

Summary of Consolidated Financial Results for the Fiscal year Ended March 31, 2019 (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, 2019 (April 1, 2018 to March 31, 2019)

(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, 2019	203,997	1.2	(40)	-	(914)	-	351	(89.0)
March 31, 2018	201,492	(0.2)	1,790	(58.5)	652	(75.8)	3,198	177.5

(Note) Comprehensive income: Fiscal year ended March 31, 2019: ¥ (474) million [-%]

Fiscal year ended March 31, 2018: ¥ 5,493 million [(1.9)%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Fiscal year ended March 31, 2019	10.04		-	
March 31, 2018	93.57		-	

(2) Consolidated Financial Condition

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of March 31, 2019	232,758	67,004	28.5
As of March 31, 2018	237,379	61,077	25.2

(Reference) Equity: As of March 31, 2019: ¥66,350 million

As of March 31, 2018: ¥59,731 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, 2019	19,066	(8,979)	(8,185)	11,617
March 31, 2018	12,809	(5,994)	(8,107)	9,744

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			
Fiscal year ended March 31, 2018	Yen -	Yen 0.00	Yen -	Yen 5.00	Million yen 170	% 5.3	% 0.3
Fiscal year ended March 31, 2019	Yen -	Yen 0.00	Yen -	Yen 5.00	Million yen 223	% 49.8	% 0.3
Fiscal year ending March 31, 2020 (Forecast)	Yen -	Yen 0.00	Yen -	Yen 5.00		% 14.9	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2020 (April 1, 2019 to March 31, 2020)

(% 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
	210,000	2.9	2,500	-	2,500	-	1,500	327.0	33.59

*** 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) 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

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

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

March 31, 2019: 44,741,433 shares

March 31, 2018: 34,258,433 shares

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

March 31, 2019: 80,398 shares

March 31, 2018: 77,847 shares

3) Average number of shares during the period:

Fiscal year ended March 31, 2019: 34,985,677 shares

Fiscal year ended March 31, 2018: 34,181,231 shares

* This financial results report is exempt from being audited 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 March 31, 2019
Assets		
Current assets		
Cash and deposits	9,744	11,617
Notes and accounts receivable - trade	46,330	37,686
Merchandise and finished goods	27,552	26,021
Work in process	6,707	7,301
Raw materials and supplies	9,729	11,233
Other	4,476	6,003
Allowance for doubtful accounts	(224)	(175)
Total current assets	104,316	99,689
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	25,413	23,945
Machinery, equipment and vehicles, net	47,291	43,465
Land	22,147	21,913
Leased assets, net	1,142	997
Construction in progress	2,310	9,446
Other, net	1,427	1,423
Total property, plant and equipment	99,732	101,191
Intangible assets		
Other	1,719	1,744
Total intangible assets	1,719	1,744
Investments and other assets		
Investment securities	21,672	17,741
Long-term loans receivable	1,448	2,118
Net defined benefit asset	5,263	5,331
Deferred tax assets	1,309	2,965
Other	1,986	2,031
Allowance for doubtful accounts	(68)	(54)
Total investments and other assets	31,611	30,133
Total non-current assets	133,063	133,069
Total assets	237,379	232,758

(Million yen)

	As of March 31, 2018	As of March 31, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	26,818	25,347
Electronically recorded obligations	—	5,390
Short-term loans payable	70,828	65,175
Commercial paper	3,000	7,000
Lease obligations	375	367
Accrued expenses	7,358	7,185
Income taxes payable	397	366
Other	8,430	10,027
Total current liabilities	117,208	120,860
Non-current liabilities		
Long-term loans payable	45,656	32,855
Lease obligations	691	424
Deferred tax liabilities	1,152	696
Provision for directors' retirement benefits	56	60
Reserve for loss on dissolution of employee's fund	143	—
Net defined benefit liability	9,328	8,718
Asset retirement obligations	888	882
Other	1,175	1,254
Total non-current liabilities	59,093	44,893
Total liabilities	176,302	165,754
Net assets		
Shareholders' equity		
Capital stock	32,756	36,561
Capital surplus	6,132	9,682
Retained earnings	12,965	13,145
Treasury shares	(148)	(150)
Total shareholders' equity	51,706	59,240
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,204	3,635
Foreign currency translation adjustment	1,511	1,209
Remeasurements of defined benefit plans	1,309	2,265
Total accumulated other comprehensive income	8,025	7,110
Non-controlling interests	1,345	654
Total net assets	61,077	67,004
Total liabilities and net assets	237,379	232,758

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Million yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Net sales	201,492	203,997
Cost of sales	169,221	174,602
Gross profit	32,270	29,394
Selling, general and administrative expenses	30,480	29,435
Operating income(loss)	1,790	(40)
Non-operating income		
Interest income	58	54
Dividend income	501	567
Foreign exchange gains	59	89
Royalty income	175	168
Other	457	424
Total non-operating income	1,252	1,305
Non-operating expenses		
Interest expenses	1,767	1,372
Advisory fee	64	275
Other	557	530
Total non-operating expenses	2,390	2,178
Ordinary income(loss)	652	(914)
Extraordinary income		
Gain on disposal of non-current assets	1,545	9
Gain on sales of investment securities	847	1,562
Insurance income	60	408
Other	11	147
Total extraordinary income	2,465	2,127
Extraordinary losses		
Loss on disposal of non-current assets	400	472
Special retirement expenses	375	576
Loss on disaster	—	697
Impairment loss	209	124
Environmental expenses	295	—
Other	87	187
Total extraordinary losses	1,368	2,058
Profit(Loss) before income taxes and non-controlling interests	1,749	(845)
Income taxes	(1,530)	(1,315)
Profit	3,280	470
Profit attributable to non-controlling interests	81	118
Profit attributable to owners of parent	3,198	351

Consolidated Statements of Comprehensive Income

(Million yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Profit	3,280	470
Other comprehensive income		
Valuation difference on available-for-sale securities	(450)	(1,673)
Foreign currency translation adjustment	301	(307)
Remeasurements of defined benefit plans, net of tax	2,386	1,052
Share of other comprehensive income of entities accounted for using equity method	(24)	(15)
Total other comprehensive income	2,213	(944)
Comprehensive income	5,493	(474)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,487	(564)
Comprehensive income attributable to non-controlling interests	6	89

(3) Consolidated Statements of Cash Flow

(Million yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Cash flows from operating activities		
Profit(loss) before income taxes and non-controlling interests	1,749	(845)
Depreciation	10,474	10,116
Loss on disaster	—	697
Impairment loss	209	124
Decrease (increase) in net defined benefit asset	(149)	632
Increase (decrease) in net defined benefit liability	312	238
Increase (decrease) in provision for directors' retirement benefits	(9)	4
Interest and dividend income	(560)	(622)
Interest expense	1,767	1,372
Loss (gain) on sales of short-term and long-term investment securities	(846)	(1,562)
Loss (gain) on disposal of non-current assets	(1,144)	463
Decrease (increase) in notes and accounts receivable - trade	(29)	8,533
Decrease (increase) in inventories	(1,935)	(1,469)
Increase (decrease) in notes and accounts payable - trade	2,041	4,190
Other, net	2,710	(1,795)
Subtotal	14,589	20,080
Payments for business restructuring cost	(131)	—
Payments for loss on disaster	—	(84)
Interest and dividend income received	566	619
Interest expenses paid	(1,771)	(1,378)
Income taxes paid	(442)	(171)
Net cash provided by (used in) operating activities	12,809	19,066
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(7,822)	(10,223)
Proceeds from sales of property, plant and equipment and intangible assets	1,872	12
Purchase of investment securities	(25)	(22)
Proceeds from sales of investment securities	1,136	2,633
Purchase of shares of subsidiaries and associates	(0)	—
Payments of loans receivable	(902)	(1,035)
Collection of loans receivable	23	14
Other, net	(276)	(359)
Net cash provided by (used in) investing activities	(5,994)	(8,979)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	1	(1,370)
Net increase (decrease) in commercial paper	3,000	4,000
Proceeds from long-term loans payable	7,740	2,775
Repayments of long-term loans payable	(17,441)	(19,618)
Repayments of lease obligations	(362)	(374)
Proceeds from issuance of common stock	—	7,610
Proceeds from share issuance to non-controlling shareholders	48	—
Purchase of treasury shares	(1)	(1)
Dividends paid	—	(170)
Dividends paid to non-controlling interests	(237)	(112)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(854)	(922)
Net cash provided by (used in) financing activities	(8,107)	(8,185)
Effect of exchange rate change on cash and cash equivalents	196	(28)
Net increase (decrease) in cash and cash equivalents	(1,096)	1,873
Cash and cash equivalents at beginning of period	10,840	9,744
Cash and cash equivalents at end of period	9,744	11,617