

Summary of Consolidated Financial Results for the Six Months Ended September 30, 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 Six Months Ended September 30, 2020

(April 1, 2020 to September 30, 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	%
Six months ended September 30, 2020	78,672	(19.2)	(2,386)	-	(2,128)	-	(2,365)	-
September 30, 2019	97,333	(2.9)	512	-	483	-	93	-

(Note) Comprehensive income: Six months ended September 30, 2020: ¥(1,720) million [-%]

Six months ended September 30, 2019: ¥(288) million [-%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2020	(52.96)		-	
September 30, 2019	2.09		-	

(2) Consolidated Financial Condition

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2020	215,912	58,588	27.1
As of March 31, 2020	212,217	60,527	28.5

(Reference) Equity: As of September 30, 2020: ¥58,573 million

As of March 31, 2020: ¥60,525 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2020	-	0.00	-	5.00	5.00
Fiscal year ending March 31, 2021	-	0.00			
Fiscal year ending March 31, 2021 (Forecast)			-	-	-

(Note) Revision to the forecast for dividends announced most recently: Yes

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)**

(% 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
	165,000	(15.2)	(1,000)	-	0	(100.0)	(1,000)	-	(22.39)

(Note) Revision to the financial results forecast announced most recently: Yes

*** 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: 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):

September 30, 2020: 44,741,433 shares

March 31, 2020: 44,741,433 shares

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

September 30, 2020: 83,016 shares

March 31, 2020: 82,401 shares

3) Average number of shares during the period:

Six months ended September 30, 2020: 44,658,784 shares

Six months ended September 30, 2019: 44,660,452 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, 2020	As of September 30, 2020
Assets		
Current assets		
Cash and deposits	9,260	10,747
Notes and accounts receivable - trade	31,358	34,853
Merchandise and finished goods	30,138	27,455
Work in process	7,066	7,048
Raw materials and supplies	11,278	12,004
Other	3,629	4,046
Allowance for doubtful accounts	(157)	(142)
Total current assets	92,576	96,013
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	24,459	23,796
Machinery, equipment and vehicles, net	43,816	41,955
Land	21,898	21,788
Construction in progress	467	817
Other, net	3,066	2,879
Total property, plant and equipment	93,708	91,238
Intangible assets		
Other	409	1,651
Total intangible assets	409	1,651
Investments and other assets		
Investment securities	15,763	17,377
Other	9,833	9,704
Allowance for doubtful accounts	(74)	(74)
Total investments and other assets	25,523	27,008
Total non-current assets	119,641	119,898
Total assets	212,217	215,912

(Million yen)

	As of March 31, 2020	As of September 30, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	22,082	16,861
Electronically recorded obligations	3,934	3,608
Short-term loans payable	64,267	64,880
Commercial paper	4,000	14,000
Income taxes payable	431	327
Other	10,804	11,060
Total current liabilities	105,519	110,737
Non-current liabilities		
Long-term loans payable	33,495	32,997
Net defined benefit liability	9,423	9,320
Asset retirement obligations	883	884
Other	2,366	3,383
Total non-current liabilities	46,169	46,585
Total liabilities	151,689	157,323
Net assets		
Shareholders' equity		
Capital stock	36,561	36,561
Capital surplus	8,555	8,555
Retained earnings	13,719	11,135
Treasury shares	(152)	(152)
Total shareholders' equity	58,684	56,100
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,206	2,015
Foreign currency translation adjustment	1,095	910
Remeasurements of defined benefit plans	(461)	(452)
Total accumulated other comprehensive income	1,840	2,473
Non-controlling interests	2	15
Total net assets	60,527	58,588
Total liabilities and net assets	212,217	215,912

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income
Six Months Ended September 30

(Million yen)

	For the six months ended September 30,2019	For the six months ended September 30,2020
Net sales	97,333	78,672
Cost of sales	82,816	68,702
Gross profit	14,516	9,969
Selling, general and administrative expenses	14,004	12,356
Operating income(loss)	512	(2,386)
Non-operating income		
Interest income	27	19
Dividend income	257	293
Share of profit of entities accounted for using equity method	475	529
Other	275	207
Total non-operating income	1,035	1,049
Non-operating expenses		
Interest expenses	516	390
Foreign exchange losses	298	93
Loss for ship lease	-	164
Other	249	142
Total non-operating expenses	1,064	791
Ordinary income(loss)	483	(2,128)
Extraordinary income		
Gain on disposal of non-current assets	5	11
Gain on sales of investment securities	47	6
Compensation income	19	-
Other	0	-
Total extraordinary income	71	17
Extraordinary losses		
Loss on disposal of non-current assets	552	286
Other	61	68
Total extraordinary losses	614	355
loss before income taxes	(59)	(2,465)
Income taxes	(132)	(112)
Profit (loss)	73	(2,353)
Profit (loss) attributable to non-controlling interests	(19)	11
Profit (loss) attributable to owners of parent	93	(2,365)

Consolidated Statements of Comprehensive Income
Six Months Ended September 30

(Million yen)

	For the six months ended September 30,2019	For the six months ended September 30,2020
Profit (loss)	73	(2,353)
Other comprehensive income		
Valuation difference on available-for-sale securities	(657)	810
Foreign currency translation adjustment	(113)	(172)
Remeasurements of defined benefit plans, net of tax	433	8
Share of other comprehensive income of entities accounted for using equity method	(24)	(13)
Total other comprehensive income	(361)	632
Comprehensive income	(288)	(1,720)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(277)	(1,732)
Comprehensive income attributable to non-controlling interests	(10)	12