

**Interim Financial Review for the
Year Ending March 31, 2007**

**2006 November
Mitsubishi Paper Mills Limited**

Key figures <consolidated>



(100 million yen,%)

	FY 2005 1 st half		FY 2006 1 st half		Increment		Forecast as of May 15, 2006	
		%		%		%		%
Revenue	1,135	100.0	1,185	100.0	50	4.4	1,110	100.0
Operating Profit	30	2.7	31	2.6	1	3.1	30	2.7
Ordinary Profit	21	1.8	24	2.0	3	15.4	18	1.6
Net Profit	60	5.3	61	5.1	1	0.1	45	4.1

Revenue : Increase due to the effect of consolidation of Mitsubishi Paper Sales with Printing Paper division of Mitsubishi Shoji Packaging.

Increase due to favorable sales activities of Ink Jet paper and Photo paper

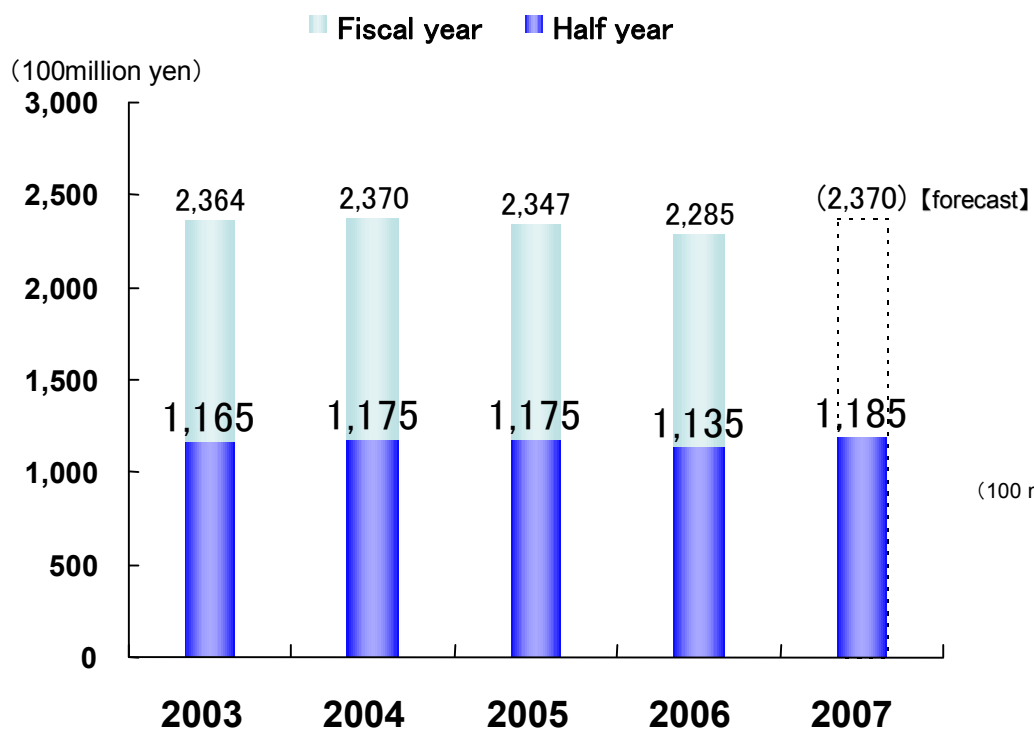
Operating Profit : Increase due to the cost reduction through personnel reform and other efforts despite the hike in raw material prices and sluggish market of printing paper

Ordinary Profit : Improvement of non-operating profit and increase in operating profit

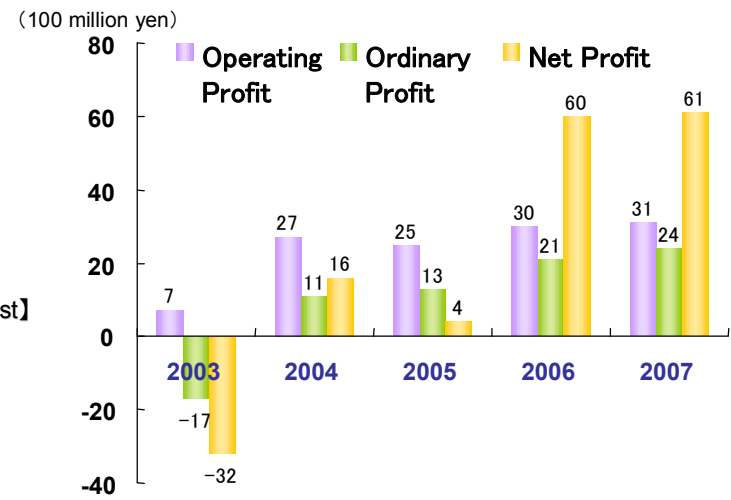
Historical Data <Consolidated>



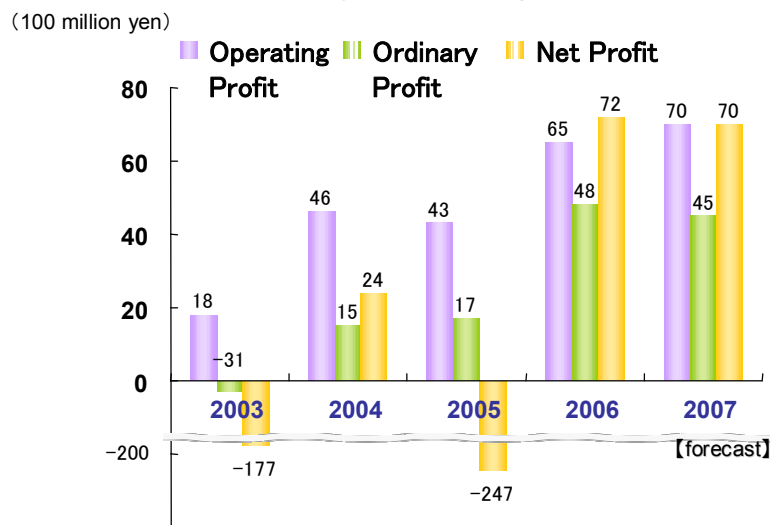
-Revenue-



(Half year ending September)



(Fiscal year ending March)

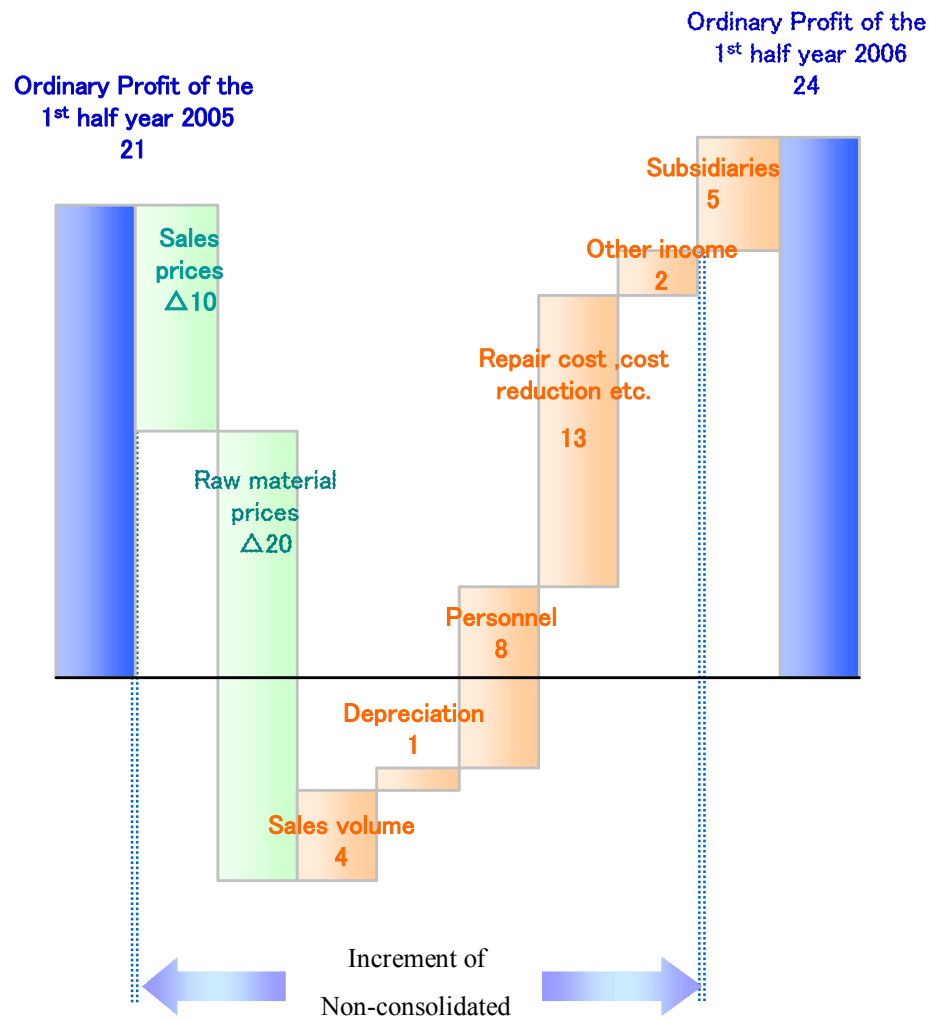


Increment of Ordinary Profit (Consolidated) 2006vs.2005

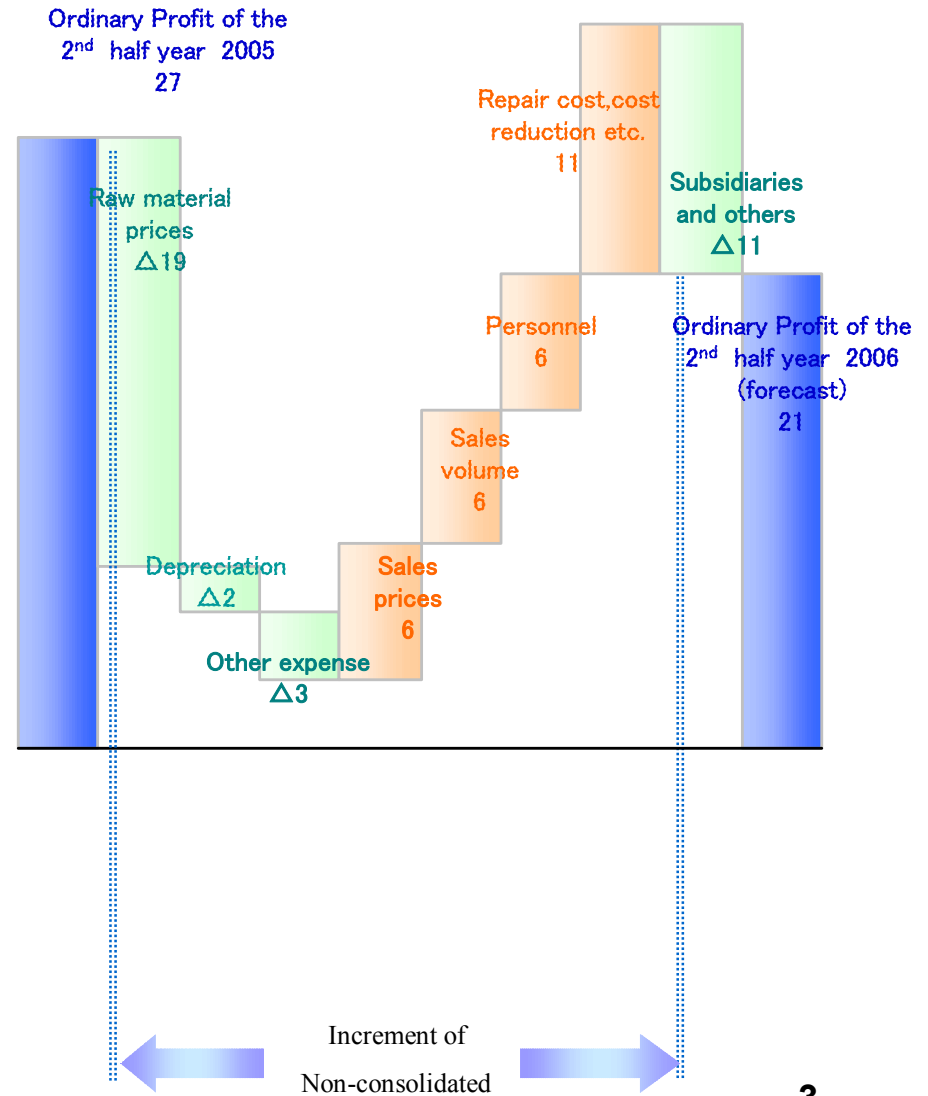


100 million yen

1st half year



2nd half year



Segment Information by Product <consolidated>



(100 million yen, %)

		FY 2005 1 st half	FY 2006 1 st half	Increment	%
Revenue	Paper & Pulp	981	1,030	49	5.1
	Photo sensitive materials	151	164	13	8.8
	Others	105	107	2	1.8
	Offset	△102	△116	△14	—
	Total	1,135	1,185	50	4.4
Operating profit	Paper & Pulp	28	22	△6	△22.4
	Photo sensitive materials	△2	5	7	—
	Others	4	4	0	△3.1
	Offset	0	0	0	—
	Total	30	31	1	3.1

Segment Information by Region <consolidated>



(100 million yen, %)

		FY 2005 1 st half	FY 2006 1 st half	Increment	%
Revenue	Japan	909	942	33	3.6
	Europe	219	233	14	6.3
	U.S.A.	47	49	2	4.5
	Offset	△40	△39	1	—
	Total	1,135	1,185	50	4.4
Operating profit	Japan	24	25	1	4.1
	Europe	4	3	△1	△20.1
	U.S.A.	0	1	1	163.8
	Offset	2	2	0	—
	Total	30	31	1	3.1

Sales Data <Non-consolidated>



(100 million yen, %)

		FY 2005 1 st half		FY 2006 1 st half	
		Volume	yen	Volume	yen
Paper	Uncoated woodfree	91	99	95	106
	Printing coated (incl. Ink Jet paper)	320	385	326	382
	Business communication (Thermal, Carbonless etc.)	49	97	49	99
	White card board	24	25	24	25
	Others (Hygiene, Nonwoven etc.)	9	47	9	47
Total Volume:Tton		493	653	503	659
Photo Sensitive	Photo paper and base paper	53	39	67	50
	Printing materials	9	55	7	48
	Total Volume:Mm ²		62	94	74

Export Ratio	Paper	4.8%	5.3%
	Photo Sensitive	54.8%	54.3%
	Total	11.0%	11.5%

Balance Sheet



(100 million yen, %)

	March,2006		September,2006		Increment
		%		%	
Assets	3,149	100.0	3,235	100.0	+86
Current assets	1,163	36.9	1,297	40.1	+134
Fixed assets	1,986	63.1	1,938	59.9	△48
Tangibles	1,337	42.4	1,336	41.3	△ 1
Intangibles	33	1.1	31	1.0	△ 2
Investment and others	616	19.6	571	17.6	△45
Liabilities	2,382	75.6	2,437	75.3	+55
Current liabilities	1,639	52.0	1,757	54.3	+118
Long-term liabilities	743	23.6	680	21.0	△63
Minority interests	74	2.4	—	—	
Stockholders' equity	693	22.0	—	—	
Net assets	—	—	798	24.7	
Interest bearing debts	1,724	—	1,675		△49

Current assets :Increase in notes and A/R due to the reason that September 30 falls on Saturday

Current liabilities :Increase in notes and A/P due to the reason that September 30 falls on Saturday

Statement of Cash Flow



(100 million yen)

	FY 2005 1 st half	FY 2006 1 st half	Increment
Cash flows from operating activities	66	62	△ 4
Cash flows from investing activities	86	35	△51
Cash flows from financing activities	△50	△69	△19
Effects of exchange rate change on cash & cash equivalents	△0	1	+1
Net increase(decrease) in cash and cash equivalents	102	29	△73
Cash and cash equivalents at the begging of the year	48	96	+48
Cash and cash equivalents at the end of the year	150	125	△25

Operating activities : Increase in A/R

Investing activities : Decrease in marketable securities

Financing activities : Improve by reduction of interest bearing debt

Forecast <Consolidated>



(100 million yen, %)

	2005		Forecast of 2006		Increment	
	1 st Half	Fiscal year	1 st Half	Fiscal year		%
Revenue	1,135	2,285	1,185	2,370	+85	3.7
Paper & Pulp	981	1,971	1,030	2,060	+89	4.5
Photo sensitive materials	151	333	164	340	+7	2.1
Others	105	201	107	210	+9	4.5
Offset	(Δ 102)	(Δ 220)	(Δ 116)	(Δ 240)	(Δ 20)	—
Operating Profit	30	65	31	70	+5	7.7
Ordinary Profit	21	48	24	45	Δ 3	Δ 6.2
Net Profit	60	72	61	70	Δ 2	Δ 2.8

Forecast <Non-consolidated>



(100 million yen, %)

	2005		Forecast of 2006		Increment	
	1 st Half	Fiscal year	1 st Half	Fiscal year		%
Revenue	756	1,519	769	1,570	+51	3.4
Paper	653	1,301	659	1,350	+49	3.8
Pulp	9	20	12	20	0	0.0
Photo sensitive materials	94	198	98	200	+2	1.0
Operating Profit	16	34	12	38	+4	11.8
Ordinary Profit	15	30	13	33	+3	10.0
Net Profit	28	35	50	60	+25	71.4

Key Financial Index <consolidated>



(100 million yen)

	FY 2005 1st half	FY 2006 1st half	Fiscal year 2006 (forecast)
Interest bearing debts (incl. accrued expense)	1,882	1,675	1,640
Depreciation	65	63	130
Investment	46	63	100
# of employees	4,760	4,654	4,600

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

Depreciation : Almost equal to previous term

Investment : Strategic investment in progress in accordance with Phoenix Plan

Key Financial Index <Non-consolidated>



	FY 2005 1 st half	FY 2006 1 st half	Fiscal year 2006 (forecast)
Exchange rate	109.48yen/US\$	115.38yen/US\$	115.00yen/US\$
Annual usage of woodchips (import ratio)	570Tt (65%)	580Tt (66%)	
Annual usage of purchased pulp (purchase ratio)	51Tt (13%)	53Tt (13%)	
Annual usage of oil	45Tkl	29Tkl	
Annual usage of coal	150Tt	149Tt	
Purchased electric power (self-generation ratio)	135MWH (80%)	102MWH (87%)	

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.