

**Supplementary Financial Information
for the First Quarter (3-month period) of Fiscal 2008
(April 2008 to June 2008)**

**August 5, 2008
Mitsubishi Rayon Co., Ltd.**

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(Amounts are rounded to the nearest first decimal place.)

In accordance with changes in regulations affecting pension plans, the Company changed the amortization period for difference in actuarial value and reclassified related expenses as of March 31, 2005.

		FY2004	FY2005
Type of pension plan		Qualified retirement pension plan	Cash balance pension plan
Difference in actuarial value	Amortization period	5 years	1 year
	Amortization method	Charged to income in an accumulated amount assuming that the Company would amortize difference in actuarial value recognized in fiscal 2000 through fiscal 2003 over the five years from the year following that in which the difference is recognized.	Lump-sum amortization of difference in actuarial value in an amount recognized in fiscal 2004
	Classification	Non-operating expenses	Cost of sales Selling, general and administrative expenses

1. Recognition and Amortization of Actuarial Losses

For the term ended March 2007, the Company has recognized actuarial losses on its pension plan resulting from changes in actuarial assumptions in a total amount of ¥2.8 billion (a ¥0.7 billion decrease in retirement benefit obligations, a ¥1.0 billion decrease in plan assets at fair value, and a ¥2.5 billion decrease in employees' retirement trust fund), which the Company amortized in lump-sum for the term ending March 2008.

Initial forecast

Estimated retirement benefit obligations as of March 31, 2007 : ¥64.5 billion		Pripaid pension cost : ¥11.9 billion
Retirement allowances: ¥28.7 billion	Plan assets: ¥36.5 billion	Employees' retirement benefit Trust fund: ¥11.2 billion

Actual result (recognition of actuarial gains)

Retirement benefit obligations as of March 31, 2007: ¥ 63.8 billion		Pripaid pension cost : ¥11.9 billion
Retirement allowances: ¥28.7 billion	Plan assets: ¥35.5 billion	Employees' retirement benefit trust fund: ¥8.7 billion

**Actuarial losses:
¥-2.8 billion**

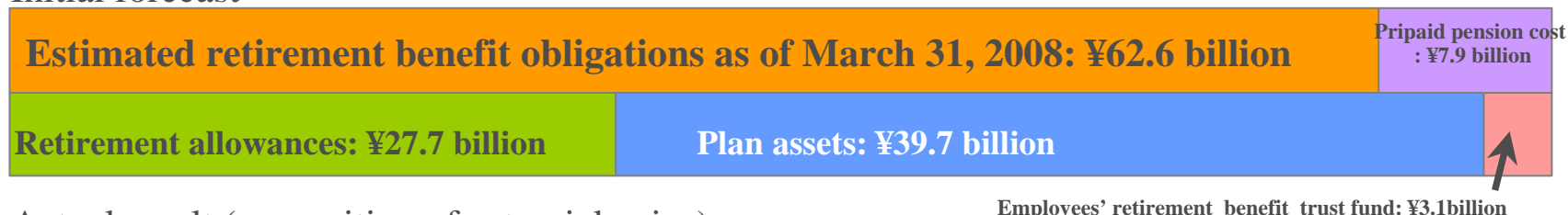
2. Impact on Earnings Performance of the Company for Fiscal 2007

Thanks to the posting of unrecognized actuarial gains, in line with the recognition of actuarial losses described ¥-2.8 billion above, operating income decreased by ¥2.1 billion and net income by approximately ¥1.2 billion for this year.

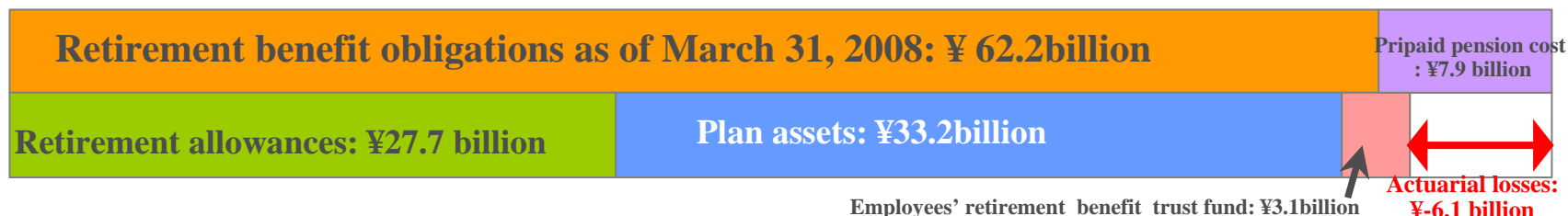
1. Recognition and Amortization of Actuarial Losses

For the term ended March 2008, the Company has recognized actuarial losses on its pension plan resulting from changes in actuarial assumptions in a total amount of ¥6.1 billion (a ¥0.4 billion decrease in retirement benefit obligations, a ¥6.5 billion decrease in plan assets at fair value,), which the Company will amortize in lump-sum for the term ending March 2009.

Initial forecast



Actual result (recognition of actuarial gains)



2. Impact on Earnings Performance of the Company for Fiscal 2008

In line with the recognition of actuarial losses described above, operating income and recurring profit will decrease by ¥6.0 billion and net income by approximately ¥3.6 billion for this year. And for the 1st (April - June) quarter, operating income and recurring profit decreased by ¥1.6 billion and net income by approximately ¥0.9 billion

Item	Unit	Previous Q1	Reporting Q1	Change	
				Amount	%
Net sales	¥ billion	100.0	91.3	-8.7	-8.7
Operating income	After amortization of difference in actuarial value	12.2	2.3	-9.9	-80.8
	Prior to amortization of difference in actuarial value	12.2	3.9	-8.3	-67.9
Net income	After amortization of difference in actuarial value	6.5	1.2	-5.3	-81.3
	Prior to amortization of difference in actuarial value	6.5	2.2	-4.3	-67.0
Basic operating conditions					
Exchange rate	¥/US\$	120	104		
Price of domestically refined naphtha	¥/kl	57,800	70,900		

Note: With effect from the reporting term, differences arising from changes in actuarial assumptions employed in pension accounting have been charged to operating expenses, and therefore, for purposes of comparison, operating income (loss) prior to amortization is also shown on the line above the actual figures.

Difference between Reporting 1Q and Previous 1Q

(¥ billion)

Item	Group	Remarks
Cost of raw materials and fuel	-3.8	
Sales cost (*)	-0.3	Foreign exchange translation(-2.8bil)
Sales volume	-1.1	
Other	-3.1	Changing inventories Depreciation system (-1.2bil)
Total	-8.3	
Operating income(Excluding effect of amortization in question)	12.2 → 3.9	

* Amounts posted under operating income here represent amounts prior to amortization of difference in actuarial value

(¥ billion)

Segment \ Item	Net sales			Operating income		
	Previous Q1	Reporting Q1	Change	Previous Q1	Reporting Q1	Change
Chemicals & Plastics	44.1	42.9	-1.2	7.2	1.6	-5.6
				7.2	2.6	-4.6
Acrylic fibers & AN monomer	19.8	14.4	-5.4	0.9	-0.9	-1.8
				0.9	-0.7	-1.6
Carbon Fiber & Composite Materials	11.8	10.6	-1.2	3.2	1.4	-1.8
				3.2	1.6	-1.6
Acetate fibers & Membranes and others	24.3	23.5	-0.8	1.0	0.2	-0.8
				1.0	0.4	-0.6
Total	100.0	91.3	-8.7	12.2	2.3	-9.9
				12.2	3.9	-8.3

Note: With effect from FY 2005, differences arising from changes in actuarial assumptions employed in pension accounting have been charged to operating expenses, and therefore, for purposes of comparison, operating income (loss) prior to amortization is also shown on the line below the actual figures.

Chemicals & Plastics

(¥ billion)

	Previous Q1	Reporting Q1	Change	Remarks
Net Sales	44.1	42.9	-1.2	
Chemicals	19.1	18.5	-0.6	
Plastics	11.3	11.6	+0.3	
Coating resins & Modifiers	10.0	10.2	+0.2	
Information materials	3.7	2.6	-1.1	Decreasing sales of prism sheets
Operating income (Excluding effect of amortization in question)	7.2	2.6	-4.6	Effect of strong Yen exchange rate The remarkable rise of the raw materials price

* Amounts posted under operating income here represent amounts prior to amortization of difference in actuarial value

Acrylic fibers & AN monomer and derivatives

(¥ billion)

	Previous Q1	Reporting Q1	Change	Remarks
Net Sales	19.8	14.4	-5.4	
AN monomer and derivatives	9.8	8.7	-1.1	
Acrylic fibers	10.1	5.7	-4.4	The weakening of the market conditions Decreasing production
Operating income (Excluding effect of amortization in question)	0.9	-0.7	-1.6	Effect of strong Yen exchange rate The remarkable rise of the raw materials price

Carbon Fiber & Composite Materials

(¥ billion)

	Previous Q1	Reporting Q1	Change	Remarks
Net Sales	11.8	10.6	-1.2	
Operating income (Excluding effect of amortization in question)	3.2	1.6	-1.6	Effect of strong Yen exchange rate Changing market conditions from Tight balance to well balance

* Amounts posted under operating income here represent amounts prior to amortization of difference in actuarial value

Acetate fibers & Membranes and others

(¥ billion)

	Previous Q1	Reporting Q1	Change	Remarks
Net Sales	24.3	23.5	-0.8	
Acetate fibers and Textiles,etc	10.3	9.9	-0.4	
Membranes & Engineering	3.2	3.5	+0.3	
Others	10.8	10.1	-0.7	
Operating income (Excluding effect of amortization in question)	1.0	0.4	-0.6	

* Amounts posted under operating income here represent amounts prior to amortization of difference in actuarial value

(¥ billion)

Item	Previous Q1	Reporting Q1	Change	Remarks
Non-operating income	1.7	2.0	+0.3	
Interest & dividend received	0.3	0.4	+0.1	
Return on investment in equity-method affiliates	0.5	0.5	-0.0	
Foreign exchange gain	0.6	0.8	+0.2	
Other	0.2	0.4	+0.2	
Non-operating expenses	0.8	0.8	+0.0	
Interest paid	0.4	0.5	-0.1	
Other	0.4	0.2	+0.2	
Non-operating loss	0.9	1.2	+0.3	
(Financial account balance)	-0.1	-0.1	+0.0	

(¥ billion)

Item	Previous Q1	Reporting Q1	Change	Remarks
Extraordinary gains	0.0	0.0	-0.0	
Gain on sale of fixed assets	0.0	0.0	+0.0	
Other	0.0	—	-0.0	
Extraordinary losses	0.3	0.4	-0.1	
Loss on sale and disposal of fixed assets	0.2	0.4	-0.2	
Impairment loss	—	0.0	-0.0	
Loss on valuation of investment securities	—	.00	-0.0	
Other	0.1	—	+0.1	
Net extraordinary gain (loss)	-0.3	-0.4	-0.1	

(¥ billion)

Item	FY2007 (as of Mar.31.2008)	FY2008 (as of Jun.30.2008)	change	Remarks
Total assets	451.5	441.9	-9.6	
Current assets	177.3	173.3	-4.0	
Tangible fixed assets	173.5	169.8	-3.7	Capital investment:+8.4 Depreciation:-6.4
Investment securities	71.0	73.9	+2.9	
Other noncurrent assets	29.8	24.8	-5.0	
Total liabilities	235.7	234.0	-1.7	
(Interest-bearing liabilities)	(108.7)	(107.2)	(-1.5)	
Total net assets	215.8	207.9	-7.9	
Shareholders' equity	194.2	191.0	-3.2	
Gains/losses on valuation & exchange translation	5.3	1.5	-3.8	Foreign currency translation adjustments:-6.0
Minority interests	16.3	15.4	-0.9	
Total liabilities and net assets	451.5	441.9	-9.6	

(¥ billion)

Item	Previous Q1	Reporting Q1	Remarks
Cash flows from operating activities	1.3	12.0	Income before income taxes 3.1 Depreciation amortization 6.4, Increasing Inventories-7.9 ,Decreasing notes and accounts receivable and Increasing notes and accounts payable 13.0
Cash flows from investing activities	-17.1	-10.1	Purchases of property,plant and equipment -9.7
Free cash flows	-15.8	1.9	
Cash flows from financing activities	13.1	-1.9	Cash dividends paid -3.1
Increase (decrease) of cash and cash equivalents	-2.6	-0.5	
Cash and cash equivalents , End of Q1	8.1	16.8	

Performance Estimates for FY2008

(FY2008 estimates)

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※Operating income and Net income: upper line →After amortization, lower line → Prior to amortization

Item	Unit	FY2007 results						FY2008 estimates				
		1Q	2Q	First half	3Q	4Q	Full term	1Q results	2Q estimates	First half estimates	Second half estimates	Full term estimates
Net sales	¥ billion	100.0	113.6	213.6	99.2	105.7	418.5	91.3	111.7	203.0	202.0	405.0
Operating Income	¥ billion	12.2	10.6	22.8	8.7	6.0	37.5	2.3	1.2	3.5	2.5	6.0
		12.2	11.3	23.5	9.3	6.8	39.6	3.9	2.6	6.5	5.5	12.0
Net Income	¥ billion	6.5	4.4	10.9	2.6	0.7	14.3	1.2	-0.7	0.5	-0.5	0.0
		6.5	4.8	11.3	3.0	1.2	15.5	2.2	0.1	2.3	1.3	3.6
Dividend	¥ per share	—	—	5.5	—	—	11.0	—	—	3.0	3.0	6.0
Capital expenditures	¥ billion	—	—	13.5	—	—	29.2	8.4	6.6	15.0	25.0	40.0
Depreciation	¥ billion	—	—	11.6	—	—	24.7	6.4	6.6	13.0	14.0	27.0
Amortization of goodwill	¥ billion	—	—	0.4	—	—	0.8	0.2	0.2	0.4	0.4	0.8
R&D expenses	¥ billion	—	—	5.7	—	—	11.9	3.2	3.3	6.5	7.0	13.5
Amortization of Actuarial Losses in Pension Accounting	¥ billion	0.0	0.7	0.7	0.7	0.7	2.1	1.6	1.4	3.0	3.0	6.0
Conditions												
Exchange rate	¥/\$	120	117	118	112	104	113	104	105	105	105	105
Naphtha price	1,000¥/KL	57.8	59.7	58.7	61.6	66.7	61.4	70.9	90.0	80.5	90.0	85.2

※Operating income and Net income: upper line →After amortization , lower line → Prior to amortization

Item	Unit	FY2007 results	FY2008 estimates					
			Revised estimate			Previous estimate		
			First half	Second half	Full term	First half	Second half	Full term
Net sales	¥ billion	418.5	203.0	202.0	405.0	213.0	217.0	430.0
Operating Income	¥ billion	37.5	3.5	2.5	6.0	11.0	13.0	24.0
		39.6	6.5	5.5	12.0	14.0	16.0	30.0
Net Income	¥ billion	14.3	0.5	-0.5	0.0	3.5	6.0	9.5
		15.5	2.3	1.3	3.6	5.3	7.8	13.1
Dividend	¥ per share	11.0	3.0	3.0	6.0	5.5	5.5	11.0
Capital expenditures	¥ billion	29.2	15.0	25.0	40.0	15.0	25.0	40.0
Depreciation	¥ billion	24.7	13.0	14.0	27.0	13.0	14.0	27.0
Amortization of goodwill	¥ billion	0.8	0.4	0.4	0.8	0.4	0.4	0.8
R&D expenses	¥ billion	11.9	6.5	7.0	13.5	6.5	7.0	13.5
Amortization of Actuarial Losses in Pension Accounting	¥ billion	2.1	3.0	3.0	6.0	3.0	3.0	6.0
Conditions								
Exchange rate	¥/\$	113	105	105	105	100	100	100
Naphtha price	1,000¥/KL	61.4	80.5	90.0	85.2	67.0	67.0	67.0

Performance Estimates by Segment

(FY2008 estimates)

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(¥ billion)

		FY2007 results						FY2008 estimates				
		1Q	2Q	First half	3Q	4Q	Full term	1Q results	2Q estimates	First half Estimates	Second half Estimates	Full term Estimates
Sales	Chemicals & Plastics	44.1	49.1	93.2	45.1	48.7	187.0	42.9	52.1	95.0	99.0	194.0
	Acrylic fibers & AN monomer	19.8	21.2	41.0	17.7	15.0	73.7	14.4	15.6	30.0	25.0	55.0
	Carbon Fiber & Composite Materials	11.8	12.9	24.7	11.2	10.9	46.8	10.6	11.4	22.0	23.0	45.0
	Acetate fibers & Membranes and others	24.3	30.4	54.6	25.2	31.2	111.0	23.5	32.5	56.0	55.0	111.0
	Total	100.0	113.5	213.6	99.2	105.7	418.5	91.3	111.7	203.0	202.0	405.0
Operating income	Chemicals & Plastics	7.2	5.9	13.1	5.0	4.2	22.3	1.6	2.5	4.1	4.6	8.7
		7.2	6.4	13.6	5.4	4.5	23.6	2.6	3.4	6.0	6.5	12.5
	Acrylic fibers & AN monomer	0.9	0.6	1.5	0.4	-1.2	0.7	-0.9	-1.9	-2.8	-4.3	-7.1
		0.9	0.7	1.5	0.5	-1.0	1.0	-0.7	-1.8	-2.5	-4.0	-6.5
	Carbon Fiber & Composite Materials	3.2	3.5	6.7	2.6	1.7	11.0	1.4	0.2	1.6	1.6	3.2
		3.2	3.7	6.9	2.7	1.7	11.3	1.6	0.4	2.0	2.0	4.0
	Acetate fibers & Membranes and others	1.0	0.5	1.5	0.6	1.3	3.4	0.2	0.3	0.6	0.6	1.2
		1.0	0.6	1.6	0.7	1.3	3.6	0.4	0.6	1.0	1.0	2.0
	Total	12.2	10.6	22.8	8.7	6.0	37.5	2.3	1.2	3.5	2.5	6.0
		12.2	11.3	23.5	9.3	6.7	39.6	3.9	2.6	6.5	5.5	12.0

※Operating income and Net income: upper line → After amortization, lower line → Prior to amortization

Performance Estimates by Segment

Difference between previous estimate reported at May 2,2008
(FY2008 estimates)

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(¥ billion)

		FY2007 results	FY2008 estimates					
			Revised estimate			Previous estimate		
			First half	Second half	Full term	First half	Second half	Full term
Sales	Chemicals & Plastics	187.0	95.0	99.0	194.0	96.0	99.0	195.0
	Acrylic fibers & AN monomer	73.7	30.0	25.0	55.0	36.0	35.0	71.0
	Carbon Fiber & Composite Materials	46.8	22.0	23.0	45.0	23.0	24.0	47.0
	Acetate fibers & Membranes and others	111.0	56.0	55.0	111.0	58.0	59.0	117.0
	Total	418.5	203.0	202.0	405.0	213.0	217.0	430.0
Operating income	Chemicals & Plastics	22.3	4.1	4.6	8.7	8.1	9.1	17.2
		23.6	6.0	6.5	12.5	10.0	11.0	21.0
	Acrylic fibers & AN monomer	0.7	-2.8	-4.3	-7.1	-0.9	-0.9	-1.8
		1.0	-2.5	-4.0	-6.5	-0.5	-0.5	-1.0
	Carbon Fiber & Composite Materials	11.0	1.6	1.6	3.2	2.1	3.1	5.2
		11.3	2.0	2.0	4.0	2.5	3.5	6.0
	Acetate fibers & Membranes and others	3.4	0.6	0.6	1.2	1.7	1.7	3.4
		3.6	1.0	1.0	2.0	2.0	2.0	4.0
	Total	37.5	3.5	2.5	6.0	11.0	13.0	24.0
		39.6	6.5	5.5	12.0	14.0	16.0	30.0

※Operating income and Net income: upper line → After amortization, lower line → Prior to amortization

		Acrylic Business Group		Non-Acrylic Business Group
		MMA Business Complex	AN(Acrylonitrile) Business Complex	
Chemicals & Plastics	Chemicals	MMA monomers, Functional monomers		Dimethylformamide
	Plastics	Acrylic sheets, acrylic resin pellets		PBT resins
	Coating resins & modifiers	Coating resins, plastic modifiers		
	Information materials	Prism sheets, plastic optical fibers, plastic rod lenses		
Acrylic fibers & AN monomer and Derivatives	AN monomer		AN (Acrylonitrile) monomer, Flocculants,etc	
	Acrylic fibers		Acrylic fibers	
Carbon Fiber & Composite Materials			Carbon Fiber, Prepreg, Processed products	
Acetate fibers & Membranes and others	Acetate fibers			Textiles
	Membranes & Engineering			Water purifiers, Water treatment equipment and systems, Plant Engineering
	Others			Ryoko Co.,Ltd. Others

Situation	Startup	Products	Capacity	Company	Location	Investment (US\$ million)
Operation started	Jun 2005	Coating resin	3,500 tons/year	Mitsubishi Rayon Polymer Nantong	Nandong, China	30
	Jul 2005	Acrylic sheets	20,000 tons/year			
	Dec 2005	Acrylic fibers	50,000 tons/year	Ningbo Rayon Acrylic Fibers	Ningbo, China	100
	Jan 2006	Carbon fibers	1,500 → 2,000 tons/year	Grafil	U.S.A.	
	Jun 2006	Prism sheets	30 million sheets→45 million sheets/year	Mitsubishi Rayon	Japan	
	Dec 2006	MMA monomers	90,000 tons/year	Huizhou MMA	Huizhou, China	100
	Jan 2007	Carbon fibers	500 to 750 tons/year	SGL Technic	U.K.	Production outsourced
	May 2007	Carbon fibers	3,200 → 5,400 tons/year	Mitsubishi Rayon	Japan	¥ 7billion
	Sep 2007	Prism sheets	45 million sheets→60 million sheets/year	Mitsubishi Rayon	Japan	¥ 2billion
Under construction	2Q 2008	Acrylic resin pellets	40,000 tons/year	Daesan MMA (joint venture Honan Petrochem.)	Korea	50:50 equity stakes
	4Q 2008	MMA monomers	90,000 tons/year			
	【2008	MMA monomers	(production sharing with Mitsubishi) 120,000 tons/year	Lucite	Singapore	】
	4Q 2009	Carbon fibers	5,400 →8,100 tons/year	Mitsubishi Rayon	Japan	¥ 12billion
	4Q 2009	Acrylic sheets	20,000 tons/year	Thai MMA	Thailand	270
	2Q 2010	MMA monomers	90,000→180,000 tons/year			
Plan	2010~2011	MMA monomers	(production sharing with Lucite) 140,000 tons/year	Mitsubishi Rayon	U.S.A.	

Note: Q = calendar year quarters

Impact	Startup	Products	Location	Company	Capacity
Full-term Contribution in FY2008	May 2007	Carbon fibers	Japan	Mitsubishi Rayon	3,200 → 5,400 tons/year
	Sep 2007	Prism sheets	Japan	Mitsubishi Rayon	45 million sheets → 60 million sheets/year
Start of operations in FY2008	2Q 2008	Acrylic resin pellets	Korea	Daesan MMA (joint venture Honan Petro-chem.)	40,000 tons/year
	4Q 2008	MMA monomers			90,000 tons/year
	【2008	MMA monomers	Singapore	Lucite	(production sharing with Mitsubishi) 120,000 tons/year]

Note: Q = calendar year quarters

The business performance forecasts and targets included in business plans contained in this presentation are based on information known to the Company's management as of the day of presentation. Please be aware that the content of such forward-looking statements may differ significantly from actual results, owing to a number of unforeseeable factors.