

Summary of Consolidated Financial Results for the Three Months Ended June 30, 2018 (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
 Contact: Hironori Oikawa, General Manager, Finance & Accounting Dept.
 Phone: +81-3-5600-1407

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

1. Consolidated Financial Results for the Three Months Ended June 30, 2018 (April 1, 2018 to June 30, 2018)

(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, 2018	49,823	1.1	(1,279)	-	(1,303)	-	(1,615)	-
June 30, 2017	49,283	(3.2)	(656)	-	(597)	-	(787)	-

(Note) Comprehensive income: Three months ended June 30, 2018: ¥(1,937) million [-%]

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

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2018	(47.26)		-	
June 30, 2017	(23.03)		-	

(2) Consolidated Financial Condition

	Total assets		Net assets		Equity ratio	
	Million yen		Million yen		%	
As of June 30, 2018	232,820		58,945		24.8	
As of March 31, 2018	237,379		61,077		25.2	

(Reference) Equity: As of June 30, 2018: ¥57,691 million

As of March 31, 2018: ¥59,731 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2018	Yen -	Yen 0.00	Yen -	Yen 5.00	Yen 5.00
Fiscal year ending March 31, 2019	-				
Fiscal year ending March 31, 2019 (Forecast)		0.00	-	-	-

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

Year-end dividend for Fiscal year ending March 31, 2019 has yet to be determined.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2019 (April 1, 2018 to March 31, 2019)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	205,000	1.7	1,500	(16.2)	500	(23.4)	500	(84.4)	14.63

(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, 2018: 34,258,433 shares

March 31, 2018: 34,258,433 shares

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

June 30, 2018: 78,345 shares

March 31, 2018: 77,847 shares

3) Average number of shares during the period:

Three months ended June 30, 2018: 34,180,383 shares

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

* This quarterly financial results report is exempt from quarterly review by Certified Public Accountants or an Audit Firm.

* 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, 2018	As of June 30, 2018
Assets		
Current assets		
Cash and deposits	9,744	10,525
Notes and accounts receivable - trade	46,330	42,498
Merchandise and finished goods	27,552	25,911
Work in process	6,707	6,608
Raw materials and supplies	9,729	11,300
Other	4,476	4,766
Allowance for doubtful accounts	(224)	(196)
Total current assets	104,316	101,415
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	25,413	24,971
Machinery, equipment and vehicles, net	47,291	45,422
Land	22,147	22,063
Construction in progress	2,310	3,530
Other, net	2,569	2,549
Total property, plant and equipment	99,732	98,538
Intangible assets		
Other	1,719	1,712
Total intangible assets	1,719	1,712
Investments and other assets		
Investment securities	21,672	21,593
Other	10,007	9,619
Allowance for doubtful accounts	(68)	(59)
Total investments and other assets	31,611	31,154
Total non-current assets	133,063	131,404
Total assets	237,379	232,820

(Million yen)

	As of March 31, 2018	As of June 30, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	26,818	26,512
Short-term loans payable	70,828	72,110
Commercial paper	3,000	3,000
Income taxes payable	397	195
Other	16,164	15,854
Total current liabilities	117,208	117,673
Non-current liabilities		
Long-term loans payable	45,656	43,012
Reserve for loss on dissolution of employee's fund	143	143
Net defined benefit liability	9,328	9,151
Asset retirement obligations	888	882
Other	3,076	3,011
Total non-current liabilities	59,093	56,201
Total liabilities	176,302	173,874
Net assets		
Shareholders' equity		
Capital stock	32,756	32,756
Capital surplus	6,132	6,132
Retained earnings	12,965	11,179
Treasury shares	(148)	(149)
Total shareholders' equity	51,706	49,919
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,204	5,114
Foreign currency translation adjustment	1,511	1,251
Remeasurements of defined benefit plans	1,309	1,406
Total accumulated other comprehensive income	8,025	7,772
Non-controlling interests	1,345	1,253
Total net assets	61,077	58,945
Total liabilities and net assets	237,379	232,820

(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, 2017	For the three months ended June 30, 2018
Net sales	49,283	49,823
Cost of sales	42,332	43,565
Gross profit	6,951	6,258
Selling, general and administrative expenses	7,608	7,538
Operating loss	(656)	(1,279)
Non-operating income		
Interest income	12	16
Dividend income	242	296
Foreign exchange gains	282	173
Other	85	128
Total non-operating income	622	615
Non-operating expenses		
Interest expenses	457	380
Advisory fee	—	142
Other	106	116
Total non-operating expenses	563	639
Ordinary loss	(597)	(1,303)
Extraordinary income		
Gain on disposal of non-current assets	164	3
Gain on sales of investment securities	170	0
Total extraordinary income	334	3
Extraordinary losses		
Loss on disposal of non-current assets	101	128
Other	85	0
Total extraordinary losses	186	128
Loss before income taxes	(449)	(1,427)
Income taxes	358	226
Loss	(807)	(1,654)
Loss attributable to non-controlling interests	(20)	(39)
Loss attributable to owners of parent	(787)	(1,615)

Quarterly Consolidated Statements of Comprehensive Income

Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2017	For the three months ended June 30, 2018
Loss	(807)	(1,654)
Other comprehensive income		
Valuation difference on available-for-sale securities	356	(101)
Foreign currency translation adjustment	(254)	(245)
Remeasurements of defined benefit plans, net of tax	(69)	117
Share of other comprehensive income of entities accounted for using equity method	(31)	(53)
Total other comprehensive income	0	(282)
Comprehensive income	(806)	(1,937)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(851)	(1,868)
Comprehensive income attributable to non-controlling interests	44	(68)