

March 31, 2008
Mitsubishi Paper Mills, Ltd.

Stock acquisition of Ink Jet paper converting company in North America

Mitsubishi Paper Mills, Ltd. (hereafter MPM) passed the resolution at today's Board of Director's meeting that Mitsubishi Paper International, Inc. (MPM's U.S. subsidiary, hereafter MPI) will acquire 80 % stock share of Tomoegawa Paper America L.L.C. (located in the U.S., hereafter TPA) from Tomoegawa Holdings America Inc. (located in the U.S., hereafter THA), the U.S. subsidiary of Tomoegawa Co., Ltd. (located in Japan, hereafter TPC).

1. Purpose of stock acquisition

Enhancement of Digital Imaging (DI) business as MPM's core business to enter global market.

- Main products of DI are photo sensitive materials for digital printing media and ink jet (IJ) papers. The IJ paper market is projected to expand in the future in response to increased demand especially for photo-grade for North, Central and South American markets.
- MPM currently produces IJ paper in Japan and Germany and distributes through worldwide sales channels with the main focus in Asia-Pacific, Europe and America.
- MPM is projecting further expansion of IJ paper sales in North, Central and South American market, and is strengthening cost competitiveness by securing a full-scale converting facility in North America.
- Majority of IJ master rolls will be supplied from Japan to this North American converting facility.

2. Profile of TPA

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| 1) Company Name | Tomoegawa Paper America L.L.C. |
| 2) Representative | Kenichi Miyamoto, Director President & C.O.O. |
| 3) Head Office Location | Wheeling, Illinois, U.S.A. |
| 4) Date of Establishment | 9/19/2002 |
| 5) Main Business | Converting, Packaging and Sales of paper products |
| 6) Sales | 762 Million Yen (as of 3/2007) |
| 7) Gross Asset | 450 Million Yen (as of 3/2007) |
| 8) Stockholder's equity | 293 Million Yen (as of 3/2007) |
| 9) Fiscal Year End | March |
| 10) Number of employees | 111 employees |

3. New stock share

- MPI (MPM's 100% subsidiary) will own 80% of TPA stocks
- THA (TPC's 100% subsidiary) will own 20% of TPA stocks

4. Time Schedule

- 3/31/2008 Board of Director's resolution
- 4/11/2008 Due date for stock transfer

5. Performance impact

- At present, this stock acquisition will have minor impact on company profitability for the MPM group.