Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2018 (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
Contact: Hironori Oikawa, General Manager, Finance & Accounting Dept.
Phone: +81-3-5600-1407

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2018 (April 1, 2018 to December 31, 2018)

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

<table>
<thead>
<tr>
<th></th>
<th>Net sales</th>
<th>Operating income</th>
<th>Ordinary income</th>
<th>Profit attributable to owners of parent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nine months ended</td>
<td>Million yen</td>
<td>%</td>
<td>Million yen</td>
<td>%</td>
</tr>
<tr>
<td>December 31, 2018</td>
<td>152,536</td>
<td>1.3</td>
<td>(1,268)</td>
<td>-</td>
</tr>
<tr>
<td>December 31, 2017</td>
<td>150,559</td>
<td>(0.2)</td>
<td>863</td>
<td>(73.0)</td>
</tr>
</tbody>
</table>

(Note) Comprehensive income: Nine months ended December 31, 2018: ¥(5,035) million [-%]
Nine months ended December 31, 2017: ¥1,110 million [(46.4)%]

<table>
<thead>
<tr>
<th></th>
<th>Earnings per share</th>
<th>Diluted earnings per share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nine months ended</td>
<td>Yen</td>
<td>Yen</td>
</tr>
<tr>
<td>December 31, 2018</td>
<td>(86.30)</td>
<td>-</td>
</tr>
<tr>
<td>December 31, 2017</td>
<td>(8.41)</td>
<td>-</td>
</tr>
</tbody>
</table>

(2) Consolidated Financial Condition

<table>
<thead>
<tr>
<th></th>
<th>Total assets</th>
<th>Net assets</th>
<th>Equity ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Million yen</td>
<td>Million yen</td>
<td>%</td>
</tr>
<tr>
<td>As of December 31, 2018</td>
<td>230,097</td>
<td>55,846</td>
<td>23.8</td>
</tr>
<tr>
<td>As of March 31, 2018</td>
<td>237,379</td>
<td>61,077</td>
<td>25.2</td>
</tr>
</tbody>
</table>

(Reference) Equity: As of December 31, 2018: ¥54,739 million
As of March 31, 2018: ¥59,731 million

2. Dividends

<table>
<thead>
<tr>
<th></th>
<th>Annual dividends</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1st quarter-end</td>
</tr>
<tr>
<td>Fiscal year ended March 31, 2018</td>
<td>Yen</td>
</tr>
<tr>
<td>Fiscal year ending March 31, 2019</td>
<td>-</td>
</tr>
<tr>
<td>Fiscal year ending March 31, 2019 (Forecast)</td>
<td>-</td>
</tr>
</tbody>
</table>

(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.)

<table>
<thead>
<tr>
<th></th>
<th>Net sales</th>
<th>Operating income</th>
<th>Ordinary income</th>
<th>Profit attributable to owners of parent</th>
<th>Earnings per share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full year</td>
<td>Million yen %</td>
<td>Million yen %</td>
<td>Million yen %</td>
<td>Million yen %</td>
<td>Million yen %</td>
</tr>
<tr>
<td></td>
<td>202,000</td>
<td>0.3</td>
<td>0 (100.0)</td>
<td>(1,000)</td>
<td>0 (100.0)</td>
</tr>
</tbody>
</table>

(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):
      December 31, 2018: 34,258,433 shares
      March 31, 2018: 34,258,433 shares

   2) Total number of treasury shares at the end of the period:
      December 31, 2018: 79,759 shares
      March 31, 2018: 77,847 shares

   3) Average number of shares during the period:
      Nine months ended December 31, 2018: 34,179,624 shares
      Nine months ended December 31, 2017: 34,181,414 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)

<table>
<thead>
<tr>
<th>Assets</th>
<th>As of March 31, 2018</th>
<th>As of December 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and deposits</td>
<td>9,744</td>
<td>9,046</td>
</tr>
<tr>
<td>Notes and accounts receivable - trade</td>
<td>46,330</td>
<td>40,958</td>
</tr>
<tr>
<td>Merchandise and finished goods</td>
<td>27,552</td>
<td>26,124</td>
</tr>
<tr>
<td>Work in process</td>
<td>6,707</td>
<td>7,096</td>
</tr>
<tr>
<td>Raw materials and supplies</td>
<td>9,729</td>
<td>11,963</td>
</tr>
<tr>
<td>Other</td>
<td>4,476</td>
<td>5,716</td>
</tr>
<tr>
<td>Allowance for doubtful accounts</td>
<td>(224)</td>
<td>(202)</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>104,316</td>
<td>100,703</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings and structures, net</td>
<td>25,413</td>
<td>24,321</td>
</tr>
<tr>
<td>Machinery, equipment and vehicles, net</td>
<td>47,291</td>
<td>44,905</td>
</tr>
<tr>
<td>Land</td>
<td>22,147</td>
<td>22,094</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>2,310</td>
<td>5,820</td>
</tr>
<tr>
<td>Other, net</td>
<td>2,569</td>
<td>2,481</td>
</tr>
<tr>
<td><strong>Total property, plant and equipment</strong></td>
<td>99,732</td>
<td>99,623</td>
</tr>
<tr>
<td>Intangible assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>1,719</td>
<td>1,720</td>
</tr>
<tr>
<td><strong>Total intangible assets</strong></td>
<td>1,719</td>
<td>1,720</td>
</tr>
<tr>
<td>Investments and other assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment securities</td>
<td>21,672</td>
<td>17,939</td>
</tr>
<tr>
<td>Other</td>
<td>10,007</td>
<td>10,153</td>
</tr>
<tr>
<td>Allowance for doubtful accounts</td>
<td>(68)</td>
<td>(42)</td>
</tr>
<tr>
<td><strong>Total investments and other assets</strong></td>
<td>31,611</td>
<td>28,050</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>133,063</td>
<td>129,394</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>237,379</td>
<td>230,097</td>
</tr>
<tr>
<td></td>
<td>As of March 31, 2018</td>
<td>As of December 31, 2018</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>----------------------</td>
<td>------------------------</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes and accounts payable - trade</td>
<td>26,818</td>
<td>33,362</td>
</tr>
<tr>
<td>Short-term loans payable</td>
<td>70,828</td>
<td>71,166</td>
</tr>
<tr>
<td>Commercial paper</td>
<td>3,000</td>
<td>3,000</td>
</tr>
<tr>
<td>Income taxes payable</td>
<td>397</td>
<td>244</td>
</tr>
<tr>
<td>Other</td>
<td>16,164</td>
<td>17,624</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>117,208</td>
<td>125,397</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term loans payable</td>
<td>45,656</td>
<td>36,269</td>
</tr>
<tr>
<td>Reserve for loss on dissolution of employee's fund</td>
<td>143</td>
<td>–</td>
</tr>
<tr>
<td>Net defined benefit liability</td>
<td>9,328</td>
<td>9,088</td>
</tr>
<tr>
<td>Asset retirement obligations</td>
<td>888</td>
<td>882</td>
</tr>
<tr>
<td>Other</td>
<td>3,076</td>
<td>2,612</td>
</tr>
<tr>
<td>Total non-current liabilities</td>
<td>59,093</td>
<td>48,853</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>176,302</td>
<td>174,251</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Shareholders’ equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital stock</td>
<td>32,756</td>
<td>32,756</td>
</tr>
<tr>
<td>Capital surplus</td>
<td>6,132</td>
<td>6,132</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>12,965</td>
<td>9,844</td>
</tr>
<tr>
<td>Treasury shares</td>
<td>(148)</td>
<td>(149)</td>
</tr>
<tr>
<td>Total shareholders’ equity</td>
<td>51,706</td>
<td>48,584</td>
</tr>
<tr>
<td><strong>Accumulated other comprehensive income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Valuation difference on available-for-sale securities</td>
<td>5,204</td>
<td>3,210</td>
</tr>
<tr>
<td>Foreign currency translation adjustment</td>
<td>1,511</td>
<td>1,420</td>
</tr>
<tr>
<td>Remeasurements of defined benefit plans</td>
<td>1,309</td>
<td>1,523</td>
</tr>
<tr>
<td>Total accumulated other comprehensive income</td>
<td>8,025</td>
<td>6,155</td>
</tr>
<tr>
<td><strong>Non-controlling interests</strong></td>
<td>1,345</td>
<td>1,107</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>61,077</td>
<td>55,846</td>
</tr>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td>237,379</td>
<td>230,097</td>
</tr>
</tbody>
</table>
(2) Consolidated Statements of Income and Comprehensive Income

**Consolidated Statements of Income**

<table>
<thead>
<tr>
<th></th>
<th>For the nine months ended December 31, 2017</th>
<th>For the nine months ended December 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>150,559</td>
<td>152,536</td>
</tr>
<tr>
<td><strong>Cost of sales</strong></td>
<td>126,704</td>
<td>131,371</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>23,855</td>
<td>21,164</td>
</tr>
<tr>
<td><strong>Selling, general and administrative expenses</strong></td>
<td>22,991</td>
<td>22,432</td>
</tr>
<tr>
<td><strong>Operating income(loss)</strong></td>
<td>863</td>
<td>(1,268)</td>
</tr>
<tr>
<td><strong>Non-operating income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>41</td>
<td>44</td>
</tr>
<tr>
<td>Dividend income</td>
<td>467</td>
<td>536</td>
</tr>
<tr>
<td>Foreign exchange gains</td>
<td>522</td>
<td>148</td>
</tr>
<tr>
<td>Other</td>
<td>527</td>
<td>498</td>
</tr>
<tr>
<td><strong>Total non-operating income</strong></td>
<td>1,559</td>
<td>1,227</td>
</tr>
<tr>
<td><strong>Non-operating expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest expenses</td>
<td>1,352</td>
<td>1,068</td>
</tr>
<tr>
<td>Other</td>
<td>259</td>
<td>548</td>
</tr>
<tr>
<td><strong>Total non-operating expenses</strong></td>
<td>1,611</td>
<td>1,617</td>
</tr>
<tr>
<td><strong>Ordinary income(loss)</strong></td>
<td>811</td>
<td>(1,657)</td>
</tr>
<tr>
<td><strong>Extraordinary income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gain on disposal of non-current assets</td>
<td>168</td>
<td>7</td>
</tr>
<tr>
<td>Gain on sales of investment securities</td>
<td>170</td>
<td>501</td>
</tr>
<tr>
<td>Other</td>
<td>65</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total extraordinary income</strong></td>
<td>404</td>
<td>511</td>
</tr>
<tr>
<td><strong>Extraordinary losses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss on disposal of non-current assets</td>
<td>360</td>
<td>442</td>
</tr>
<tr>
<td>Special retirement expenses</td>
<td>218</td>
<td>579</td>
</tr>
<tr>
<td>Loss on disaster</td>
<td>-</td>
<td>642</td>
</tr>
<tr>
<td>Impairment loss</td>
<td>-</td>
<td>41</td>
</tr>
<tr>
<td>Other</td>
<td>3</td>
<td>178</td>
</tr>
<tr>
<td><strong>Total extraordinary losses</strong></td>
<td>582</td>
<td>1,885</td>
</tr>
<tr>
<td><strong>Income(Loss) before income taxes and non-controlling interests</strong></td>
<td>633</td>
<td>(3,031)</td>
</tr>
<tr>
<td><strong>Income taxes</strong></td>
<td>1,128</td>
<td>66</td>
</tr>
<tr>
<td><strong>Loss</strong></td>
<td>(495)</td>
<td>(3,098)</td>
</tr>
<tr>
<td>Loss attributable to non-controlling interests</td>
<td>(207)</td>
<td>(148)</td>
</tr>
<tr>
<td>Loss attributable to owners of parent</td>
<td>(287)</td>
<td>(2,949)</td>
</tr>
</tbody>
</table>
## Consolidated Statements of Comprehensive Income

For the nine months ended December 31, 2017  
(Million yen)

<table>
<thead>
<tr>
<th>Loss</th>
<th>(495)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other comprehensive income</td>
<td></td>
</tr>
<tr>
<td>Valuation difference on available-for-sale securities</td>
<td>1,910</td>
</tr>
<tr>
<td>Foreign currency translation adjustment</td>
<td>156</td>
</tr>
<tr>
<td>Remeasurements of defined benefit plans, net of tax</td>
<td>(434)</td>
</tr>
<tr>
<td>Share of other comprehensive income of entities accounted for using equity method</td>
<td>(26)</td>
</tr>
<tr>
<td>Total other comprehensive income</td>
<td>1,605</td>
</tr>
<tr>
<td>Comprehensive income</td>
<td>1,110</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Comprehensive income attributable to</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Comprehensive income attributable to owners of parent</td>
<td>1,098</td>
</tr>
<tr>
<td>Comprehensive income attributable to non-controlling interests</td>
<td>11</td>
</tr>
</tbody>
</table>