

Summary of Consolidated Financial Results for the Six Months Ended September 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 Six Months Ended September 30, 2021

(April 1, 2021 to September 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	%
Six months ended September 30, 2021	85,874	9.2	288	-	740	-	256	-
September 30, 2020	78,672	(19.2)	(2,386)	-	(2,128)	-	(2,365)	-

(Note) Comprehensive income: Six months ended September 30, 2021: ¥1,921 million [-%]

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

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2021	5.74		-	
September 30, 2020	(52.96)		-	

(2) Consolidated Financial Condition

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2021	216,189	64,579	29.9
As of March 31, 2021	209,438	62,902	30.0

(Reference) Equity: As of September 30, 2021: ¥64,556 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	-	0.00			
Fiscal year ending March 31, 2022 (Forecast)			-	5.00	5.00

(Note) Revision to the forecast for dividends announced most recently: No

**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	1,000	-	2,000	-	500	-	11.20

(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: 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):

September 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:

September 30, 2021: 287,884 shares

March 31, 2021: 83,756 shares

3) Average number of shares during the period:

Six months ended September 30, 2021: 44,621,736 shares

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

(Notes) The Company has adopted a BIP (Board Incentive Plan) trust, assuming the number of shares held by the trust are included in the number of treasury stock of “(4) Total number of issued shares (common 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 September 30, 2021
Assets		
Current assets		
Cash and deposits	15,701	9,731
Notes and accounts receivable - trade	28,797	—
Notes and accounts receivable - trade, and contract assets	—	39,996
Merchandise and finished goods	23,433	25,012
Work in process	6,758	7,138
Raw materials and supplies	10,230	10,393
Other	4,123	3,969
Allowance for doubtful accounts	(430)	(430)
Total current assets	88,614	95,810
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	22,814	22,404
Machinery, equipment and vehicles, net	41,137	40,181
Land	21,619	21,693
Construction in progress	465	1,050
Other, net	2,896	2,801
Total property, plant and equipment	88,934	88,132
Intangible assets		
Other	1,590	1,711
Total intangible assets	1,590	1,711
Investments and other assets		
Investment securities	20,231	20,707
Other	10,141	9,858
Allowance for doubtful accounts	(74)	(29)
Total investments and other assets	30,298	30,535
Total non-current assets	120,823	120,379
Total assets	209,438	216,189

(Million yen)

	As of March 31, 2021	As of September 30, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	18,577	22,356
Electronically recorded obligations	3,137	4,156
Short-term loans payable	59,150	60,123
Commercial paper	7,000	10,000
Income taxes payable	361	369
Other	12,315	11,544
Total current liabilities	100,542	108,548
Non-current liabilities		
Long-term loans payable	31,772	28,871
Net defined benefit liability	9,664	9,909
Asset retirement obligations	884	884
Other	3,671	3,396
Total non-current liabilities	45,993	43,062
Total liabilities	146,535	151,610
Net assets		
Shareholders' equity		
Capital stock	36,561	36,561
Capital surplus	8,555	6,488
Retained earnings	10,967	13,121
Treasury shares	(152)	(228)
Total shareholders' equity	55,932	55,943
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,942	5,238
Foreign currency translation adjustment	910	1,243
Remeasurements of defined benefit plans	2,112	2,130
Total accumulated other comprehensive income	6,965	8,612
Non-controlling interests	4	23
Total net assets	62,902	64,579
Total liabilities and net assets	209,438	216,189

(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 30,2020	For the six months ended September 30,2021
Net sales	78,672	85,874
Cost of sales	68,702	72,913
Gross profit	9,969	12,961
Selling, general and administrative expenses	12,356	12,672
Operating income(loss)	(2,386)	288
Non-operating income		
Interest income	19	14
Dividend income	293	312
Share of profit of entities accounted for using equity method	529	391
Foreign exchange gains	—	37
Other	207	167
Total non-operating income	1,049	923
Non-operating expenses		
Interest expenses	390	302
Foreign exchange losses	93	—
Other	307	169
Total non-operating expenses	791	472
Ordinary income(loss)	(2,128)	740
Extraordinary income		
Gain on disposal of non-current assets	11	48
Gain on sales of investment securities	6	687
Other	—	128
Total extraordinary income	17	864
Extraordinary losses		
Loss on disposal of non-current assets	286	199
Loss on valuation of investment securities	29	598
Other	38	276
Total extraordinary losses	355	1,074
Profit (loss) before income taxes	(2,465)	529
Income taxes	(112)	254
Profit (loss)	(2,353)	275
Profit attributable to non-controlling interests	11	19
Profit (loss) attributable to owners of parent	(2,365)	256

Consolidated Statements of Comprehensive Income
Six Months Ended September 30

(Million yen)

	For the six months ended September 30,2020	For the six months ended September 30,2021
Profit (loss)	(2,353)	275
Other comprehensive income		
Valuation difference on available-for-sale securities	810	1,295
Foreign currency translation adjustment	(172)	332
Remeasurements of defined benefit plans, net of tax	8	17
Share of other comprehensive income of entities accounted for using equity method	(13)	1
Total other comprehensive income	632	1,646
Comprehensive income	(1,720)	1,921
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,732)	1,902
Comprehensive income attributable to non-controlling interests	12	19