

Summary of Consolidated Financial Results for the Fiscal year Ended March 31, 2021 (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, 2021

(April 1, 2020 to March 31, 2021)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2021	162,325	(16.6)	(1,770)	-	(636)	-	(2,532)	-
March 31, 2020	194,575	(4.6)	1,976	-	2,696	-	801	128.3

(Note) Comprehensive income: Fiscal year ended March 31, 2021: ¥2,594 million [-%]
Fiscal year ended March 31, 2020: ¥(4,510) million [-%]

	Earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2021	(56.72)	-
March 31, 2020	17.96	-

(2) Consolidated Financial Condition

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of March 31, 2021	209,438	62,902	30.0
As of March 31, 2020	212,217	60,527	28.5

(Reference) Equity: As of March 31, 2021: ¥62,898 million
As of March 31, 2020: ¥60,525 million

(3) Consolidated Cash Flow

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2021	13,014	(2,098)	(4,512)	15,701
March 31, 2020	9,976	(6,571)	(5,655)	9,260

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	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2020	-	0.00	-	5.00	223	27.8	0.4
March 31, 2021	-	0.00	-	0.00	-	-	-
March 31, 2022 (Forecast)	-	0.00	-	5.00		8.9	

**3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022
(April 1, 2021 to March 31, 2022)**

(% 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
	175,000	7.8	3,000	-	4,000	-	2,500	-	55.98

*** 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):

March 31, 2021: 44,741,433 shares

March 31, 2020: 44,741,433 shares

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

March 31, 2021: 83,756 shares

March 31, 2020: 82,401 shares

3) Average number of shares during the period:

Fiscal year ended March 31, 2021: 44,658,368 shares

Fiscal year ended March 31, 2020: 44,660,027 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 March 31, 2021
Assets		
Current assets		
Cash and deposits	9,260	15,701
Notes and accounts receivable - trade	31,358	28,797
Merchandise and finished goods	30,138	23,433
Work in process	7,066	6,758
Raw materials and supplies	11,278	10,230
Other	3,629	4,123
Allowance for doubtful accounts	(157)	(430)
Total current assets	92,576	88,614
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	24,459	22,814
Machinery, equipment and vehicles, net	43,816	41,137
Land	21,898	21,619
Leased assets, net	1,568	1,411
Construction in progress	467	465
Other, net	1,498	1,485
Total property, plant and equipment	93,708	88,934
Intangible assets		
Other	409	1,590
Total intangible assets	409	1,590
Investments and other assets		
Investment securities	15,763	20,231
Long-term loans receivable	2,115	1,665
Net defined benefit asset	962	4,687
Deferred tax assets	4,318	2,548
Other	2,437	1,240
Allowance for doubtful accounts	(74)	(74)
Total investments and other assets	25,523	30,298
Total non-current assets	119,641	120,823
Total assets	212,217	209,438

(Million yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	22,082	18,577
Electronically recorded obligations	3,934	3,137
Short-term loans payable	64,267	59,150
Commercial paper	4,000	7,000
Lease obligations	334	360
Accrued expenses	6,509	6,129
Income taxes payable	431	361
Other	3,960	5,825
Total current liabilities	105,519	100,542
Non-current liabilities		
Long-term loans payable	33,495	31,772
Lease obligations	901	794
Deferred tax liabilities	119	469
Provision for directors' retirement benefits	50	54
Net defined benefit liability	9,423	9,664
Asset retirement obligations	883	884
Other	1,293	2,352
Total non-current liabilities	46,169	45,993
Total liabilities	151,689	146,535
Net assets		
Shareholders' equity		
Capital stock	36,561	36,561
Capital surplus	8,555	8,555
Retained earnings	13,719	10,967
Treasury shares	(152)	(152)
Total shareholders' equity	58,684	55,932
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,206	3,942
Foreign currency translation adjustment	1,095	910
Remeasurements of defined benefit plans	(461)	2,112
Total accumulated other comprehensive income	1,840	6,965
Non-controlling interests	2	4
Total net assets	60,527	62,902
Total liabilities and net assets	212,217	209,438

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

(Million yen)

	Fiscal year ended March 31,2020	Fiscal year ended March 31,2021
Net sales	194,575	162,325
Cost of sales	164,492	139,740
Gross profit	30,082	22,584
Selling, general and administrative expenses	28,105	24,355
Operating income(loss)	1,976	(1,770)
Non-operating income		
Interest income	55	36
Dividend income	486	505
Share of profit of entities accounted for using equity method	1,196	1,196
Foreign exchange gains	-	263
Other	566	489
Total non-operating income	2,305	2,492
Non-operating expenses		
Interest expenses	991	773
Loss for ship lease	-	259
Foreign exchange losses	167	-
Other	426	365
Total non-operating expenses	1,585	1,359
Ordinary income(loss)	2,696	(636)
Extraordinary income		
Gain on disposal of non-current assets	14	15
Gain on sales of investment securities	123	567
Insurance income	220	140
Subsidy income	1,740	-
Other	59	0
Total extraordinary income	2,158	723
Extraordinary losses		
Loss on disposal of non-current assets	629	489
Impairment loss	1,159	987
Provision of allowance for doubtful accounts for subsidiaries and associates	-	285
Loss on valuation of shares of subsidiaries and associates	-	222
Loss on tax purpose reduction entry of non-current assets	1,740	-
Loss on disaster	168	-
Other	155	79
Total extraordinary losses	3,854	2,065
Profit (loss) before income taxes	1,000	(1,977)
Income taxes	256	554
Profit (loss)	743	(2,532)
Profit (loss) attributable to non-controlling interests	(58)	0
Profit (loss) attributable to owners of parent	801	(2,532)

Consolidated Statements of Comprehensive Income

(Million yen)

	Fiscal year ended March 31,2020	Fiscal year ended March 31,2021
Profit (loss)	743	(2,532)
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,428)	2,739
Foreign currency translation adjustment	(121)	(146)
Remeasurements of defined benefit plans, net of tax	(2,692)	2,574
Share of other comprehensive income of entities accounted for using equity method	(11)	(40)
Total other comprehensive income	(5,254)	5,126
Comprehensive income	(4,510)	2,594
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(4,467)	2,592
Comprehensive income attributable to non-controlling interests	(42)	1

(3) Consolidated Statements of Cash Flow

(Million yen)

	Fiscal year ended March 31,2020	Fiscal year ended March 31,2021
Cash flows from operating activities		
Profit (loss) before income taxes	1,000	(1,977)
Depreciation	9,824	9,031
Loss on disaster	168	-
Impairment loss	1,159	987
Decrease (increase) in net defined benefit asset	1,210	(625)
Increase (decrease) in net defined benefit liability	340	519
Increase (decrease) in provision for directors' retirement benefits	(10)	3
Interest and dividend income	(542)	(542)
Share of loss (profit) of entities accounted for using equity method	(1,196)	(1,196)
Interest expense	991	733
Loss (gain) on sales of short-term and long-term investment securities	(123)	(551)
Loss (gain) on disposal of non-current assets	615	473
Loss on tax purpose reduction entry of non-current assets	1,740	-
Subsidy income	(1,740)	-
Decrease (increase) in notes and accounts receivable - trade	6,229	2,470
Decrease (increase) in inventories	(4,273)	8,175
Increase (decrease) in notes and accounts payable - trade	(4,537)	(4,193)
Other, net	(1,018)	323
Subtotal	9,837	13,631
Subsidies received	885	300
Payments for loss on disaster	(213)	(8)
Interest and dividend income received	552	771
Interest expenses paid	(998)	(742)
Income taxes paid	(87)	(937)
Net cash provided by (used in) operating activities	9,976	13,014
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(7,243)	(3,931)
Proceeds from sales of property, plant and equipment and intangible assets	139	164
Purchase of investment securities	(33)	(19)
Proceeds from sales of investment securities	416	897
Payments of loans receivable	(450)	(0)
Collection of loans receivable	822	450
Other, net	(222)	339
Net cash provided by (used in) investing activities	(6,571)	(2,098)

(Million yen)

	Fiscal year ended March 31,2020	Fiscal year ended March 31,2021
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(52)	(3,853)
Net increase (decrease) in commercial paper	(3,000)	3,000
Proceeds from long-term loans payable	16,000	12,580
Repayments of long-term loans payable	(16,075)	(15,663)
Repayments of lease obligations	(570)	(350)
Dividends paid	(223)	(223)
Purchase of treasury shares	(0)	(0)
Proceeds from sales of treasury shares	0	-
Dividends paid to non-controlling interests	(58)	(0)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(1,673)	-
Net cash provided by (used in) financing activities	(5,655)	(4,512)
Effect of exchange rate change on cash and cash equivalents	(106)	37
Net increase (decrease) in cash and cash equivalents	(2,356)	6,440
Cash and cash equivalents at beginning of period	11,617	9,260
Cash and cash equivalents at end of period	9,260	15,701