

Information concerning withdrawal from Tree Plantation Project in the Adelaide  
Region of Australia

This is to inform that our subsidiary company Adelaide Blue Gum Pty Ltd (henceforth ABL), a tree plantation project company based in Adelaide, South Australia, at its shareholders meeting today, resolved that it will commence a pre-liquidation process, namely to realize its assets to settle debt and to meet liabilities/obligations. As a result, Mitsubishi Paper Mills Limited will commence to withdraw from the tree-planting project in the Adelaide region.

ABL was jointly established by seven companies, Aeon Co., Ltd, Chubu Electric Power Company International B.V., Hokuetsu Kishu Paper Ltd., Mitsubishi Corporation, Nippon Yusen K. K., Tokyo Gas Co. Ltd. and Mitsubishi Paper Mills Ltd., in September, 2002, in order to establish eucalyptus plantations for wood chips as raw material for paper production. Current plantation area is about 1,500ha while the target was 6,500ha.

Because of the appreciation of rural land prices in the region as a result of a revival in stock farming, the strengthening of water resource use regulations and other issues, it has become very difficult to secure land for plantations. Considering these factors and the resultant uncertain future, ABL came to the conclusion to withdraw from this project.

With the withdrawal from this project, the total area of our own overseas plantations will be reduced to 37,500ha with the two ongoing projects in Chile and Tasmania. However, we will keep trying to expand our overseas plantations to achieve the original target of 44,000ha.

We expect about 390 million yen of extraordinary losses along with this withdrawal in this financial year, however, we have not changed our profit forecast announced on October 30, 2009.