

PHOENIX PLAN

(Mid-Term Revival Plan 2005 - 2007)

- Final Overview -

November,16 2007

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President & CEO

Mitsubishi Paper Mills Ltd.

Plan, Results and Projections (Consolidated)



Achieving the Goals of Phoenix Plan (3-Year Plan)

(100 million yen)

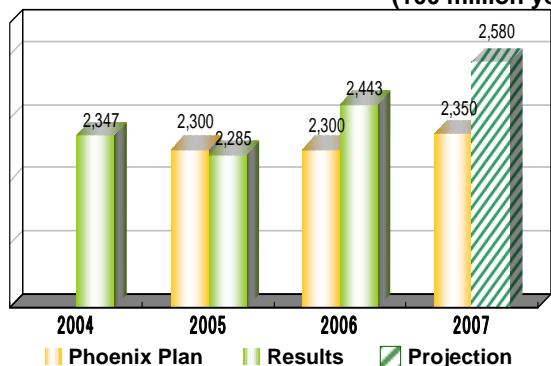
	2004 Results	2005		2006		2007	
		Phoenix Plan	Results	Phoenix Plan	Results	Phoenix Plan	Projection
Revenue	2,347	2,300	2,285	2,300	2,443	2,350	2,580
Ordinary Profit	17	35	48	45	53	70	70
Ordinary Profit on Revenue	0.7%	1.5%	2.1%	2.0%	2.2%	3.0%	2.7%
Interest Bearing Debt	1,940	1,740	1,724	1,640	1,634	1,540	1,540
Equity Ratio	17.2%	20.0%	22.0%	22.0%	22.6%	24.0%	24.0%
# of Employees	4,902	4,800	4,717	4,800	4,541	4,700	4,540

Dividends Resumed (3 yen)

Dividends Planned (5 yen)

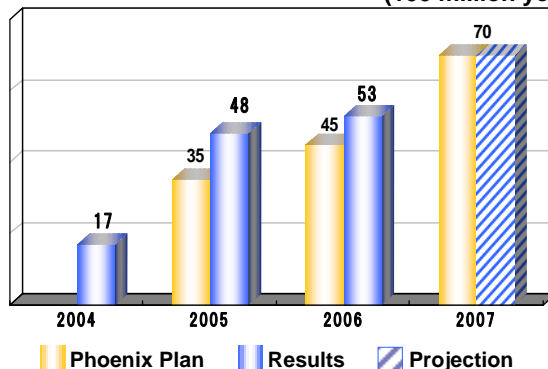
Revenue

(100 million yen)



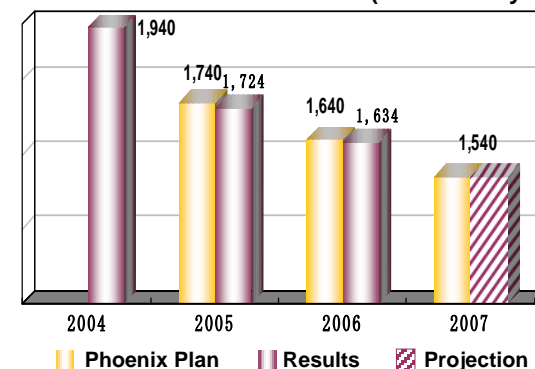
Ordinary Profit

(100 million yen)



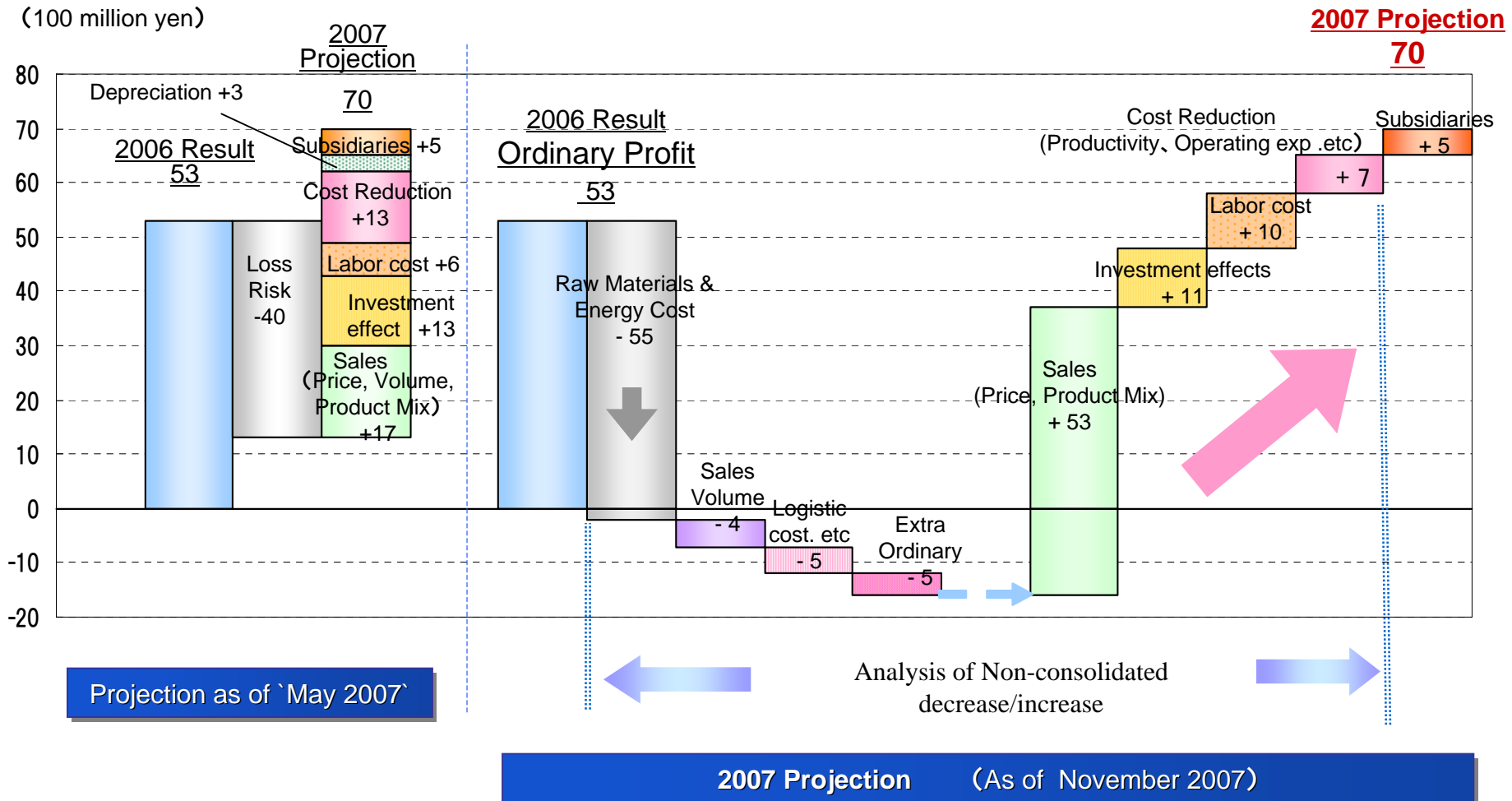
Interest Bearing Debt

(100 million yen)



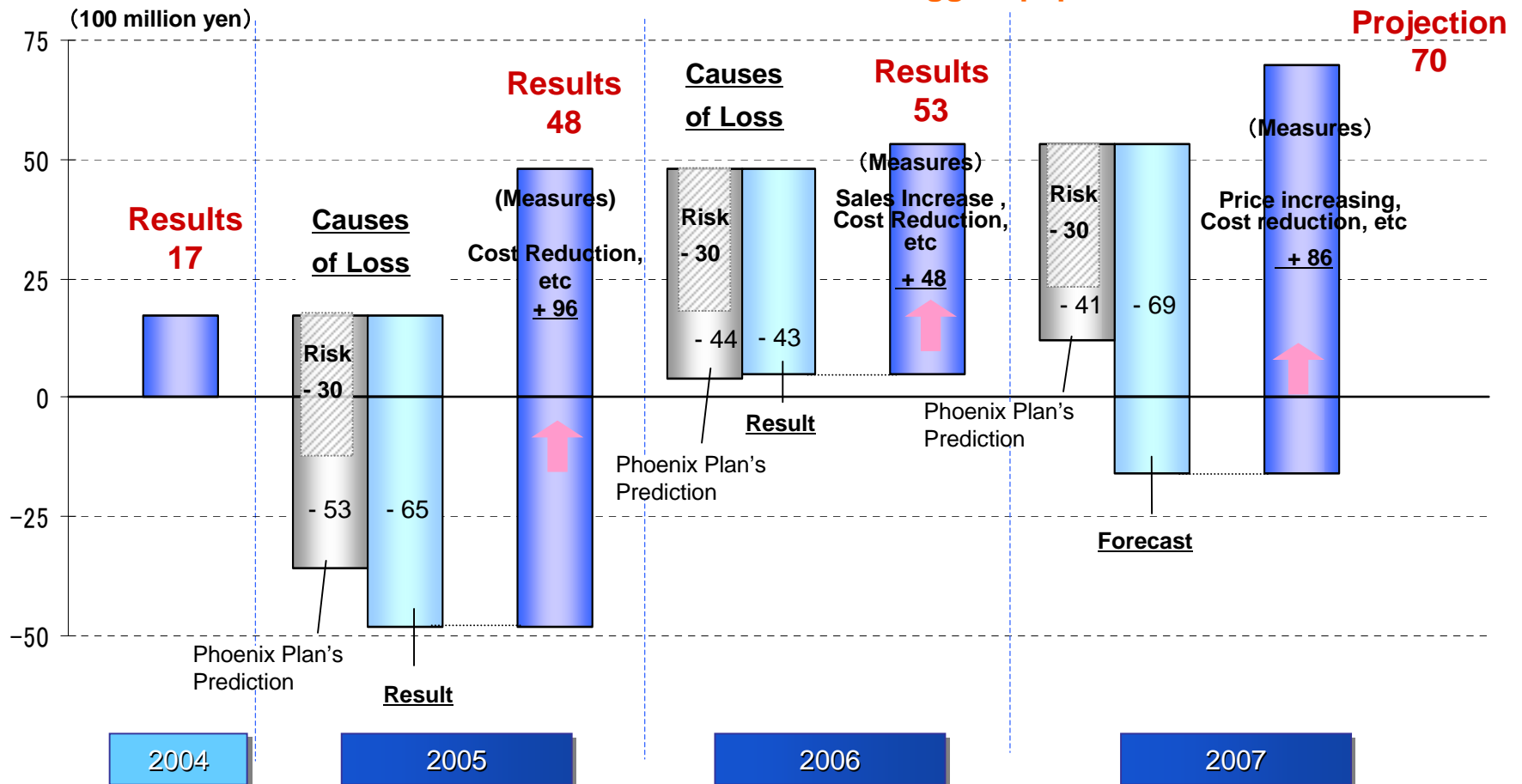
2007 To Achieve Goals

Ordinary Profit (Consolidated)



Ordinary Profit (Consolidated)

Implement Cost restructure and Price increase, to overcome High raw material and energy price and Sluggish paper market conditions



Change Factors of Ordinary Profit

		2005 Results	2006 Results	2007 Projection	3 Years Total	
(Unit: 100 million Yen)						
Decrease Factors	Raw materials & Energy	Wood Chip	-16	-11	-19	-46
		Pulp	-1	-13	-11	-25
		Chemical	-2	-5	-13	-20
		Energy	-8	-8	-8	-24
		Waste Paper	—	—	-5	-5
		Other	-7	-4	1	-10
	Total	-34	-41	-55	-130	
	Sales-side	-31	-2	-4	-37	
	Other (Extra Ordinary, other)	—	—	-10	-10	
	Total Decrease	- 65	- 43	- 69	- 177	
Increase Factors	Cost reduction	43	17	7	67	
	Labor cost	15	16	10	41	
	Depreciation	29	—	—	29	
	Investment	—	—	11	11	
	Sales-side	—	10	53	63	
	Extra Ordinary	8	2	—	10	
	Subsidiary profit	1	3	5	9	
	Total Increase	96	48	86	230	
	Net Changes	31	5	17	53	

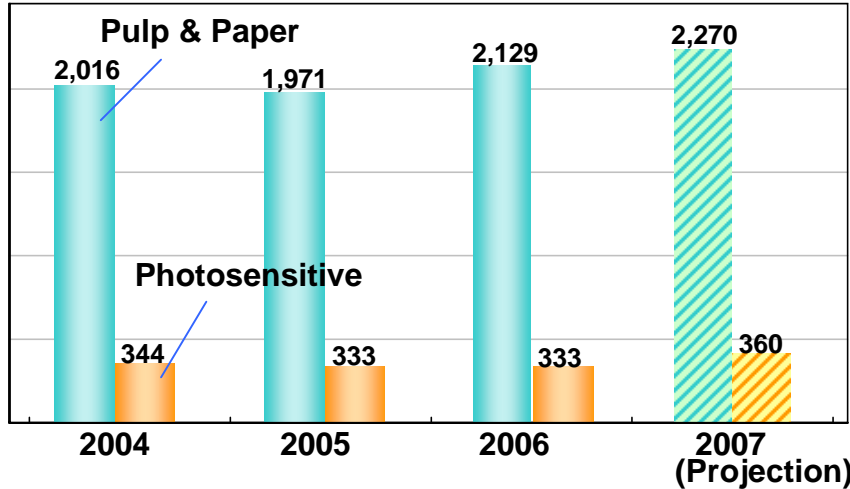
Unconsolidated, Divisional Sales Transition



(100 million yen)	2005 Results	2006 Results	2007 Projection	2005~2007 Major Initiatives
Printing Paper • Printing & Bus. Comm. Papers	1,124	1,151	1,180	<ul style="list-style-type: none"> ◆ Strategic investment in Hachinohe Mill Paper... Increase volume & Improve quality ◆ Pulp... Complete self-supply ◆ Mitsubishi Shoji Packaging Co. Ltd., Printing Paper Division → Mitsubishi Paper Sales Co., Ltd. Sales of Hokuetsu Paper products ◆ New Product Development (Super high brightness coated paper, Low-density paper, FSC certified paper) ◆ Full-scale price increasing (2007 Summer)
Digital Imaging • Ink Jet Papers • Photographic Materials • Graphic Arts Materials	331	353	440	<ul style="list-style-type: none"> ◆ Expand Sales: Obtain remaining market for Photographic Materials ◆ Collaboration with Fuji Film (2007 Summer) ◆ Expand "Pictorico" high-end IJ brand ◆ Price increasing of Ink Jet Papers (2007 Summer)
New Business Development • Filter • Non-Woven • Re-writable • Heat storage material • Film, etc	44	49	60	<ul style="list-style-type: none"> ◆ Filter for avian influenza (bird flu) ◆ Development of diversified product applications in each field ◆ Launch joint development with Mitsubishi Gas Chemical

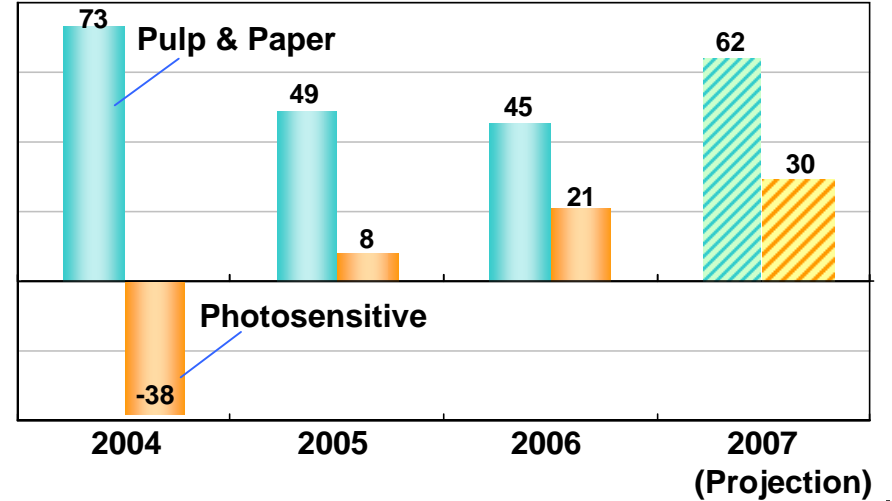
Consolidated Performance By Product Segments

Revenue by Product Segments
(100 million yen)



Revenue	2004	2005	2006	2007
Pulp & Paper	2,016	1,971	2,129	2,270
Photosensitive	344	333	333	360
Others	188	201	214	220
Internal Transfer	-201	- 220	- 233	- 270
Consolidated	2,347	2,285	2,443	2,580

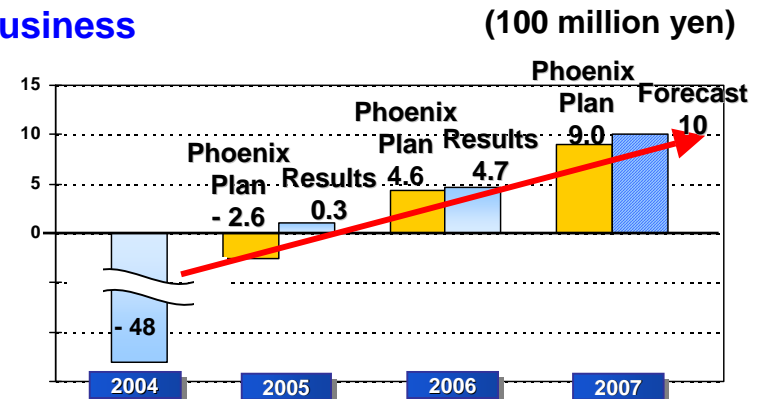
Operating Profit by Product Segments
(100 million yen)



Operating Profit	2004	2005	2006	2007
Pulp & Paper	73	49	45	62
Photosensitive	- 38	8	21	30
Others	8	7	7	8
Internal Transfer	0	1	0	0
Consolidated	43	65	73	100

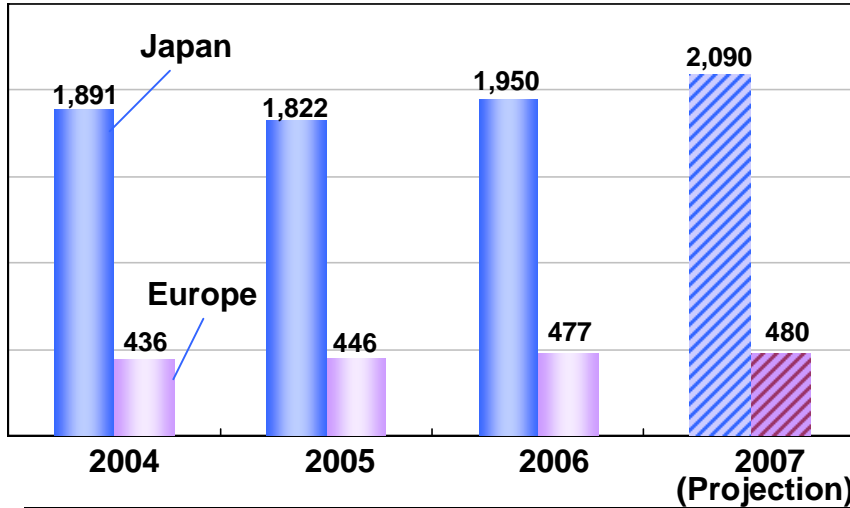
Break out from a slump of Photosensitive Material Business (→ Changed by product mix)

- Reference -
Kitakami High-Tech Paper mill
Performance for the Ordinary Income



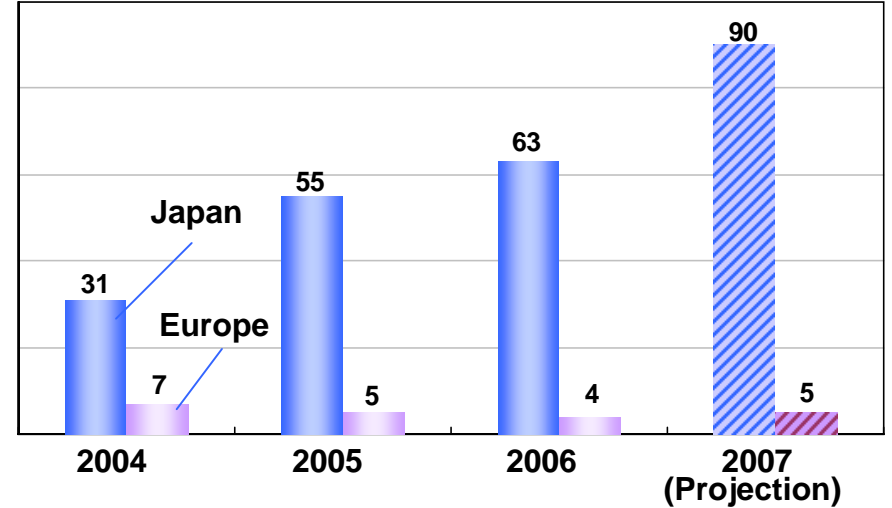
Consolidated Performance By Regions

Revenue by Region
(100 million yen)



Revenue	2004	2005	2006	2007
Japan	1,891	1,822	1,950	2,090
Europe	436	446	477	480
USA	109	100	100	100
Internal Transfer	- 89	- 83	- 84	- 90
Consolidated	2,347	2,285	2,443	2,580

Operating Profit by Region
(100 million yen)



Operating Profit	2004	2005	2006	2007
Japan	31	55	63	90
Europe	7	5	4	5
USA	1	1	2	2
Internal Transfer	4	4	4	3
Consolidated	43	65	73	100

➔ Restructuring European Business

German business... Implement Mid-Term Plan (2007 - 2010 Improvement of profit structure)

■ Severe Management Environment

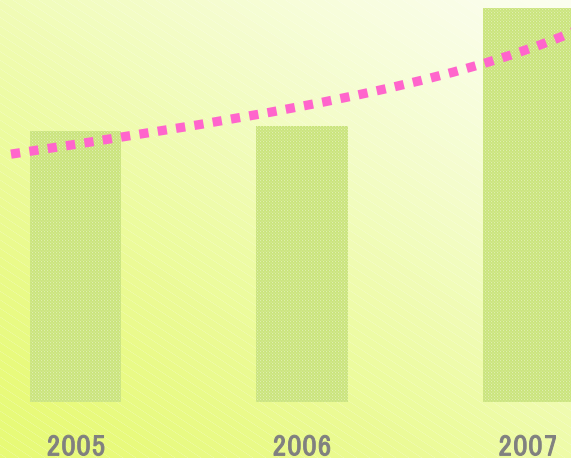
- High energy costs (natural gas, etc.)
- High pulp and chemical prices
- Increasingly intense sales competition
- Strong Euro exchange rate (Reduced profitability of export)



■ Profit improvement strategies

- Further improvement for Product mix
- Thorough execution of Cost reductions
- Investment for productivity enhancement

Phoenix Plan



Strengthen Management Foundation

Post Phoenix Plan

- Early Realization of 10 billion yen consolidated ordinary profit
- Further sales increase
- Strengthen financial structures

Develop & Expand Businesses

**Post Phoenix Plan will be presented
at Management large meeting on
11/27/07**

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 this forward-looking data.