

Summary of Consolidated Financial Results for the Three Months Ended June 30, 2015 (unaudited)

Company name: Mitsubishi Paper Mills Limited

Stock exchange listing: Tokyo Stock Exchange

Code number: 3864

URL: <http://www.mpm.co.jp/>

Representative: Kunio Suzuki, President and Chief Executive Officer

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(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Three Months Ended June 30, 2015 (April 1, 2015 to June 30, 2015)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended								
June 30, 2015	52,787	1.8	(1,031)	-	(1,119)	-	(1,873)	-
June 30, 2014	51,847	5.1	(1,564)	-	(1,917)	-	(3,419)	-

(Note) Comprehensive income: Three months ended June 30, 2015: ¥(1,437) million [-%]

Three months ended June 30, 2014: ¥(2,934) million [-%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended		
June 30, 2015	(5.48)	-
June 30, 2014	(10.00)	-

(2) Consolidated Financial Condition

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2015	250,865	53,857	20.2
As of March 31, 2015	253,482	55,094	20.5

(Reference) Equity: As of June 30, 2015: ¥50,705 million

As of March 31, 2015: ¥52,017 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2015	-	0.00	-	0.00	0.00
Fiscal year ending March 31, 2016	-				
Fiscal year ending March 31, 2016 (Forecast)		0.00	-	0.00	0.00

(Note) Revision to the forecast for dividends announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2016 (April 1, 2015 to March 31, 2016)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	107,000	2.0	500	-	(500)	-	(1,500)	-	(4.39)
Full year	223,000	3.7	3,500	237.0	1,500	-	500	-	1.46

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): None

New: - (Company name); Excluded: - (Company name)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

June 30, 2015: 342,584,332 shares

March 31, 2015: 342,584,332 shares

2) Total number of treasury shares at the end of the period:

June 30, 2015: 718,312 shares

March 31, 2015: 713,667 shares

3) Average number of shares during the period:

Three months ended June 30, 2015: 341,868,653 shares

Three months ended June 30, 2014: 341,896,137 shares

* Presentation regarding the implementation status of the quarterly review procedures

These quarterly financial results are outside the scope of quarterly review procedures under the Financial Instruments and Exchange Act. At the time of disclosure of these quarterly financial results, review procedures for the quarterly financial statements have not been completed.

* Explanation of the proper use of financial results forecast and other notes

The earnings forecasts and other forward-looking statements herein are based on information currently acquired by the Company and certain assumptions assessed to be reasonable. Actual results may differ significantly from these forecasts due to a wide range of factors.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2015	As of June 30, 2015
Assets		
Current assets		
Cash and deposits	6,505	6,339
Notes and accounts receivable - trade	47,045	47,997
Merchandise and finished goods	30,901	27,753
Work in process	8,155	7,520
Raw materials and supplies	10,481	11,509
Other	6,277	6,406
Allowance for doubtful accounts	(149)	(160)
Total current assets	109,217	107,365
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	29,835	29,541
Machinery, equipment and vehicles, net	60,072	58,152
Land	22,950	22,643
Construction in progress	516	1,725
Other, net	3,281	3,001
Total property, plant and equipment	116,656	115,064
Intangible assets		
Other	284	266
Total intangible assets	284	266
Investments and other assets		
Investment securities	21,468	22,753
Net defined benefit asset	2,638	2,651
Other	4,244	3,759
Allowance for doubtful accounts	(1,027)	(996)
Total investments and other assets	27,324	28,168
Total non-current assets	144,265	143,499
Total assets	253,482	250,865

(Million yen)

	As of March 31, 2015	As of June 30, 2015
Liabilities		
Current liabilities		
Notes and accounts payable - trade	24,015	23,643
Short-term loans payable	77,086	76,293
Commercial papers	—	2,000
Income taxes payable	356	149
Other	14,348	13,995
Total current liabilities	115,807	116,082
Non-current liabilities		
Long-term loans payable	67,234	66,229
Reserve for loss on dissolution of employee's fund	115	115
Net defined benefit liability	9,682	8,890
Asset retirement obligations	880	881
Other	4,667	4,808
Total non-current liabilities	82,580	80,925
Total liabilities	198,388	197,008
Net assets		
Shareholders' equity		
Capital stock	32,756	32,756
Capital surplus	7,523	7,523
Retained earnings	5,147	3,357
Treasury shares	(143)	(144)
Total shareholders' equity	45,284	43,492
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,663	5,445
Foreign currency translation adjustment	1,815	1,467
Remeasurements of defined benefit plans	254	300
Total accumulated other comprehensive income	6,733	7,212
Non-controlling interests	3,076	3,151
Total net assets	55,094	53,857
Total liabilities and net assets	253,482	250,865

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income
Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2014	For the three months ended June 30, 2015
Net sales	51,847	52,787
Cost of sales	46,256	47,024
Gross profit	5,591	5,763
Selling, general and administrative expenses	7,155	6,794
Operating loss	(1,564)	(1,031)
Non-operating income		
Interest income	20	10
Dividend income	279	214
Foreign exchange gains	—	282
Other	202	110
Total non-operating income	503	618
Non-operating expenses		
Interest expenses	621	605
Foreign exchange losses	132	—
Other	102	100
Total non-operating expenses	856	705
Ordinary loss	(1,917)	(1,119)
Extraordinary income		
Gain on sales of investment securities	161	0
Subsidy income	—	3
Other	22	0
Total extraordinary income	183	4
Extraordinary losses		
Loss on disposal of non-current assets	116	217
Special retirement expenses	0	85
Business restructuring cost	1,430	120
Other	41	3
Total extraordinary losses	1,589	428
Loss before income taxes and minority interests	(3,322)	(1,543)
Income taxes	133	314
Loss	(3,456)	(1,857)
Profit (loss) attributable to non-controlling interests	(36)	15
Loss attributable to owners of parent	(3,419)	(1,873)

Quarterly Consolidated Statements of Comprehensive Income

Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2014	For the three months ended June 30, 2015
Loss	(3,456)	(1,857)
Other comprehensive income		
Valuation difference on available-for-sale securities	613	870
Foreign currency translation adjustment	(99)	(504)
Remeasurements of defined benefit plans, net of tax	32	58
Share of other comprehensive income of entities accounted for using equity method	(25)	(2)
Total other comprehensive income	522	420
Comprehensive income	(2,934)	(1,437)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(2,990)	(1,551)
Comprehensive income attributable to non-controlling interests	56	114