

## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2019 (unaudited)

Company name: Mitsubishi Paper Mills Limited  
 Stock exchange listing: Tokyo Stock Exchange  
 Code number: 3864  
 URL: <https://www.mpm.co.jp/>  
 Representative: Yukihiro Tachifuji, 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, 2019 (April 1, 2019 to June 30, 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	%
Three months ended June 30, 2019	48,098	(3.5)	(599)	-	(789)	-	(1,181)	-
June 30, 2018	49,823	1.1	(1,279)	-	(1,303)	-	(1,615)	-

(Note) Comprehensive income: Three months ended June 30, 2019: ¥(1,738) million [-%]

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

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2019	(26.46)		-	
June 30, 2018	(47.26)		-	

### (2) Consolidated Financial Condition

	Total assets		Net assets		Equity ratio	
	Million yen		Million yen		%	
As of June 30, 2019	232,579		64,975		27.7	
As of March 31, 2019	232,758		67,004		28.5	

(Reference) Equity: As of June 30, 2019: ¥64,360 million

As of March 31, 2019: ¥66,350 million

### 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2019	Yen -	Yen 0.00	Yen -	Yen 5.00	Yen 5.00
Fiscal year ending March 31, 2020	-				
Fiscal year ending March 31, 2020 (Forecast)		0.00	-	5.00	5.00

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

### 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

(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: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: Yes

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, 2019: 44,741,433 shares

March 31, 2019: 44,741,433 shares

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

June 30, 2019: 81,008 shares

March 31, 2019: 80,398 shares

3) Average number of shares during the period:

Three months ended June 30, 2019: 44,660,765 shares

Three months ended June 30, 2018: 34,180,383 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, 2019	As of June 30, 2019
<b>Assets</b>		
Current assets		
Cash and deposits	11,617	9,654
Notes and accounts receivable - trade	37,686	36,683
Merchandise and finished goods	26,021	27,384
Work in process	7,301	8,270
Raw materials and supplies	11,233	12,464
Other	6,003	6,126
Allowance for doubtful accounts	(175)	(169)
Total current assets	99,689	100,414
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	23,945	25,526
Machinery, equipment and vehicles, net	43,465	47,286
Land	21,913	21,942
Construction in progress	9,446	3,579
Other, net	2,420	3,056
Total property, plant and equipment	101,191	101,392
Intangible assets		
Other	1,744	1,732
Total intangible assets	1,744	1,732
Investments and other assets		
Investment securities	17,741	16,809
Other	12,447	12,283
Allowance for doubtful accounts	(54)	(51)
Total investments and other assets	30,133	29,040
Total non-current assets	133,069	132,165
Total assets	232,758	232,579

(Million yen)

	As of March 31, 2019	As of June 30, 2019
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	25,347	25,352
Electronically recorded obligations	5,390	5,555
Short-term loans payable	65,175	67,576
Commercial paper	7,000	11,000
Income taxes payable	366	188
Other	17,580	15,507
Total current liabilities	120,860	125,181
Non-current liabilities		
Long-term loans payable	32,855	30,211
Net defined benefit liability	8,718	8,603
Asset retirement obligations	882	883
Other	2,436	2,724
Total non-current liabilities	44,893	42,422
Total liabilities	165,754	167,604
<b>Net assets</b>		
Shareholders' equity		
Capital stock	36,561	36,561
Capital surplus	9,682	9,682
Retained earnings	13,145	11,735
Treasury shares	(150)	(150)
Total shareholders' equity	59,240	57,829
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,635	2,904
Foreign currency translation adjustment	1,209	1,155
Remeasurements of defined benefit plans	2,265	2,470
Total accumulated other comprehensive income	7,110	6,530
Non-controlling interests	654	615
Total net assets	67,004	64,975
Total liabilities and net assets	232,758	232,579

(2) Consolidated Statements of Income and Comprehensive Income  
Consolidated Statements of Income  
Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2018	For the three months ended June 30, 2019
Net sales	49,823	48,098
Cost of sales	43,565	41,662
Gross profit	6,258	6,435
Selling, general and administrative expenses	7,538	7,035
Operating loss	(1,279)	(599)
Non-operating income		
Interest income	16	13
Dividend income	296	233
Foreign exchange gains	173	—
Other	128	124
Total non-operating income	615	371
Non-operating expenses		
Interest expenses	380	264
Advisory fee	142	—
Foreign exchange losses	—	183
Other	116	113
Total non-operating expenses	639	561
Ordinary loss	(1,303)	(789)
Extraordinary income		
Gain on disposal of non-current assets	3	3
Gain on sales of investment securities	0	47
Other	—	0
Total extraordinary income	3	51
Extraordinary losses		
Loss on disposal of non-current assets	128	198
Other	0	95
Total extraordinary losses	128	294
Loss before income taxes	(1,427)	(1,032)
Income taxes	226	138
Loss	(1,654)	(1,170)
Profit (loss) attributable to non-controlling interests	(39)	10
Loss attributable to owners of parent	(1,615)	(1,181)

Consolidated Statements of Comprehensive Income

Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2018	For the three months ended June 30, 2019
Loss	(1,654)	(1,170)
Other comprehensive income		
Valuation difference on available-for-sale securities	(101)	(730)
Foreign currency translation adjustment	(245)	(55)
Remeasurements of defined benefit plans, net of tax	117	218
Share of other comprehensive income of entities accounted for using equity method	(53)	(0)
Total other comprehensive income	(282)	(568)
Comprehensive income	(1,937)	(1,738)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,868)	(1,761)
Comprehensive income attributable to non-controlling interests	(68)	22