

CONSOLIDATED FINANCIAL RESULTS FOR THE FIRST QUARTER ENDED JUNE 30, 2005

(In accordance with Japanese accounting standards)

FOR IMMEDIATE RELEASE

August 8, 2005 -- Mitsubishi Rayon Company, Limited announces its consolidated financial results for the three months ended June 30, 2005, the first quarter of the year ending March 31, 2006.

Consolidated Financial Highlights

(Millions of yen, except per share)

	First Quarter ended		Change	Year ended March 31 2005
	June 30 2005	June 30 2004		
Net sales	78,720	75,348	4.5 %	330,106
Operating income	8,698	7,583	14.7 %	30,802
Net income	5,434	3,769	44.2 %	14,438
Amounts per share (yen):				
Net income:				
Basic	8.95	6.16		23.52

Consolidated Shareholders' Equity, Debts and Total Assets

(Millions of yen, except per share and ratio)

	First Quarter ended		Year ended March 31 2005
	June 30 2005	June 30 2004	
Shareholders' equity	156,224	148,054	156,842
Equity ratio	44.7 %	43.0 %	45.3 %
Equity per share (yen)	260.40	242.11	256.46
Total assets	349,226	344,134	345,989

Consolidated Cash Flows

(Millions of yen)

	First Quarter ended		Year ended March 31 2005
	June 30 2005	June 30 2004	
Net cash provided by operating activities	10,651	13,379	38,046
Net cash used in investing activities	(5,481)	(1,938)	(23,081)
Net cash used in financing activities	(4,349)	(6,286)	(19,115)
Cash and cash equivalents at end of year	9,350	17,828	8,426

Forecast of Consolidated Results

(Millions of yen)

	Year ending	Six months ending
	March 31 2006	September 30 2005
Net sales	340,000	167,000
Operating income	33,000	16,000
Net income	19,000	10,000

Consolidated Statements of Income

(Millions of yen)

	First Quarter ended		Year ended
	June 30 2005	June 30 2004	March 31 2005
Net Sales	78,720	75,348	330,106
Cost of Sales	57,059	54,911	247,633
Gross profit	21,661	20,437	82,472
Selling, General and Administrative Expenses	12,963	12,853	51,670
Operating income	8,698	7,583	30,802
Other Income	9,096	1,461	4,944
Other Expenses	(7,602)	(2,057)	(11,353)
Income before income taxes and minority interests	10,192	6,987	24,393
Income Taxes:			
Current	3,788	2,712	8,301
Deferred	-	-	(435)
Income before minority interests	6,403	4,275	16,527
Minority Interests	(969)	(506)	(2,088)
Net income	5,434	3,769	14,438

(Yen)

	First Quarter ended		Year ended
	June 30 2005	June 30 2004	March 31 2005
Amounts per Share:			
Net income:			
Basic	8.95	6.16	23.52

Consolidated Balance Sheets

(Millions of yen)

	First Quarter ended		Year ended
	June 30 2005	June 30 2004	March 31 2005
[Assets]			
Current Assets:			
Cash and time deposits	9,370	17,848	8,446
Notes and accounts receivable	70,629	69,469	76,660
Inventories	42,804	42,885	37,685
Other current assets	15,258	14,737	13,975
Total current assets	138,061	144,940	136,767
Property, Plant and Equipment:	136,454	127,103	135,137
Investments and Other Assets:	74,711	72,091	74,084
Total assets	349,226	344,134	345,989
[Liabilities and Shareholders' Equity]			
Current Liabilities:			
Short-term bank loans	36,893	35,674	35,634
Current portion of long term debt	10,000	10,000	10,000
Notes and accounts payable	52,626	50,043	52,786
Other current liabilities	29,999	28,301	26,866
Total current liabilities	129,518	124,019	125,287
Long-Term Liabilities:			
Long-term debt	19,430	27,325	15,683
Retirement allowances	31,665	33,996	35,102
Other long-term liabilities	2,940	2,861	2,891
Total long-term liabilities	54,037	64,183	53,677
Minority Interests in Consolidated Subsidiaries	9,445	7,876	10,183
Shareholders' Equity:			
Common stock	53,229	53,229	53,229
Capital surplus	28,784	33,952	33,956
Retained earnings	72,973	61,215	69,709
Revaluation difference	30	30	30
Unrealized gain on other securities	5,817	4,719	5,496
Foreign currency translation adjustments	(4,585)	(4,874)	(5,298)
Less treasury stock, at cost	(25)	(219)	(281)
Total shareholders' equity	156,224	148,054	156,842
Total liabilities and shareholders' equity	349,226	344,134	345,989

Business Segment Information

(Millions of yen)

First Quarter ended June 30, 2005	Chemicals and Plastics	Carbon Fiber& Composite Materials, Membranes and Others			Total	Eliminations or corporate	Consolidated
		Fibers					
Sales and operating income							
Sales to third parties	39,965	19,057	19,697	78,720	-	78,720	
Intergroup sales and transfers	2,095	10	6,210	8,315	(8,315)	-	
Total Sales	42,060	19,068	25,907	87,036	(8,315)	78,720	
Operating expenses	35,428	18,526	24,413	78,368	(8,345)	70,022	
Operating income	6,632	541	1,494	8,668	29	8,698	

First Quarter ended June 30, 2004	Chemicals and Plastics	Carbon Fiber& Composite Materials, Membranes and Others			Total	Eliminations or corporate	Consolidated
		Fibers					
Sales and operating income							
Sales to third parties	37,237	20,498	17,612	75,348	-	75,348	
Intergroup sales and transfers	1,888	25	7,325	9,239	(9,239)	-	
Total Sales	39,125	20,524	24,937	84,587	(9,239)	75,348	
Operating expenses	33,668	19,512	23,841	77,023	(9,258)	67,764	
Operating income	5,457	1,011	1,095	7,564	19	7,583	

Year ended March 31, 2005	Chemicals and Plastics	Carbon Fiber& Composite Materials, Membranes and Others			Total	Eliminations or corporate	Consolidated
		Fibers					
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)	-	
Total Sales	162,824	89,390	118,192	370,408	(40,301)	330,106	
Operating expenses	140,692	86,648	112,370	339,711	(40,407)	299,303	
Operating income	22,132	2,742	5,822	30,696	105	30,802	

Note:

From the 1st Quarter of year 2005, the Information Materials (such as, Plastic Optical Fibers, Plastic Rod Lenses, Image Display Materials, and Printed Circuit Boards), 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.