

Securities Code: 3404

June 6, 2007

**NOTICE OF
THE 82ND ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholder:

It is our pleasure to invite you to the 82nd Ordinary General Meeting of Shareholders of Mitsubishi Rayon Co., Ltd. (hereinafter “the Company”) to be held as indicated below.

If you are unable to attend the meeting in person, after reviewing the attached reference materials (page 49 and after), please exercise your voting rights either in writing on the attached “exercise of voting rights form” or over the Internet (see 4. below) by June 27, 2007.

Sincerely,

Masanao Kanbara, President
Mitsubishi Rayon Co., Ltd.
6-41, Konan 1-chome,
Minato-ku, Tokyo 108-8506

- 1. Date:** June 28, 2007 (Thursday) at 10:00 a.m. (Open 9:00 a.m.)

- 2. Place:** 10-30, Takanawa 4-chome
Minato-ku, Tokyo 108-8611
Shinagawa Prince Hotel,
32nd Floor of Main Tower, Hall “Hakodate”
Please note that the name of New Tower in the Shinagawa Prince Hotel has changed to Main Tower, effective April 1.

(TRANSLATION FOR REFERENCE ONLY)

3. Meeting Agenda:

Items to be Reported;

The Business Report, the Consolidated Financial Statement for the 82nd term (from April 1, 2006 to March 31, 2007), and auditing results of these financial statements by an independent accountant and the Board of Corporate Auditors

Items to be Resolved;

Agenda 1: Appropriation of Retained Earnings

Agenda 2: Payment of Bonuses to Directors

Agenda 3: Partial Amendment to the Articles of Incorporation

Agenda 4: Election of Nine Directors

Agenda 5: Election of One Corporate Auditor

Agenda 6: Retirement Allowance for Retiring Corporate Auditors and Payment of Accrued Benefits Associated with Abolition of Retirement Benefit System for Current Corporate Officers

Agenda 7: Revision of Remuneration to Directors

Agenda 8: Revision of Remuneration of Corporate Auditors

Note: This English version is a translation of an original notice written in Japanese. When discrepancies in interpretation arise, the content of the Japanese notice shall take precedence.

4. Exercise of Voting Rights via the Internet

- (1) When voting right is exercised both by mailing the voting form and via the Internet, the vote via the Internet will be deemed effective on a priority basis.
- (2) If the voting right is exercised via the Internet more than one (1) time, the last vote shall be deemed effective.
- (3) In the event that any shareholder should attend the general meeting of shareholders despite having exercised his or her voting right via the Internet, the vote via the Internet shall be deemed invalid.
- (4) Please read the instructions for the exercise of voting rights via the Internet in the pages 57 through 58.
- (5) “Platform for Electronic Exercise of Voting Rights by Institutional Investors” is also available.

5. Reference Materials for General Meeting of Shareholders on the Website

- (1) Reference materials for general meeting of shareholders such as notice of general meeting of shareholders will be posted on our website “General Meeting of Shareholders” under “Investors Relations/Shareholder Information” from the day on which the notice of general meeting of shareholders is dispatched.
- (2) In the event any amendment should be made by the day immediately prior to the date of the general meeting of shareholders, the revised documents will be posted on our webpage.
- (3) For the convenience of investors in foreign countries, we also post the English language version of the notice of general meeting of shareholders on our webpage at:

<http://www.mrc.co.jp/>

(Shareholders attending the meeting are requested to submit the enclosed voting form at the reception desk.)

Business Report
(April 1, 2006 to March 31, 2007)

1 Overview of Operations

(1) Operating Progress and Results of the Group

In the fiscal year ended March 31, 2007, the U.S. economy remained brisk while turning toward slower growth and the Asian economy maintained its growth trend despite gradual decline in growth rate, backed by continued high growth in China. The Japanese economy sustained a trend of economic expansion, although consumer spending remained at a low growth rate, supported by an increase in capital expenditure on the back of favorable corporate earnings. However, companies were confronted with rapidly changing and severe business environment such as sharp rise in oil prices and inventory adjustment in IT related goods.

The Group has therefore been implementing specific measures in its efforts for realizing “successively growing high return enterprise” under the 5th medium term management plan “US (Unique Specialty) 2007” which was launched in FY2005. As for the MMA (Methyl methacrylate) business area, we started production at a new plant for MMA monomer, which we had been constructing in China, in December 2006. In addition, we decided to establish a joint venture in South Korea for production and sale of MMA monomer and polymer. It was also decided to expand a plant for MMA monomer and build a new plant for acrylic resin sheet at Thai MMA Co., Ltd, as part of efforts for establishing a globally dominant position in MMA chains in terms of scale of operation and profitability.

As for the AN (Acrylonitrile) business area, we are implementing various measures to attain profit stability by a drastic reorganization of the operational structure in the acrylic fiber business. In the carbon fibers and composite materials business, we have been developing a unique and competitive business for the purpose of expanding into the area of high value-added products such as products of industrial applications. Also, in order to expand and strengthen the basis of AN (Acrylonitrile) business area, Dia-Nitrix Co., Ltd. became a consolidated subsidiary of the Company being under the Company’s integral management.

(Notes)

1. “The Group” referred to in the Business Report shall mean “Corporate group”, stated in Article 120, Paragraph 2 of the Corporation Law enforcement rules.
2. Amounts and figures less than one unit have been omitted in this Report.

We have also been promoting BPR (business process reengineering) such as upgrade of the technology and system of production, management of product lineup and inventory, etc. for the enhancement of our competitiveness.

In FY2006, the consolidated operating results were: net sales of ¥417,027 million (19.5% increase over the previous year), operating income of ¥59,665 million (53.9% increase over the previous year), ordinary income of ¥58,471 million (50.4% increase

(TRANSLATION FOR REFERENCE ONLY)

over the previous year) and net income of ¥31,273 million (28.0% increase over the previous year).

The Group changed the amortization method of the actuarial gain or loss of expenses in its retirement benefit accounting, and effective the fiscal year ended March 31, 2006, the new method recognizes actuarial gain or loss as operating expenses and uses lump-sum amortization in the year immediately following the year in which such gain or loss arises. Accordingly, operating income and ordinary income excluding amortization of net retirement benefit obligations due to the change in accounting (actuarial loss of ¥933 million in FY2005 and actuarial gain of ¥14,209 million in FY2006) were ¥45,455 million (14.4% increase over the previous year) and ¥44,261 million (11.2% increase over the previous year), respectively.

The operation of the Company resulted in: sales of ¥238,042 million (4.4% increase over the previous year), operating income of ¥39,246 million (72.5% increase over the previous year), ordinary income of ¥44,343 million (63.2% increase over the previous year) and net income of ¥25,943 million (44.0% increase over the previous year). Excluding amortization of net retirement benefit obligations due to the change in accounting (actuarial loss of ¥933 million in FY2005 and actuarial gain of ¥14,209 million in FY2006), operating income and ordinary income in FY2006 were ¥25,036 million (5.7% increase over the previous year) and ¥30,133 million (7.2% increase over the previous year), respectively.

Consolidated sales and operating income by segment

(million yen)

	FY2005 (April 1, 2005 to March 31, 2006)		FY2006 (April 1, 2006 to March 31, 2007)		Compared with the previous fiscal year	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
Chemicals & Plastics	171,030	28,034	219,622	32,196	48,592	4,162
Fibers	84,811	1,629	85,882	(1,132)	1,071	(2,761)
Carbon Fibers & Composite Materials, Membranes and Others	93,125	9,893	111,522	14,290	18,397	4,397
Eliminations or Corporate	-	142	-	100	-	(42)
Consolidated total	348,967	39,699	417,027	45,455	68,060	5,756
Single Mitsubishi Rayon	227,916	23,672	238,042	25,036	10,126	1,364

(Note) Operating income in the above consolidated sales and operating income by segment excludes amortization of net retirement benefit obligations due to the change in accounting (actuarial loss of ¥933 million in FY2005 and actuarial gain of ¥14,209 million in FY2006).

1) Chemicals & Plastics

<Chemicals>

Sales of MMA monomer remained strong supported by brisk demand in Asia. At

the same time, we have worked to reduce the cost and increase product prices in response to the increase in the prices of raw materials. Production was continued at 100% in Japan to handle the fragile balance of demand.

Sales of MMA monomer at Thai MMA Co., Ltd. also maintained steady growth on the back of booming demand.

In the meantime, Huizhou MMA Co., Ltd. in China, which started production in December 2006, continues to operate successfully.

<Specialty Plastics and Specialty Chemicals>

Sales of acrylic molding materials exceeded those of the previous year supported by solid demand in Japan in the automobiles, home electronic appliances and building materials products despite the negative effect on demand for IT products of production adjustment.

Nantong Rayon Chemical Co., Ltd. in China increased sales although the company was affected by sluggish demand for IT products.

In acrylic sheet products, demand for curable acrylic sheets for cell phones expanded but demand for light guiding plates for the backlights of LCD was affected by LCD production adjustment, leading to sluggish growth in the sales volume.

Mitsubishi Rayon Polymer Nantong Co., Ltd. in China, which started operations in June 2005, maintained high-level operation and strong sales.

Sales of acrylic films increased supported by the steady sales of construction materials and automotive interiors.

Sales of coating materials increased backed by robust demand for automobiles. We also worked on market development of “Rayqueen”, a hard coating material for disks, for which the demand is expected to increase.

Sales of plastic modifier “Metablen” increased supported by the steady sales of products for non-vinyl business machines and sales to foreign countries.

<Information Materials >

Sales of plastic optical fiber for automotive LAN in Europe grew favorably and sales of plastic rod lens for hybrid printers remained firm.

Demand for “Diaart” prism sheets for LCD backlights for the core laptop computer segment was affected by LCD production adjustment. However, newly enhanced production capacity started operations in June 2006 and sales were expanded in South Korea and Taiwan, leading to increased sales of the product.

2) Fibers

<Acrylic Fibers>

In acrylic fiber, Ningbo Rayon Acrylic Fibers Co., Ltd., which started operations in December 2005 in China, continued low-level of operations in the first half of FY2006 but gradually increased the capacity utilization. On the sales front, the sales volume for Asian countries including shipments from Ningbo increased but

the market for acrylic fibers contracted further in Japan, leading to a decrease in sales. In addition, we have not been able to fully reflect increased raw materials prices in product prices and continue to face a harsh business climate. We will strive to recover profitability and optimize the portfolio of products from Japan and Ningbo by expanding sales of specialized materials, reviewing the sales structure in Japan and promoting further improvement in the structure of overseas spinning industry.

<Other Fibers>

In Mitsubishi Rayon Textile Co., Ltd., sales of “Soalon” tri-acetate filament yarn were sluggish in Europe but remained steady in China, Middle East and Japan.

However, sales of “Lynda” Di-acetate filament yarn remained at the level of the previous year despite a decrease in the sale volume for foreign countries, supported by increased sales volume in Japan.

Note that the carpet business was transferred to the TOLI Group in December 2006.

3) Carbon Fibers & Composite Materials, Membranes and Others

<Carbon Fibers & Composite Materials>

As for the carbon fiber and composite materials business area, demand remained tight globally due to the increase in demand from aircraft and wind-power generation industries as well as the expanded demand for industrial materials and sports/leisure applications. The Group reinforced its business development in general industry applications including pressure vessel based sports/leisure applications, resulting in favorable sales volume. As for the increasing prices of raw materials, the Group proceeded with cost reduction and increased product prices. With regard to production, we continued high level of operations both in Japan and the United States.

The Group will begin operation of production facilities that have an annual production capacity of 2,200 tons, concerning which construction is proceeding at Toyohashi Production Center, in the first quarter of FY2007 (April-June 2007).

<Membranes and Others>

In the home-use water purifier section, sales of high-function products remained firm such as multifunction products for pollutant (including lead, trihalomethane and agrochemicals) removal and products to convert water into ionized alkaline water. As for membrane products, we put particular effort into unit sales of new hollow fiber membranes for wastewater treatment employing a new membrane that was highly evaluated in the markets, which resulted in orders of wastewater treatment work in China and South Korea.

In the engineering business section, sales increased contributed by orders for large-scale plant construction work, which is their strong area.

As for Ryoko Co., Ltd., sales of resin products for automobiles remained strong.

(TRANSLATION FOR REFERENCE ONLY)

(2) Fund Procurement of the Group

1) Fund procurement status

During FY2006, the Group raised fund through a syndicated loan of ¥5 billion. The syndicated loan is a joint financing of 13 companies with the Bank of Tokyo-Mitsubishi UFJ, Ltd. as the lead manager.

2) Plant and Equipment Investment

(i) Plant and equipment completed during FY2006

Huizhou MMA Co., Ltd. (Chemicals & Plastics business):

New construction of MMA monomer production facilities

(ii) Ongoing new construction/enhancement of main facilities in FY2006

Toyohashi Production Center (Carbon fibers & composite materials business):

Expansion of carbon fiber production facilities

(iii) Transfer, absorption-type demerger or incorporation-type demerger of business

Mitsubishi Rayon Carpet Co., Ltd., which was a consolidated subsidiary of the Group, transferred its carpet business to the TOLI Group as of December 1, 2006.

(iv) Acquisition or disposal of shares and other equity of other companies or new share warrants

Mitsubishi Rayon had owned 50% of outstanding common stocks of Dia-Nitrix Co., Ltd. and acquired 15% of stocks of the company held by Mitsubishi Chemical Corporation as of April 1, 2006, as a result of which our ratio of shareholding in Dia-Nitrix has increased to 65%.

Accordingly, Dia-Nitrix Co., Ltd., which had previously been an equity-method affiliate of the Company, became a consolidated company effective FY2006.

(TRANSLATION FOR REFERENCE ONLY)

(3) Status of Assets and Profits/Losses

1) Status of assets and profits/losses of Mitsubishi Rayon Group

Items	79th fiscal year (year ended in March 31, 2004)	80th fiscal year (year ended in March 31, 2005)	81st fiscal year (year ended in March 31, 2006)	82nd fiscal year (year ended in March 31, 2007)
Net sales (million yen)	309,593	330,106	348,967	417,027
Ordinary income (million yen)	21,922	27,806	38,858	58,471
Net income (million yen)	12,293	14,438	24,425	31,273
Net income per share (yen)	20.01	23.52	40.46	52.15
Net assets (million yen)	146,476	156,842	185,841	225,713
Total assets (million yen)	342,300	345,989	381,557	449,578

(Note) Effective the 82nd fiscal year, we have applied "Accounting Standards for Presentation of Net Assets in the Balance Sheet" (ASBJ Statement No.5 issued on December 9, 2005) and "Implementation Guidance on the Accounting Standard for Presentation of Net Assets in the Balance Sheet" (ASBJ Guidance No.8 issued on December 9, 2005).

2) Status of assets and profits/losses of the Company

Items	79th fiscal year (year ended in March 31, 2004)	80th fiscal year (year ended in March 31, 2005)	81st fiscal year (year ended in March 31, 2006)	82nd fiscal year (year ended in March 31, 2007)
Net sales (million yen)	202,786	212,905	227,916	238,042
Ordinary income (million yen)	14,764	20,230	27,157	44,343
Net income (million yen)	8,921	11,738	18,006	25,943
Net income per share (yen)	14.54	19.14	29.86	43.26
Net assets (million yen)	130,148	138,391	157,286	177,111
Total assets (million yen)	261,550	264,779	280,048	327,170

(Note) Effective the 82nd fiscal year, we have applied "Accounting Standards for Presentation of Net Assets in the Balance Sheet" (ASBJ Statement No.5 issued on December 9, 2005) and "Implementation Guidance on the Accounting Standard for Presentation of Net Assets in the Balance Sheet" (ASBJ Guidance No.8 issued on December 9, 2005).

(4) Issues the Group Faces

1) Management policy

Under the management philosophy of “Best Quality for a Better Life - Contributing to the abundant future of people”, the Group’s basic management objective is to transform, by self-supporting efforts, “Mitsubishi Rayon Group into a high-earning enterprise with excellent growth potential” consisting of business sections with uniqueness and specialty which continuously contribute to the good of society.

For the realization of the objective, we have the following business attitudes.

First, we will ensure compliance with the laws in the management based on the understanding that the Group’s existence and growth are conditioned on the fulfillment of social responsibility as a corporation and the social trust so obtained. Based on the experience of the Group, we will develop an internal control system covering legal compliance system, risk management system and corporate information disclosure system and give the highest priority to the application of these systems in daily operations.

Secondly, we will concentrate our management resources in the businesses which we aim to enhance and expand with the skills we have, and conduct rigorous management of the business portfolio by continuously trying to create new business areas in which we have self-confidence.

2) Initiatives the Group established

We have been working on the 5th Medium Term Management Plan - FY2005-2007 “US → 2007” with the basic concept of “focus and expansion”. This medium term management plan is to implement specific measures for the realization of sustainable growth with the ultimate objective of creating a Group characterized by sustainable growth and high earnings by the year 2010.

The 2007 fiscal year marks the final year of the 5th Medium-Term Management Plan, and also the actual startup year of the next medium-term management plan (FY2008 to FY2010), which is aimed at realizing “Mitsubishi Rayon Group backed by high earnings and sustainable growth” with an image of what the Group wants to be by FY2015.

Therefore, the Group implemented structural reform in April 2007, aiming particularly to: (1) revitalize its organization and make business management more autonomous and speedier under an organization that is flattened by abolishing the “divisional organization system,” etc.; and (2) strengthen chain activities after clarifying business chains. Principal initiatives for FY2007 are as follows.

Accelerating the growth of the acrylic business

The Group will concentrate management resources on its core acrylic operations which consist of the MMA (methyl methacrylate) and AN (acrylonitrile) businesses. In the MMA business, we aim for the establishment of a worldwide MMA chain that is dominant both in business scale and profitability while

enhancing the profitability of the AN business.

As for the MMA business, the Group has established a solid, integrated MMA business structure covering from monomer through polymer in China, following Japan and Thailand, and decided to enlarge manufacturing facilities in South Korea and Thailand. The Group is also continuously considering large-scale investments for further growth and expansion, developing new products and new business materials with polymer, copolymer and optical elements, and cultivating their applications and markets. Through these efforts, the Group will continue to enhance the MMA business in the form of a business chain.

The Group has clarified the AN business as a business chain covering from AN monomer to acrylic fibers and carbon fibers, through the structural reform in April and the conversion of Dia-Nitrix Co., Ltd. into a consolidated subsidiary. We will strive to expand the AN business as a business chain following the MMA business. As for the acrylic fiber business, we aim to recover its profitability by promoting a further restructuring and getting the operations of production facilities in China, where capacity utilization increased late in 2006, on track. We will expand the carbon fibers and composite materials businesses as a unique and competitive enterprise. To this end, we will add enlarged facilities in Japan to our strengths by starting their operations during April to June 2007, and we intend to take full advantage of our strengths, placing new business materials on the market, developing high value-added materials, and considering further enhancement programs.

Continued enhancement of operational competitiveness

The Group has obtained excellent results from its activities to raise operational competitiveness, particularly in the reforms of operations and production. Under the current medium-term management plan, we are continuously promoting the above activities as the “JK → 2007” activity. We aim to further improve our competitiveness through the development of applications and the cultivation of markets in addition to such conventional activities as the sophistication of production technologies and systems and the comprehensive management of product lineups and inventories, which have been continuously implemented.

Creating new businesses

The Group will continue to enhance profitability by creating new businesses in the acrylic business area, and to tenaciously work on the creation of our next core businesses.

Through the structural reform in April 2007, the Group strengthened cross-sectional functions in the research and development sector, in order to boost cooperation among R&D laboratories and centers. This new framework will help us determine cross-sectional themes over multiple R&D organizations, and further enhance the Group’s ability to develop new technologies and products.

Strengthening of internal control

Giving highest priority to the fulfillment of its corporate social responsibility (CSR) goals, the Group established in April 2007 the CSR Committee to supervise CSR activities in each section. From now on, this committee will determine a future course of action for CSR activities of the Group overall, and will work to harmonize individual activities based on the course of action, aiming to further improve and enhance CSR activities.

With regard to internal control, the Group reviewed relevant regulations and formulated standard measures against some significant risks in FY2006, in accordance with the basic policy on internal control approved by the Board of Directors. In FY2007, we will work on “internal control related to financial reports” on a priority basis, and establish a system to secure appropriateness of operations. To achieve this, the Group will reassess significant risks and implement enlightenment activities to improve the effectiveness of standard measures against such risks, while taking into account information management, risk management, efficient execution of operations, compliance and Group-wide management.

The Japanese economy and that of the world are both expected to continue to grow moderately. However, the outlook for raw materials, fuel prices and exchange rates is unpredictable, and there are many concerns such as a sharp economic slowdown in the U.S. and Asia and an interest rate hike in Japan. Hence, it is true that there is some feeling of uncertainty about the overall economic outlook.

Due to such circumstances, the Group will give its best effort to fulfill its initiatives, by continuing to appropriately reflect the increased prices of raw materials and fuel in the prices of products, heightening the added value of products, and enhancing operational competitiveness through implementation of “JK → 2007” activities.

(TRANSLATION FOR REFERENCE ONLY)

(5) Main Businesses of the Group (As of March 31, 2007)

The Group's principal businesses are production and sale of the following products:

Chemicals & plastics	<p>Chemicals (MMA monomer, functional esters, organic solvents, fine chemicals)</p> <p>Molding materials (acrylic molding materials, PBT molding materials)</p> <p>Sheets & films (acrylic sheets, acrylic films)</p> <p>Coating materials (for paints, inks, adhesives, solid surface)</p> <p>Plastic modifiers</p> <p>Plastic optical fibers</p> <p>Rod lens</p> <p>Prism sheet for LCD backlights</p>
Fibers	<p>Acrylic fibers (staple fibers, filament yarns, synthetic acrylic suede)</p> <p>Acetate fibers (filament yarns, tow)</p> <p>Polyester fibers (filament yarns)</p> <p>Polypropylene fibers (filament yarns)</p>
Carbon fibers & composite materials, membranes and others	<p>Carbon fibers (tow, cloth, prepreg, chopped fibers)</p> <p>Fabricated composite materials (for sports applications and industrial applications)</p> <p>Materials for aircraft</p> <p>Water purifiers (home use, commercial use, portables)</p> <p>Hollow fiber membrane filters (for wastewater treatment, water purifying, industrial use, power plant use, medical use)</p> <p>Artificial carbonated spring manufacturing equipment</p> <p>Water treatment systems</p> <p>Plant engineering</p> <p>Construction materials</p>

(TRANSLATION FOR REFERENCE ONLY)

(6) Principal offices and plants of the Group (As of March 31, 2007)

Mitsubishi Rayon Co., Ltd.	Head office	6-41, Konan 1-chome, Minato-ku, Tokyo
	Branches	Osaka Branch (Osaka-shi, Osaka) Nagoya Branch (Nagoya-shi, Aichi)
	Production Center	Otake Production Center (Otake-shi, Hiroshima) Toyohashi Production Center (Toyohashi-shi, Aichi) Toyama Production Center (Toyama-shi, Toyama) Yokohama Production Center (Yokohama-shi, Kanagawa)
	Laboratories	Corporate Research Laboratories (Otake-shi, Hiroshima) Yokohama Corporate Research Laboratories (Yokohama-shi, Kanagawa) Production Technology Laboratories (Otake-shi, Hiroshima)
Subsidiaries	Japan	Dia-Nitrix Co.,Ltd. Head office: Chuo-ku, Tokyo Plants: Mizushima Plant (Kurashiki-shi, Okayama) Otake Plant (Otake-shi, Hiroshima) Kurosaki Plant (Kitakyusyu-shi, Fukuoka) Yokohama Plant (Yokohama-shi, Kanagawa) Toyama Plant (Toyama-shi, Toyama) Laboratories: Corporate Research Laboratories (Yokohama-shi, Kanagawa)
		Mitsubishi Rayon Engineering Co., Ltd. Head office: Minato-ku, Tokyo Offices: Otake Production Center (Otake-shi, Hiroshima) Toyohashi Production Center (Toyohashi, Aichi) Toyama Production Center (Toyama-shi, Toyama) Yokohama Production Center (Yokohama-shi, Kanagawa)
		Mitsubishi Rayon Textile Co., Ltd. Head office: Osaka-shi, Osaka
		Ryoko Co., Ltd. Head office: Chuo-ku, Tokyo Branches: Osaka Branch (Osaka-shi, Osaka) Sendai Branch (Sendai-shi, Miyagi) Nagoya Branch (Nagoya-shi, Aichi) Fukuoka Branch (Fukuoka-shi, Fukuoka)
		MRC Finance Co., Ltd. Head office: Minato-ku, Tokyo
	Overseas	Huizhou MMA Co., Ltd. (China)
		Mitsubishi Rayon America Inc. (U.S.A.)
		Ningbo Rayon Acrylic Fibers Co., Ltd. (China)
		Mitsubishi Rayon Polymer Nantong Co., Ltd. (China)
		Jiangsu Xinling Chemical Co., Ltd. (China)
		P. T. Vonex Indonesia (Indonesia)
		Nantong Rayon Chemical Co., Ltd. (China)
		Qingdao Lingtong Textile Co., Ltd. (China)
		Thai MMA Co., Ltd. (Thailand)

(TRANSLATION FOR REFERENCE ONLY)

(7) Status of Employees (As of March 31, 2007)

1) Number of employees of the Group

Name of segment by business category	Number of employees
Chemicals & plastics	2,468
Fibers	1,862
Carbon fibers & composite materials, membrane and others	2,669
Corporate	810
Total	7,809

(Note) "Corporate" indicates the number of employees belonging to sections that cannot be classified by business category.

2) Number of employees of the Company

Number	Change from the end of the previous year	Average age	Average length of service
2,755	+31	41.8	20.4

(TRANSLATION FOR REFERENCE ONLY)

(8) Status of Major Subsidiaries (As of March 31, 2007)

Company	Issued share capital	Investment ratio	Principal activities
Dia-Nitrix Co.,Ltd.	million yen 2,000	% 65	Production and sale of acrylonitrile, acrylamide, and production catalytic agent and aggregating agent thereof.
Mitsubishi Rayon Engineering Co., Ltd.	1,200	100	Engineering business, and production and sale of hollow fiber membrane products
Mitsubishi Rayon Textile Co., Ltd.	400	100	Sale of chemical fibers, fabric & textile and other fiber products
Ryoko Co., Ltd.	100	80	Sale of plastic products and fabricated plastic products, and design and construction of decorating
MRC Finance Co., Ltd.	30	100	Financial business
Huizhou MMA Co., Ltd.	thousand US dollars 65,000	100	Production and sale of MMA monomer
Mitsubishi Rayon America Inc.	54,907	100	Collection and sale of information
Ningbo Rayon Acrylic Fibers Co., Ltd.	50,000	55	Production and sale of acrylic fibers
Mitsubishi Rayon Polymer Nantong Co., Ltd.	27,500	100	Production and sale of acrylic sheets and coating materials
Jiangsu Xinling Chemical Co., Ltd.	24,600	96	Production and sale of dimethylformamide and methylamine
P. T. Vonex Indonesia	23,660	95	Spinning and dyeing of acrylic fibers
Nantong Rayon Chemical Co., Ltd.	20,730	80	Production and sale of acrylic molding materials
Qingdao Lingtong Textile Co., Ltd.	5,000	65	Spinning of acrylic fibers
Thai MMA Co., Ltd.	million Thai Bahts 1,300	45	Production and sale of MMA monomer and functional esters

(Note) Dia-Nitrix Co., Ltd., which had been an equity-method affiliate up until the previous fiscal year, became a consolidated subsidiary of the Company as a result of additional stock purchase.

(TRANSLATION FOR REFERENCE ONLY)

(9) Status of Major Creditors (As of March 31, 2007)

Creditor	Loans payable
	million yen
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	5,700
Syndicate loans (Note)	5,000
Mitsubishi UFJ Trust and Banking Corporation	4,900
The Norinchukin Bank	4,700
Mizuho Corporate Bank, Ltd.	2,800
The Joyo Bank, Ltd.	2,500
The Hachijuni Bank, Ltd.	2,500
Meiji Yasuda Life Insurance Company	2,000
Nippon Life Insurance Company	2,000
The Nanto Bank, Ltd.	1,250

(Note)The syndicated loan is a joint financing of 13 companies with the Bank of Tokyo-Mitsubishi UFJ, Ltd. as the lead manager.

(TRANSLATION FOR REFERENCE ONLY)

2. Shareholders' Equity (As of March 31, 2007)

- (1) Total number of shares authorized to be issued 1,200,000,000
(2) Total number of outstanding shares 599,997,820
(Including 476,689 treasury stocks)
(3) Number of shareholders 74,627 (2,122 increase from the previous year)
(4) Major shareholders

Name of shareholder	Shareholders' stake in the Company	
	Number of shares (1,000)	Investment ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	56,474	9.4
Japan Trustee Services Bank, Ltd. (trust account)	42,483	7.0
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	21,964	3.6
Meiji Yasuda Life Insurance Company	20,624	3.4
National Mutual Insurance Federation of Agricultural Cooperatives	19,367	3.2
Nippon Life Insurance Company	13,482	2.2
Japan Trustee Services Bank, Ltd. (trust account 4)	12,731	2.1
Mitsubishi UFJ Trust and Banking Corporation	10,592	1.7
Mitsubishi Heavy Industries, Ltd.	10,072	1.6
The Sumitomo Trust & Banking Co., Ltd. (trust account B)	8,057	1.3

(Note) Treasury stocks (476,689 shares) are excluded in calculating investment ratios.

3. New Share Warrants (As of March 31, 2007)

There were no noteworthy events.

(TRANSLATION FOR REFERENCE ONLY)

4. Corporate Officers

(1) Names, etc. of Directors and Corporate Auditors (As of March 31, 2007)

Position	Name	Principal duties and representation for other corporations
Representative Director and Chairman of the Board	Yoshiyuki Sumeragi	
Representative Director, President and Presidential Executive Officer	Masanao Kamahara	Chairman of the Corporate Ethics Committee, Safety, Environment and Quality Assurance Committee, JK Committee and Crisis Management Committee
Managing Director and Senior Executive Officer	Naoki Yamamoto	Group General Manager of Fibers Operations and Osaka Branch General Manager
Managing Director and Senior Executive Officer	Takumi Ubagai	Group General Manager of Chemicals & Plastics Operations
Managing Director and Senior Executive Officer	Noriyuki Tajiri	General Manager of Corporate Planning Division In charge of Audit Office, Affiliated Companies Planning and Administration Office, Ryoko Co., Ltd., Nitto Gypsum Board Co., LTD., MRC Duracrete Co., Ltd. and MRC Polysaccharide Co., Ltd.
Managing Director and Senior Executive Officer	Toshifumi Shinohara	Group General Manager of Corporate Administration Chairman of Information Security Committee, Officer in charge of Corporate Ethics In charge of Logistics & Information Systems Planning Office and Export Control Office
Director and Executive Officer	Akio Kataoka	Group General Manager of Corporate Technology Director in charge of Safety, Environment and Quality Assurance and PL In charge of Production Centers, Tokyo Technology & Information Center, Hachinohe Factory and Mitsubishi Rayon Engineering Co., Ltd.
Director and Executive Officer	Mikiyoshi Araki	Assistant Group General Manager of Corporate Technology and General Manager of Production Technology Administration Department
Director and Executive Officer	Michio Tatebayashi	Director of Public & Investors Relations Office of the Company
Corporate Auditor (Full-time)	Yoriyuki Tanaka	Auditor of Sakai Ovex Co., Ltd.
Corporate Auditor (Full-time)	Isao Takeuchi	
Corporate Auditor (Full-time)	Hideki Hoshina	
Corporate Auditor	Noriyuki Hoshi	
Corporate Auditor	Koichi Katayama	

(Note) 1. The Director Michio Tatebayashi newly assumed the office of Director on June 29, 2006.

2. The Corporate Auditor Koichi Katayama newly assumed the office of Corporate Auditor on June 29, 2006.

3. The Director Katsuyoshi Fukuroya retired on June 29, 2006.

4. The Corporate Auditor Isao Sasaki resigned on June 29, 2006.

5. Corporate Auditors Isao Takeuchi, Hideki Hoshina and Noriyuki Hoshi are external auditors as stipulated in Article 2, Paragraph 16 of the Corporation Law.

6. The Corporate Auditor Yoriyuki Tanaka has been in charge of accounting operations of the Company for 13 years and has considerable expertise on finance and accounting.

(TRANSLATION FOR REFERENCE ONLY)

(2) Remuneration of Directors and Corporate Auditors

Category	Number of payees	Amount (million yen)
Director	9	294
Corporate Auditor [Of which, number of External Auditor]	5 [3]	114 [71]
Total	14	408

- (Note) 1. Monthly remuneration of directors is limited to ¥30,000,000 and this amount does not include the amount of salary of directors concurrently working as employee (resolution at the ordinary general meeting of shareholders in June 2001). Monthly remuneration of auditors is limited to ¥8,000,000 (resolution at the ordinary general meeting of shareholders in June 2004).
2. Remuneration of directors does not include the amount of salary of directors concurrently working as employee. The amount of salary of directors concurrently working as employee paid in FY2006 is ¥60 million. The number of directors concurrently working as employee as at the end of FY2006 is 3.
3. Remuneration, etc. of directors include bonuses of directors of ¥40 million (to be resolved at the 82nd ordinary general meeting of shareholders).
4. Remuneration, etc. of directors and auditors include allowance for retirement allowance of officers of ¥130 million (for directors: ¥94 million; for auditors: ¥36 million (of which ¥22 million is for external auditors)).
5. Breakdown of allowance for retirement allowance of officers of ¥567 million at the end of previous fiscal year is ¥443 million for directors and ¥124 million for auditors (of which ¥67 million is for external auditors). This amount includes ¥57 million for directors retired in June 2006 and ¥11 million for auditors who resigned in June 2006.
6. The number of directors and corporate auditors as at the end of FY2006 is 9 and 5 (of whom 3 are external auditors), respectively.

(3) External Directors

1) Main activities of external directors

Category	Name	Main activities
Corporate Auditor (Full-time)	Isao Takeuchi	Participated in all of 20 board of directors' meetings held in FY2006 and gave appropriate advice on conceivable risks in various situations of business operation. Also attended all of 11 board of corporate auditors' meetings held in FY2006 and discussed risks of business operations with other auditors and clarified matters to be confirmed.
Corporate Auditor (Full-time)	Hideki Hoshina	Participated in all of 20 board of directors' meetings held in FY2006 and made remarks from the viewpoint of business management, especially in compliance terms. Also attended all of 11 board of corporate auditors' meetings held in FY2006 and mutually examined the actual audit data and discussed to extract items that could be controversial.
Auditor	Toshiyuki Hoshi	Participated in 18 of 20 board of directors' meetings held in FY2006 and made remarks, especially from the legal point of view, considering potential legal situations arising in the course of business. Also attended all of 11 board of corporate auditors' meetings held in FY2006 and heard results of visiting audit from full-time corporate auditors as well as participating in discussions to provide further insight into existence or nonexistence of legal issues.

5. Accounting Auditor

(1) **Name of accounting auditor:** Ernst & Young Shin Nihon

(2) **Amount of Remuneration, etc.**

	Amount of remuneration, etc.
Amount of remuneration, etc. of accounting auditor concerning FY2006	46 million yen
Total amount of asset profits such as money that must be paid to accounting auditor by the Company and its subsidiaries.	55 million yen

- (Note) 1. Of all important subsidiaries of the Company, Huizhou MMA Co., Ltd., Ningbo Rayon Acrylic Fibers Co., Ltd., Mitsubishi Rayon Polymer Nantong Co., Ltd. and P.T. VONEX INDONESIA and 4 other companies receive audit (limited to audit in compliance with regulations by the Corporation Law or the Securities and Exchange Law (including foreign laws and regulations that correspond to these laws)) by certified public accountants or audit firms (including those who have qualifications that correspond to these qualifications in foreign countries) that are different from the accounting auditor of the Company.
2. In the audit contract between the Company and accounting auditor, audit remuneration, etc. are not clearly divided into remuneration for audit based on the Corporation Law and that based on the Securities and Exchange Law, nor can we divide them in effect. Accordingly, the total amount of these items has been listed as the amount of remuneration, etc. concerning FY2006.

(3) **Policy on dismissal or non-reappointment**

The Company has a policy of dismissing the accounting auditor if the board of corporate auditors' decides that the case shall be applicable to items as specified in Article 340, Paragraph 1 of the Corporation Law.

6. Outline of Resolution for Developing Systems to Secure the Appropriateness of Business Operations

The outline of the decision on our basic policy concerning conformity of directors' duties to the laws and Articles of Incorporation, and development of systems to secure the appropriateness of business operations is as follows:

- (1) All the directors and employees of the Group in and outside of Japan shall comply with the Corporate Ethics Policy and the Corporate Ethics & Business Conduct Standards.
- (2) The lawfulness of the duties of the directors shall be secured and transparent and fair management shall be achieved by implementing operations report at the meeting of board of directors, information exchanges and mutual monitoring and a "Management Advisory Committee" shall be held with the presence of outside experts to seek for advice and proposals to the president. In addition, strict compliance of internal rules and rigorous internal audit by the Audit Office shall be ensured together with the appropriate use of the "Compliance Counters" established in and outside of the Company in order to secure the employees' compliance system of laws.
- (3) Also, in determining important policies related to business operations, the board of directors shall meet at a "Management Meeting" for thorough examination for the purpose of effecting appropriate and prompt decision making, and effectiveness of the business performance. In the decision making process, the application of electronic document control system and proper operation shall be promoted.
- (4) Important documents related to execution of duties of directors shall be kept all together at the depository section for certain retention periods in accordance with the Rules Concerning Important Documents. In addition, management of operational information of directors and employees shall be ensured in accordance with each ruling system under the Information Security Policy.
- (5) The head of each organization shall properly manage the risk of overall business operations of the entire Group at its responsibility by classifying and grasping the risk and developing basic regulations for risk management method and enhance the daily preventive systems with the "Rules Concerning Business Operation". The internal audit section shall conduct internal audit over the business operation status and raise the effectiveness of risk management as a whole. Also, the "Crisis Management Committee" will implement loss mitigation measures in the time of emergency situation.
- (6) Basic policy on business operations, which can be applied to the entire Group companies, shall be established to ensure reporting and communications by the Group companies to the Company as well as guidance by the Company to the Group companies, while appreciating the independence of each Group company, to achieve appropriate business operational control.
- (7) In the audit system, the appointment, evaluation and transfer, etc. of assistants to auditors shall be subject to the consent of board of auditors for the purpose of securing the independence of such assistants, and the effectiveness of the auditing

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operations shall be secured by the auditors' interview with directors and employees regarding the operational status from time to time, periodic individual interview with each member of the Management Meeting, and close communication and arrangements, etc. with independent auditor and internal audit section.

(TRANSLATION FOR REFERENCE ONLY)

1. Consolidated Balance Sheet

Consolidated Balance Sheet
(as of March 31, 2007)

Item	Amount	Item	Amount
	million yen		million yen
ASSETS	449,578	LIABILITIES	223,865
<u>Current Assets:</u>	<u>175,713</u>	<u>Current Liabilities:</u>	<u>164,109</u>
Cash and deposits	10,711	Notes payable and accounts payable	77,119
Notes receivable and accounts receivable	96,081	Short-term borrowings	37,966
Inventories	52,678	Accrued corporate tax, etc.	11,905
Deferred tax	3,231	Deferred tax	311
Others	13,369	Allowance for bonuses	3,973
Allowance for doubtful accounts	(359)	Allowance for directors' bonuses	51
		Others	32,781
<u>Fixed Assets:</u>	<u>273,864</u>	<u>Fixed Liabilities:</u>	<u>59,755</u>
<u>Tangible fixed assets</u>	<u>170,074</u>	Bonds	10,000
Buildings and structures	38,907	Long-term borrowings	17,320
Machinery, instruments and vehicles	81,206	Deferred tax	48
Land	25,952	Allowance for retirement benefits	28,658
Construction in progress	20,075	Allowance for retirement allowance of officers	746
Others	3,931	Allowance for repairs	447
<u>Intangible fixed assets</u>	<u>9,433</u>	Others	2,533
Goodwill	4,138		
Others	5,294	NET ASSETS	225,713
<u>Investment and other assets</u>	<u>94,356</u>	<u>Shareholders' Equity:</u>	<u>196,372</u>
Investment securities	74,513	Common stock	53,229
Long-term loan	538	Capital surplus	28,793
Deferred tax	3,737	Retained earnings	114,700
Others	15,738	Treasury stocks	(350)
Allowance for doubtful accounts	(171)		
		<u>Valuation and Translation Adjustments and others:</u>	<u>16,050</u>
		Unrealized gain on other securities	16,150
		Deferred gains/losses on hedges	0
		Land revaluation difference	30
		Foreign currency translation adjustment	(131)
		<u>Minority Interest:</u>	<u>13,289</u>
<u>Total Assets</u>	<u>449,578</u>	<u>Total Liabilities and Net Assets</u>	<u>449,578</u>

* Please refer to Notes to Consolidated Financial Statements on page27.

(TRANSLATION FOR REFERENCE ONLY)

2. Consolidated Statement of Income

Consolidated Statement of Income

(April 1, 2006 to March 31, 2007)

Item	Amount	
	million yen	million yen
Net sales		417,027
Cost of sales		307,808
Gross profit		109,219
Selling, general and administrative expenses		49,553
Operating income		59,665
Non-operating income		2,997
Interest	239	
Dividend income	562	
Equity in earnings of affiliates	518	
Gains from lease of property	266	
Foreign exchange gain	639	
Gain on insurance claim	82	
Miscellaneous income	688	
Non-operating expenses		4,192
Interest	1,411	
Loss on disposal of obsolete inventories	879	
Opening expenses of foreign subsidiaries	831	
Miscellaneous expenses	1,069	
Ordinary income		58,471
Extraordinary income		1,898
Gain on sale of fixed assets	1,221	
Gain on sale of investment securities	334	
Reversal of allowance for doubtful accounts	343	
Extraordinary loss		3,977
Loss on retirement and disposal of fixed assets	2,564	
Impairment loss	61	
Loss on disposal of investment securities	15	
Loss on valuation of investment securities	179	
Loss on disposal of shares of affiliates	12	
Structure improvement expenses	1,121	
Loss on winding-up of affiliates	21	
Net income before income taxes and adjustments		56,392
Corporate tax, inhabitant tax and enterprise tax	19,767	
Adjustments of corporate tax, etc.	2,481	22,248
Minority interests		2,869
Net income		31,273

* Please refer to Notes to Consolidated Financial Statements on page27.

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3. Consolidated Statement of Shareholders' Equity

Consolidated Statement of Changes in Shareholders' Equity

(April 1, 2006 to March 31, 2007)

(million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at March 31, 2006	53,229	28,786	89,471	(170)	171,316
Changes in the fiscal year under review					
Net income			31,273		31,273
Cash dividend paid (Note)			(2,998)		(2,998)
Cash dividend paid			(2,998)		(2,998)
Purchases of treasury stock				(189)	(189)
Disposal of treasury stock		7		9	16
Bonuses to directors (Note)			(44)		(44)
Contribution to employee incentive and welfare fund of foreign subsidiaries			(2)		(2)
Net changes in items other than those in shareholders' equity					
Total changes in the fiscal year under review	-	7	25,229	(180)	(25,056)
Balance at March 31, 2007	53,229	28,793	114,700	(350)	196,372

	Valuation and translation adjustments and others					Minority interest	Total net assets
	Unrealized gain on other securities	Deferred losses on hedges	Revaluation difference	Foreign currency translation adjustments and others	Total valuation and translation adjustments and others		
Balance at March 31, 2006	16,205	-	30	(1,711)	14,525	11,479	197,321
Changes in the fiscal year under review							
Net income							31,273
Cash dividend paid (Note)							(2,998)
Cash dividend paid							(2,998)
Purchases of treasury stock							(189)
Disposal of treasury stock							16
Bonuses to directors (Note)							(44)
Contribution to employee incentive and welfare fund of foreign subsidiaries							(2)
Net changes in items other than those in shareholders' equity	(55)	0	-	1,579	1,525	1,810	3,335
Total changes in the fiscal year under review	(55)	0	-	1,579	1,525	1,810	28,392
Balance at March 31, 2007	16,150	0	30	(131)	16,050	13,289	225,713

(Note) Items of appropriation of surplus at the ordinary general meeting of shareholders held in June 2006.

Notes to Consolidated Financial Statements

1. Basis for Presentation and Summary of Significant Accounting Policies for the Preparation of the Consolidated Financial Statements

(1) Scope of Consolidation

- 1) Number of consolidated subsidiaries, etc. is 52.

Major consolidated subsidiaries:

Dia-Nitrix Co., Ltd.	Mitsubishi Rayon Engineering Co., Ltd.
Mitsubishi Rayon Textile Co., Ltd.	Ryoko Co., Ltd.
MRC Finance Co., Ltd.	Huizhou MMA Co., Ltd.
Mitsubishi Rayon America Inc.	Ningbo Rayon Acrylic Fibers Co., Ltd.
Mitsubishi Rayon Polymer Nantong Co., Ltd.	Jiangsu Xinling Chemical Co., Ltd.
P.T. Vonex Indonesia	Nantong Rayon Chemical Co., Ltd.
Qingdao Lingtong Textile Co., Ltd.	Thai MMA Co., Ltd.

- 2) Number of consolidated subsidiaries, etc. increased by two and decreased by one from the previous year.

- Companies which became consolidated subsidiaries as a result of additional share acquisition.
Dia-Nitrix Co., Ltd.
- Newly formed consolidated subsidiary:
MRC Golf Inc.
- Company ceased to be a consolidated subsidiary upon sale of shares:
MRM Gifu Co., Ltd.
Operating results of the above company for the period up until disposal of shares are included in the consolidated financial statements.

- 3) Kyoritsu Processing Y.K. does not significantly affect the Company's consolidated financial statements in the total assets, net sales, net income (the portion corresponding to the shares held by the Company) and surplus earnings (the portion corresponding to the shares held by the Company). Accordingly, this company is excluded from the consolidation.

(2) Application of the Equity Method

- 1) Number of affiliated companies accounted for by the equity method is 18.

Major affiliated companies accounted for by the equity method:

DAESAN MMA Co., Ltd.
UMG ABS, Ltd.
Du-Pont MRC Co., Ltd.

- 2) Number of affiliated companies accounted for by the equity method increased by two and decreased by one from the previous year, and number of non-consolidated subsidiaries, etc decreased by one.

- Newly formed affiliated companies accounted by the equity method:
DAESAN MMA Co., Ltd.
Dia Carpet Co., Ltd.

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- Companies that became a consolidated subsidiary as a result of additional stock purchase.
Dia-Nitrix Co., Ltd.
 - Companies ceased to be a subsidiary accounted for by the equity method upon completion of liquidation:
Diaglas Company Limited
Operating results of the above company for the period up until completion of liquidation are included in the consolidated financial statements.
- 3) Number of non-consolidated subsidiary not accounted for by the equity method is one. Neither company affects the consolidated net income/loss and consolidated retained earnings and lack importance as a whole. Accordingly, these companies are excluded from the application of the equity method.

(3) Fiscal Year, etc. of Consolidated Subsidiaries, etc.

Fiscal year of the following 22 consolidated subsidiaries ends on December 31, which differs from that of the Company, and necessary adjustments have been made for the consolidation

Thai MMA Co., Ltd.	Huizhou MMA Co., Ltd.
Suzhou Sanyouli Chemicals Co., Ltd.	Jiangsu Xinling Chemical Co., Ltd.
Diapolyacrylate Co., Ltd.	Nantong Rayon Chemical Co., Ltd.
Mitsubishi Rayon Polymer Nantong Co., Ltd.	Diatec (Shanghai) Co., Ltd.
Dianal America, Inc.	MRC Opto - Device Co., Ltd.
Ningbo Rayon Acrylic Fibers Co., Ltd.	P.T. Vonex Indonesia
Qingdao Lingtong Textile Co., Ltd.	Grafil, Inc.
Newport Adhesives Composites, Inc.	MRC Golf, Inc.
Dalian Rayon Environmental	Mitsubishi Rayon America Inc.
MRC Asia (Thailand) Limited	MRC Hong Kong Co., Ltd.
MRC Shanghai Business Consulting Co., Ltd.	MRC Holdings Limited

(4) Accounting Standards

1) Valuation standards and methods for significant asset

(i) Securities

Securities held to maturities: rated at amortized cost (straight-line method)

Other securities:

Marketable securities: Stated at market value based on the quoted market prices at the end of the term and other factors. Unrealized gain or loss is reported in a component of net assets, with the cost of securities sold is calculated by the moving average method.

Non-marketable securities: Stated at cost based on the moving average method

(ii) Derivatives: Stated at market value

(iii) Inventories: Mainly stated at the cost determined by the average method

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- 2) Depreciation method of significant depreciable assets
 - (i) Tangible fixed assets
 - Buildings (excluding fixtures):Mainly by the straight-line method
 - Other tangible fixed assets:Mainly by the declining balance method
 - (ii) Intangible fixed assetsBy the straight-line method
 - Software for internal use is amortized by the straight-line method over the estimate of useful lives of a five-year period.
- 3) Basis for provision of allowances
 - (i) Allowance for doubtful accounts ·To prepare for losses incurred by loans and accounts receivable, allowance is provided for non-payment of receivables according to estimates of unrecoverable amounts. These estimates are generally based on the historical ratio of actual losses for general receivables or on specific collectibility in the case of specific receivables expected to become bad receivables.
 - (ii) Allowance for bonusesTo prepare for payment of bonuses to employees, allowance is provided for the estimated amount of bonuses payable to employees.
 - (iii) Allowance for bonuses to officers
 - To prepare for payment of bonuses to officers, the Company and one consolidated subsidiary of the Company provides for the estimated amount of bonuses payable to officers.

(Change in accounting)

From the fiscal year under review, the Company has applied “Accounting Standard for Directors’ Bonus” (ASBJ Statement No.4 issued on November 29, 2005). Accordingly, operating income, ordinary income and net income before income taxes and adjustments are decreased by ¥51 million, respectively.

- (iv) Allowance for retirement allowances
 - To prepare for projected retirement allowances, the Company provides for an amount for the consolidated estimated obligations based on projected year-end benefit obligations and plan assets at the end of the fiscal year under review.
 - Prior service cost is generally recognized as they occur.
 - Actuarial gain or loss is generally

recognized in the consolidated fiscal year immediately following the fiscal year in which such gain or loss occurs.

- (v) Allowance for directors' retirement allowances
To prepare for the payment of retiring allowances to directors of the Company and 16 subsidiaries, etc., the Company accounts for the necessary amount calculated as of the end of the fiscal year based on internal rules.
 - (vi) Allowance for repairsTo prepare for the regular substantial repair, the Company and two subsidiaries provide for the estimated costs for such repair by allocating the amount to the fiscal terms up until the next regular repair.
- 4) Leasing
The same accounting method applied to operating leases is used for financing leases, except for those in which the legal title of the underlying property is transferred from the lessor to the lessee.
- 5) Hedge accounting
- (i) Method of hedge accounting
Principally, the deferral hedge accounting method is applied. Forward foreign exchange and interest rate swaps which meet certain criteria are excluded from the application of hedge accounting.
 - (ii) Hedging instruments and hedged items

(Hedging instruments)	(Hedged items)
Forward foreign exchange contract	Forecasted transactions denominated in foreign currencies
Interest rate swaps	Loans
 - (iii) Hedge policy
The risk exposure to fluctuations in exchange rates and interest rates is hedged in accordance with the Company's "Market Risk Management Rules" and "Risk Management Policy".
 - (iv) Method of assessing effectiveness of hedge
The Company evaluates the effectiveness of hedges by reference to the cumulative cash flows for the elapsed period estimated on hedging instruments and hedged items, respectively.
- 6) Other subsequent matters concerning preparation of consolidated financial statements
- (i) Accounting for consumption tax
The tax-exclusion (net of tax) method is applied to account for national and local consumption taxes.

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- (5) Valuation method for assets and liabilities of consolidated subsidiaries, etc.
Assets and liabilities of consolidated subsidiaries, etc. are valued on a full-fair value basis.
- (6) Amortization of goodwill and negative goodwill
Goodwill and negative goodwill are mostly amortized equally over the period of five years after the date of accrual thereof.
- (7) Change in accounting
(Accounting Standards for Business Combination)
Effective fiscal year under review, “Accounting Standards for Business Combination” (issued on October 31, 2003) and “Accounting Standards for Business Divestiture” (ASBJ Statement No.7, issued on December 27, 2005) and “Guidance on Accounting Standards for Business Combination and Accounting Standards for Business Divestiture” (ASBJ Guidance No.10, issued on December 27, 2005) have been applied. Business rights included in intangible fixed assets and items presented as consolidation adjustments account in fixed liabilities up until the previous consolidated fiscal year are presented as goodwill from the fiscal year under review.
(Accounting Standard for Presentation of Net Assets in the Balance Sheet)
Effective fiscal year under review, “Accounting Standard for Presentation of Net Assets in the Balance Sheet” (ASBJ Statement No.5, issued on December 9, 2005) and “Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet” (ASBJ Guidance No. 8, issued on December 9, 2005) have been applied.
The amount corresponding to conventional total assets is ¥212,422 million.
Net assets in the consolidated balance sheet for the fiscal year under review are prepared based on the Corporate Calculation Regulations (Ordinance of the Ministry of Justice No. 13, announced on February 7, 2006).

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2. Notes to Consolidated Balance Sheet

(1) Assets pledged as collateral and collateralized obligations

1) Assets pledged as collateral	(million yen)
Buildings and structures	292
Machinery instruments and vehicles	223
Land	107
<hr/> Total	624

2) Collateralized obligations	(million yen)
Short-term borrowings	697
<hr/> Total	697

(2) Accumulated depreciation in tangible fixed assets 378,887 million yen

(3) Guarantee obligations

The Company provides guarantee obligations against bank loan, etc. of non-consolidated companies as follows:

1) Affiliates	(million yen)
MRC Resins (Thailand) Co., Ltd. and one other company	404
2) Others	(million yen)
Advances from employees	227
<hr/> Total	632

(4) Land revaluation

Based on the Law Concerning Land Revaluation (Government Ordinance No. 34, promulgated on March 31, 1998), some of equity-method affiliates have revaluated the land for business and posted the amount of land revaluation difference (less tax equivalent) proportionate to equity to net assets.

- Method of revaluation

Revaluation amount is calculated by making rational adjustments such as correction applying Assessment Year Modifier to the amount calculated in line with the method stipulated and announced by the Commissioner of National Tax Agency to estimate the land value that forms the basis of calculating the assessment value in the land-value tax regulated in Article 16 of Land-Value Tax Law as stipulated in Article 2, No.4 of “Ordinance Implementing the Law Concerning Land Revaluation” (Government Ordinance No.119, promulgated on March 31, 1998).

- Date of revaluation: December 31, 2000

(5) Advanced depreciation, which is directly deducted from the cost of acquisition of tangible fixed assets due to government subsidy, etc., is ¥1,312 million (¥3 million for buildings and structures and ¥1,309 million for land).

(TRANSLATION FOR REFERENCE ONLY)

3. Notes to Consolidated Statement of Changes in Shareholders' Equity

(1) Type and total number of outstanding shares

Common shares: 599,997,820 shares

(2) Cash dividends

1) Cash dividends paid

Resolution	Type of shares	Total amount of cash dividends (million yen)	Cash dividends per share (yen)	Record date	Effective date
Ordinary general meeting of shareholders held on June 29, 2006	Common shares	2,998	5.00	March 31, 2006	June 30, 2006
Board of directors' meeting held on November 8, 2006	Common shares	2,998	5.00	September 30, 2006	December 4, 2006
Total	-	5,996	-	-	-

2) Cash dividends for which the record date falls in the fiscal year under review but the effective date will be in the following fiscal year

The Company has proposed the following items concerning cash dividends of common shares as an agenda of ordinary general meeting of shareholders to be held on June 28, 2007:

- Total amount of cash dividends 2,997 million yen
- Cash dividends per share ¥5.00
- Record date March 31, 2007
- Effective date June 29, 2007

We plan to appropriate retained earnings as source of cash dividends.

4. Notes to Per Share Information

(1) Net assets per share ¥354.32

(2) Net income per share ¥52.15

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(Reference)

Consolidated Statement of Cash Flows
(April 1, 2006 to March 31, 2007)

Item	Amount
	million yen
Cash flows from operating activities	52,168
Net income before income taxes and adjustments	56,392
Depreciation	17,977
Increase in accounts receivable	(12,809)
Increase in inventories	(4,613)
Increase in accounts payable	20,024
Others	(24,803)
Cash flows from investment activities	(41,153)
Additions to tangible fixed assets	(32,448)
Proceeds from sales of investment securities	(6,179)
Others	(2,525)
Cash flows from financing activities	(10,150)
Payments of cash dividends	(5,996)
Payments of cash dividends to minority shareholders	(3,772)
Others	(381)
Translation gains on cash and cash equivalents	(275)
Increase or decrease in cash and cash equivalents	588
Cash and cash equivalents at beginning of year	10,113
Cash and cash equivalents at end of year	10,701

(TRANSLATION FOR REFERENCE ONLY)

1. Balance Sheet

(Non-consolidated)

Balance Sheet
(as of March 31, 2007)

Item	Amount	Item	Amount
	million yen		million yen
ASSETS	327,170	LIABILITIES	150,058
<u>Current Assets:</u>	<u>93,704</u>	<u>Current Liabilities:</u>	<u>102,472</u>
Cash and deposits	2,424	Notes payable	694
Notes receivable	2,052	Accounts payable – trade	47,090
Accounts receivable	50,207	Short-term borrowings	25,000
Finished goods	14,284	Accounts payable – other	11,868
Raw materials	6,345	Accrued expenses	2,951
Work-in-process	1,272	Accrued corporate tax, etc.	9,274
Stores	1,706	Advance received	251
Prepaid expense	270	Deposits received	2,966
Deferred tax	1,830	Allowance for bonuses	2,333
Short-term loans	3,716	Allowance for bonuses to directors	40
Accounts due	11,165	Others	1
Others	201		
Allowance for doubtful accounts	(1,774)	<u>Fixed Liabilities:</u>	<u>47,586</u>
		Bonds	10,000
<u>Fixed Assets:</u>	<u>233,465</u>	Long-term indebtedness	9,000
<u>Tangible fixed assets</u>	<u>112,812</u>	Allowance for retirement benefits	26,722
Buildings	23,366	Allowance for retirement allowance of officers	630
Structures	6,819	Allowance for repairs	39
Machinery instruments	40,905	Others	1,194
Vehicles	109		
Tools, furniture and fittings	2,569	NET ASSETS	177,111
Land	23,071	<u>Shareholders' equity</u>	<u>161,352</u>
Construction in progress	15,970	<u>Common stock</u>	<u>53,229</u>
<u>Intangible fixed assets</u>	<u>2,002</u>	<u>Capital surplus</u>	<u>28,714</u>
Tenant right	853	Capital reserves	28,509
Software	1,108	Other capital surplus	205
Others	40	<u>Retained earnings</u>	<u>79,757</u>
<u>Investment and other assets</u>	<u>118,651</u>	Other retained earnings	79,757
Investment securities	57,557	Reserve for reduction of fixed assets	885
Shares of affiliates	24,930	Reserves for extraordinary depreciation	700
Investments	174	General reserve	39,859
Investments in affiliates	19,447	Deferred retained earnings	38,312
Long-term loans to affiliates	524	<u>Treasury stock</u>	<u>(349)</u>
Bankruptcy claim, reclamation claim and rehabilitation claim	96	<u>Valuation and translation adjustments and others</u>	<u>15,758</u>
Other claims pursuant to the above	350	<u>Gain in revaluation of securities</u>	<u>15,758</u>
Prepaid pension expense	11,908		
Deferred tax	1,401		
Long-term accounts due	647		
Others	1,719		
Allowance for doubtful accounts	(107)		
Total Assets	327,170	Total Liabilities and Net Assets	327,170

* Please refer to Notes to Non-Consolidated Financial Statements on page 38.

(TRANSLATION FOR REFERENCE ONLY)

2. Statement of Income

(Non-consolidated)

Statement of Income
(from April 1, 2006 to March 31, 2007)

Item	Amount	
	million yen	million yen
Net sales		238,042
Cost of sales		174,217
Gross profit		63,825
Selling, general and administrative expenses		24,579
Operating income		39,246
Non-operating income		7,531
Interest	67	
Dividend income	5,769	
Gains from lease of property	1,240	
Miscellaneous income	454	
Non-operating expenses		2,434
Interest	550	
Expense for lease of property	921	
Loss on disposal of obsolete inventories	413	
Miscellaneous expenses	549	
Ordinary income		44,343
Extraordinary income		978
Gain on sale of fixed assets	646	
Gain on sale of investment securities	332	
Extraordinary loss		3,694
Loss on retirement and disposal of fixed assets	2,209	
Impairment loss	61	
Loss on disposal of investment securities	11	
Loss on valuation of investment securities	164	
Loss on valuation of shares of affiliates	174	
Transfer to allowance for doubtful accounts	580	
Structure improvement expenses	492	
Net income before income taxes and adjustments		41,627
Corporate tax, inhabitant tax and enterprise tax	13,450	
Adjustment of corporate tax, etc.	2,234	15,684
Net income		25,943

* Please refer to Notes to Non-Consolidated Financial Statements on page 38.

(TRANSLATION FOR REFERENCE ONLY)

3. Statement of Shareholders' Equity

(Non-Consolidated)

Statement of Changes in Shareholders' Equity

(from April 1, 2006 to March 31, 2007)

(million yen)

	Shareholders' equity								
	Common stock	Capital surplus			Retained earnings				
		Capital reserve	Other capital surplus	Total capital surplus	Reserve for reduction of fixed asset	Reserves for extraordinary depreciation	General reserve	Deferred retained earnings	Total retained earnings
Balance at March 31, 2006	53,229	28,509	198	28,707	915	994	29,859	28,082	59,851
Changes in the fiscal year under review									
Net income								25,943	25,943
Cash dividend paid (Note)								(2,998)	(2,998)
Cash dividend paid								(2,998)	(2,998)
Purchases of treasury stock									
Disposal of treasury stock			7	7					
Reversal of reserve for reduction of fixed assets (Note)					(15)			15	
Reversal of reserve for reduction of fixed assets					(14)			14	
Funding of reserves for extraordinary depreciation (Note)						152		(152)	
Reversal of reserves for extraordinary depreciation (Note)						(215)		215	
Reversal of reserves for extraordinary depreciation						(231)		231	
Funding of general reserve (Note)							10,000	(10,000)	
Bonuses to directors (Note)								(40)	(40)
Net changes in items other than those in shareholders' equity									
Total changes in the fiscal year under review	-	-	7	7	(29)	(293)	10,000	10,229	19,906
Balance at March 31, 2007	53,229	28,509	205	28,714	885	700	39,859	38,312	79,757

	Shareholders' equity		Valuation and translation adjustments and others		Total net assets
	Treasury stock	Total shareholders' equity	Gain on revaluation of securities	Total valuation and translation adjustments and others	
Balance at March 31, 2006	(169)	141,619	15,666	15,666	157,286
Changes in the fiscal year under review					
Net income		25,943			25,943
Cash dividend paid (Note)		(2,998)			(2,998)
Cash dividend paid		(2,998)			(2,998)
Purchases of treasury stock	(189)	(189)			(189)
Disposal of treasury stock	9	16			16
Reversal of reserve for reduction of fixed assets (Note)					
Reversal of reserve for reduction of fixed assets					
Funding of reserves for extraordinary depreciation (Note)					
Reversal of reserves for extraordinary depreciation (Note)					
Reversal of reserves for extraordinary depreciation					
Funding of general reserve (Note)					
Bonuses to directors (Note)		(40)			(40)
Net changes in items other than those in shareholders' equity			91	91	91
Total changes in the fiscal year under review	(180)	19,733	91	91	19,825
Balance at March 31, 2007	(349)	161,352	15,758	15,758	177,111

(Note) Items of appropriation of surplus at the ordinary general meeting of shareholders held in June 2006.

Notes to Non-Consolidated Financial Statements

1. Summary of Significant Accounting Policies for the Preparation of Balance Sheet and Profit and Loss Statement

(1) Valuation standards and methods for Securities

Securities held to maturities: Stated at amortized cost (straight-line method)

Shares of subsidiaries and affiliates: Stated at amortized cost based on the moving average method

Other securities:

Marketable securities: Stated at market value based on the quoted market prices at the end of the term and other factors. Unrealized gain or loss is reported in a component of net assets, with the cost of securities sold is calculated by the moving average method.

Non-marketable securities: ... Stated at cost based on the moving average method

(2) Valuation standards and methods for derivatives

Derivatives: Stated at market value

(3) Valuation standards and methods for inventories

Finished goods, raw materials and work-in-process:

Stated at the cost determined by the average method

Stores: Mainly stated at the cost determined by the average method

(4) Depreciation method of depreciable assets is as follows

Buildings (excluding fixtures) Straight-line method

Other tangible fixed assets Declining balance method

Intangible fixed assets Straight-line method

Software for internal use is amortized by the straight-line method over the estimate of useful lives of a five-year period.

(5) Basis for Provision of Allowances

Allowance for doubtful accounts:

To prepare for losses incurred by loans and accounts receivable, allowance is provided for non-payment of receivables according to estimates of unrecoverable amounts. These estimates are based on the historical ratio of actual losses for general receivables or on specific collectibility in the case of specific receivables expected to become bad receivables.

Allowance for bonuses

To prepare for payment of bonuses to employees, allowance is provided for the estimated amount of bonuses payable to employees.

Allowance for bonuses to directors

To prepare for payment of bonuses to directors, allowance is provided for

by the estimated amount of bonuses payable to employees.

(Change in accounting)

From the fiscal year under review, the Company has applied “Accounting Standard for Directors’ Bonus” (ASBJ Statement No.4 issued on November 29, 2005). Accordingly, operating income, ordinary income and net income before income taxes and adjustments are decreased by ¥40 million, respectively.

Allowance for retirement allowances

To prepare for projected retirement allowances, the Company provides for an amount of the estimated obligations based on projected year-end benefit obligations and plan assets at the end of the fiscal year under review.

Prior service cost is generally recognized as they occur.

Actuarial gain or loss is generally recognized in the consolidated fiscal year immediately following the fiscal year in which such gain or loss occurs.

Allowance for directors’ retirement bonuses

To prepare for the payment of retiring allowances to officers, the Company accounts for the necessary amount calculated as at the end of the fiscal year based on internal rules.

Allowance for repairs

To prepare for the regular substantial repair, the Company accounts for the estimated costs for such repair by allocating the amount to the fiscal terms up until the next regular repair.

(6) Leasing

The same accounting method applied to operating leases is used for financing leases, except for those in which the legal title of the underlying property is transferred from the lessor to the lessee.

(7) Hedge accounting

1) Method of hedge accounting

Principally, the deferral hedge accounting method is applied. Forward foreign exchange and interest rate swaps which meet certain criteria are excluded from the application of hedge accounting.

2) Hedging instruments and hedged items

(Hedging instruments)	(Hedged items)
Forward foreign exchange contract	Forecasted transactions denominated in foreign currencies
Interest rate swaps	Loans

3) Hedge policy

The risk exposure to fluctuations in exchange rates and interest rates is hedged in accordance with the Company’s “Market Risk Management Rules” and “Risk Management Policy”.

4) Method of assessing effectiveness of hedge

The Company evaluates the effectiveness of hedges by reference to the

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cumulative cash flows for the elapsed period estimated on hedging instruments and hedged items, respectively.

(8) Other matter concerning the preparation of financial statements

Accounting for consumption tax

The tax-exclusion (net of tax) method is applied to account for national and local consumption taxes.

(9) Change in accounting

(Accounting Standard for Presentation of Net Assets in the Balance Sheet)

Effective fiscal year under review, “Accounting Standard for Presentation of Net Assets in the Balance Sheet” (ASBJ Statement No.5, issued on December 9, 2005) and “Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet” (ASBJ Guidance No. 8, issued on December 9, 2005) have been applied.

The amount corresponding to conventional total assets is ¥177,111 million.

Net assets in the non-consolidated balance sheet for the fiscal year under review are prepared based on the Corporate Calculation Regulations (Ordinance of the Ministry of Justice No. 13, announced on February 7, 2006).

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2. Notes to the Balance Sheet

(1) Accumulated depreciation of tangible fixed assets 314,857 million yen

(2) Guarantee obligations

The Company has provided guarantee obligations against bank loans of other companies as follows:

1) Affiliates	(million yen)
Huizhou MMA Co., Ltd.	9,191
Ningbo Rayon Acrylic Fibers Co., Ltd.	6,046
Mitsubishi Rayon Polymer Nantong Co., Ltd.	1,435
Nantong Rayon Chemical Co., Ltd.	1,186
Thai MMA Co., Ltd.	983
P.T. Vonex Indonesia	798
Jiangsu Xinling Chemical Co., Ltd. and five other companies	1,100
Subtotal	20,742
2) Others	(million yen)
Loans to employees	226
Total	20,968

In addition, the Company provides guarantee obligations against borrowings from consolidated subsidiaries of the companies as follows:

1) Affiliates	(million yen)
Guarantee obligations against affiliates of the Company that are borrowers of MRC Finance Co., Ltd.	8,383
Guarantee obligations against affiliates of the Companies that are borrowers of Mitsubishi Rayon America Inc.	709
Total	9,092

(3) Monetary claims and obligations against affiliates are as follows: (million yen)

1) Short-term monetary claims	22,083
2) Long-term monetary claims	1,172
3) Short-term monetary obligations	22,535
4) Long-term monetary obligations	60

(4) Advanced depreciation which is directly deducted from the cost of acquisition of tangible fixed assets due to government subsidy, etc. is ¥1,312 million (¥3 million for buildings and structures and ¥1,309 million for land).

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3. Notes to Statement of Income

(1) Volume of transactions with affiliates	(million yen)
1) Sales	44,224
2) Amount of goods purchased	53,646
3) Volume of non-operating transactions	31,671

4. Notes to Statement of Changes in Shareholders' Equity

(1) Type and total number of outstanding shares as at the end of fiscal year under review	
Common shares	476,689 shares

5. Notes to Deferred Tax Accounting

Breakdown of deferred tax assets and deferred tax liabilities by main source of accrual

(1) Deferred tax assets	(million yen)
Allowance for bonus	949
Allowance for retirement benefit	12,756
Loss on revaluation of investments in securities	2,460
Amount exceeding the limit of provision for allowance for doubtful accounts	700
Accrued enterprise tax	747
Others	429
<hr/> Subtotal of deferred tax assets	18,044
Valuation allowance	(2,912)
<hr/> Total deferred tax assets	15,131
 (2) Deferred tax liabilities	(million yen)
Fixed asset reduction reserve	(607)
Special depreciation reserve	(480)
Net available gain or loss on available-for-sale securities	(10,811)
<hr/> Total deferred tax liabilities	(11,899)
<hr/> Net deferred tax assets	3,231

(TRANSLATION FOR REFERENCE ONLY)

6. Notes to Fixed Assets used on Lease

Besides fixed assets posted on the balance sheet, the Company leases part of vehicles and tools, furniture and fittings through non-ownership transfer finance lease agreements.

- (1) Equivalent of acquisition cost, accumulated depreciation and balance at the end of period of leased property. (million yen)

	Equivalent of acquisition cost	Equivalent of accumulated depreciation	Equivalent of balance at the end of period
Vehicles	102	55	47
Tools, furniture and fittings	237	112	125
Total	340	167	172

(Note) Equivalent of acquisition cost is calculated using the inclusive-of-interest method as the ratio of balance of lease commitments at the end of period to balance of tangible fixed assets at the end of period is low.

- (2) Equivalent of balance of lease commitments at the end of period (million yen)

Due within one year	67
Due after one year	105
Total	172

(Note) Equivalent of balance of lease commitments at the end of period is calculated using the inclusive-of-interest method as the ratio of balance of lease commitments at the end of period to balance of tangible fixed assets at the end period is low.

- (3) Lease payments and equivalent of depreciation allowance (million yen)

1) Lease payments	79
2) Equivalent of depreciation allowance	79

- (4) Method of calculating equivalent of depreciation allowance

Equivalent of depreciation allowance is calculated based on the straight-line method over the lease period without residual value.

7. Notes to Transactions with Related Parties

(1) Subsidiaries

Attribution	Name of companies	Issued share capital or contribution to capital	Principal activities or occupation	Percentage of voting rights (ownership) (%)	Details of interest		Details of transactions	Amount of transactions (million yen)	Account item	Balance at the end of period (million yen)
					Interlocking of officers, etc.	Business relationship				
Subsidiary	Mitsubishi Rayon Engineering Co., Ltd.	1,200 million yen	Engineering business, and production and sale of hollow fiber membrane products	(Direct ownership) 100	12 interlocking officers	Purchase of facilities and subcontracting of engineering and construction works and maintenance operations, etc.	Purchase of tangible fixed assets, designing, engineering and construction works	24,485	Accounts payable	10,617
Subsidiary	Huizhou MMA Co., Ltd.	US\$ 65,000,000	Production and sale of MMA monomer	(Direct ownership) 100	6 interlocking officers	Sale and purchase of products, and provision of know-how	Guarantee obligations	9,191	-	-
Subsidiary	Ningbo Rayon Acrylic Fibers Co., Ltd.	US\$ 50,000,000	Production and sale of acrylic fibers	(Direct ownership) 55	5 interlocking officers	Sale and purchase of products, and provision of know-how	Guarantee obligations	6,046	-	-

(Note) 1. The above amount of transactions does not include consumption taxes, etc. but balance at the end of period includes consumption tax, etc.

2. Terms of transactions and policy on deciding terms thereof, etc.

(1) As for transactions with Mitsubishi Rayon Engineering Co., Ltd., purchase prices of facilities are determined by multiplying the cost by a certain wholesale rate and consideration for design and engineering work is determined after consultation by both parties with estimated cost as a basis.

(2) Guarantee obligations provided to Huizhou MMA Co., Ltd. and Ningbo Rayon Acrylic Fibers Co., Ltd. are for borrowings of these companies for plant and equipment fund, etc. from financial institutions.

8. Note to Per Share Information

(1) Net assets per share: ¥295.42

(2) Net income per share: ¥43.26

[English Translation of the Auditors' Report Originally Issued in the Japanese Language]

Independent Auditors' Report

May 7, 2007

The Board of Directors
Mitsubishi Rayon Co., Ltd.

Ernst & Young ShinNihon
Hidehiro Takayama (Seal)
Designated and Operating Partner
Certified Public Accountant

Tadahiko Kamio (Seal)
Designated and Operating Partner
Certified Public Accountant

We have audited the consolidated financial statements, that is the Consolidated Balance sheets, the Consolidated Statements of Income, the Consolidated Statements of Changes in Shareholders' Equity and Notes to Consolidated Financial Statements of Mitsubishi Rayon Co., Ltd. for the fiscal year from April 1, 2006 to March 31, 2007 in accordance with Article 444 Item 4 of the Corporation Law. Preparation of the consolidated financial statements is of the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated financial statements based on our audit as independent auditors.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those auditing standards require us to obtain reasonable assurance about whether the consolidated financial statements is free of material misstatement. An audit is performed on a test basis, and includes assessing the accounting principles used, the method of their application and estimates made by management, as well as evaluation of the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

We find that the consolidated financial statements mentioned above fairly present all the important matters of the state of assets and income/loss for the fiscal year under review of the corporate group, consisting of Mitsubishi Rayon Co., Ltd. and its consolidated subsidiaries, in conformity with auditing standards generally accepted in Japan.

Our firm and operating partners have no conflict of interests in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

(TRANSLATION FOR REFERENCE ONLY)

[English Translation of the Auditors' Report Originally Issued in the Japanese Language]

Independent Auditors' Report

May 7, 2007

The Board of Directors
Mitsubishi Rayon Co., Ltd.

Ernst & Young ShinNihon
Hidehiro Takayama (Seal)
Designated and Operating Partner
Certified Public Accountant

Tadahiko Kamio (Seal)
Designated and Operating Partner
Certified Public Accountant

We have audited the financial statements, that is the Non-Consolidated Balance sheets, the Non-consolidated Statements of Income, the Non-Consolidated Statements of Changes in Shareholdres' Equity, Notes to Non-Consolidated Financial Statements and supporting schedules of Mitsubishi Rayon Co., Ltd. for the 82nd term from April 1, 2006 to March 31, 2007 in accordance with Article 436, Paragraph 2, Item 1 of the Corporation Law. Preparation of the non-consolidated financial statements and supporting schedules is of the responsibility of the Company's management. Our responsibility is to express an opinion on the non-consolidated financial statements and supporting schedules based on our audit as independent auditors.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those auditing standards require us to obtain reasonable assurance about whether the non-consolidated financial statements and supporting schedules is free of material misstatement. An audit is performed on a test basis, and includes assessing the accounting principles used, the method of their application and estimates made by management, as well as evaluation of the overall presentation of the non-consolidated financial statements and supporting schedules. We believe that our audit provides a reasonable basis for our opinion.

We find that the non-consolidated financial statements and supporting schedules mentioned above fairly present all the important matters of the state of assets and income/loss for the fiscal year under review of the Mitsubishi Rayon Co., Ltd. in conformity with auditing standards generally accepted in Japan.

Our firm and operating partners have no conflict of interests in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

[English Translation of the Auditors' Report Originally Issued in the Japanese Language]

Corporate Auditor's Report

The Board of Corporate Auditors has prepared this Audit Report upon deliberation based on the audit reports prepared by each Corporate Auditor concerning the execution of duties by Directors for the 82nd term from April 1, 2006 to March 31, 2007, and hereby reports as follows:

1. Auditing methods employed by Corporate Auditors and the Board of Corporate Auditors and their contents

The Board of Corporate Auditors prescribed an audit policy, plan and other relevant matters, received reports from each Corporate Auditor on their implementation of audits and results thereof, as well as reports from Directors, etc. and the Account Auditor on the performance of their duties, and sought explanations from them whenever necessary.

Each Corporate Auditor complied with the auditing standards of Corporate Auditors established by the Board of Corporate Auditors, followed the audit policy, plan, etc., communicated with Directors, staff of the internal audit sector, other employees, etc., strove to establish an environment for collecting information and auditing, attended Board of Directors meetings and other important meetings, received reports from Directors, employees, etc. on the execution of their duties, sought explanations from them whenever necessary, inspected important approval documents, etc., and examined the status of operations and assets at the head office and principal offices. We also audited: the system for ensuring that the execution of duties by Directors complies with the related laws and regulations and the Articles of Incorporation; the resolution of the Board of Directors concerning the establishment of the system stipulated in Article 100, Paragraph 1 and Paragraph 3 of the Enforcement Regulations of the Corporation Law aiming to secure the appropriateness of joint-stock companies' operations; and the status of an internal control system established in accordance with said resolution. Meanwhile, we communicated and exchanged information with Directors, Corporate Auditors, etc. of subsidiaries, and received reports from subsidiaries on their operations whenever necessary. Based on the above methods, we examined the business report and the supporting schedules for the fiscal year under review.

In addition, we checked that the Account Auditor implemented appropriate audits while maintaining independence, received reports from the Account Auditor on the execution of their duties, and sought explanations whenever necessary. Furthermore, we received notice from the Account Auditor that "The system for ensuring that duties are performed properly" (matters set forth in each item of Article 159 of the Company Calculation Regulations) is organized in accordance with the "Quality Management Standards Regarding Audits" (Business Accounting Council; October 28, 2005), etc., and sought explanations whenever necessary. Based on the above methods, we examined non-consolidated financial statements (balance sheets, statements of income, statements of shareholders' equity, and notes to financial statements) and the supporting schedules for the fiscal year under review, as well as consolidated financial statements (balance sheets, statements of income, statements of changes in shareholders' equity, and notes to financial statements).

2. Audit results

(1) Results of audit of Business Report, etc.

- i. We regard that the business report and the supporting schedules fairly present the state of the Company in accordance with the related laws and regulations and the Articles of Incorporation.
- ii. As for the performance of duties by Directors, we find no significant evidence of wrongful act or violation of related laws and regulations, nor the Articles of Incorporation.
- iii. We regard the content of the resolution by the Board of Directors concerning the internal control system to be proper.

(2) Results of the audit of non-consolidated financial statements and the supporting schedules

We regard that the auditing methods and results by Ernst & Young ShinNihon are appropriate.

(3) Results of audit of consolidated financial statements

We regard that the audit methods and results by Ernst & Young ShinNihon are appropriate.

May 8, 2007

The Board of Corporate Auditors, Mitsubishi Rayon Co., Ltd.

Full-time Corporate Auditor: Yoriyuki Tanaka (Seal)

Full-time Corporate Auditor: Isao Takeuchi (Seal)

Full-time Corporate Auditor: Hideki Hoshina (Seal)

Corporate Auditor: Noriyuki Hoshi (Seal)

Corporate Auditor: Koichi Katayama (Seal)

Note: Full-time Corporate Auditors Isao Takeuchi and Hideki Hoshina and Corporate Auditor Noriyuki Hoshi are external auditors in accordance with Article 2-16 and Article 335 Paragraph 3 of the Corporation Law.

Reference Materials concerning Exercise of Voting Rights

Agenda 1. Appropriation of Retained Earnings

We propose the appropriation of retained earnings be as follows:

1. Year-end dividends

We would like to pay a year-end cash dividend of ¥5.00 per share of the Company's common stock, according to our basic policy of maintaining stable payment, while focusing on group earnings on consolidated basis. The payment date of the dividend will be June 29, 2007, and the total amount of such dividends will be ¥2,997,605,655. With an interim cash dividend of ¥5.00 per share, shareholders will earn a total of ¥10.00 per share in cash dividends for the fiscal year under review.

2. Build-up of general reserve

To prepare for the future business expansion under the next medium-term management plan, etc., we propose to contribute ¥10 billion to general reserve as below.

(1) Items of retained earnings to increase and the amount

General reserve: ¥10,000,000,000

(2) Items of retained earnings to decrease and the amount

Retained earnings carried forward: ¥10,000,000,000

Agenda 2. Payment of Bonuses to Directors

We propose to pay bonuses amounting to ¥40 million (unchanged from the previous year) to nine (9) Directors, considering earnings results for the fiscal year under review.

Agenda 3. Partial Amendment to the Articles of Incorporation

1. Reason for the Amendment

With the aim of revitalizing the board of directors' meeting further, the titles of directors will be abolished for those who are members of the board of directors' meeting that serves the role of decision-making body, except for the titles Chairman of the Board and President which have high necessity to facilitate business externally.

2. Content of the Amendment

The amendment is as follows:

(Underlined portions indicate the changes.)

Current Articles of Incorporation	Proposed provisions after amendment
Article 27. (Representative Directors and Directors with specific titles) 3. The Board of Directors may, by resolution, have one (1) Chairman of the Board, one (1) President <u>and one (1) or more Executive Vice Presidents, Senior Managing Directors and Managing Directors.</u>	Article 27. (Representative Directors and Directors with specific titles) 3. The Board of Directors may, by resolution, have one (1) Chairman of the Board <u>and</u> one (1) President.

(TRANSLATION FOR REFERENCE ONLY)

Agenda 4. Election of Nine Directors

The term of office of all of the nine directors expires at the close of this general meeting, and we ask you to approve of the election of the following candidate directors.

No.	Name (date of birth)	Brief history, position, principal duties and executive positions at other companies	Number of shares owned
1	Yoshiyuki Sumeragi (December 12, 1939)	<p>Brief History</p> <p>April 1962 Joined the Company</p> <p>June 1993 Director of the Company</p> <p>June 1997 Managing Director of the Company</p> <p>June 1999 Senior Managing Director of the Company</p> <p>June 2000 Representative Director and President of the Company</p> <p>June 2005 Representative Director; President and Presidential Executive Officer of the Company</p> <p>June 2006 Representative Director and Chairman of the Board</p> <p>Position and principal duties</p> <p>Representative Director and Chairman of the Board</p>	128,040
2	Masanao Kanbara (March 26, 1943)	<p>Brief History</p> <p>April 1965 Joined the Company</p> <p>June 1997 Director of the Company</p> <p>June 2000 Managing Director of the Company</p> <p>June 2001 Managing Director and Senior Executive Officer of the Company</p> <p>June 2002 Senior Managing Director and Senior Executive Officer of the Company</p> <p>June 2004 Representative Director; Senior Managing Director and Senior Executive Officer of the Company</p> <p>June 2006 Representative Director; President and Presidential Executive Officer of the Company</p> <p>Position and principal duties</p> <p>Representative Director, President and Presidential Executive Officer</p> <p>Chairman of CSR Committee, Safety, Environment and Quality Assurance Committee, Corporate Ethics Committee, Crisis Management Committee and JK Committee</p> <p>Officer in charge of Audit Office</p>	86,000
3	Naoki Yamamoto (March 28, 1948)	<p>Brief History</p> <p>July 1971 Joined the Company</p> <p>June 2001 Director of the Company</p> <p>June 2004 Managing Director of the Company</p> <p>June 2005 Managing Director and Senior Executive Officer of the Company</p> <p>Position and principal duties</p> <p>Managing Director</p> <p>Senior Executive Officer</p> <p>Officer in charge of AN Business Bloc and Specialty Fibers Business Bloc</p> <p>Control of Osaka Branch</p>	34,000

(TRANSLATION FOR REFERENCE ONLY)

No.	Name (date of birth)	Brief history, position, principal duties and executive positions at other companies	Number of shares owned
4	Takumi Ubagai (August 7, 1948)	<p>Brief History</p> <p>April 1971 Joined the Company</p> <p>June 2001 Director and Executive Officer of the Company</p> <p>June 2004 Managing Director and Senior Executive Officer of the Company</p> <p>Position and principal duties</p> <p>Managing Director</p> <p>Senior Executive Officer</p> <p>Officer in charge of MMA Business Bloc</p> <p>Control of Nagoya Branch</p>	57,000
5	Noriyuki Tajiri (February 13, 1950)	<p>Brief History</p> <p>April 1974 Joined the Company</p> <p>June 2003 Director of the Company</p> <p>June 2005 Director of the Company and Executive Officer</p> <p>June 2006 Managing Director and Senior Executive Officer of the Company</p> <p>Position and principal duties</p> <p>Managing Director</p> <p>Senior Executive Officer</p> <p>In charge of Management Advisory Committee, Management Committee, in charge of Officers meeting, CSR Committee, Crisis Management Committee and JK Committee</p> <p>Officer in charge of Corporate Planning Division and Affiliated Companies Bloc</p> <p>Assistant Officer in charge of Audit Office</p> <p>General Manager in charge of administration of Corporate Planning Division</p>	18,000
6	Toshifumi Shinohara (November 3, 1946)	<p>Brief History</p> <p>April 1971 Joined the Company</p> <p>June 2004 Director of the Company</p> <p>June 2005 Director and Executive Officer of the Company</p> <p>June 2006 Managing Director and Senior Executive Officer of the Company</p> <p>Position and principal duties</p> <p>Managing Director</p> <p>Executive Officer</p> <p>Chairman of Information Security Committee</p> <p>In charge of Corporate Ethics Committee and Information Security Committee</p> <p>Officer in charge of Corporate Ethics</p> <p>Officer in charge of Export Control Office, Human Resources Department, General Administration Department, Accounting Department, HR & Accounting Operation Support Center and Logistics & Information Systems Planning Office</p>	32,000

(TRANSLATION FOR REFERENCE ONLY)

No.	Name (date of birth)	Brief history, position, principal duties and executive positions at other companies	Number of shares owned
7	Akio Kataoka (April 13, 1949)	<p>Brief History</p> <p>April 1972 Joined the Company</p> <p>March 1996 Director of Construction Technology Department in Toyohashi Production Center of the Company and Director of Construction Work Department of Toyohashi Engineering Center at Mitsubishi Rayon Engineering Co., Ltd.</p> <p>June 1999 Assistant General Manager of Yokohama Production Center of the Company</p> <p>June 2001 General Manager of Production Technology Laboratories of the Company</p> <p>June 2003 Assistant General Manager of Otake Production Center and General Manager of Production Technology Laboratories</p> <p>June 2004 Director and Executive Officer of the Company and General Manager of Otake Production Center</p> <p>June 2006 Director and Executive Officer of the Company and Group General Manager of Corporate Technology</p> <p>Position and principal duties</p> <p>Director</p> <p>Executive Officer</p> <p>In charge of Safety, Environment and Quality Assurance Committee</p> <p>Officer in charge of Safety, Environment & Quality Assurance and Product Liability</p> <p>Officer in charge of Safety, Environment and Quality Assurance Department, Production Technology Administration Department, Utilities Center, Research & Development Administration Department, Intellectual Property Department, Corporate Research Laboratories, Yokohama Corporate Research Laboratories, Toyohashi Corporate Research Laboratories, Production Technology Laboratories, Tokyo Technology & Information Center and MRE Business Bloc</p> <p>In charge of Production Centers and Hachinohe Factory</p>	17,000

(TRANSLATION FOR REFERENCE ONLY)

No.	Name (date of birth)	Brief history, position, principal duties and executive positions at other companies	Number of shares owned
8	Mikiyoshi Araki (April 19, 1951)	<p>Brief History</p> <p>April 1976 Joined the Company</p> <p>Oct. 1992 Manager of SAM Section at Industry-use Plastics Plant of Otake Production Center of the Company</p> <p>June 1995 Manager of Production Technology Section at Chemicals Plant of Otake Production Center of the Company</p> <p>Sept. 1998 Engineering Advisor at Thai MMA Co., Ltd.</p> <p>June 2003 Director of Chemicals & Plastics Technology Administration Office of the Company</p> <p>June 2005 Director and Executive Officer of the Company, Assistant Group General Manager of Corporate Technology and General Manager of Technology Development Administration Department</p> <p>June 2006 Director and Executive Officer of the Company, Assistant Group General Manager of Corporate Technology and General Manager of Production Technology Administration Department</p> <p>April 2007 Director and Executive Officer of the Company and General Manager of Toyohashi Production Center</p> <p>Position and principal duties</p> <p>Director</p> <p>Executive Officer</p> <p>General Manager of Toyohashi Production Center</p>	14,000
9	Michio Tatebayashi (July 7, 1951)	<p>Brief History</p> <p>April 1975 Joined the Company</p> <p>June 2001 Director of Plastics Sheeting Department of the Company</p> <p>June 2004 Director of Public & Investors Relations Office of the Company</p> <p>June 2005 Executive Officer and Director of Public & Investors Relations Office of the Company</p> <p>June 2006 Director and Executive Officer of the Company and Director of Public & Investors Relations Office</p> <p>Position and principal duties</p> <p>Director</p> <p>Executive Officer</p> <p>Officer in charge of Public & Investors Relations Office, Mitsubishi Rayon America Inc., MRC Asia (Thailand) Ltd., MRC Hong Kong Co., Ltd. and MRC Shanghai Business Consulting Co., Ltd., Manager of Public & Investors Relations Office</p>	9,000

(Note) None of the candidates has conflict of interests with the Company.

(TRANSLATION FOR REFERENCE ONLY)

Agenda 5. Election of One Corporate Auditor

The Corporate Auditor Yoriyuki Tanaka resigns at the close of this general meeting and we seek for election of one successor Corporate Auditor to fill the vacancy.

Following is the candidate auditor.

Submission of this agenda to this general meeting has been consented to by the board of Corporate Auditors.

Name (date of birth)	Brief history and executive positions at other companies	Number of shares owned
Toru Sakamaki (July 7, 1947)	<p>Brief History</p> <p>April 1971 Joined the Company</p> <p>June 1999 Director of Audit Office of the Company</p> <p>March 2003 President of Nantong Rayon Chemical Co., Ltd.</p> <p>June 2005 Director of Accounting Department President of MRC Finance Co., Ltd.</p> <p>Executive Positions at other companies</p> <p> President of MRC Finance Co., Ltd.</p>	3,060

(Note) The candidate has no conflict of interests with the Company.

Agenda 6. Retirement Allowance for Retiring Corporate Auditors and Payment of Accrued Benefits Associated with Abolition of Retirement Benefit System for Current Corporate Officers

We will pay retirement allowance to Yoriyuki Tanaka, who will be resigning as corporate auditor at the close of the ordinary general meeting of shareholders, to reward his service during the term of office within a reasonable range in line with the predetermined standards of the Company.

We would like shareholders to leave to the Board of Corporate Auditors decisions concerning the specific amount, timing and method of the retirement allowance of the Corporate Auditor.

Brief history of Yoriyuki Tanaka is as follows:

Name	Brief history
Yoriyuki Tanaka	June 2001 Full-time Corporate Auditor of the Company (present post)

As a measure of reviewing remuneration system for officers, the board of directors of the Company resolved to abolish the retirement allowance system for directors, and corporate auditors decided to revoke the retirement allowance system for corporate auditors by consultation. Accordingly, 9 directors who are to be reappointed if Agenda 4 is approved, and 4 corporate auditors who are in office currently, will be paid accrued retirement allowances to reward their service during their terms of office up until the termination of this meeting, corresponding to their respective terms of office within a reasonable range in line with the predetermined standards of the Company.

Such accrued retirement allowances shall be paid at retirement of directors

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or corporate auditors. We would like shareholders to leave to the Board of Directors and Board of Corporate Auditors decisions concerning the specific amount, timing and methods used, etc. of the retirement allowance of Directors and Corporate Auditors, respectively.

Brief history of each Director is as follows:

Name	Brief history	
Yoshiyuki Sumeragi	June 1993	Director of the Company
	June 1997	Managing Director of the Company
	June 1999	Senior Managing Director of the Company
	June 2000	Representative Director and President of the Company
	June 2006	Chairman of the Board and Representative Director of the Company (present post)
Masanao Kanbara	June 1997	Director of the Company
	June 2000	Managing Director of the Company
	June 2002	Senior Managing Director and Senior Executive Officer of the Company
	June 2004	Representative Director; Senior Managing Director and Senior Executive Officer of the Company
	June 2006	Representative Director; President and Presidential Executive Officer of the Company (present post)
Naoki Yamamoto	June 2001	Director of the Company
	June 2004	Managing Director of the Company (present post)
Takumi Ubagai	June 2001	Director of the Company
	June 2004	Managing Director of the Company (present post)
Noriyuki Tajiri	June 2003	Director of the Company
	June 2006	Managing Director of the Company (present post)
Toshifumi Shinohara	June 2004	Director of the Company
	June 2006	Managing Director of the Company (present post)
Akio Kataoka	June 2004	Director of the Company (present post)
Mikiyoshi Araki	June 2005	Director of the Company (present post)
Michio Tatebayashi	June 2006	Director of the Company (present post)

Brief history of each Corporate Auditor is as follows:

Isao Takeuchi	June 2004	Full-time Corporate Auditor of the Company (present post)
Hideki Hoshina	June 2001	Full-time Corporate Auditor of the Company (present post)
Noriyuki Hoshi	June 2004	Corporate Auditor of the Company (present post)
Koichi Katayama	June 2006	Corporate Auditor of the Company (present post)

Agenda 7. Revision of Remuneration to Directors

Monthly remuneration of directors is resolved to be limited to ¥30 million at the 76th ordinary general meeting of shareholders held on June 28, 2001. However, in consideration of the facts that the old provision requiring the payment of directors' bonus by the appropriation of net profit was abolished when the Corporation Law was enforced, that the directors' bonus will be included in the fixed ceiling amount of remuneration to be determined by the resolution of the general meeting of shareholders and that the payment by the current retirement benefit system for directors will be abolished at the end of this general meeting of shareholders as well as various other circumstances, we have reexamined the overall remuneration system for directors and would like shareholders to approve the revision of the amount of remuneration to directors to be limited to ¥480 million per year.

If the agenda is approved, we will introduce a new remuneration system for directors, in which we evaluate the degree of contribution to sustainable growth of the Company within the range of the above remuneration.

Remuneration of directors will not include the amount of salary of directors concurrently working as employee as before.

Assuming that Agenda 4 is approved and resolved as proposed, the number of the Company's directors will become 9. For reference, the number of directors prescribed by the Articles of Incorporation is no more than 15.

Agenda 8. Revision of Remuneration of Corporate Auditors

Monthly remuneration of corporate auditors is resolved to be limited to ¥8 million at the 79th ordinary general meeting of shareholders held on June 29, 2004. However, in consideration of the fact that the payment by the current retirement benefit system for corporate auditors will be abolished at the end of this general meeting of shareholders as well as various other circumstances, we have reexamined the overall remuneration system for corporate auditors and would like shareholders to approve the revision of the amount of remuneration to corporate auditors to be limited to ¥130 million per year.

Assuming that Agenda 5 is approved and resolved as proposed, the number of the Company's corporate auditors will become 5, of whom 3 will be external auditors. For reference, the number of corporate auditors prescribed by the Articles of Incorporation is no more than 5.

Instructions for the Exercise of Voting Rights via the Internet

When exercising the voting rights via the Internet, please read the following instructions.

1. Please access the following website from a personal computer or a cell-phone (i-mode, EZWeb and Yahoo!Keitai) and go to the dedicated voting site. Note, however, that the service will not be available from 2 a.m. to 5 a.m. daily.

<http://www.evotep.jp/>

(Note) The “Login ID” and “Tentative Password” on the voting form are necessary for logging in to the dedicated voting site.

2. Exercise of voting rights via the Internet can be accepted **until the close of business (5:45 p.m.) of the Company on June 27, 2007.**
3. When voting is exercised both by the voting form and via the Internet, the **vote via the Internet shall be deemed effective.**
4. If the voting right is exercised via the Internet more than one (1) time, the **last vote shall be deemed effective.**
5. In the event that any shareholder should attend the general meeting of shareholders despite having exercised his or her voting right via the Internet, **the vote via the Internet will be deemed invalid.**
6. Any access charges assessed by the Internet providers and communications charges assessed by communications companies in exercising voting rights shall be borne by the shareholders. In exercising voting rights via cell-phone website, any access charges such as packet communication charges and cell-phone charges assessed by cell-phone service providers shall be borne by the shareholders.

System Environment, etc.

For the exercise of voting rights via the Internet, the following system environment is required:

1. Access to the Internet
2. Availability of the following equipment:
 - (1) OS environment and Internet browser software
 - For Windows users (Japanese language version of 95, 98, 2000, Me, NT4.0, XP or Vista)
Microsoft Internet Explorer 4.01SP1 (Japanese language version) or later
Netscape Communicator 4.5 (Japanese language version) or later
* Please note that Netscape 6 and later versions are not supported
 - For Macintosh users (Japanese language version of MacOS9.2 or later, or Xv10.2)
Microsoft Internet Explorer 5.0 (Japanese language version) or later
Netscape Communicator 4.7 (Japanese language version) or later
* Please note that Netscape 6 and later versions are not supported
 - (2) Computer screen with a screen resolution of 800 x 600 or higher
 - * **Please note that PDA and game equipment are not usable for the exercise of voting rights via the Internet.**
 - * Windows[®] is registered trademark of a U.S. corporation Microsoft Corporation in the United States and/or other countries.
 - * Macintosh[®] is registered trademark of a U.S. corporation Apple Computer, Inc. in the United States and/or other countries.
 - * Internet Explorer is trademark of Microsoft Corporation.
 - * Netscape Communicator is trademark of Netscape Communications Corporation.
 - * Other names of articles are trademark or registered trademarks of each respective company.

<Contact for Inquiries regarding Exercise of Voting Rights via the Internet>

1. For any inquiries regarding the operation of personal computers, etc., please contact the following:

Mitsubishi UFJ Trust and Banking Corporation, Stock Transfer Agency	
Tel:	0120-173-027 (toll free)
Service hours:	9:00 a.m. to 9:00 p.m. (Monday through Friday)

2. For any other inquiries, please contact the following:

Mitsubishi UFJ Trust and Banking Corporation, Stock Transfer Agency	
Tel:	0120-232-711 (toll free)
Service hours:	9:00 a.m. to 5:00 p.m. (Monday through Friday)