

CONSOLIDATED FINANCIAL RESULTS FOR THE FIRST QUARTER ENDED JUNE 30, 2007

(In accordance with Japanese accounting standards)

FOR IMMEDIATE RELEASE

July 31, 2007 -- Mitsubishi Rayon Company, Limited announces its consolidated financial results for the three months ended June 30, 2007, the first quarter of the year ending March 31, 2008.

Consolidated Financial Highlights

(Millions of yen, except per share)

	First Quarter ended		Change	Year ended
	June 30	June 30		March 31
	<u>2007</u>	<u>2006</u>		<u>2007</u>
Net sales	100,045	94,097	6.3 %	417,027
Operating income	12,188	13,696	(11.0) %	59,665
Net income	6,528	7,498	(12.9) %	31,273
Amounts per share (yen):				
Net income:				
Basic	10.89	12.50		52.15

Consolidated Financial Standing

(Millions of yen, except per share and ratio)

	First Quarter ended		Year ended
	June 30	June 30	March 31
	<u>2007</u>	<u>2006</u>	<u>2007</u>
Total assets	459,916	401,115	449,578
Net assets	229,270	198,629	225,713
Equity ratio (%)	47.4 %	46.8 %	47.2 %
Net assets per share (yen)	363.64	312.72	354.32

Consolidated Cash Flows

(Millions of yen)

	First Quarter ended		Year ended
	June 30	June 30	March 31
	<u>2007</u>	<u>2006</u>	<u>2007</u>
Net cash provided by operating activities	1,312	5,779	52,168
Net cash used in investing activities	(17,149)	(10,428)	(41,153)
Net cash used in financing activities	13,091	4,429	(10,150)
Cash and cash equivalents at end of year	8,114	10,047	10,701

Forecast of Consolidated Results

(Millions of yen)

	Year ending	Six months ending
	March 31	September 30
	<u>2008</u>	<u>2007</u>
Net sales	435,000	215,000
Operating income	48,000	24,000
Net income	23,500	11,500



Consolidated Statements of Operations

(Millions of yen)

	First Quarter ended		Year ended
	June 30 2006	June 30 2007	March 31 2007
Net Sales	94,097	100,045	417,027
Cost of Sales	68,186	73,163	307,808
Gross profit	25,910	26,882	109,219
Selling, General and Administrative Expenses	12,214	14,693	49,553
Operating income	13,696	12,188	59,665
Other Income	968	1,716	4,896
Other Expenses	(853)	(1,113)	(8,169)
Income before income taxes and minority interest	13,811	12,791	56,392
Income Taxes:			
Current	5,644	5,220	19,767
Deferred	-	-	2,481
Income before minority interests	8,166	7,570	34,143
Minority Interests	(668)	(1,042)	(2,869)
Net income	7,498	6,528	31,273

(Yen)

	First Quarter ended		Year ended
	June 30 2006	June 30 2007	March 31 2007
Amounts per Share:			
Net income:			
Basic	12.50	10.89	52.15

Consolidated Balance Sheets

(Millions of yen)

	First Quarter ended		Year ended
	June 30 2006	June 30 2007	March 31 2007
[Assets]			
Current Assets:			
Cash and time deposits	10,057	8,124	10,711
Notes and accounts receivable	78,961	89,383	96,081
Inventories	55,694	61,461	52,678
Other current assets	12,258	19,331	16,242
Total current assets	156,971	178,300	175,713
Property, Plant and Equipment	153,023	169,855	170,074
Investments and Other Assets	91,120	111,759	103,790
Total assets	401,115	459,916	449,578
[Liabilities]			
Current Liabilities:			
Short-term bank loans	50,848	46,905	37,966
Notes and accounts payable	59,412	75,804	77,119
Other current liabilities	34,803	39,365	49,023
Total current liabilities	145,064	162,075	164,109
Long-Term Liabilities:			
Long-term debt	23,678	36,186	27,320
Retirement allowances	30,547	28,189	29,404
Other long-term liabilities	3,194	4,194	3,030
Total long-term liabilities	57,420	68,570	59,755
Total liabilities	202,485	230,645	223,865
[Net Assets]			
Shareholders' Equity:			
Common stock	53,229	53,229	53,229
Capital surplus	28,786	28,794	28,793
Retained earnings	93,925	118,228	114,700
Less treasury stock, at cost	(216)	(383)	(350)
Total shareholders' equity	175,725	199,870	196,372
Valuation and translation adjustments and others:			
Unrealized gain on other securities	13,290	17,899	16,150
Deferred losses on hedges	(73)	5	0
Revaluation difference	30	30	30
Foreign currency translation adjustments	(1,443)	188	(131)
Total valuation and translation adjustments and others	11,803	18,123	16,050
Minority Interests in Consolidated Subsidiaries	11,100	11,276	13,289
Total net assets	198,629	229,270	225,713
Total liabilities and net assets	401,115	459,916	449,578

Business Segment Information

(Millions of yen)

First Quarter ended June 30, 2006	Chemicals and Plastics	Acrylic fibers& Acrylonitrile and Derivatives	Carbon fibers& Composite materials	Acetate& Membranes and Others	Total	Eliminations or Corporate	Consolidated
Sales and operating income							
Sales to third parties	44,512	15,796	8,987	24,800	94,097	-	94,097
Intergroup sales and transfers	2,894	910	3	7,667	11,476	(11,476)	-
Total Sales	47,406	16,707	8,990	32,468	105,573	(11,476)	94,097
Operating expenses	37,654	16,540	6,481	31,286	91,961	(11,560)	80,400
Operating income	9,751	167	2,509	1,182	13,611	84	13,696
(Without recognition of previous years' actuarial gain or losses as Operating expenses)	[7,474]	[(345)]	[2,091]	[855]	[10,076]	[84]	[10,161]

First Quarter ended June 30, 2007	Chemicals and Plastics	Acrylic fibers& Acrylonitrile and Derivatives	Carbon fibers& Composite materials	Acetate& Membranes and Others	Total	Eliminations or Corporate	Consolidated
Sales and operating income							
Sales to third parties	44,087	19,838	11,834	24,285	100,045	-	100,045
Intergroup sales and transfers	2,712	1,266	2	8,687	12,668	(12,668)	-
Total Sales	46,799	21,104	11,837	32,972	112,714	(12,668)	100,045
Operating expenses	39,604	20,224	8,673	32,052	100,555	(12,698)	87,856
Operating income	7,194	880	3,163	920	12,159	29	12,188
(Without recognition of previous years' actuarial gain or losses as Operating expenses)	[7,193]	[883]	[3,174]	[923]	[12,176]	[29]	[12,205]

Year ended March 31, 2007	Chemicals and Plastics	Acrylic fibers& Acrylonitrile and Derivatives	Carbon fibers& Composite materials	Acetate& Membranes and Others	Total	Eliminations or Corporate	Consolidated
Sales and operating income							
Sales to third parties	185,606	73,751	39,982	117,686	417,027	-	417,027
Intergroup sales and transfers	11,154	4,415	8	43,683	59,260	(59,260)	-
Total Sales	196,760	78,166	39,990	161,370	476,288	(59,260)	417,027
Operating expenses	158,108	75,966	27,872	154,750	416,698	(59,336)	357,362
Operating income	38,652	2,199	12,117	6,620	59,590	75	59,665
(Without recognition of previous years' actuarial gain or losses as Operating expenses)	[29,548]	[125]	[10,349]	[5,356]	[45,380]	[75]	[45,455]

Note:

From the 1st Quarter of year 2007, the classification of segments has changed.

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