

# **Financial Review for the Year-Ended March 31, 2007**

**May 14, 2007  
Mitsubishi Paper Mills Limited**

# Key Figures (Consolidated)



(100 million yen, %)

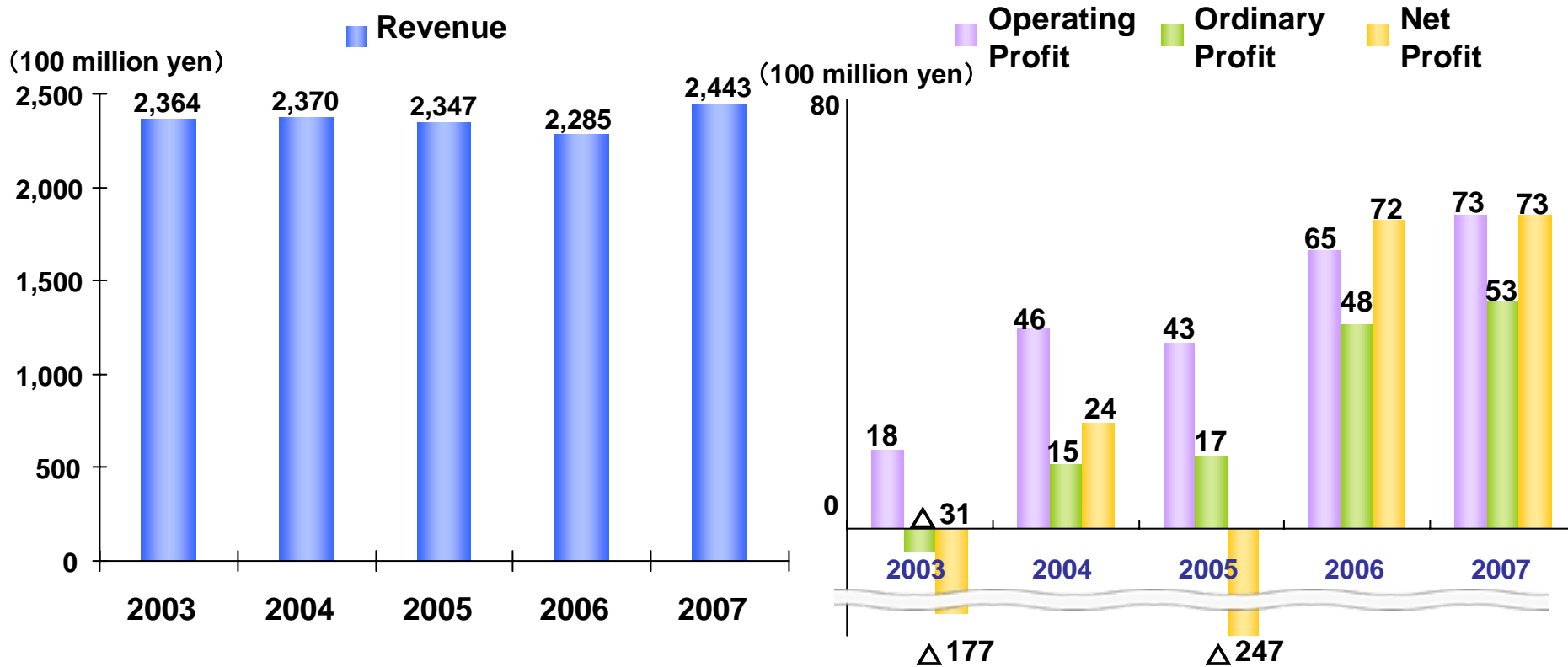
	FY2005		FY2006		Increment		Forecast as of Nov.10, 2006	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>Revenue</b>	2,285	100.0	<b>2,443</b>	<b>100.0</b>	158	6.9	2,370	100.0
<b>Operating Profit</b>	65	2.8	<b>73</b>	<b>3.0</b>	8	11.9	70	3.0
<b>Ordinary Profit</b>	48	2.1	<b>53</b>	<b>2.2</b>	5	10.4	45	1.9
<b>Net Profit</b>	72	3.2	<b>73</b>	<b>3.0</b>	1	1.0	70	3.0

**Revenue :** Increased sales of Printing paper, Inkjet paper, photo base paper, film, etc.

**Merger of Mitsubishi Paper Sales co.,Ltd and  
Printing paper div. of Mitsubishi Shoji Packaging co.,Ltd**

**Operating Profit :** Increased profit by cost reductions, and decreasing personnel expenses, offsetting high raw material costs, etc.

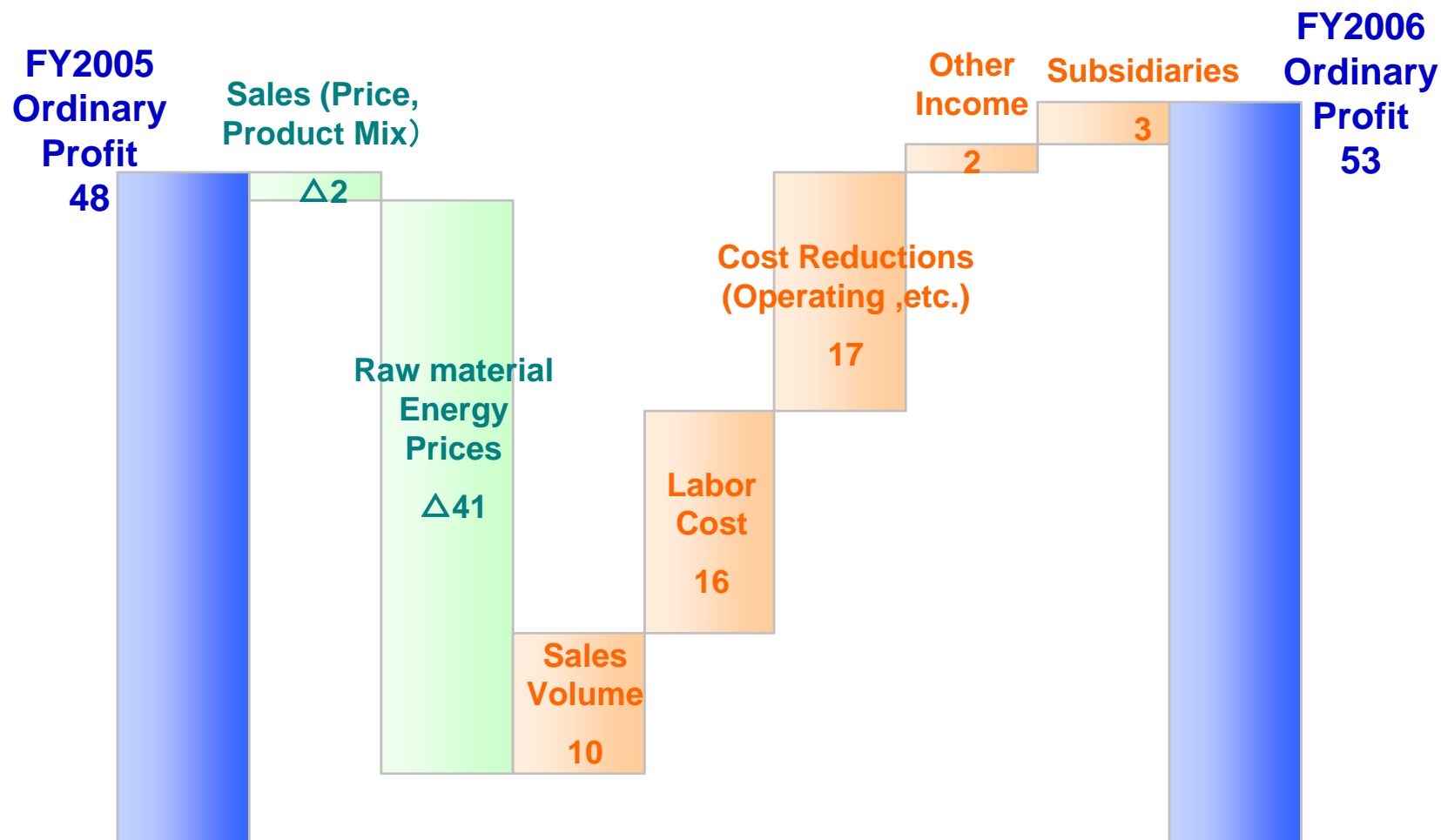
# Historical Data (Consolidated)



# Increment of Ordinary Profit (Consolidated) 2006 vs. 2005



(100 million yen)



# Segment Information by Products (Consolidated)



(100 million yen, %)

		FY2005	FY2006	Increment	%
Revenue	Pulp & Paper	1,971	2,129	158	8.0
	Photosensitive	333	333	0	0.2
	Others	201	214	13	6.3
	Internal Transfer	△220	△233	△13	—
	<b>Total</b>	<b>2,285</b>	<b>2,443</b>	<b>158</b>	<b>6.9</b>
Operating Profit	Pulp & Paper	49	45	△4	△7.8
	Photosensitive	8	21	13	164.6
	Others	7	7	0	1.2
	Internal Transfer	1	0	△1	—
	<b>Total</b>	<b>65</b>	<b>73</b>	<b>8</b>	<b>11.9</b>

# Segment Information by Regions (Consolidated)



(100 million yen, %)

		FY2005	FY2006	Increment	%
Revenue	Japan	1,822	1,950	128	7.1
	Europe	446	477	31	7.0
	U.S.A.	100	100	△0	△0
	Internal Transfer	△83	△84	△1	—
	<b>Total</b>	<b>2,285</b>	<b>2,443</b>	<b>158</b>	<b>6.9</b>
Operating Profit	Japan	55	63	8	15.5
	Europe	5	4	△1	△25.7
	U.S.A.	1	2	1	109.4
	Internal Transfer	4	4	0	—
	<b>Total</b>	<b>65</b>	<b>73</b>	<b>8</b>	<b>11.9</b>

# Sales Data (Non-Consolidated)



(Tt, 100 million yen)

		FY2005		FY2006	
		Volume	Yen	Volume	Yen
<b>Paper</b>	<b>Uncoated (Wood free paper, etc.)</b>	183	201	<b>192</b>	<b>210</b>
	<b>Coated (Coated paper &amp; IJ paper, etc.)</b>	649	761	<b>669</b>	<b>788</b>
	<b>Business Communication Paper (Thermal paper, Carbonless paper, etc.)</b>	98	200	<b>98</b>	<b>200</b>
	<b>White Card Board</b>	48	51	<b>49</b>	<b>53</b>
	<b>Others (Leaf Paper, Hygiene Paper, Non-Woven Fabric, etc.)</b>	18	88	<b>19</b>	<b>96</b>
<b>Total</b>		996	1,301	<b>1,027</b>	<b>1,347</b>
<b>Photo Materials</b>	<b>Photo Paper &amp; Photo Base Paper (million m2)</b>	121	89	<b>147</b>	<b>110</b>
	<b>Printing Materials (million m2)</b>	17	109	<b>14</b>	<b>96</b>
	<b>Total</b>	138	198	<b>161</b>	<b>206</b>

<b>Export Ratio</b>	<b>Paper</b>	4.9%	<b>5.9%</b>
	<b>Photosensitive Materials</b>	53.5%	<b>53.5%</b>
	<b>Total</b>	11.2%	<b>12.0%</b>

# Balance Sheet (Consolidated)



(100 million yen)

	FY2005		FY2006		Increment
	Amount	%	Amount	%	Amount
<b>Assets</b>	3,149	100.0	<b>3,206</b>	<b>100.0</b>	+57
Current assets	1,163	36.9	<b>1,301</b>	<b>40.6</b>	+138
Fixed assets	1,986	63.1	<b>1,905</b>	<b>59.4</b>	△81
Tangibles	1,337	42.4	<b>1,288</b>	<b>40.2</b>	△49
Intangibles	33	1.1	<b>26</b>	<b>0.8</b>	△ 7
Investments and Others	616	19.6	<b>591</b>	<b>18.5</b>	△25
<b>Liabilities</b>	2,382	75.6	<b>2,403</b>	<b>74.9</b>	+21
Current Liabilities	1,639	52.0	<b>1,792</b>	<b>55.9</b>	+153
Long-term Liabilities	743	23.6	<b>611</b>	<b>19.1</b>	△132
<b>Minority Interests</b>	74	2.4	—	—	
<b>Stockholders' Equity</b>	693	22.0	—	—	
<b>Net Assets</b>	—	—	<b>803</b>	<b>25.1</b>	
<b>Interest bearing debts (including accrued expenses)</b>	1,724	—	<b>1,634</b>	—	△90

**Current assets :** Increase in notes and A/Rs due to March 31 falls on weekend

**Current liabilities :** Increase in notes and A/Ps due to March 31 falls on weekend

# Statement of Cash Flow (Consolidated)



(100 million yen)

	FY2005	FY2006	Increment
	Amount	Amount	Amount
Cash Flow from Operating Activities	126	<b>94</b>	△32
Cash Flow from Investing Activities	136	<b>41</b>	△94
Cash Flow from Financing Activities	△216	<b>△130</b>	85
Effect of Exchange Rate Fluctuations on Cash & Cash Equivalents	0	<b>1</b>	1
Net Increase/Decrease in Cash and Cash Equivalents	46	<b>6</b>	△40
Cash and Cash Equivalents at The Beginning of The Year	48	<b>96</b>	48
Cash and Cash Equivalents at The End of The Year	96	<b>102</b>	6

**Operating activities :**            **Decrease in A/Rs due to the year-end falls on weekend**

**Investing activities :**           **Decrease in marketable securities**

**Financing activities :**        **Improvement by reduction of interest bearing debts**

# Forecast (Consolidated)



(100 million yen)

	2006		Forecast of 2007		Increment	
	1 <sup>st</sup> Half	Fiscal Year	1 <sup>st</sup> Half	Fiscal Year	Amount	%
<b>Revenue</b>	1,185	2,443	<b>1,250</b>	<b>2,580</b>	137	5.6
<b>Pulp &amp; Paper</b>	1,030	2,129	<b>1,080</b>	<b>2,230</b>	101	4.7
<b>Photo Materials</b>	164	333	<b>190</b>	<b>410</b>	77	23.1
<b>Others</b>	107	214	<b>120</b>	<b>220</b>	6	2.8
<b>Internal Transfer</b>	( $\Delta$ 116)	( $\Delta$ 233)	( $\Delta$ 140)	( $\Delta$ 280)	( $\Delta$ 47)	—
<b>Operating Profit</b>	31	73	<b>30</b>	<b>100</b>	27	37.0
<b>Ordinary Profit</b>	24	53	<b>15</b>	<b>70</b>	17	32.1
<b>Net Profit</b>	61	73	<b>5</b>	<b>30</b>	$\Delta$ 43	$\Delta$ 58.9

# Forecast (Non-Consolidated)



(100 million yen)

	2006		Forecast of 2007		Increment	
	1 <sup>st</sup> Half	Fiscal Year	1 <sup>st</sup> Half	Fiscal Year	Amount	%
<b>Revenue</b>	769	1,576	<b>820</b>	<b>1,690</b>	+114	7.2
<b>Paper</b>	659	1,347	<b>690</b>	<b>1,410</b>	+63	4.7
<b>Pulp</b>	12	23	<b>10</b>	<b>20</b>	△3	△13.0
<b>Photo Materials</b>	98	206	<b>120</b>	<b>260</b>	+54	26.2
<b>Operating Profit</b>	12	35	<b>14</b>	<b>55</b>	+20	59.0
<b>Ordinary Profit</b>	13	33	<b>10</b>	<b>45</b>	+12	37.1
<b>Net Profit</b>	50	37	<b>5</b>	<b>25</b>	△12	△33.3

# Key Indices (Consolidated)



(100 million yen)

	FY2005	FY2006	FY2007 (Forecast)
<b>Interest Bearing Debts (Including Accrued Expenses)</b>	1,724	1,634	1,540
<b>Depreciation</b>	129	127	125
<b>Investments</b>	74	119	230
<b>Number of Employees</b>	4,717	4,541	4,540

**Interest Bearing Debts :** Reduction in progress in accordance with Phoenix Plan

**Depreciation :** Almost equal to previous period

**Investments :** Strategic investment in progress according to Phoenix Plan

# Key Indices (Non-Consolidated)



	FY2005	FY2006	FY2007 (Forecast)
<b>Exchange Rate</b>	¥ 113.31/US\$	¥ 116.98/US\$	¥ 117.00/US\$
<b>Annual Usage of Woodchips (Import Ratio)</b>	1,176Tt (67%)	1,182Tt (68%)	
<b>Annual usage of Purchased Pulp (Purchase Ratio)</b>	101Tt (13%)	107Tt (13%)	
<b>Annual Usage of Oil</b>	73Tkl	55Tkl	
<b>Annual Usage of Coal</b>	318Tt	313Tt	
<b>Purchased Electric Power (Self-Generation Ratio)</b>	225MWH (84%)	194MWH (88%)	

**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 this forward-looking data.**