

**Financial Review for the Period
of March 2008
- Interim report -**

**Nov. 16, 2007
Mitsubishi Paper Mills Limited**

**Financial Review for
The Period of March, 2008
Interim Result**

Mid-Year Fiscal Result (Consolidated)



Revenue : Increased from Paper price increasing,
sales of affiliated-companies and digital imaging businesses

Operating Profit : Increase by off-setting raising raw material & energy prices with paper price increasing
and operating expense reductions

Ordinary Prof. : Decreased by increased interest expenses

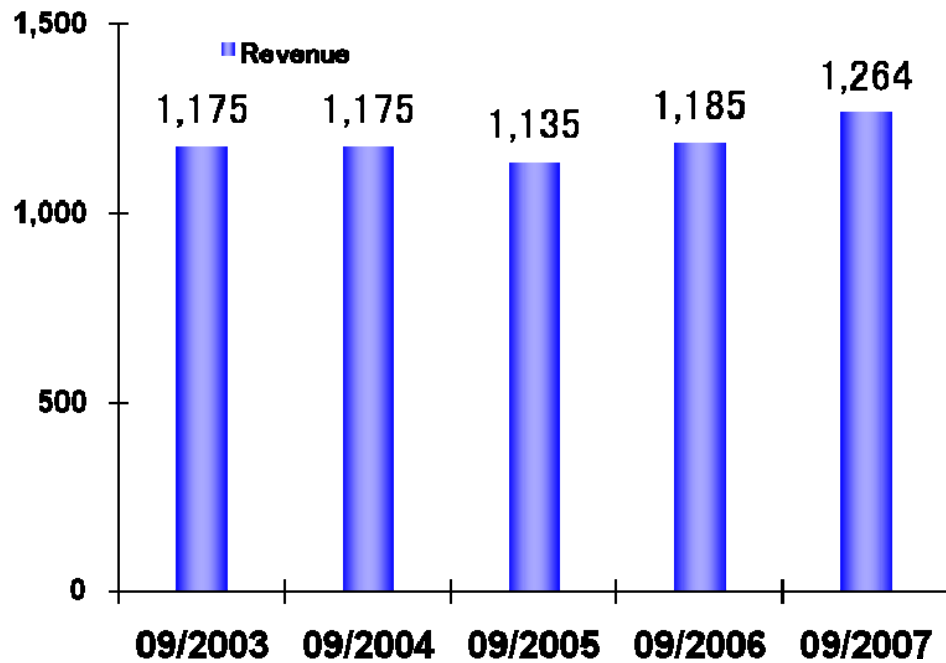
Net Profit : Profit from Fixed Asset sales in previous year

(Unit: 100 million yen)

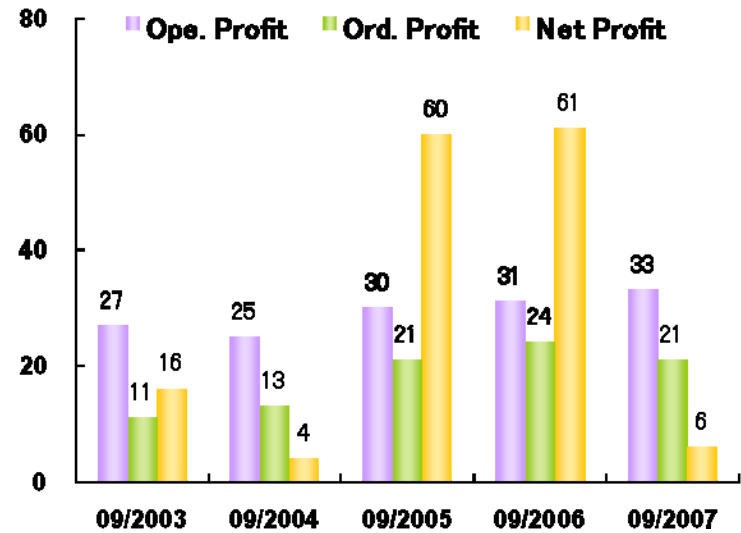
	03/2007 1 st Half		03/2008 1 st Half		Increment		Forecast of 1 st Half 03/2008 (as of 8/3/07)	
	Amount	%	Amount	%	Amount	%	Amount	%
Revenue	1,185	100.0	1,264	100.0	79	6.6	1,250	100.0
Operating Profit	31	2.6	33	2.6	2	5.1	30	2.4
Ordinary Profit	24	2.0	21	1.7	▲3	▲11.7	23	1.8
Net Profit	61	5.1	6	0.5	▲55	▲90.4	10	0.8

Mid-Year Historical Data < Consolidated >

(Unit: 100 million yen)



(Unit: 100 million yen)



Segment Information by Products (Consolidated)



Revenue : Increased Paper & Pulp sales by price increasing

Operating Profit : Offset Paper & Pulp losses due to high raw material & energy cost with increase of photosensitive income

(Unit: 100 million yen)

		03/2007 1 st Half	03/2008 1 st Half	Increment	%
Revenue	Pulp & Paper	1,030	1,104	74	7.2
	Photosensitive	164	171	7	4.0
	Other	107	128	21	19.8
	Internal Transfer	▲116	▲139	▲23	—
	Total	1,185	1,264	79	6.6
Op. Profit	Pulp & Paper	22	18	▲4	▲16.2
	Photosensitive	5	11	6	107.7
	Other	4	4	0	▲0.2
	Internal Transfer	0	0	0	—
	合計	31	33	2	5.1

Segment Information by Regions (Consolidated)



Revenue : Paper price increasing in Japan and impact of high Euro in Europe

Op. Prof : Slight increase in Japan, and same results in Europe and U.S.A.

(Unit: 100 million yen)

		03/2007 ^{1st} Half	03/2008 ^{1st} Half	Increment	%
Revenue	Japan	942	1,001	59	6.3
	Europe	233	262	29	12.4
	U.S.A	49	51	2	2.7
	Internal Transfer	▲39	▲50	▲11	—
	Total	1,185	1,264	79	6.6
Op. Profit	Japan	25	27	2	8.8
	Europe	3	3	0	12.0
	U.S.A	1	1	0	▲15.3
	Internal Transfer	2	2	0	—
	Total	31	33	2	5.1

Sales Data (Non-Consolidated)

Paper : Increase revenue by paper price increasing

(Unit: 100 million yen)

		03/2007 1 st Half		03/2008 1 st Half	
		Volume	Yen	Volume	Yen
Paper	Uncoated (Wood free paper, etc.)	95	106	84	95
	Coated (Coated paper & I J paper, etc)	326	382	319	400
	Business Communication (Thermal paper, Carbonless paper, etc)	49	99	48	100
	White Card board	24	25	24	26
	Others (Leaf Paper, Hygiene Paper, Non-Woven Fabric, etc.)	9	47	10	53
	Total	503	659	485	674
	Photosensitive	—	98	—	119

Factors of Ordinary Profit Increase/Decrease

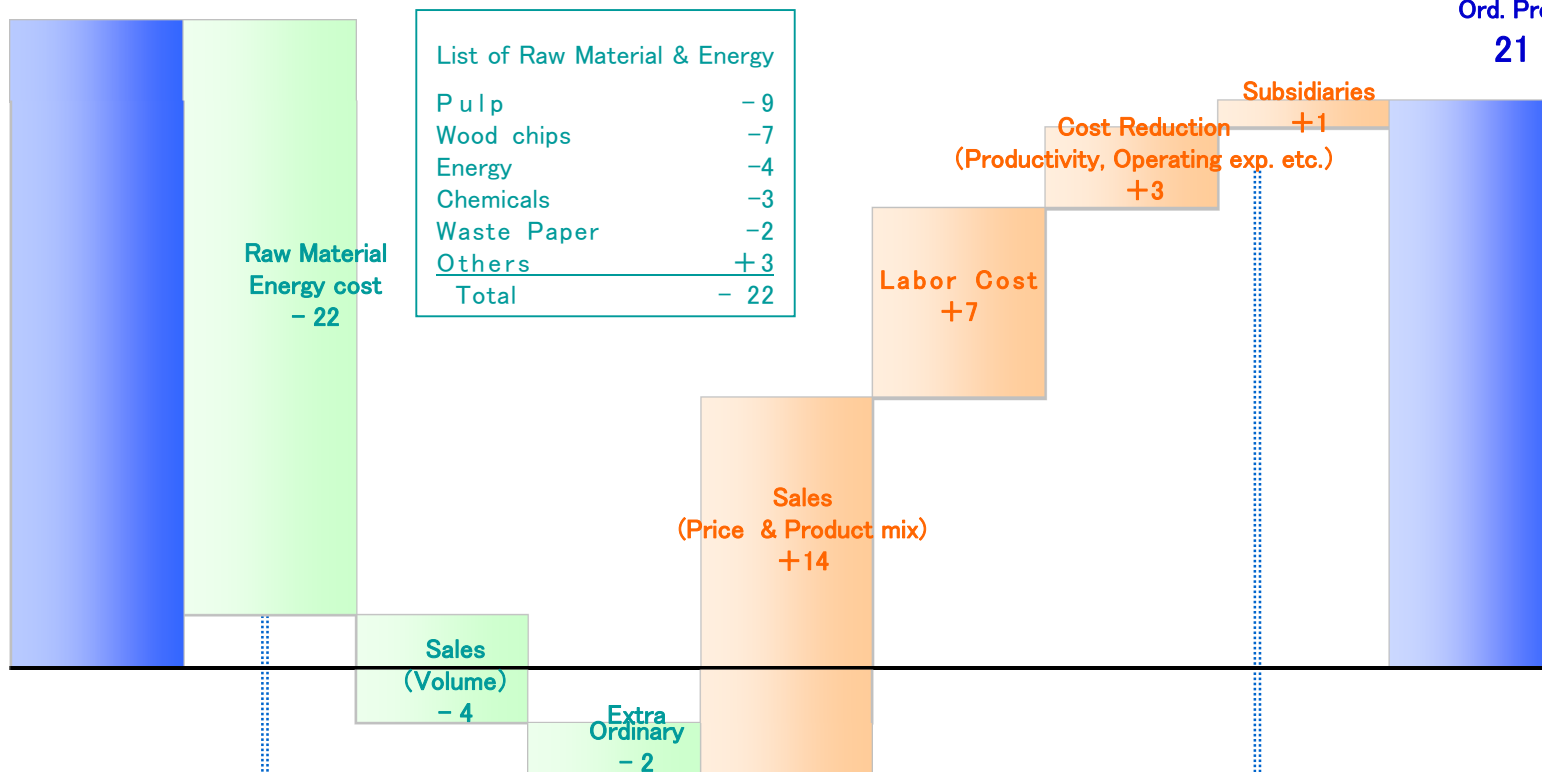
< Consolidated >

03/2007 1st half
Ord. Profit
24

(100 million yen)

03/2008 1st Half

03/2008 1st half
Ord. Profit
21



← Analysis of Non-consolidated increase/decrease →

Balance Sheet < Consolidated >



Fixed Assets : Increased construction in progress account for capital investment

Long-Term Liability : Increased in accrued expenses by investment

(Unit: 100 million yen)

	March 2007		September 2007		Increment
	Amount	%	Amount	%	Amount
Assets	3,206	100.0	3,252	100.0	+46
Current Assets	1,301	40.6	1,310	40.3	+9
Fixed Assets	1,905	59.4	1,942	59.7	+37
Tangibles	1,288	40.2	1,355	41.7	+67
Intangibles	26	0.8	24	0.7	▲2
Investments and Others	591	18.4	563	17.3	▲28
Liability	2,403	74.9	2,446	75.2	+43
Current Liabilities	1,792	55.9	1,821	56.0	+19
Long-term Liabilities	611	19.0	625	19.2	+24
Net Assets	803	25.1	806	24.8	+3
Interest bearing debts (including construction accrued expenses)	1,634	—	1,617	—	▲17

Statement of Cash Flow < Consolidated >



- Operating activities** : Increased compared with previous year
- Investing activities** : Increased by facility expansion expenses to Hachinohe factory
- Financing activities** : Reduction of interest bearing debts by investment increase

(Unit: 100 million yen)

	03/2007	03/2008	Comparison
	1 st Half	1 st Half	
	Amount	Amount	Amount
Cash Flow from Operating Activities	62	71	9
Cash Flow from Investing Activities	35	▲70	▲105
Cash Flow from Financing Activities	▲69	▲18	51
Effect of Exchange Rate Fluctuations on Cash & Equivalents	1	1	0
Net Increase/Decrease in Cash and Cash Equivalents	29	▲16	▲45
Cash and Cash Equivalents at the Beginning of the Period	96	103	7
Cash and Cash Equivalents at the End of the Period	125	87	▲38

FYE March 2008
Forecast

Forecast < Consolidated : Non-Consolidated >



(Unit: 100 million yen)

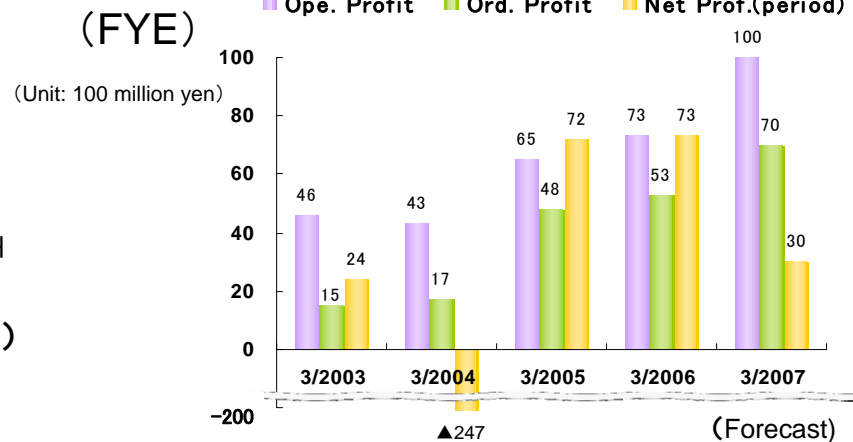
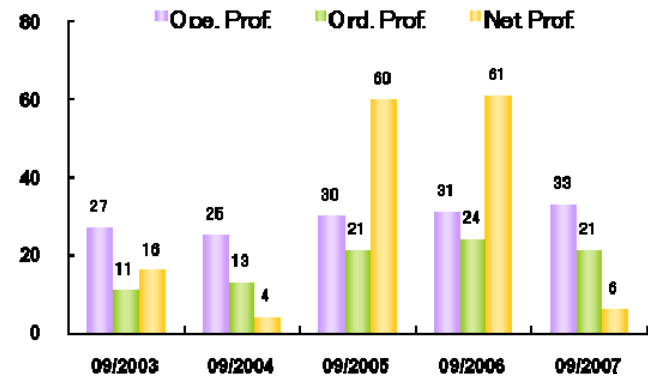
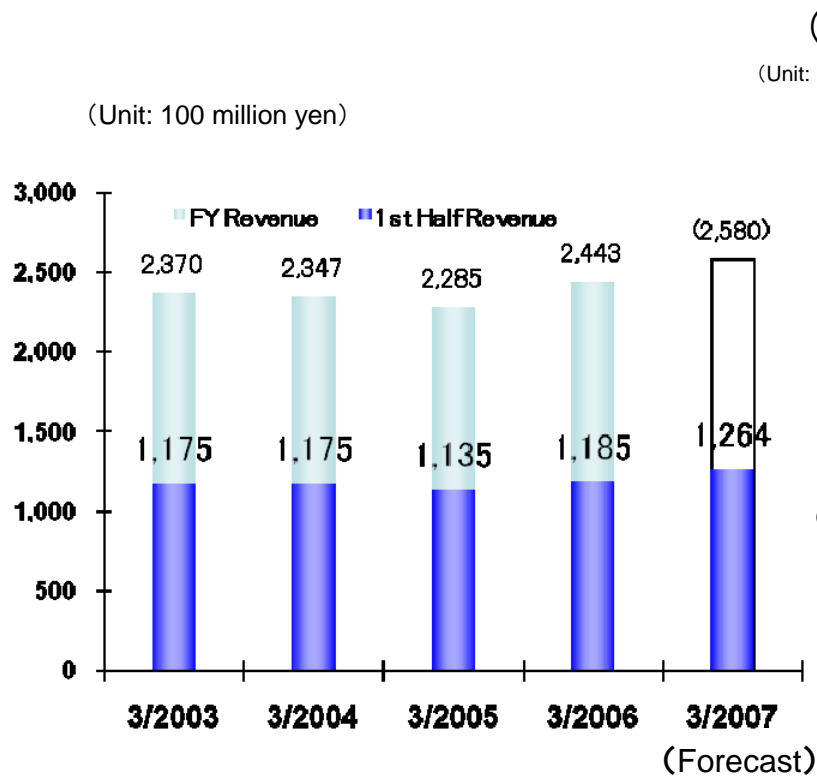
Consolidated	03/2007 Results		03/2008		Comparison	
	1st Half	Fiscal Year	1st Half	Fiscal Year	Amount	%
Revenue	1,185	2,443	1,264	2,580	137	5.6
Paper & Pulp	1,030	2,129	1,104	2,270	141	6.6
Photosensitive	164	333	171	360	27	8.1
Others	107	214	128	220	6	2.8
Internal Transfer	▲116	▲233	▲139	▲270	▲37	—
Operating Profit	31	73	33	100	27	37.0
Ordinary Profit	24	53	21	70	17	32.1
Net Profit (Period)	61	73	6	30	▲43	▲58.9

Non-consolidated	03/2007 Results		03/2008		Comparison	
	1st Half	Fiscal Year	1st Half	Fiscal Year	Amount	%
Revenue	769	1,576	804	1,690	114	7.2
Paper	659	1,347	674	1,410	63	4.7
Pulp	12	23	11	20	▲3	▲13.0
Photo Materials	98	206	119	260	54	26.2
Operating Profit	12	35	10	55	20	59.0
Ordinary Profit	13	33	9	45	12	37.1
Net Profit (Period)	50	37	2	25	▲12	▲33.3

Historical Operations < Consolidated: Forecast >



- Revenue** : Increased by Paper price increasing and expand sales of Resin coated base paper and Ink-jet papers
- Ope. Profit** : Offset high raw material & energy cost with paper price increasing, improving product mix, effective investments and enhancing operating cost reduction
- Net Profit** : Decreased from previous year's profit from fixed asset sales



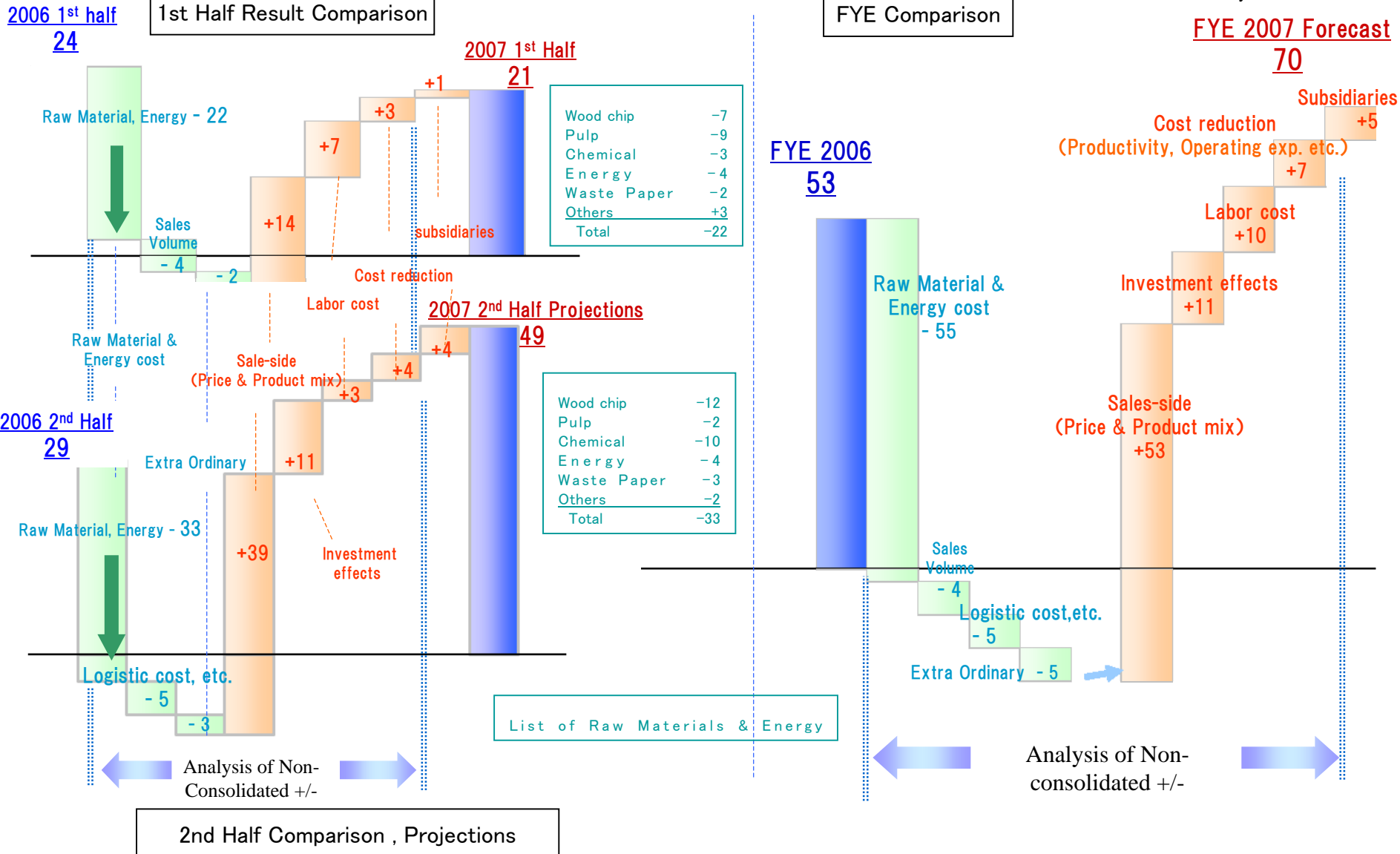
Paper : Increase revenue by paper price increasing

(Unit: 100 million yen)

		March 2007		March 2008 (Forecast)	
		Volume	Yen	Volume	Yen
Paper	Uncoated (Wood free paper, etc.)	192	210	180	206
	Coated (Coated paper & I J paper, etc)	669	788	662	833
	Business Communication (Thermal paper, Carbonless paper, etc)	98	200	97	205
	White Card board	49	53	50	54
	Others (Leaf Paper, Hygiene Paper, Non-Woven Fabric, etc.)	19	96	20	112
	Total	1,027	1,347	1,009	1,410
	Photosensitive	—	206	—	260

Ordinary Profit < Increase/Decrease Comparison >

(Unit: 100 million yen)



Key Indices <Consolidated>



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

Depreciation : Almost equal to previous period

Investments : Increase by strategic investment to Hachinohe factory

(100 million yen)

	03/2007 1st Half	03/2008 1st Half	03/2008 (Forecast)
Interest Bearing Debts (Including Accrued Expenses)	1,675	1,617	1,540
Depreciation	63	61	125
Investments	63	120	230
Number of Employees	4,654	4,629	4,540

Key Indices <Non-consolidated>

(Unit: 100 million yen)

	03/2007 1st Half	03/2008 1st Half	03/2008 (Forecast)
Exchange Rate	115.38/US\$	119.20/US\$	120.00/US\$
Annual Usage of Woodchips (Import Ratio)	580Kt (66%)	541Kt (67%)	
Annual Usage of Purchased Pulp (Purchase Ratio)	53Kt (13%)	60Kt (15%)	
Annual Usage of Oil	29Kkl	26Kkl	
Annual Usage of Coal	149Kt	141Kt	
Purchased Electric Power (Self-Generation Ratio)	102MWH (87%)	106MWH (86%)	

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