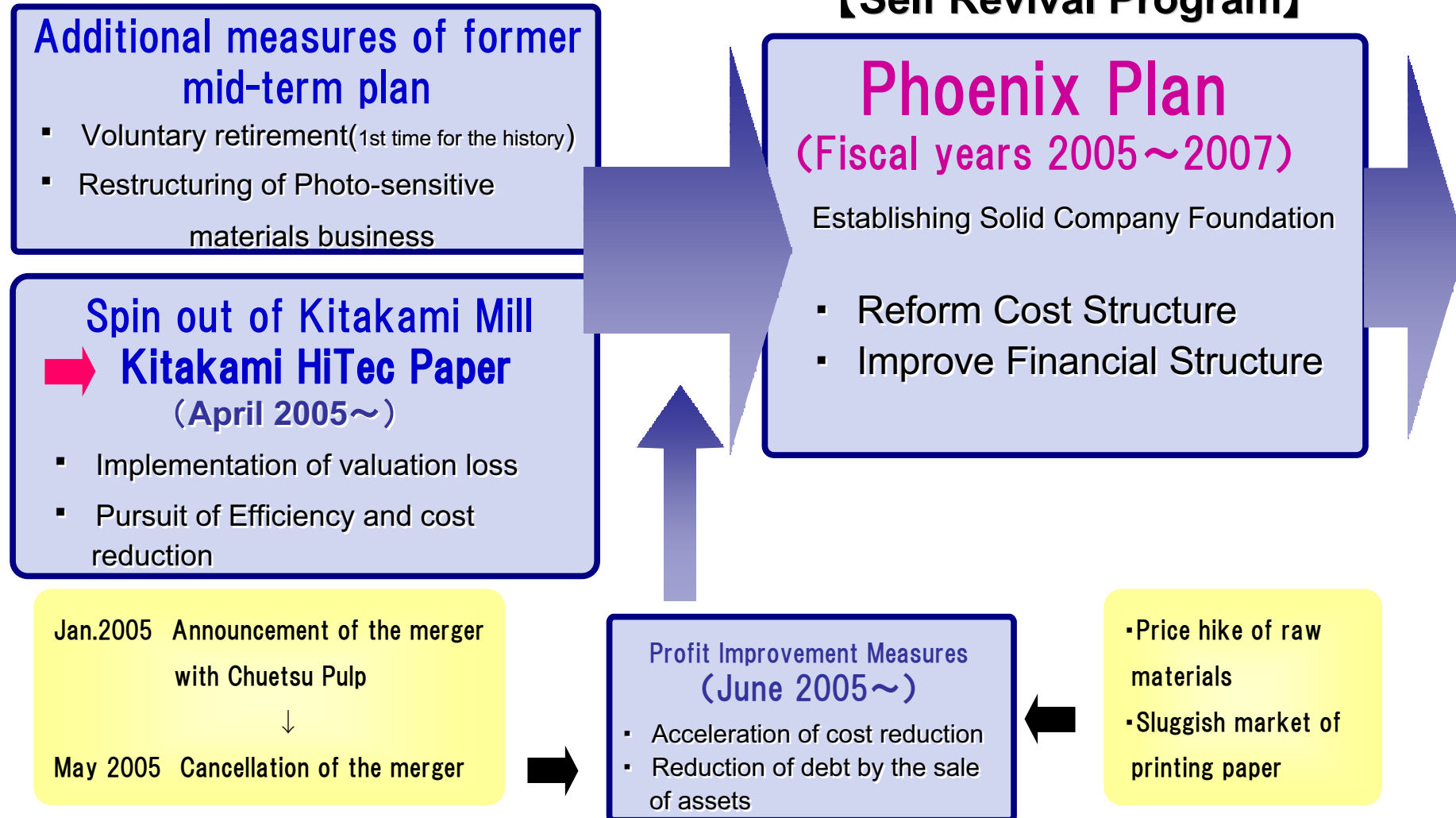


Interim Report of Phoenix Plan

Mitsubishi Paper Mills Limited

President, CEO Takeshi Sato

Measures to be delivered



Plans, Results and Projection (consolidated)

	2004 results	2005		2006		2007 Phoenix Plan
		Phoenix Plan	Results	Phoenix Plan	Projec tion	
Revenue	2,347	2,300	2,285	2,300	2,300	2,350
Ordinary profit	17	35	48	45	45	70
Ordinary profit on revenue	0.7%	1.5%	2.1%	2.0%	2.0%	3.0%
Interest bearing debt	1,940	1,740	1,724	1,640	1,640	1,540
Equity ratio	17.2%	20.0%	22.0%	22.0%	24.0%	24.0%
# of employees	4,902	4,800	4,717	4,800	4,691	4,700

Million yen

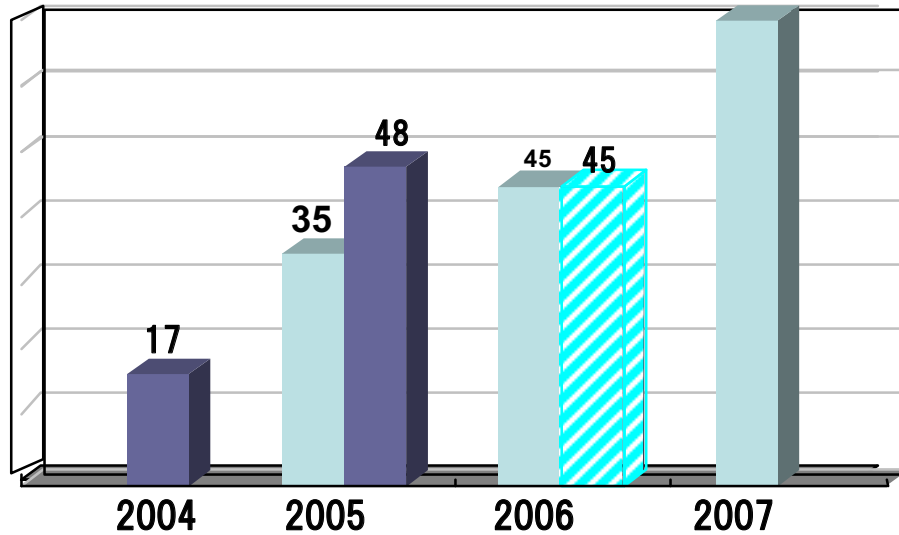
5,219 at the end
of 2003

Ordinary profit and Interest bearing debt



Ordinary Profit

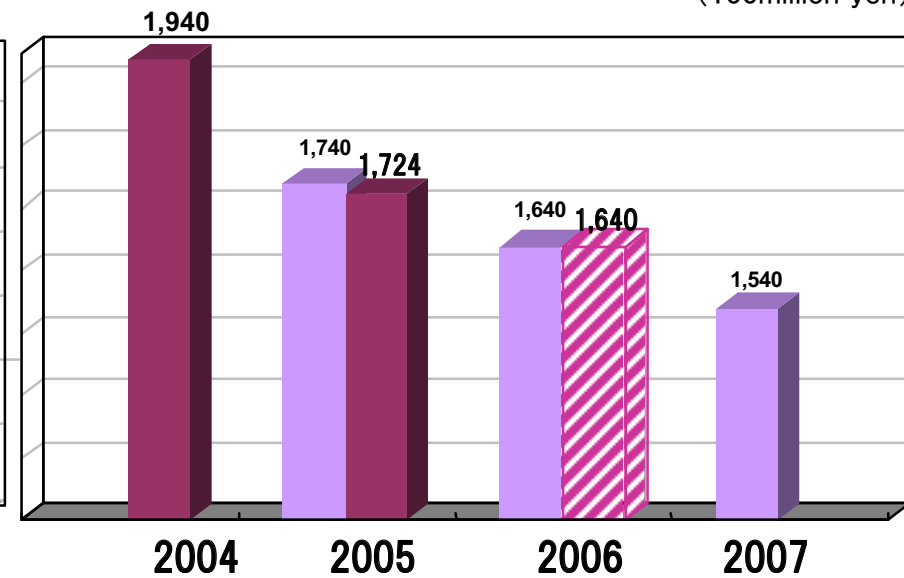
(100million yen)



■ Phoenix Plan ■ Results ■ Projection

Interest bearing Debt

(100million yen)

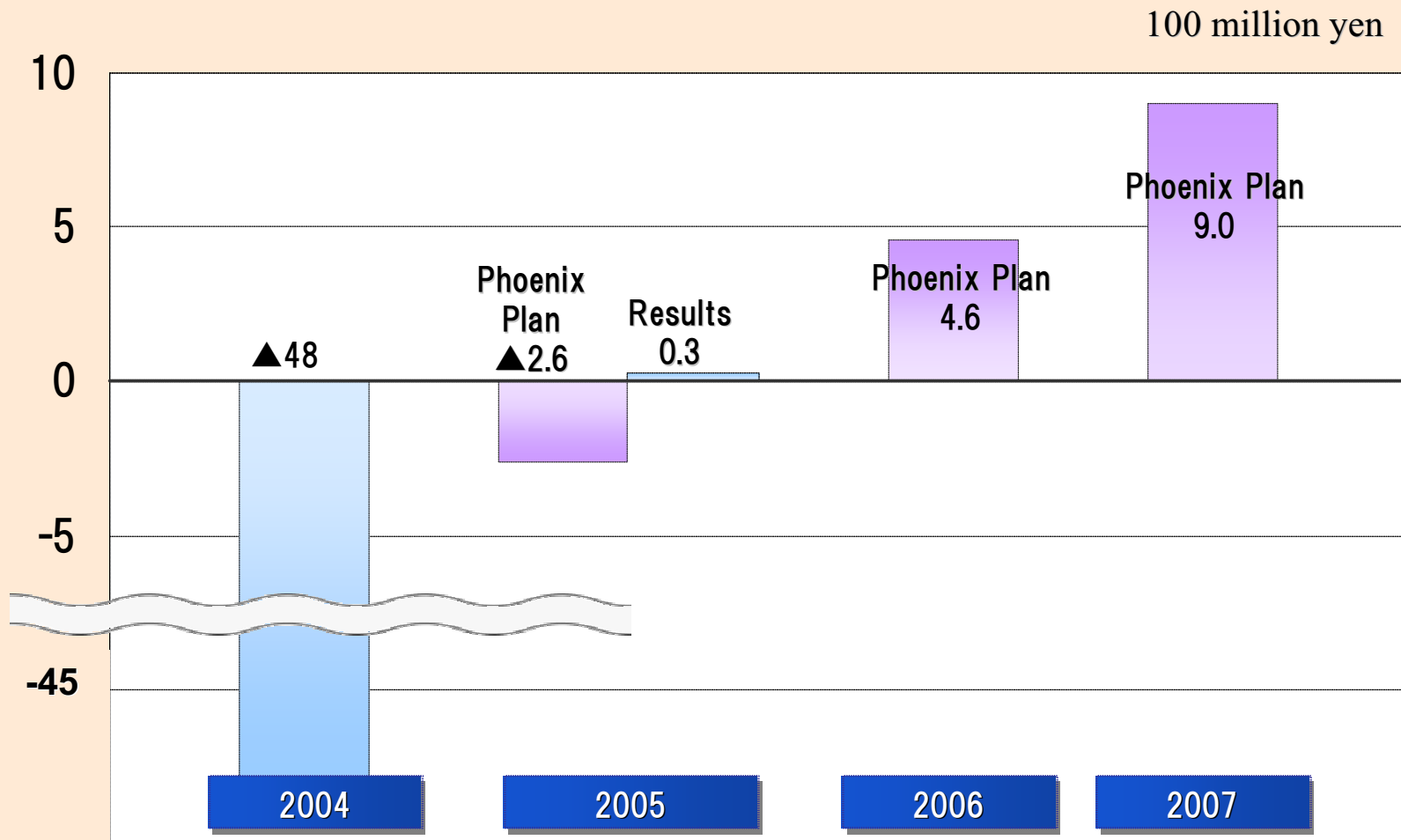


■ Phoenix Plan ■ Results ■ Projection

Ordinary Profit of KHP



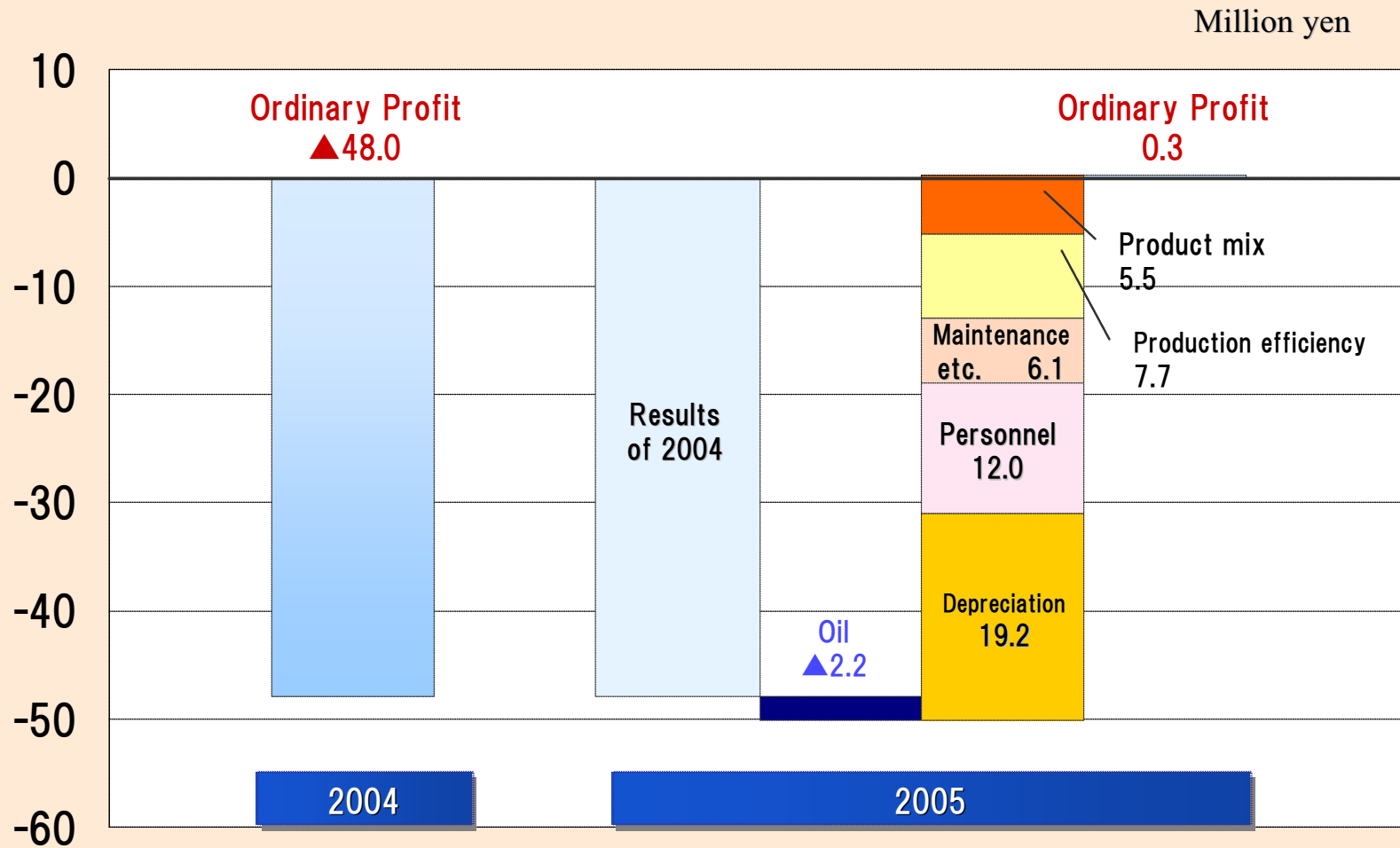
Turn Around KHP



Outlook of KHP 2005



Accomplishment of profit improvement

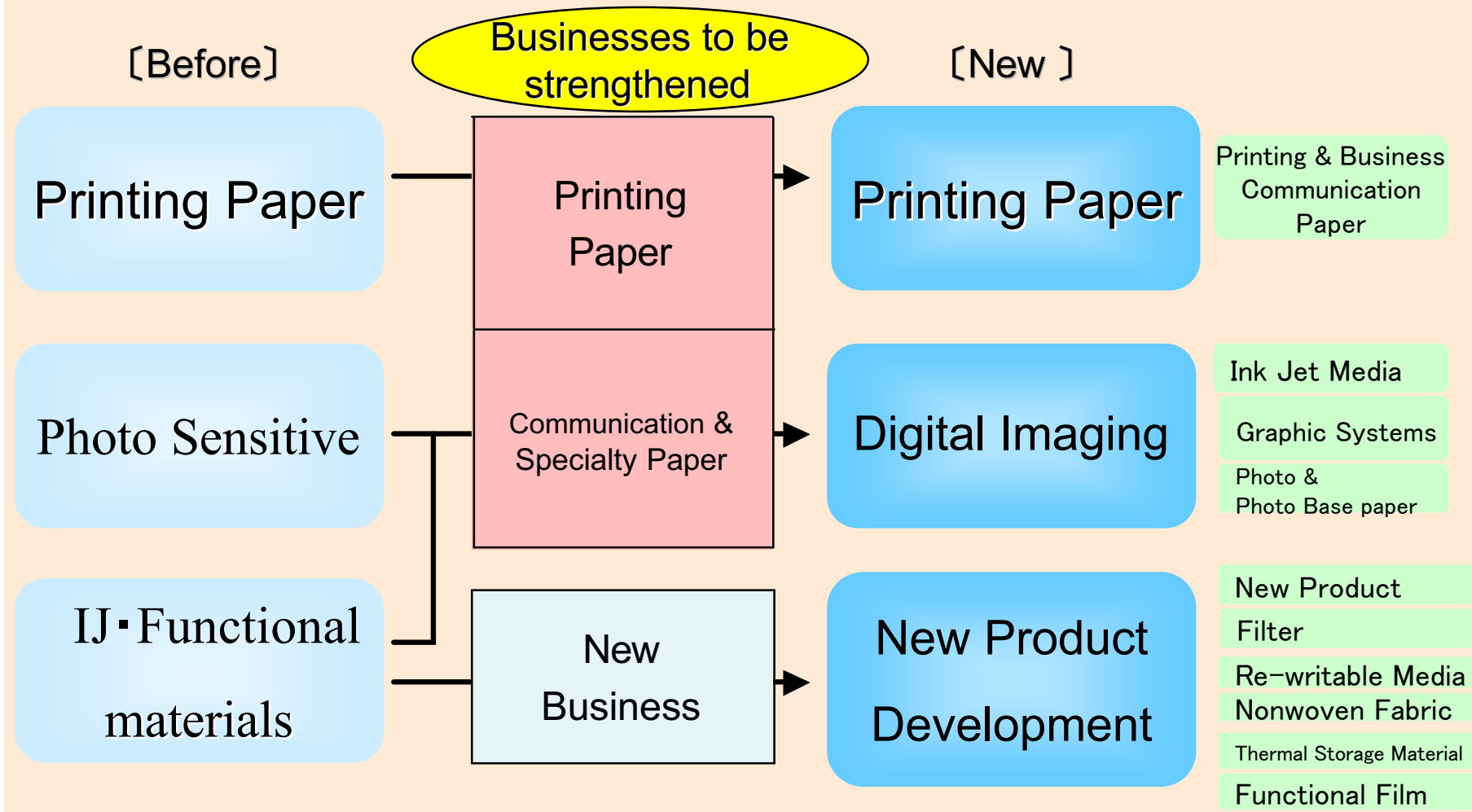


Acceleration of Phoenix Plan



To be “Distinctive paper manufacturer by utilizing technology development capabilities”

Organizational change (effective as of April 2006)



Acceleration of Phoenix Plan

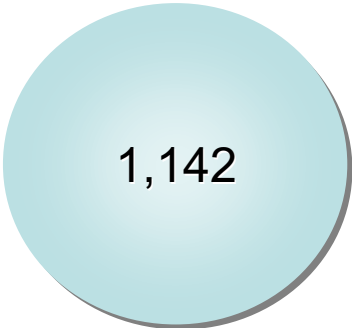
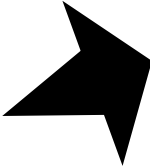


Sales by segment (Non-consolidated)

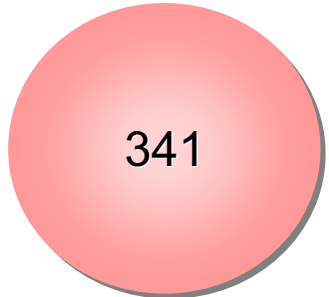
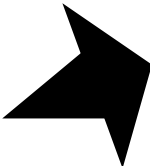
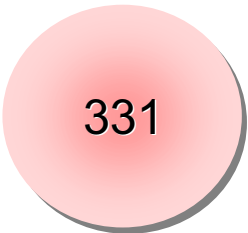
March 31, 2006
Results

March 31, 2007
Projection
(100 million yen)

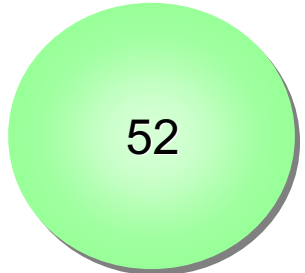
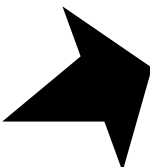
Paper



Digital Imaging



New Product Development



Acceleration of Phoenix Plan



■ Establishment of Phoenix Plan Office (effective as of April 1)

⇒ Enforcement and accomplishment of each project

Cost Structure Reform	Distribution Reinforcement
R&D Systems Reform	Logistics Reinforcement
New Business Development Reinforcement	Human Resource System Reform
De-Centralized Management	Corporate Governance Reform
Business Process Re-engineering	

■ Establishment of Information Sharing Office (effective April 2006)

⇒ Reinforcing marketing function

- 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.