

## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2017 (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, 2017 (April 1, 2017 to June 30, 2017)

(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, 2017	49,283	(3.2)	(656)	-	(597)	-	(787)	-
June 30, 2016	50,919	(3.5)	518	-	(653)	-	(1,136)	-

(Note) Comprehensive income: Three months ended June 30, 2017: ¥(806) million [-%]

Three months ended June 30, 2016: ¥(2,150) million [-%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2017	(23.03)		-	
June 30, 2016	(33.23)		-	

\* The Company conducted a reverse stock split to consolidate every ten shares of common stock into one share on October 1, 2016. Earnings per share are calculated assuming that the reverse stock split was conducted at the beginning of the previous consolidated fiscal year.

### (2) Consolidated Financial Condition

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2017	233,881	55,793	22.9
As of March 31, 2017	235,869	56,631	23.1

(Reference) Equity: As of June 30, 2017: ¥53,531 million

As of March 31, 2017: ¥54,383 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, 2017	-	0.00	-	0.00	0.00
Fiscal year ending March 31, 2018	-				
Fiscal year ending March 31, 2018 (Forecast)		0.00	-	-	-

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

Year-end dividend for Fiscal year ending March 31, 2018 has yet to be determined.

### 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2018 (April 1, 2017 to March 31, 2018)

(% 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
Full year	205,000	1.5	4,000	(7.3)	2,500	(7.5)	1,500	30.1	43.88

(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: None

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, 2017: 34,258,433 shares

March 31, 2017: 34,258,433 shares

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

June 30, 2017: 76,798 shares

March 31, 2017: 76,185 shares

3) Average number of shares during the period:

Three months ended June 30, 2017: 34,181,933 shares

Three months ended June 30, 2016: 34,184,934 shares

\* The Company conducted a reverse stock split to consolidate every ten shares of common stock into one share on October 1, 2016. Average number of shares for three months ended June 30, 2016 is calculated assuming that the reverse stock split was conducted at the beginning of the previous consolidated fiscal year.

\* This quarterly financial results report is exempt from quarterly review.

#### \* 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.

## Quarterly Consolidated Financial Statements

### (1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2017	As of June 30, 2017
<b>Assets</b>		
Current assets		
Cash and deposits	10,840	9,083
Notes and accounts receivable - trade	46,291	47,303
Merchandise and finished goods	24,756	23,604
Work in process	6,541	6,627
Raw materials and supplies	10,108	10,030
Other	5,475	5,704
Allowance for doubtful accounts	(216)	(214)
Total current assets	103,797	102,140
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	27,089	26,474
Machinery, equipment and vehicles, net	51,642	50,062
Land	22,068	22,013
Construction in progress	676	1,266
Other, net	2,586	2,516
Total property, plant and equipment	104,064	102,334
Intangible assets		
Other	291	1,285
Total intangible assets	291	1,285
Investments and other assets		
Investment securities	23,001	23,405
Other	4,814	4,814
Allowance for doubtful accounts	(99)	(98)
Total investments and other assets	27,716	28,121
Total non-current assets	132,071	131,741
Total assets	235,869	233,881

(Million yen)

	As of March 31, 2017	As of June 30, 2017
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	24,556	22,373
Short-term loans payable	68,264	69,897
Income taxes payable	399	192
Other	14,155	14,443
Total current liabilities	107,376	106,906
Non-current liabilities		
Long-term loans payable	57,570	56,990
Reserve for loss on dissolution of employee's fund	143	143
Net defined benefit liability	8,949	8,798
Asset retirement obligations	888	888
Other	4,310	4,358
Total non-current liabilities	71,862	71,181
Total liabilities	179,238	178,087
<b>Net assets</b>		
Shareholders' equity		
Capital stock	32,756	32,756
Capital surplus	7,438	6,271
Retained earnings	8,599	8,980
Treasury shares	(147)	(147)
Total shareholders' equity	48,647	47,859
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,506	5,789
Foreign currency translation adjustment	1,245	985
Remeasurements of defined benefit plans	(1,015)	(1,103)
Total accumulated other comprehensive income	5,736	5,672
Non-controlling interests	2,247	2,261
Total net assets	56,631	55,793
Total liabilities and net assets	235,869	233,881

(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, 2016	For the three months ended June 30, 2017
Net sales	50,919	49,283
Cost of sales	42,577	42,332
Gross profit	8,341	6,951
Selling, general and administrative expenses	7,823	7,608
Operating income (loss)	518	(656)
Non-operating income		
Interest income	9	12
Dividend income	217	242
Foreign exchange gains	—	282
Other	88	85
Total non-operating income	315	622
Non-operating expenses		
Interest expenses	562	457
Foreign exchange loss	827	—
Other	95	106
Total non-operating expenses	1,486	563
Ordinary loss	(653)	(597)
Extraordinary income		
Gain on disposal of non-current assets	2	164
Gain on sales of investment securities	233	170
Other	0	—
Total extraordinary income	236	334
Extraordinary losses		
Loss on disposal of non-current assets	221	101
Special retirement expenses	64	84
Other	104	1
Total extraordinary losses	390	186
Loss before income taxes	(807)	(449)
Income taxes	288	358
Loss	(1,095)	(807)
Profit (loss) attributable to non-controlling interests	40	(20)
Loss attributable to owners of parent	(1,136)	(787)

Quarterly Consolidated Statements of Comprehensive Income  
 Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2016	For the three months ended June 30, 2017
Loss	(1,095)	(807)
Other comprehensive income		
Valuation difference on available-for-sale securities	(700)	356
Foreign currency translation adjustment	(159)	(254)
Remeasurements of defined benefit plans, net of tax	(116)	(69)
Share of other comprehensive income of entities accounted for using equity method	(78)	(31)
Total other comprehensive income	(1,054)	0
Comprehensive income	(2,150)	(806)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(2,081)	(851)
Comprehensive income attributable to non-controlling interests	(68)	44