

## Summary of Consolidated Financial Results for the Fiscal year Ended March 31, 2020 (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  
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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, 2020 (April 1, 2019 to March 31, 2020)

(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, 2020	194,575	(4.6)	1,976	-	2,696	-	801	128.3
March 31, 2019	203,997	1.2	(40)	-	(914)	-	351	(89.0)

(Note) Comprehensive income: Fiscal year ended March 31, 2020: ¥ (4,510) million [-%]  
 Fiscal year ended March 31, 2019: ¥ (474) million [-%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Fiscal year ended March 31, 2020	17.96		-	
March 31, 2019	10.04		-	

(2) Consolidated Financial Condition

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of March 31, 2020	212,217	60,527	28.5
As of March 31, 2019	232,758	67,004	28.5

(Reference) Equity: As of March 31, 2020: ¥60,525 million  
 As of March 31, 2019: ¥66,350 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, 2020	9,976	(6,571)	(5,655)	9,260
March 31, 2019	19,066	(8,979)	(8,185)	11,617

### 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, 2019	Yen -	Yen 0.00	Yen -	Yen 5.00	Million yen 223	% 49.8	% 0.3
Fiscal year ended March 31, 2020	Yen -	Yen 0.00	Yen -	Yen 5.00	Million yen 223	% 27.8	% 0.4
Fiscal year ending March 31, 2021 (Forecast)	Yen -	Yen -	Yen -	Yen -	-	% -	% -

(Note) Year-end dividend for Fiscal year ending March 31, 2021 has yet to be determined.

### **3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2021 (April 1, 2020 to March 31, 2021)**

It is not possible at this stage to accurately and reasonably calculate the impact of the coronavirus pandemic. Therefore, the consolidated financial outlook for the fiscal year ending in March 2021 has yet to be finalized. The financial outlook will be announced as soon as it is possible to do so.

#### **\* 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: Yes
  - 2) Changes in accounting policies other than 1) above: None
  - 3) Changes in accounting estimates: Yes
  - 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, 2020: 44,741,433 shares  
March 31, 2019: 44,741,433 shares
  - 2) Total number of treasury shares at the end of the period:  
March 31, 2020: 82,401 shares  
March 31, 2019: 80,398 shares
  - 3) Average number of shares during the period:  
Fiscal year ended March 31, 2020: 44,660,027 shares  
Fiscal year ended March 31, 2019: 34,985,677 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, 2019	As of March 31, 2020
<b>Assets</b>		
Current assets		
Cash and deposits	11,617	9,260
Notes and accounts receivable - trade	37,686	31,358
Merchandise and finished goods	26,021	30,138
Work in process	7,301	7,066
Raw materials and supplies	11,233	11,278
Other	6,003	3,629
Allowance for doubtful accounts	(175)	(157)
Total current assets	99,689	92,576
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	23,945	24,459
Machinery, equipment and vehicles, net	43,465	43,816
Land	21,913	21,898
Leased assets, net	997	1,568
Construction in progress	9,446	467
Other, net	1,423	1,498
Total property, plant and equipment	101,191	93,708
Intangible assets		
Other	1,744	409
Total intangible assets	1,744	409
Investments and other assets		
Investment securities	17,741	15,763
Long-term loans receivable	2,118	2,115
Net defined benefit asset	5,331	962
Deferred tax assets	2,965	4,318
Other	2,031	2,437
Allowance for doubtful accounts	(54)	(74)
Total investments and other assets	30,133	25,523
Total non-current assets	133,069	119,641
Total assets	232,758	212,217

(Million yen)

	As of March 31, 2019	As of March 31, 2020
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	25,347	22,082
Electronically recorded obligations	5,390	3,934
Short-term loans payable	65,175	64,267
Commercial paper	7,000	4,000
Lease obligations	367	334
Accrued expenses	7,185	6,509
Income taxes payable	366	431
Other	10,027	3,960
Total current liabilities	120,860	105,519
Non-current liabilities		
Long-term loans payable	32,855	33,495
Lease obligations	424	901
Deferred tax liabilities	696	119
Provision for directors' retirement benefits	60	50
Net defined benefit liability	8,718	9,423
Asset retirement obligations	882	883
Other	1,254	1,293
Total non-current liabilities	44,893	46,169
<b>Total liabilities</b>	<b>165,754</b>	<b>151,689</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	36,561	36,561
Capital surplus	9,682	8,555
Retained earnings	13,145	13,719
Treasury shares	(150)	(152)
Total shareholders' equity	59,240	58,684
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,635	1,206
Foreign currency translation adjustment	1,209	1,095
Remeasurements of defined benefit plans	2,265	(461)
Total accumulated other comprehensive income	7,110	1,840
Non-controlling interests	654	2
<b>Total net assets</b>	<b>67,004</b>	<b>60,527</b>
<b>Total liabilities and net assets</b>	<b>232,758</b>	<b>212,217</b>

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

## Consolidated Statements of Income

(Million yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Net sales	203,997	194,575
Cost of sales	174,602	164,492
Gross profit	29,394	30,082
Selling, general and administrative expenses	29,435	28,105
Operating income(loss)	(40)	1,976
Non-operating income		
Interest income	54	55
Dividend income	567	486
Share of profit of entities accounted for using equity method	-	1,196
Foreign exchange gains	89	-
Royalty income	168	120
Other	424	445
Total non-operating income	1,305	2,305
Non-operating expenses		
Interest expenses	1,372	991
Foreign exchange losses	-	167
Advisory fee	275	0
Other	530	426
Total non-operating expenses	2,178	1,585
Ordinary income(loss)	(914)	2,696
Extraordinary income		
Subsidy income	146	1,740
Gain on disposal of non-current assets	9	14
Gain on sales of investment securities	1,562	123
Insurance income	408	220
Other	0	59
Total extraordinary income	2,127	2,158
Extraordinary losses		
Loss on disposal of non-current assets	472	629
Loss on tax purpose reduction entry of non-current assets	-	1,740
Special retirement expenses	576	-
Loss on disaster	697	168
Impairment loss	124	1,159
Other	187	155
Total extraordinary losses	2,058	3,854
Profit (Loss) before income taxes and non-controlling interests	(845)	1,000
Income taxes	(1,315)	256
Profit	470	743
Profit (loss) attributable to non-controlling interests	118	(58)
Profit attributable to owners of parent	351	801

## Consolidated Statements of Comprehensive Income

(Million yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Profit	470	743
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,673)	(2,428)
Foreign currency translation adjustment	(307)	(121)
Remeasurements of defined benefit plans, net of tax	1,052	(2,692)
Share of other comprehensive income of entities accounted for using equity method	(15)	(11)
Total other comprehensive income	(944)	(5,254)
Comprehensive income	(474)	(4,510)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(564)	(4,467)
Comprehensive income attributable to non-controlling interests	89	(42)

## (3) Consolidated Statements of Cash Flow

(Million yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
<b>Cash flows from operating activities</b>		
Profit(loss) before income taxes and non-controlling interests	(845)	1,000
Depreciation	10,116	9,824
Loss on disaster	697	168
Impairment loss	124	1,159
Decrease (increase) in net defined benefit asset	632	1,210
Increase (decrease) in net defined benefit liability	238	340
Increase (decrease) in provision for directors' retirement benefits	4	(10)
Interest and dividend income	(622)	(542)
Share of loss (profit) of entities accounted for using equity method	142	(1,196)
Interest expense	1,372	991
Loss (gain) on sales of short-term and long-term investment securities	(1,562)	(123)
Loss (gain) on disposal of non-current assets	463	615
Loss on tax purpose reduction entry of non-current assets	-	1,740
Subsidy income	(146)	(1,740)
Decrease (increase) in notes and accounts receivable - trade	8,533	6,229
Decrease (increase) in inventories	(1,469)	(4,273)
Increase (decrease) in notes and accounts payable - trade	4,190	(4,537)
Other, net	(1,937)	(1,018)
Subtotal	19,933	9,837
Subsidies received	146	885
Payments for loss on disaster	(84)	(213)
Interest and dividend income received	619	552
Interest expenses paid	(1,378)	(998)
Income taxes paid	(171)	(87)
Net cash provided by (used in) operating activities	19,066	9,976
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(10,223)	(7,243)
Proceeds from sales of property, plant and equipment and intangible assets	12	139
Purchase of investment securities	(22)	(33)
Proceeds from sales of investment securities	2,633	416
Payments of loans receivable	(1,035)	(450)
Collection of loans receivable	14	822
Other, net	(359)	(222)
Net cash provided by (used in) investing activities	(8,979)	(6,571)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	(1,370)	(52)
Net increase (decrease) in commercial paper	4,000	(3,000)
Proceeds from long-term loans payable	2,775	16,000
Repayments of long-term loans payable	(19,618)	(16,075)
Repayments of lease obligations	(374)	(570)
Proceeds from issuance of common stock	7,610	-
Dividends paid	(170)	(223)
Purchase of treasury shares	(1)	(0)
Proceeds from sales of treasury shares	-	0
Dividends paid to non-controlling interests	(112)	(58)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(922)	(1,673)
Net cash provided by (used in) financing activities	(8,185)	(5,655)
Effect of exchange rate change on cash and cash equivalents	(28)	(106)
Net increase (decrease) in cash and cash equivalents	1,873	(2,356)
Cash and cash equivalents at beginning of period	9,744	11,617
Cash and cash equivalents at end of period	11,617	9,260