

## Summary of Consolidated Financial Results for the Fiscal year Ended March 31, 2016 (unaudited)

Company name: Mitsubishi Paper Mills Limited  
 Stock exchange listing: Tokyo Stock Exchange  
 Code number: 3864  
 URL: <http://www.mpm.co.jp/>  
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(Amounts of less than one million yen are rounded down.)

### 1. Consolidated Financial Results for the Fiscal year Ended March 31, 2016 (April 1, 2015 to March 31, 2016)

(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	%
Fiscal year ended								
March 31, 2016	216,340	0.6	3,872	272.8	2,216	-	2,217	-
March 31, 2015	214,944	3.6	1,038	119.2	135	117.4	(4,272)	-

(Note) Comprehensive income: Fiscal year ended March 31, 2016: ¥ (3,310) million [-%]

Fiscal year ended March 31, 2015: ¥ (734) million [-%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended		
March 31, 2016	6.49	-
March 31, 2015	(12.50)	-

### (2) Consolidated Financial Condition

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of March 31, 2016	241,155	51,492	20.4
As of March 31, 2015	253,482	55,094	20.5

(Reference) Equity: As of March 31, 2016: ¥49,241 million

As of March 31, 2015: ¥52,017 million

### (3) Consolidated Cash Flow

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended				
March 31, 2016	12,626	(2,145)	(5,737)	11,381
March 31, 2015	3,907	(1,168)	(4,576)	6,505

## 2. Dividends

	Annual dividends				Amount of total dividends (Annual)	Dividend payout (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end			
	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2015	-	0.00	-	0.00	-	-	-
Fiscal year ended March 31, 2016	-	0.00	-	0.00	-	-	-
Fiscal year ending March 31, 2017 (Forecast)	-	0.00	-	0.00		-	

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2017 (April 1, 2016 to March 31, 2017)

(% 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
1st half year	108,000	0.9	1,500	152.3	500	309.8	(500)	-	(1.46)
Full year	220,000	1.7	4,500	16.2	2,500	12.8	1,000	(54.9)	2.93

### \* 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):

March 31, 2016: 342,584,332 shares

March 31, 2015: 342,584,332 shares

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

March 31, 2016: 733,884 shares

March 31, 2015: 713,667 shares

3) Average number of shares during the period:

Fiscal year ended March 31, 2016: 341,861,077 shares

Fiscal year ended March 31, 2015: 341,885,838 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.

## Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2015	As of March 31, 2016
<b>Assets</b>		
Current assets		
Cash and deposits	6,505	11,381
Notes and accounts receivable - trade	47,045	48,338
Merchandise and finished goods	30,901	27,458
Work in process	8,155	7,646
Raw materials and supplies	10,481	10,399
Deferred tax assets	892	945
Other	5,385	3,925
Allowance for doubtful accounts	(149)	(188)
Total current assets	109,217	109,907
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	29,835	28,350
Machinery, equipment and vehicles, net	60,072	55,571
Land	22,950	22,518
Leased assets, net	1,713	1,428
Construction in progress	516	535
Other, net	1,567	1,471
Total property, plant and equipment	116,656	109,875
Intangible assets		
Other	284	225
Total intangible assets	284	225
Investments and other assets		
Investment securities	21,468	18,554
Long-term loans receivable	772	82
Net defined benefit asset	2,638	8
Deferred tax assets	247	198
Other	3,224	2,642
Allowance for doubtful accounts	(1,027)	(338)
Total investments and other assets	27,324	21,147
Total non-current assets	144,265	131,248
<b>Total assets</b>	<b>253,482</b>	<b>241,155</b>

(Million yen)

	As of March 31, 2015	As of March 31, 2016
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	24,015	23,245
Short-term loans payable	77,086	81,176
Lease obligations	394	363
Accrued expenses	7,270	7,081
Income taxes payable	356	345
Other	6,683	6,465
Total current liabilities	115,807	118,677
Non-current liabilities		
Long-term loans payable	67,234	57,443
Lease obligations	1,617	1,240
Deferred tax liabilities	2,069	1,213
Provision for directors' retirement benefits	34	48
Reserve for loss on dissolution of employee's fund	115	121
Net defined benefit liability	9,682	9,165
Asset retirement obligations	880	884
Other	945	866
Total non-current liabilities	82,580	70,985
Total liabilities	198,388	189,663
<b>Net assets</b>		
Shareholders' equity		
Capital stock	32,756	32,756
Capital surplus	7,523	7,456
Retained earnings	5,147	7,447
Treasury shares	(143)	(145)
Total shareholders' equity	45,284	47,514
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,663	3,014
Foreign currency translation adjustment	1,815	1,577
Remeasurements of defined benefit plans	254	(2,864)
Total accumulated other comprehensive income	6,733	1,727
Non-controlling interests	3,076	2,250
Total net assets	55,094	51,492
Total liabilities and net assets	253,482	241,155

(2) Consolidated Statements of Income and Comprehensive Income  
 Consolidated Statements of Income

(Million yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Net sales	214,944	216,340
Cost of sales	184,907	184,758
Gross profit	30,036	31,582
Selling, general and administrative expenses	28,997	27,709
Operating income	1,038	3,872
Non-operating income		
Interest income	92	47
Dividend income	577	425
Royalty income	180	188
Insurance income	164	365
Amortization of negative goodwill	30	—
Foreign exchange gains	508	—
Other	538	320
Total non-operating income	2,093	1,347
Non-operating expenses		
Interest expenses	2,519	2,320
Foreign exchange losses	—	242
Other	476	441
Total non-operating expenses	2,996	3,004
Ordinary income	135	2,216
Extraordinary income		
Gain on disposal of non-current assets	10	1,459
Gain on sales of investment securities	784	38
Reversal of allowance for doubtful accounts for subsidiaries and affiliates	—	277
Compensation income	405	—
Subsidy income	5	—
Other	76	67
Total extraordinary income	1,282	1,843
Extraordinary losses		
Loss on disposal of non-current assets	329	441
Special retirement expenses	163	302
Business restructuring cost	1,665	227
Impairment loss	386	18
Other	119	50
Total extraordinary losses	2,664	1,040
Income (loss) before income taxes and non-controlling interests	(1,246)	3,018
Income taxes	3,024	995
Profit (loss)	(4,271)	2,023
Profit (loss) attributable to non-controlling interests	1	(193)
Profit (loss) attributable to owners of parent	(4,272)	2,217

## Consolidated Statements of Comprehensive Income

(Million yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Profit (loss)	(4,271)	2,023
Other comprehensive income		
Valuation difference on available-for-sale securities	2,217	(1,918)
Foreign currency translation adjustment	151	(438)
Remeasurements of defined benefit plans, net of tax	1,013	(2,979)
Share of other comprehensive income of entities accounted for using equity method	154	3
Total other comprehensive income	3,536	(5,333)
Comprehensive income	(734)	(3,310)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(995)	(2,946)
Comprehensive income attributable to non-controlling interests	260	(364)

## (3) Consolidated Statements of Cash Flow

(Million yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
<b>Cash flows from operating activities</b>		
Income (loss) before income taxes and non-controlling interests	(1,246)	3,018
Depreciation	10,955	10,662
Impairment loss	386	18
Increase (decrease) in net defined benefit liability	289	291
Decrease (increase) in net defined benefit asset	(272)	(669)
Increase (decrease) in provision for directors' retirement benefits	3	14
Interest and dividend income	(670)	(473)
Interest expense	2,519	2,320
Loss (gain) on sales of short-term and long-term investment securities	(830)	(38)
Loss (gain) on disposal of non-current assets	319	(1,017)
Business restructuring cost	1,665	227
Decrease (increase) in notes and accounts receivable - trade	(5,165)	(1,530)
Decrease (increase) in inventories	2,638	3,210
Increase (decrease) in notes and accounts payable - trade	(1,567)	(384)
Other, net	(547)	(117)
Subtotal	8,476	15,532
Payments for business restructuring cost	(2,159)	(227)
Interest and dividend income received	670	470
Interest expenses paid	(2,557)	(2,387)
Income taxes paid	(522)	(761)
Net cash provided by (used in) operating activities	3,907	12,626
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(4,735)	(4,196)
Proceeds from sales of property, plant and equipment and intangible assets	140	1,682
Purchase of investment securities	(29)	(28)
Proceeds from sales of investment securities	2,936	40
Purchase of shares of subsidiaries and associates	—	(4)
Proceeds from sales of shares of subsidiaries and associates	20	4
Payments of loans receivable	(9)	(2)
Collection of loans receivable	354	325
Other, net	153	34
Net cash provided by (used in) investing activities	(1,168)	(2,145)



	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	2,910	(2,343)
Proceeds from long-term loans payable	14,000	18,175
Repayments of long-term loans payable	(21,074)	(20,653)
Repayments of lease obligations	(379)	(383)
Purchase of treasury shares	(2)	(1)
Proceeds from sales of treasury shares	0	—
Dividends paid to non-controlling interests	(30)	(240)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	(290)
Net cash provided by (used in) financing activities	(4,576)	(5,737)
Effect of exchange rate change on cash and cash equivalents	(40)	(109)
Net increase (decrease) in cash and cash equivalents	(1,877)	4,633
Increase in cash and cash equivalents from newly consolidated subsidiaries	—	242
Cash and cash equivalents at beginning of period	8,382	6,505
Cash and cash equivalents at end of period	6,505	11,381