

**CONSOLIDATED FINANCIAL RESULTS FOR THE THIRD QUARTER ENDED DECEMBER 31, 2007**

(In accordance with Japanese accounting standards)

**FOR IMMEDIATE RELEASE**

February 4, 2008 -- Mitsubishi Rayon Company, Limited announces its consolidated financial results for the nine months ended Dec 31, 2007, the third quarter of the year ending March 31, 2008.

**Consolidated Financial Highlights**

(Millions of yen, except per share)

|                          | Third Quarter ended |             | Change   | Year ended  |
|--------------------------|---------------------|-------------|----------|-------------|
|                          | December 31         | December 31 |          | March 31    |
|                          | <u>2006</u>         | <u>2007</u> |          | <u>2007</u> |
| Net sales                | 300,418             | 312,746     | 4.1 %    | 417,027     |
| Operating income         | 41,695              | 31,489      | (24.5) % | 59,665      |
| Net income               | 23,886              | 13,525      | (43.4) % | 31,273      |
| Amounts per share (yen): |                     |             |          |             |
| Net income:              |                     |             |          |             |
| Basic                    | 39.83               | 22.56       |          | 52.15       |

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

(Millions of yen, except per share and ratio)

|                            | Year ended  | Third Quarter ended | Third Quarter ended |
|----------------------------|-------------|---------------------|---------------------|
|                            | March 31    | December 31         | December 31         |
|                            | <u>2007</u> | <u>2007</u>         | <u>2006</u>         |
| Total assets               | 449,578     | 464,422             | 440,344             |
| Net assets                 | 225,713     | 225,104             | 215,172             |
| Equity ratio (%)           | 47.2 %      | 46.3 %              | 46.1 %              |
| Net Assets per share (yen) | 354.32      | 358.39              | 338.39              |

**Consolidated Cash Flows**

(Millions of yen)

|   | Third Quarter ended |             | Year ended  |
|---|---------------------|-------------|-------------|
|   | December 31         | December 31 | March 31    |
|   | <u>2006</u>         | <u>2007</u> | <u>2007</u> |
| Net cash provided by operating activities | 26,685              | 27,015      | 52,168      |
| Net cash used in investing activities     | (29,049)            | (37,159)    | (41,153)    |
| Net cash used in financing activities     | 2,162               | 14,353      | (10,150)    |
| Cash and cash equivalents at end of year  | 9,844               | 14,794      | 10,701      |

**Forecast of Consolidated Results**

(Millions of yen)

|                  | Year ending |
|------------------|-------------|
|                  | March 31    |
|                  | <u>2008</u> |
| Net sales        | 420,000     |
| Operating income | 38,000      |
| Net income       | 15,500      |

Note:

The forecast of consolidated results announced on October 31, 2007 is revised by this report.



**Consolidated Statements of Operations**

(Millions of yen)

|   | Third Quarter ended |                     | Year ended       |
|---|---------------------|---------------------|------------------|
|   | December 31<br>2006 | December 31<br>2007 | March 31<br>2007 |
| <b>Net Sales</b>                                    | 300,418             | 312,746             | 417,027          |
| <b>Cost of Sales</b>                                | 222,067             | 236,247             | 307,808          |
| Gross profit  | 78,351              | 76,498              | 109,219          |
| <b>Selling, General and Administrative Expenses</b> | 36,655              | 45,009              | 49,553           |
| Operating income                                    | 41,695              | 31,489              | 59,665           |
| <b>Other Income</b>                                 | 4,611               | 3,114               | 4,896            |
| <b>Other Expenses</b>                               | (4,686)             | (8,174)             | (8,169)          |
| Income before income taxes and minority interest    | 41,619              | 26,429              | 56,392           |
| <b>Income Taxes:</b>                                |                     |                     |                  |
| Current   | 15,800              | 10,211              | 19,767           |
| Deferred  | -                   | -                   | 2,481            |
| Income before minority interests                    | 25,819              | 16,217              | 34,143           |
| <b>Minority Interests</b>                           | (1,933)             | (2,692)             | (2,869)          |
| Net income  | 23,886              | 13,525              | 31,273           |

(Yen)

|                           | Third Quarter ended |                     | Year ended       |
|---------------------------|---------------------|---------------------|------------------|
|                           | December 31<br>2006 | December 31<br>2007 | March 31<br>2007 |
| <b>Amounts per Share:</b> |                     |                     |                  |
| Net income:               |                     |                     |                  |
| Basic                     | 39.83               | 22.56               | 52.15            |

**Consolidated Balance Sheets**

(Millions of yen)

|  | Year ended       | Third Quarter ended |                     |
|--|------------------|---------------------|---------------------|
|  | March 31<br>2007 | December 31<br>2007 | December 31<br>2006 |
| <b>[Assets]</b>  |                  |                     |                     |
| <b>Current Assets:</b>                                   |                  |                     |                     |
| Cash and time deposits                                   | 10,711           | 14,804              | 9,854               |
| Notes and accounts receivable                            | 95,722           | 87,978              | 89,689              |
| Inventories  | 52,678           | 63,758              | 55,382              |
| Other current assets                                     | 16,601           | 21,951              | 16,088              |
| Total current assets                                     | 175,713          | 188,492             | 171,014             |
| <b>Property, Plant and Equipment</b>                     | 170,074          | 169,575             | 167,446             |
| <b>Investments and Other Assets</b>                      | 103,790          | 106,354             | 101,883             |
| Total assets   | 449,578          | 464,422             | 440,344             |
| <b>[Liabilities]</b>                                     |                  |                     |                     |
| <b>Current Liabilities:</b>                              |                  |                     |                     |
| Short-term bank loans                                    | 37,966           | 41,938              | 46,529              |
| Notes and accounts payable                               | 77,119           | 78,698              | 70,928              |
| Other current liabilities                                | 49,023           | 38,808              | 46,341              |
| Total current liabilities                                | 164,109          | 159,445             | 163,800             |
| <b>Long-Term Liabilities:</b>                            |                  |                     |                     |
| Long-term debt   | 27,320           | 47,780              | 28,851              |
| Retirement allowances                                    | 29,404           | 27,865              | 29,770              |
| Other long-term liabilities                              | 3,030            | 4,226               | 2,750               |
| Total long-term liabilities                              | 59,755           | 79,872              | 61,372              |
| Total liabilities  | 223,865          | 239,317             | 225,172             |
| <b>[Net Assets]</b>                                      |                  |                     |                     |
| <b>Shareholders' Equity:</b>                             |                  |                     |                     |
| Common stock   | 53,229           | 53,229              | 53,229              |
| Capital surplus  | 28,793           | 28,797              | 28,792              |
| Retained earnings  | 114,700          | 121,929             | 107,314             |
| Less treasury stock, at cost                             | (350)            | (488)               | (312)               |
| Total shareholders' equity                               | 196,372          | 203,468             | 189,024             |
| <b>Valuation and translation adjustments and others:</b> |                  |                     |                     |
| Unrealized gain on other securities                      | 16,150           | 11,678              | 14,864              |
| Deferred losses on hedges                                | 0                | (55)                | (28)                |
| Revaluation difference                                   | 30               | 30                  | 30                  |
| Foreign currency translation adjustments                 | (131)            | (317)               | (1,005)             |
| Total valuation and translation adjustments and others   | 16,050           | 11,335              | 13,860              |
| <b>Minority Interests in Consolidated Subsidiaries</b>   | 13,289           | 10,300              | 12,286              |
| Total net assets   | 225,713          | 225,104             | 215,172             |
| Total liabilities and net assets                         | 449,578          | 464,422             | 440,344             |

**Business Segment Information**

(Millions of yen)

| Third Quarter ended<br>December 31, 2006  | Chemicals and<br>Plastics | Acrylic<br>fibers&<br>Acrylonitrile<br>and Derivatives | Carbon fibers&<br>Composite<br>materials | Acetate&<br>Membranes<br>and Others | Total          | Eliminations<br>or Corporate | Consolidated   |
|---|---------------------------|--|--|-------------------------------------|----------------|------------------------------|----------------|
| Sales and operating income  |                           |  |  |                                     |                |                              |                |
| Sales to third parties  | 135,249                   | 53,328   | 29,278                                   | 82,561                              | 300,418        | -                            | 300,418        |
| Intergroup sales and transfers  | 8,727                     | 3,096  | 7  | 32,864                              | 44,695         | (44,695)                     | -              |
| <b>Total Sales</b>  | <b>143,976</b>            | <b>56,425</b>  | <b>29,285</b>                            | <b>115,425</b>                      | <b>345,114</b> | <b>(44,695)</b>              | <b>300,418</b> |
| Operating expenses  | 117,005                   | 54,942   | 20,609                                   | 110,961                             | 303,518        | (44,795)                     | 258,723        |
| Operating income  | 26,971                    | 1,482  | 8,675                                    | 4,464                               | 41,595         | 100                          | 41,695         |
| ( Without recognition of<br>previous years' actuarial gain or<br>losses as Operating expenses ) | [20,123]                  | [(81)]   | [7,363]                                  | [3,503]                             | [30,909]       | [100]                        | [31,010]       |

| Third Quarter ended<br>December 31, 2007  | Chemicals and<br>Plastics | Acrylic<br>fibers&<br>Acrylonitrile<br>and Derivatives | Carbon fibers&<br>Composite<br>materials | Acetate&<br>Membranes<br>and Others | Total          | Eliminations<br>or Corporate | Consolidated   |
|---|---------------------------|--|--|-------------------------------------|----------------|------------------------------|----------------|
| Sales and operating income  |                           |  |  |                                     |                |                              |                |
| Sales to third parties  | 138,284                   | 58,685   | 35,980                                   | 79,796                              | 312,746        | -                            | 312,746        |
| Intergroup sales and transfers  | 9,190                     | 4,183  | 10                                       | 27,836                              | 41,220         | (41,220)                     | -              |
| <b>Total Sales</b>  | <b>147,474</b>            | <b>62,869</b>  | <b>35,990</b>                            | <b>107,632</b>                      | <b>353,967</b> | <b>(41,220)</b>              | <b>312,746</b> |
| Operating expenses  | 129,366                   | 60,999   | 26,647                                   | 105,400                             | 322,414        | (41,157)                     | 281,256        |
| Operating income  | 18,108                    | 1,869  | 9,343                                    | 2,231                               | 31,553         | (63)                         | 31,489         |
| ( Without recognition of<br>previous years' actuarial gain or<br>losses as Operating expenses ) | [18,962]                  | [2,034]  | [9,551]                                  | [2,380]                             | [32,928]       | [(63)]                       | [32,864]       |

| Year ended March 31, 2007   | Chemicals and<br>Plastics | Acrylic<br>fibers&<br>Acrylonitrile<br>and Derivatives | Carbon fibers&<br>Composite<br>materials | Acetate&<br>Membranes<br>and Others | Total          | Eliminations<br>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)                     | -              |
| <b>Total Sales</b>  | <b>196,760</b>            | <b>78,166</b>  | <b>39,990</b>                            | <b>161,370</b>                      | <b>476,288</b> | <b>(59,260)</b>              | <b>417,027</b> |
| 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<br>previous years' actuarial gain or<br>losses as Operating expenses ) | [29,548]                  | [125]  | [10,349]                                 | [5,356]                             | [45,380]       | [75]                         | [45,455]       |

Note:

From the 3rd 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.