

Summary of Consolidated Financial Results for the Six Months Ended September 30, 2018 (unaudited)

Company name: Mitsubishi Paper Mills Limited
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 3864
 URL: <http://www.mpm.co.jp/>
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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, 2018 (April 1, 2018 to September 30, 2018)

(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, 2018	100,223	0.8	(961)	-	(1,014)	-	(1,161)	-
September 30, 2017	99,415	(1.0)	303	(84.7)	313	(37.4)	(418)	-

(Note) Comprehensive income: Six months ended September 30, 2018: ¥(719) million [-%]

Six months ended September 30, 2017: ¥(20) million [-%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2018	(34.00)		-	
September 30, 2017	(12.23)		-	

(2) Consolidated Financial Condition

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2018	231,399	60,162	25.4
As of March 31, 2018	237,379	61,077	25.2

(Reference) Equity: As of September 30, 2018: ¥58,875 million

As of March 31, 2018: ¥59,731 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2018	Yen -	Yen 0.00	Yen -	Yen 5.00	Yen 5.00
Fiscal year ending March 31, 2019	-	0.00			
Fiscal year ending March 31, 2019 (Forecast)			-	-	-

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

Year-end dividend for Fiscal year ending March 31, 2019 has yet to be determined.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2019 (April 1, 2018 to March 31, 2019)

(% 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
	205,000	1.7	1,500	(16.2)	500	(23.4)	500	(84.4)	14.63

(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: None

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

3) Changes in accounting estimates: None

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, 2018: 34,258,433 shares

March 31, 2018: 34,258,433 shares

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

September 30, 2018: 79,265 shares

March 31, 2018: 77,847 shares

3) Average number of shares during the period:

Six months ended September 30, 2018: 34,179,965 shares

Six months ended September 30, 2017: 34,181,641 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, 2018	As of September 30, 2018
Assets		
Current assets		
Cash and deposits	9,744	9,062
Notes and accounts receivable - trade	46,330	40,209
Merchandise and finished goods	27,552	26,940
Work in process	6,707	6,697
Raw materials and supplies	9,729	10,942
Other	4,476	5,184
Allowance for doubtful accounts	(224)	(184)
Total current assets	104,316	98,852
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	25,413	24,604
Machinery, equipment and vehicles, net	47,291	45,326
Land	22,147	22,014
Construction in progress	2,310	4,577
Other, net	2,569	2,466
Total property, plant and equipment	99,732	98,989
Intangible assets		
Other	1,719	1,713
Total intangible assets	1,719	1,713
Investments and other assets		
Investment securities	21,672	21,758
Other	10,007	10,142
Allowance for doubtful accounts	(68)	(56)
Total investments and other assets	31,611	31,844
Total non-current assets	133,063	132,547
Total assets	237,379	231,399

(Million yen)

	As of March 31, 2018	As of September 31, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	26,818	30,642
Short-term loans payable	70,828	69,427
Commercial paper	3,000	3,000
Income taxes payable	397	360
Other	16,164	15,964
Total current liabilities	117,208	119,394
Non-current liabilities		
Long-term loans payable	45,656	38,703
Reserve for loss on dissolution of employee's fund	143	143
Net defined benefit liability	9,328	9,074
Asset retirement obligations	888	882
Other	3,076	3,038
Total non-current liabilities	59,093	51,842
Total liabilities	176,302	171,237
Net assets		
Shareholders' equity		
Capital stock	32,756	32,756
Capital surplus	6,132	6,132
Retained earnings	12,965	11,632
Treasury shares	(148)	(149)
Total shareholders' equity	51,706	50,372
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,204	5,834
Foreign currency translation adjustment	1,511	1,181
Remeasurements of defined benefit plans	1,309	1,487
Total accumulated other comprehensive income	8,025	8,503
Non-controlling interests	1,345	1,286
Total net assets	61,077	60,162
Total liabilities and net assets	237,379	231,399

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

(Million yen)

	For the six months ended September 30, 2017	For the six months ended September 30, 2018
Net sales	99,415	100,223
Cost of sales	83,971	86,233
Gross profit	15,444	13,990
Selling, general and administrative expenses	15,140	14,951
Operating income(loss)	303	(961)
Non-operating income		
Interest income	27	34
Dividend income	267	320
Foreign exchange gains	465	406
Other	374	368
Total non-operating income	1,134	1,129
Non-operating expenses		
Interest expenses	916	760
Other	208	422
Total non-operating expenses	1,124	1,183
Ordinary income(loss)	313	(1,014)
Extraordinary income		
Gain on disposal of non-current assets	166	4
Gain on sales of investment securities	170	501
Other	65	—
Total extraordinary income	402	506
Extraordinary losses		
Loss on disposal of non-current assets	293	377
Loss on disaster	—	589
Impairment loss	—	41
Other	219	22
Total extraordinary losses	512	1,030
Income(Loss) before income taxes and non-controlling interests	203	(1,538)
Income taxes	740	(286)
Loss	(536)	(1,251)
Loss attributable to non-controlling interests	(118)	(89)
Loss attributable to owners of parent	(418)	(1,161)

Consolidated Statements of Comprehensive Income

(Million yen)

	For the six months ended September 30, 2017	For the six months ended September 30, 2018
Loss	(536)	(1,251)
Other comprehensive income		
Valuation difference on available-for-sale securities	829	668
Foreign currency translation adjustment	(5)	(332)
Remeasurements of defined benefit plans, net of tax	(275)	215
Share of other comprehensive income of entities accounted for using equity method	(31)	(19)
Total other comprehensive income	516	531
Comprehensive income	(20)	(719)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12	(684)
Comprehensive income attributable to non-controlling interests	(32)	(35)