

## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 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 Nine Months Ended December 31, 2018 (April 1, 2018 to December 31, 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	%
Nine months ended December 31, 2018	152,536	1.3	(1,268)	-	(1,657)	-	(2,949)	-
December 31, 2017	150,559	(0.2)	863	(73.0)	811	(63.9)	(287)	-

(Note) Comprehensive income: Nine months ended December 31, 2018: ¥(5,035) million [-%]

Nine months ended December 31, 2017: ¥1,110 million [(46.4)%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2018	(86.30)		-	
December 31, 2017	(8.41)		-	

### (2) Consolidated Financial Condition

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2018	230,097	55,846	23.8
As of March 31, 2018	237,379	61,077	25.2

(Reference) Equity: As of December 31, 2018: ¥54,739 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	-	0.00	-		
Fiscal year ending March 31, 2019 (Forecast)				-	-

(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
	202,000	0.3	0	(100.0)	(1,000)	-	0	(100.0)	0.00

(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):

December 31, 2018: 34,258,433 shares

March 31, 2018: 34,258,433 shares

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

December 31, 2018: 79,759 shares

March 31, 2018: 77,847 shares

3) Average number of shares during the period:

Nine months ended December 31, 2018: 34,179,624 shares

Nine months ended December 31, 2017: 34,181,414 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.

## Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2018	As of December 31, 2018
<b>Assets</b>		
Current assets		
Cash and deposits	9,744	9,046
Notes and accounts receivable - trade	46,330	40,958
Merchandise and finished goods	27,552	26,124
Work in process	6,707	7,096
Raw materials and supplies	9,729	11,963
Other	4,476	5,716
Allowance for doubtful accounts	(224)	(202)
Total current assets	104,316	100,703
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	25,413	24,321
Machinery, equipment and vehicles, net	47,291	44,905
Land	22,147	22,094
Construction in progress	2,310	5,820
Other, net	2,569	2,481
Total property, plant and equipment	99,732	99,623
Intangible assets		
Other	1,719	1,720
Total intangible assets	1,719	1,720
Investments and other assets		
Investment securities	21,672	17,939
Other	10,007	10,153
Allowance for doubtful accounts	(68)	(42)
Total investments and other assets	31,611	28,050
Total non-current assets	133,063	129,394
Total assets	237,379	230,097

(Million yen)

	As of March 31, 2018	As of December 31, 2018
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	26,818	33,362
Short-term loans payable	70,828	71,166
Commercial paper	3,000	3,000
Income taxes payable	397	244
Other	16,164	17,624
Total current liabilities	117,208	125,397
Non-current liabilities		
Long-term loans payable	45,656	36,269
Reserve for loss on dissolution of employee's fund	143	—
Net defined benefit liability	9,328	9,088
Asset retirement obligations	888	882
Other	3,076	2,612
Total non-current liabilities	59,093	48,853
Total liabilities	176,302	174,251
<b>Net assets</b>		
Shareholders' equity		
Capital stock	32,756	32,756
Capital surplus	6,132	6,132
Retained earnings	12,965	9,844
Treasury shares	(148)	(149)
Total shareholders' equity	51,706	48,584
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,204	3,210
Foreign currency translation adjustment	1,511	1,420
Remeasurements of defined benefit plans	1,309	1,523
Total accumulated other comprehensive income	8,025	6,155
Non-controlling interests	1,345	1,107
Total net assets	61,077	55,846
Total liabilities and net assets	237,379	230,097

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

(Million yen)

	For the nine months ended December 31, 2017	For the nine months ended December 31, 2018
Net sales	150,559	152,536
Cost of sales	126,704	131,371
Gross profit	23,855	21,164
Selling, general and administrative expenses	22,991	22,432
Operating income(loss)	863	(1,268)
Non-operating income		
Interest income	41	44
Dividend income	467	536
Foreign exchange gains	522	148
Other	527	498
Total non-operating income	1,559	1,227
Non-operating expenses		
Interest expenses	1,352	1,068
Other	259	548
Total non-operating expenses	1,611	1,617
Ordinary income(loss)	811	(1,657)
Extraordinary income		
Gain on disposal of non-current assets	168	7
Gain on sales of investment securities	170	501
Other	65	2
Total extraordinary income	404	511
Extraordinary losses		
Loss on disposal of non-current assets	360	442
Special retirement expenses	218	579
Loss on disaster	—	642
Impairment loss	—	41
Other	3	178
Total extraordinary losses	582	1,885
Income(Loss) before income taxes and non-controlling interests	633	(3,031)
Income taxes	1,128	66
Loss	(495)	(3,098)
Loss attributable to non-controlling interests	(207)	(148)
Loss attributable to owners of parent	(287)	(2,949)

## Consolidated Statements of Comprehensive Income

(Million yen)

	For the nine months ended December 31, 2017	For the nine months ended December 31, 2018
Loss	(495)	(3,098)
Other comprehensive income		
Valuation difference on available-for-sale securities	1,910	(2,104)
Foreign currency translation adjustment	156	(95)
Remeasurements of defined benefit plans, net of tax	(434)	258
Share of other comprehensive income of entities accounted for using equity method	(26)	3
Total other comprehensive income	1,605	(1,936)
Comprehensive income	1,110	(5,035)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,098	(4,820)
Comprehensive income attributable to non-controlling interests	11	(214)