

**Financial Results for the
Fiscal Year Ended March 31, 2006**

**2006 May
Mitsubishi Paper Mills Limited**

Key figures <consolidated>



(100million yen, %)

	2004		2005		Change		Forecast as of September 30, 2005	
		%		%		%		%
Revenue	2,347	100.0	2,285	100.0	△62	97.4	2,300	100.0
Operating Profit	43	1.8	65	2.8	+22	150.0	60	2.6
Ordinary Profit	17	0.7	48	2.1	+31	282.7	35	1.5
Net profit	△247	△10.5	72	3.1	+319	—	75	3.3

Revenue : Decrease due to the sluggish market of printing paper

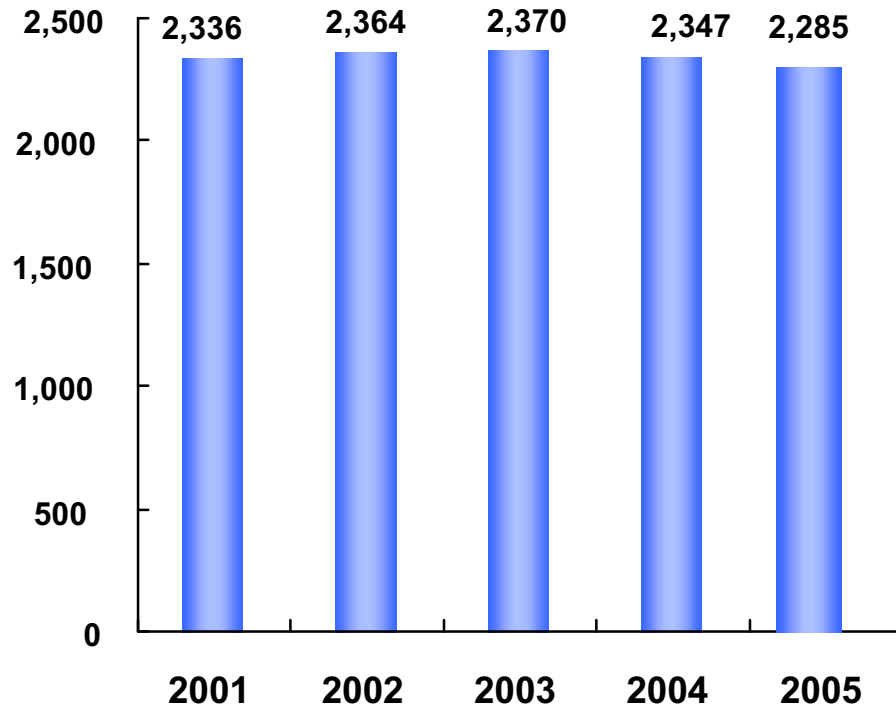
Operating Profit : Increase due to the cost reduction thorough personnel reform and other efforts

Ordinary Profit : Improvement of non-operating profit along with increase in operating profit

Historical Data

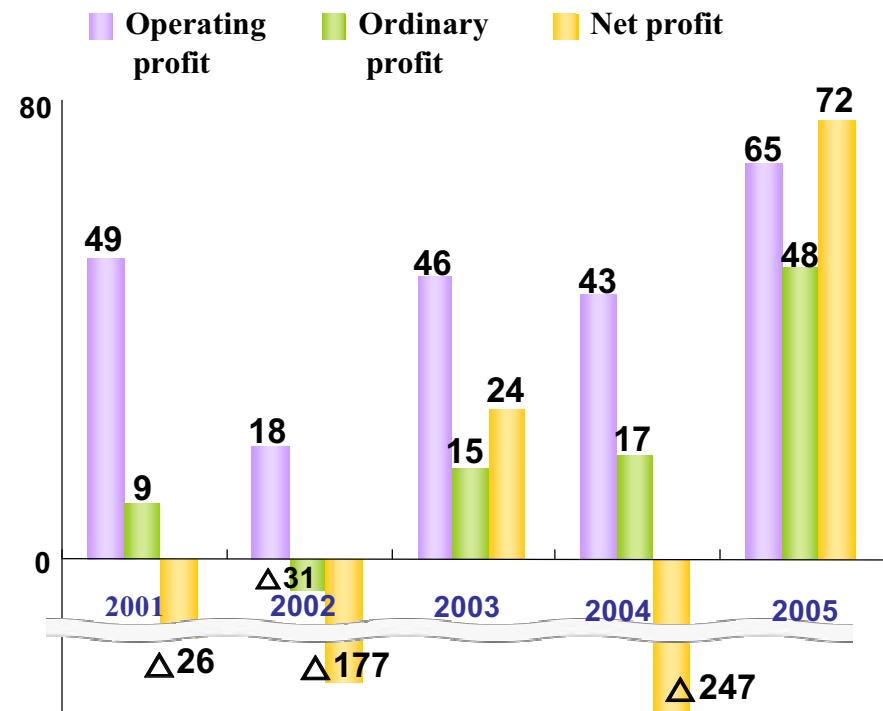


(100million yen)

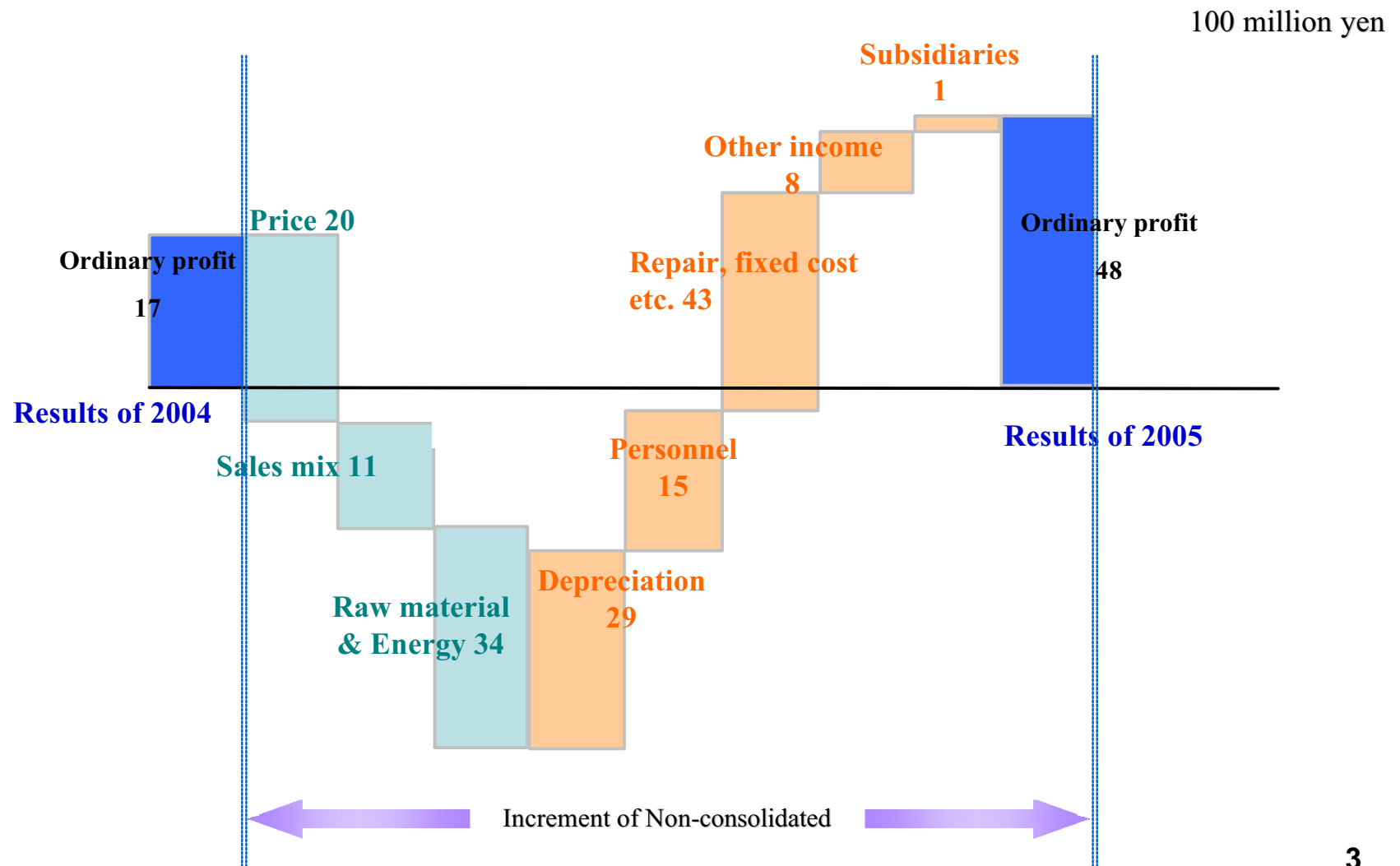


■ Revenue

(100million yen)



Increment of Ordinary Profit -consolidated- (vs.2004)



Segment Information by Product <consolidated>



(100 million yen)

		2004	2005	increment	%
Revenue	Paper & pulp	2,016	1,971	△45	△2.2
	Photo sensitive Materials	344	333	△11	△3.3
	Others	188	201	+13	+6.8
	Offset	△202	△220	△18	—
	Total	2,347	2,285	△62	△2.6
Operating profit	Paper & pulp	73	49	△24	△32.8
	Photo sensitive Materials	△38	8	+46	—
	Others	8	7	△1	△9.1
	Offset	0	1	+1	—
	Total	43	65	+22	+49.9

Segment Information by Region<consolidated>



(100 million yen)

		2004	2005	increment	%
Revenue	Japan	1,891	1,822	△69	△3.7
	Europe	436	446	+10	+2.2
	U.S.A.	109	100	△9	△8.1
	Offset	△90	△82	+6	—
	Total	2,347	2,285	△62	△2.6
Operating Profit	Japan	31	55	+24	+77.5
	Europe	7	5	△2	△33.5
	U.S.A.	1	1	0	△11.9
	Offset	4	4	0	—
	Total	43	65	+22	49.9

Sales Data -Non-consolidated-



(100 million yen)

		2004		2005	
		volume	yen	volume	yen
Papers	Uncoated woodfree	188	205	183	201
	Printing Coated (incl. Ink Jet paper)	667	800	649	761
	Business Communication (Thermal, Carbonless etc.)	91	184	98	200
	White card board	48	51	48	51
	Others (Hygiene, Nonwoven etc.)	19	104	18	88
	Total volume : T tons	1,013	1,344	996	1,301
Photo sensitive	Photo paper and base paper	△3,823	84	121	89
	Printing materials	800	123	17	109
	Total volume : M m ²	4,326	207	138	198
Export ratio	Paper		6.0%		4.9%
	Photo sensitive		56.7%		53.5%
Total			%		11.2%

Balance Sheet ①



(100million yen)

	2004		2005		vs 2004
		%		%	
Assets	3,195	100.0	3,149	100.0	△46
Current assets	1,126	35.2	1,163	36.9	+38
Fixed assets	2,069	64.8	1,986	63.1	△83
Tangible assets	1,442	45.2	1,337	42.4	△105
Intangible assets	30	0.9	33	1.1	+3
Investment and others	597	18.7	616	19.6	+19

Current Asset : Increase in cash and cash equivalents

Non-current Asset : Decrease in fixed assets due to depreciation cost above investment

Balance Sheet ②



(100million yen)

	2004		2005		vs 2004
		%		%	
Liabilities and Stockholders' equity	3,195	100.0	3,149	100.0	△46
Liabilities	2,590	81.1	2,382	75.6	△208
Current liabilities	1,854	58.0	1,639	52.0	△215
Long-term liabilities	736	23.1	743	23.6	+7
Minority interest	54	1.7	74	2.4	+20
Stockholders' equity	551	17.2	693	22.0	+142
Capital	309	9.7	309	9.8	—
Additional paid-in capital	317	9.9	178	5.6	△139
Retained earnings	△163	△5.1	50	1.6	+213
Unrealized gain on securities	91	2.8	159	5.1	+68
Translation adjustments	△2	△0.1	△2	△0.1	0
Treasury stock	△1	△0.0	△1	△0.0	0

Current Liabilities : Decrease according to reduction of interest bearing debt

Stockholders' Equity : Increase in net income along with unrealized gains on securities

Statement of Cash Flow -consolidated-



(100million yen)

	2004	2005	vs 2004
Cash flows from operating activities	183	126	△57
Cash flows from investing activities	69	136	+67
Cash flows from financing activities	△247	△216	+31
Effects of exchange rate changes on cash & cash equivalents	1	0	△1
Net increase (decrease) in cash and cash equivalents	5	46	+41
Cash and cash equivalents at beginning of the year	43	48	+5
Cash and cash equivalents at end of the year	48	96	+48

Operating Activities : Decrease in A/R

Investing Activities : Increase by sale of marketable securities

Financing Activities : Improve by reduction of interest bearing debt

Projection <consolidated>



(100million yen)

	Results of 2005		Projection of 2006		vs 2005	
	Mid-term	Mar. 31,2006	Mid-term	Mar.31,2007		%
Revenue	1,135	2,285	1,110	2,300	+15	+0.7
Paper & pulp	981	1,971	990	2,020	+49	+2.5
Photo Sensitive Materials	151	333	160	330	△3	△6.9
Others	105	201	110	210	+9	+4.5
Offset	△101	△220	(△150)	(△260)	(△40)	—
Operating profit	30	65	30	75	+10	+15.7
Ordinary profit	21	48	18	45	△3	△5.7
Net profit	60	72	45	55	△17	△23.4

Projection <Non-consolidated>



(100million yen)

	2005		Projection of 2006		vs 2005	
	Mid-term	Mar.31,2006	Mid-term	Mar.31,2007		%
Revenue	756	1,519	760	1,550	+31	+2.0
Paper	653	1,301	655	1,340	+39	+3.0
Pulp	9	20	8	15	△5	△25.4
Photo Sensitive Materials	94	198	97	195	△3	△1.5
Operating Profit	16	34	15	42	+8	+24.2
Ordinary Profit	15	30	12	33	+3	+8.6
Net Profit	28	35	40	50	+15	+42.4

Key Financial Index <consolidated>



	2004	2005	Forecast of 2006
Interest bearing debts	1,940	1,724	1,640
Depreciation	157	129	130
Investment	95	74	100
# of employees	4,902	4,717	4,691

100 million yen

Interest bearing debt : Reduction in progress in accordance with Phoenix Plan

Depreciation : Decrease resulting from valuation loss in Kitakami

Investment : Strategic investment in progress in accordance with Phoenix Plan

Key Financial Index <Non-consolidated>



	2004	2005	Forecast of 2006
Exchange rate	107.55 yen/US\$	113.31 yen/US\$	115.00 yen/US\$
Annual usage of wood-chips (import ratio)	1,171Tt (67%)	1,176Tt (67%)	
Annual usage of purchased pulp (purchase ratio)	107Tt (13%)	101Tt (13%)	
Annual usage of oil	111Tkl	73Tkl	
Annual usage of coal	311Tt	318Tt	
Purchased electric power (self-generation ratio)	253MWH (82%)	225MWH (84%)	

Cautionary Statement



- This slide contains forward-looking statements with respect to future results, performance and achievements that are subject to risks and uncertainties and reflect management's views and assumptions formed by available information. All data other than historical facts are data that could be considered forward-looking data. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein. MPM does not intend or assume any obligation to update these forward-looking data.