

Summary of Consolidated Business Results for the First Quarter of Fiscal 2003

August 6, 2003
Mitsubishi Rayon Co., Ltd.

1. Accounting methods employed in preparation of quarterly report

Differences in methods of revenue recognition from those used for the latest account settlement: none

2. Outline of business operations for the 1st quarter (April 1 to June 30, 2003)

(1) Net Sales

(¥ million)

	Net Sales	
1st quarter of fiscal 2003	71,836	-- %
1st quarter of fiscal 2002	--	-- %
(Reference) Fiscal 2002 (full term)	300,641	

Notes

1. Amounts less than ¥1 million are omitted.
2. Net sales for the previous first quarter and year-on-year comparison are not available, as no quarterly disclosure was made.

Supplementary explanation for net sales

During the 3-month period, Japan's economy remained sluggish against the backdrop of weak consumer spending and the lack of a recovery in the US economy.

In these business circumstances, performances by business segment were as follows. For the chemicals and plastics segment, the Company made efforts to raise prices of methyl methacrylate (MMA) products in line with the rise in raw materials prices, amid a tightening supply-demand situation. Sales of polymethyl methacrylate (PMMA) molding materials were steady in the domestic and East Asian markets, and sales of acrylic sheets were favorable for light-guiding plates used in back-lighting systems and for the casings of cell phones.

Fiber businesses posted results generally as planned. Although the outbreak of SARS in China had an effect on sales of acrylic staple fibers in April, May and June, sales volume is expected to increase in July, August and September. In addition, sales of triacetate fiber under the brand name of SOALON recovered for the Middle-Eastern market from a decline attributable to one-off factors.

In the "specialty products, engineering and others" segment, prices of carbon fiber and prepreg products recovered only to a modest degree. Shipments of these products, however, were steady, mainly for the East Asian markets, thanks to demand for sports goods. Sales to manufacturers of IT equipment and revenues from the aqua-sustainability business were generally in line with the goals.

As a result, net sales amounted to ¥71,836 million, roughly in line with the goal at the beginning of the term.

(Reference) Sales by business segment

(¥ million)

	Chemicals and Plastics	Fibers	Specialty Products, Engineering and Others	Total
1st quarter of fiscal 2003	31,107	21,559	19,169	71,836
1st quarter of fiscal 2002	--	--	--	--
(Reference) Fiscal 2002 (full term)	116,214	94,364	90,062	300,641

Note: Net sales for the previous first quarter and year-on-year comparison are not available, as no quarterly disclosure was made.

(2) Matters having a significant effect on the financial position and business results of the Company on May 12, 2003, the Board of the Directors made a resolution which covers all terms and conditions for the issue of unsecured straight bonds in Japan.

Note: On July 28, 2003, the Company redeemed the 2nd issue in Japan of unsecured straight bonds in the amount of ¥10 billion, and on July 29, 2003 made the 4th issue of unsecured straight bonds in Japan, in the amount of ¥10 billion.

3. Business performance forecasts for the current term (April 1, 2003 to March 31, 2004)

(¥ million, expect per share figures)

	Net sales	Operating income	Net income	Earnings per share (Yen)
1st half	147,000	11,000	4,500	7.36
Full term	300,000	24,000	10,000	16.35

Additional information regarding forecasts

Net sales for the first quarter were generally in line with the target, and operating income was somewhat above the target. Targets for the first-half period and the full term, however, have not yet been revised.

* Forecasts were compiled on the basis of figures in the account settlement for the previous term, published on May 12, 2003. Actual results may therefore differ significantly from the above forecasts due to unforeseeable factors.