

## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2016 (unaudited)

Company name: Mitsubishi Paper Mills Limited  
 Stock exchange listing: Tokyo Stock Exchange  
 Code number: 3864  
 URL: <http://www.mpm.co.jp/>  
 Representative: Kunio Suzuki, 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 Nine Months Ended December 31, 2016 (April 1, 2016 to December 31, 2016)

(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	%
Nine months ended December 31, 2016	150,822	(6.7)	3,200	65.4	2,250	110.0	988	1.1
December 31, 2015	161,722	1.7	1,935	-	1,071	-	977	-

(Note) Comprehensive income: Nine months ended December 31, 2016: ¥2,069 million [491.7%]

Nine months ended December 31, 2015: ¥349 million [-%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2016	28.92		-	
December 31, 2015	28.61		-	

\* The Company conducted a reverse stock split to consolidate every ten shares of common stock into one share on October 1, 2016. Earnings per share has been calculated assuming that the reverse stock split was conducted at the beginning of the previous consolidated fiscal year.

### (2) Consolidated Financial Condition

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2016	240,133	53,551	21.2
As of March 31, 2016	241,155	51,492	20.4

(Reference) Equity: As of December 31, 2016: ¥51,028 million

As of March 31, 2016: ¥49,241 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, 2016	-	0.00	-	0.00	0.00
Fiscal year ending March 31, 2017	-	0.00	-		
Fiscal year ending March 31, 2017 (Forecast)				0.00	0.00

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

### 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2017 (April 1, 2016 to March 31, 2017)

(% 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
	207,000	(4.3)	4,500	16.2	2,500	12.8	1,000	(54.9)	29.25

(Note) Revision to the financial results forecast announced most recently: None

\* The Company conducted a reverse stock split to consolidate every ten shares of common stock into one share on October 1, 2016. Accordingly, earnings per share has been calculated factoring in this reverse stock split.

#### \* 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: 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):

December 31, 2016: 34,258,433 shares

March 31, 2016: 34,258,433 shares

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

December 31, 2016: 75,496 shares

March 31, 2016: 73,388 shares

3) Average number of shares during the period:

Nine months ended December 31, 2016: 34,184,398 shares

Nine months ended December 31, 2015: 34,186,362 shares

\* The Company conducted a reverse stock split to consolidate every ten shares of common stock into one share on October 1, 2016. Number of issued shares at the end of the period, number of treasury shares at the end of the period and average number of shares during the period have been calculated assuming that the reverse stock split was conducted at the beginning of the previous consolidated fiscal year.

#### \* Presentation regarding the implementation status of the quarterly review procedures

These quarterly financial results are outside the scope of quarterly review procedures under the Financial Instruments and Exchange Act. At the time of disclosure of these quarterly financial results, review procedures for the quarterly financial statements have not been completed.

#### \* 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.

## Quarterly Consolidated Financial Statements

### (1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2016	As of December 31, 2016
<b>Assets</b>		
Current assets		
Cash and deposits	11,381	13,340
Notes and accounts receivable - trade	48,338	48,768
Merchandise and finished goods	27,458	24,752
Work in process	7,646	6,377
Raw materials and supplies	10,399	10,515
Other	4,870	6,073
Allowance for doubtful accounts	(188)	(233)
Total current assets	109,907	109,595
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	28,350	27,336
Machinery, equipment and vehicles, net	55,571	52,345
Land	22,518	22,106
Construction in progress	535	860
Other, net	2,899	2,501
Total property, plant and equipment	109,875	105,151
Intangible assets		
Other	225	173
Total intangible assets	225	173
Investments and other assets		
Investment securities	18,554	22,537
Other	2,932	2,777
Allowance for doubtful accounts	(338)	(100)
Total investments and other assets	21,147	25,214
Total non-current assets	131,248	130,538
Total assets	241,155	240,133

(Million yen)

	As of March 31, 2016	As of December 31, 2016
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	23,245	27,899
Short-term loans payable	81,176	76,223
Income taxes payable	345	329
Other	13,910	15,271
Total current liabilities	118,677	119,723
Non-current liabilities		
Long-term loans payable	57,443	52,779
Reserve for loss on dissolution of employee's fund	121	121
Net defined benefit liability	9,165	8,890
Asset retirement obligations	884	887
Other	3,370	4,179
Total non-current liabilities	70,985	66,858
Total liabilities	189,663	186,581
Net assets		
Shareholders' equity		
Capital stock	32,756	32,756
Capital surplus	7,456	7,456
Retained earnings	7,447	8,436
Treasury shares	(145)	(146)
Total shareholders' equity	47,514	48,501
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,014	5,185
Foreign currency translation adjustment	1,577	568
Remeasurements of defined benefit plans	(2,864)	(3,227)
Total accumulated other comprehensive income	1,727	2,526
Non-controlling interests	2,250	2,523
Total net assets	51,492	53,551
Total liabilities and net assets	241,155	240,133

(2) Quarterly Consolidated Statements of Income and Comprehensive Income  
Quarterly Consolidated Statements of Income  
Nine Months Ended December 31

(Million yen)

	For the nine months ended December 31, 2015	For the nine months ended December 31, 2016
Net sales	161,722	150,822
Cost of sales	136,395	124,471
Gross profit	25,327	26,350
Selling, general and administrative expenses	23,391	23,149
Operating income	1,935	3,200
Non-operating income		
Interest income	39	32
Dividend income	400	410
Royalty income	184	149
Compensation income	20	211
Foreign exchange gains	67	—
Other	458	269
Total non-operating income	1,170	1,073
Non-operating expenses		
Interest expenses	1,754	1,625
Foreign exchange loss	—	53
Other	279	344
Total non-operating expenses	2,033	2,023
Ordinary income	1,071	2,250
Extraordinary income		
Gain on disposal of non-current assets	1,457	14
Gain on sales of investment securities	0	233
Reversal of allowance for doubtful accounts for subsidiaries and affiliates	197	—
Other	23	63
Total extraordinary income	1,679	311
Extraordinary losses		
Loss on disposal of non-current assets	359	502
Special retirement expenses	263	238
Business restructuring cost	188	135
Other	32	87
Total extraordinary losses	843	963
Income before income taxes	1,907	1,598
Income taxes	917	571
Profit	990	1,026
Profit attributable to non-controlling interests	12	37
Profit attributable to owners of parent	977	988

Quarterly Consolidated Statements of Comprehensive Income

Nine Months Ended December 31

(Million yen)

	For the nine months ended December 31, 2015	For the nine months ended December 31, 2016
Profit	990	1,026
Other comprehensive income		
Valuation difference on available-for-sale securities	(11)	2,477
Foreign currency translation adjustment	(361)	(942)
Remeasurements of defined benefit plans, net of tax	(263)	(303)
Share of other comprehensive income of entities accounted for using equity method	(4)	(187)
Total other comprehensive income	(640)	1,042
Comprehensive income	349	2,069
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	287	1,787
Comprehensive income attributable to non-controlling interests	61	281