

CONSOLIDATED FINANCIAL RESULTS FOR THE FIRST QUARTER ENDED JUNE 30, 2008

(In accordance with Japanese accounting standards)

FOR IMMEDIATE RELEASE

August 5, 2008 -- Mitsubishi Rayon Company, Limited announces its consolidated financial results for the three months ended June 30, 2008, the first quarter of the year ending March 31, 2009.

Consolidated Financial Highlights

(Millions of yen, except per share)

	First Quarter ended	
	June 30 <u>2007</u>	June 30 <u>2008</u>
Net sales	100,045	91,336
Operating income	12,188	2,341
Net income	6,528	1,223
Amounts per share (yen):		
Net income:		
Basic	10.89	2.14

Consolidated Shareholders' Equity, Debts and Total Assets

(Millions of yen, except per share and ratio)

	Year ending	First Quarter ended
	March 31 <u>2008</u>	June 30 <u>2008</u>
Total assets	451,540	441,895
Net assets	215,819	207,888
Equity ratio (%)	44.2 %	43.6 %
Net Assets per share (yen)	348.59	336.32

Forecast of Consolidated Results

(Millions of yen)

	Year ending	Six months ending
	March 31 <u>2009</u>	September 30 <u>2008</u>
Net sales	405,000	203,000
Operating income	6,000	3,500
Net income	0	500

Note:

The forecast of consolidated results announced on May 2, 2008 is revised by this report.



Consolidated Statements of Operations

(Millions of yen)

	First Quarter ended	
	June 30 2007	June 30 2008
Net Sales	100,045	91,336
Cost of Sales	73,163	73,414
Gross profit	26,882	17,921
Selling, General and Administrative Expenses	14,693	15,580
Operating income	12,188	2,341
Other Income	1,716	1,978
Other Expenses	(1,113)	(1,211)
Income before income taxes and minority interest	12,791	
Income Taxes:		
Current	5,220	1,537
Income before minority interests	7,570	1,570
Minority Interests	(1,042)	(347)
Net income	6,528	1,223

(Yen)

	First Quarter ended	
	June 30 2007	June 30 2008
Amounts per Share:		
Net income:		
Basic	10.89	2.14

Consolidated Balance Sheets

(Millions of yen)

	Year ended March 31 2008	First Quarter ended June 30 2008
[Assets]		
Current Assets:		
Cash and time deposits	17,361	16,814
Notes and accounts receivable	81,110	71,942
Inventories	58,864	64,888
Other current assets	19,922	19,673
Total current assets	177,259	173,319
Property, Plant and Equipment	173,481	169,832
Investments and Other Assets	100,799	98,744
Total assets	451,540	441,895
[Liabilities]		
Current Liabilities:		
Short-term bank loans	42,953	42,945
Notes and accounts payable	61,923	65,452
Other current liabilities	33,037	30,452
Total current liabilities	137,914	138,849
Long-Term Liabilities:		
Long-term debt	65,711	64,213
Retirement allowances	27,785	27,487
Other long-term liabilities	4,310	3,455
Total long-term liabilities	97,806	95,157
Total liabilities	235,721	234,007
[Net Assets]		
Shareholders' Equity:		
Common stock	53,229	53,229
Capital surplus	28,796	28,795
Retained earnings	122,706	119,497
Less treasury stock, at cost	(10,488)	(10,490)
Total shareholders' equity	194,245	191,031
Valuation and translation adjustments and others:		
Unrealized gain on other securities	5,753	7,968
Deferred gains on hedges	7	1
Foreign currency translation adjustments	(476)	(6,508)
Total valuation and translation adjustments and others	5,283	1,462
Minority Interests in Consolidated Subsidiaries	16,290	15,394
Total net assets	215,819	207,888
Total liabilities and net assets	451,540	441,895

Business Segment Information

(Millions of yen)

First Quarter ended June 30, 2007	Chemicals and Plastics	Acrylic fibers& AN Monomer and Derivatives	Carbon fibers& Composite materials	Acetate Fibers, 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 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]

First Quarter ended June 30, 2008	Chemicals and Plastics	Acrylic fibers& AN Monomer and Derivatives	Carbon fibers& Composite materials	Acetate Fibers, Membranes and Others	Total	Eliminations or Corporate	Consolidated
Sales and operating income							
Sales to third parties	42,897	14,389	10,559	23,490	91,336	-	91,336
Intergroup sales and transfers	3,046	1,272	2	9,479	13,799	(13,799)	-
Total Sales	45,943	15,661	10,561	32,969	105,135	(13,799)	91,336
Operating income	1,616	(878)	1,403	133	2,275	66	2,341
(Without recognition of previous years' actuarial gain or losses as Operating expenses)	[2,615]	[(699)]	[1,622]	[310]	[3,849]	[66]	[3,915]

Geographical Segment Information

(Millions of yen)

First Quarter ended June 30, 2008	Japan	Asia	United States of America	Total	Eliminations or Corporate	Consolidated
Sales and operating income						
Sales to third parties	72,073	11,653	7,609	91,336	-	91,336
Intergroup sales and transfers	6,928	2,217	158	9,304	(9,304)	-
Total Sales	79,001	13,871	7,768	100,641	(9,304)	91,336
Operating income	579	397	1,197	2,174	166	2,341

Sales by Customer's Geographical Location

(Millions of yen)

	First Quarter ended June 30 2008
Sales designated for:	
Japan	49,291
Asia	28,833
Other	13,211
Total	91,336