes:</b>			
Current	10,108	5,913	8,301
Deferred	-	-	(435)
Income before minority interests	21,985	12,854	16,527
<b>Minority Interests</b>	(2,902)	(1,668)	(2,088)
Net income	19,083	11,186	14,438

(Yen)

	Third Quarter ended		Year ended
	December 31 2005	December 31 2004	March 31 2005
<b>Amounts per Share:</b>			
Net income:			
Basic	31.68	18.29	23.52

**Consolidated Balance Sheets**

(Millions of yen)

	Third Quarter ended		Year ended
	December 31 2005	December 31 2004	March 31 2005
<b>[Assets]</b>			
<b>Current Assets:</b>			
Cash and time deposits	9,774	11,241	8,446
Notes and accounts receivable	76,261	73,872	76,660
Inventories	50,020	44,191	37,685
Other current assets	18,953	16,596	13,975
Total current assets	155,009	145,902	136,767
<b>Property, Plant and Equipment:</b>	145,154	133,109	135,137
<b>Investments and Other Assets:</b>	85,025	72,117	74,084
Total assets	385,190	351,128	345,989
<b>[Liabilities and Shareholders' Equity]</b>			
<b>Current Liabilities:</b>			
Short-term bank loans	42,573	36,290	35,634
Current portion of long term debt	-	10,000	10,000
Notes and accounts payable	64,833	59,818	52,786
Other current liabilities	32,214	26,936	26,866
Total current liabilities	139,620	133,046	125,287
<b>Long-Term Liabilities:</b>			
Long-term debt	21,883	15,993	15,683
Retirement allowances	31,721	35,271	35,102
Other long-term liabilities	3,102	2,851	2,891
Total long-term liabilities	56,707	54,116	53,677
<b>Minority Interests in Consolidated Subsidiaries</b>	11,498	10,052	10,183
<b>Shareholders' Equity:</b>			
Common stock	53,229	53,229	53,229
Capital surplus	28,785	33,956	33,956
Retained earnings	84,128	66,456	69,709
Revaluation difference	30	30	30
Unrealized gain on other securities	14,168	4,666	5,496
Foreign currency translation adjustments	(2,867)	(4,163)	(5,298)
Less treasury stock, at cost	(112)	(263)	(281)
Total shareholders' equity	177,363	153,914	156,842
Total liabilities and shareholders' equity	385,190	351,128	345,989

Third Quarter ended December 31, 2005	Chemicals and Plastics	Carbon Fiber& Composite Materials,			Eliminations or corporate	Consolidated
		Fibers	Membranes and Others	Total		
Sales and operating income						
Sales to third parties	125,395	61,844	64,935	252,174	-	252,174
Intergroup sales and transfers	6,926	45	22,457	29,429	(29,429)	-
<b>Total Sales</b>	<b>132,321</b>	<b>61,889</b>	<b>87,393</b>	<b>281,604</b>	<b>(29,429)</b>	<b>252,174</b>
Operating expenses	111,448	60,515	80,627	252,590	(29,522)	223,068
<b>Operating income</b>	<b>20,873</b>	<b>1,374</b>	<b>6,765</b>	<b>29,013</b>	<b>93</b>	<b>29,106</b>

Third Quarter ended December 31, 2004	Chemicals and Plastics	Carbon Fiber& Composite Materials,			Eliminations or corporate	Consolidated
		Fibers	Membranes and Others	Total		
Sales and operating income						
Sales to third parties	113,751	65,609	60,753	240,114	-	240,114
Intergroup sales and transfers	6,444	78	22,981	29,505	(29,505)	-
<b>Total Sales</b>	<b>120,196</b>	<b>65,688</b>	<b>83,735</b>	<b>269,620</b>	<b>(29,505)</b>	<b>240,114</b>
Operating expenses	104,272	63,610	79,695	247,579	(29,577)	218,001
<b>Operating income</b>	<b>15,923</b>	<b>2,077</b>	<b>4,039</b>	<b>22,041</b>	<b>71</b>	<b>22,113</b>

Year ended March 31, 2005	Chemicals and Plastics	Carbon Fiber& Composite Materials,			Eliminations or corporate	Consolidated
		Fibers	Membranes and Others	Total		
Sales and operating income						
Sales to third parties	154,345	89,295	86,466	330,106	-	330,106
Intergroup sales and transfers	8,479	95	31,726	40,301	(40,301)	-
<b>Total Sales</b>	<b>162,824</b>	<b>89,390</b>	<b>118,192</b>	<b>370,408</b>	<b>(40,301)</b>	<b>330,106</b>
Operating expenses	140,692	86,648	112,370	339,711	(40,407)	299,303
<b>Operating income</b>	<b>22,132</b>	<b>2,742</b>	<b>5,822</b>	<b>30,696</b>	<b>105</b>	<b>30,802</b>

**Note:**

From the 3rd Quarter of year 2005, the Information Materials (such as, Plastic Optical Fibers, Plastic Rod Lenses, and Image Display Materials), which previously belonged to the "Specialty Products, Engineering and Others segment", are included in the "Chemicals and Plastics segment". Also, the "Specialty Products, Engineering and Others segment" is changed its name to the "Carbon Fiber & Composite Materials, Membranes and Others segment".

The data by the segments of the prior periods listed above reflects the changes have been made.