

Summary of Consolidated Financial Results for the Three Months Ended June 30, 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 Three Months Ended June 30, 2021

(April 1, 2021 to June 30, 2021)

(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, 2021	41,746	1.4	(1)	-	335	-	(1,161)	-
June 30, 2020	41,173	(14.4)	(1,479)	-	(1,236)	-	(1,661)	-

(Note) Comprehensive income: Three months ended June 30, 2021: ¥(580) million [-%]

Three months ended June 30, 2020: ¥(1,256) million [-%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2021	(26.01)	-
June 30, 2020	(37.21)	-

(2) Consolidated Financial Condition

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2021	208,555	62,151	29.8
As of March 31, 2021	209,438	62,902	30.0

(Reference) Equity: As of June 30, 2021: ¥62,148 million

As of March 31, 2021: ¥62,898 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, 2021	-	0.00	-	0.00	0.00
Fiscal year ending March 31, 2022	-				
Fiscal year ending March 31, 2022 (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, 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

(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, 2021: 44,741,433 shares

March 31, 2021: 44,741,433 shares

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

June 30, 2021: 83,973 shares

March 31, 2021: 83,756 shares

3) Average number of shares during the period:

Three months ended June 30, 2021: 44,657,546 shares

Three months ended June 30, 2020: 44,658,968 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, 2021	As of June 30, 2021
Assets		
Current assets		
Cash and deposits	15,701	9,342
Notes and accounts receivable - trade	28,797	-
Notes and accounts receivable - trade, and contract assets	-	33,553
Merchandise and finished goods	23,433	23,928
Work in process	6,758	6,846
Raw materials and supplies	10,230	10,222
Other	4,123	5,085
Allowance for doubtful accounts	(430)	(427)
Total current assets	88,614	88,552
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	22,814	22,483
Machinery, equipment and vehicles, net	41,137	40,057
Land	21,619	21,673
Construction in progress	465	1,418
Other, net	2,896	2,865
Total property, plant and equipment	88,934	88,499
Intangible assets		
Other	1,590	1,669
Total intangible assets	1,590	1,669
Investments and other assets		
Investment securities	20,231	20,401
Other	10,141	9,487
Allowance for doubtful accounts	(74)	(55)
Total investments and other assets	30,298	29,833
Total non-current assets	120,823	120,002
Total assets	209,438	208,555

(Million yen)

	As of March 31, 2021	As of June 30, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	18,577	18,026
Electronically recorded obligations	3,137	3,281
Short-term loans payable	59,150	59,164
Commercial paper	7,000	7,000
Income taxes payable	361	253
Other	12,315	12,567
Total current liabilities	100,542	100,293
Non-current liabilities		
Long-term loans payable	31,772	31,760
Net defined benefit liability	9,664	9,807
Asset retirement obligations	884	884
Other	3,671	3,657
Total non-current liabilities	45,993	46,109
Total liabilities	146,535	146,403
Net assets		
Shareholders' equity		
Capital stock	36,561	36,561
Capital surplus	8,555	6,488
Retained earnings	10,967	11,704
Treasury shares	(152)	(152)
Total shareholders' equity	55,932	54,601
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,942	4,365
Foreign currency translation adjustment	910	1,064
Remeasurements of defined benefit plans	2,112	2,117
Total accumulated other comprehensive income	6,965	7,546
Non-controlling interests	4	3
Total net assets	62,902	62,151
Total liabilities and net assets	209,438	208,555

(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 30,2020	For the Three months ended June 30,2021
Net sales	41,173	41,746
Cost of sales	36,498	35,496
Gross profit	4,674	6,250
Selling, general and administrative expenses	6,154	6,251
Operating loss	(1,479)	(1)
Non-operating income		
Interest income	9	6
Dividend income	262	288
Share of profit of entities accounted for using equity method	189	157
Foreign exchange gains	-	39
Other	82	88
Total non-operating income	543	580
Non-operating expenses		
Interest expenses	200	154
Foreign exchange losses	41	-
Other	59	89
Total non-operating expenses	300	243
Ordinary income(loss)	(1,236)	335
Extraordinary income		
Gain on disposal of non-current assets	7	1
Other	0	0
Total extraordinary income	7	1
Extraordinary losses		
Loss on disposal of non-current assets	201	126
Loss on valuation of investment securities	-	646
Other	28	240
Total extraordinary losses	229	1,013
loss before income taxes	(1,459)	(677)
Income taxes	202	484
loss	(1,661)	(1,161)
Profit attributable to non-controlling interests	0	0
loss attributable to owners of parent	(1,661)	(1,161)

Consolidated Statements of Comprehensive Income
Three Months Ended June 30

	(Million yen)	
	For the Three months ended June 30,2020	For the Three months ended June 30,2021
loss	(1,661)	(1,161)
Other comprehensive income		
Valuation difference on available-for-sale securities	543	420
Foreign currency translation adjustment	(157)	152
Remeasurements of defined benefit plans, net of tax	24	4
Share of other comprehensive income of entities accounted for using equity method	(5)	2
Total other comprehensive income	405	580
Comprehensive income	(1,256)	(580)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,257)	(581)
Comprehensive income attributable to non-controlling interests	0	0