

Summary of Consolidated Financial Results for the Six Months Ended September 30, 2019 (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, 2019 (April 1, 2019 to September 30, 2019)

(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, 2019	97,333	(2.9)	512	-	483	-	93	-
September 30, 2018	100,223	0.8	(961)	-	(1,014)	-	(1,161)	-

(Note) Comprehensive income: Six months ended September 30, 2019: ¥(288) million [-%]

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

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2019	2.09		-	
September 30, 2018	(34.00)		-	

(2) Consolidated Financial Condition

	Total assets		Net assets		Equity ratio	
	Million yen		Million yen		%	
As of September 30, 2019	225,766		66,425		29.2	
As of March 31, 2019	232,758		67,004		28.5	

(Reference) Equity: As of September 30, 2019: ¥65,844 million

As of March 31, 2019: ¥66,350 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2019	Yen -	Yen 0.00	Yen -	Yen 5.00	Yen 5.00
Fiscal year ending March 31, 2020	-	0.00			
Fiscal year ending March 31, 2020 (Forecast)			-	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, 2020 (April 1, 2019 to March 31, 2020)

(% 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
	200,000	(2.0)	2,500	-	2,500	-	1,500	327.0	33.59

(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, 2019: 44,741,433 shares

March 31, 2019: 44,741,433 shares

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

September 30, 2019: 81,476 shares

March 31, 2019: 80,398 shares

3) Average number of shares during the period:

Six months ended September 30, 2019: 44,660,452 shares

Six months ended September 30, 2018: 34,179,965 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, 2019	As of September 30, 2019
Assets		
Current assets		
Cash and deposits	11,617	6,142
Notes and accounts receivable - trade	37,686	32,107
Merchandise and finished goods	26,021	30,229
Work in process	7,301	7,687
Raw materials and supplies	11,233	13,094
Other	6,003	5,673
Allowance for doubtful accounts	(175)	(187)
Total current assets	99,689	94,749
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	23,945	25,890
Machinery, equipment and vehicles, net	43,465	48,191
Land	21,913	21,903
Construction in progress	9,446	537
Other, net	2,420	3,047
Total property, plant and equipment	101,191	99,570
Intangible assets		
Other	1,744	1,775
Total intangible assets	1,744	1,775
Investments and other assets		
Investment securities	17,741	17,418
Other	12,447	12,301
Allowance for doubtful accounts	(54)	(49)
Total investments and other assets	30,133	29,671
Total non-current assets	133,069	131,017
Total assets	232,758	225,766

(Million yen)

	As of March 31, 2019	As of September 30, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	25,347	22,448
Electronically recorded obligations	5,390	4,994
Short-term loans payable	65,175	68,474
Commercial paper	7,000	4,000
Income taxes payable	366	348
Other	17,580	12,049
Total current liabilities	120,860	112,316
Non-current liabilities		
Long-term loans payable	32,855	34,622
Net defined benefit liability	8,718	8,559
Asset retirement obligations	882	883
Other	2,436	2,959
Total non-current liabilities	44,893	47,024
Total liabilities	165,754	159,341
Net assets		
Shareholders' equity		
Capital stock	36,561	36,561
Capital surplus	9,682	9,682
Retained earnings	13,145	13,010
Treasury shares	(150)	(150)
Total shareholders' equity	59,240	59,104
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,635	2,976
Foreign currency translation adjustment	1,209	1,091
Remeasurements of defined benefit plans	2,265	2,671
Total accumulated other comprehensive income	7,110	6,739
Non-controlling interests	654	581
Total net assets	67,004	66,425
Total liabilities and net assets	232,758	225,766

(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, 2018	For the six months ended September 30, 2019
Net sales	100,223	97,333
Cost of sales	86,233	82,816
Gross profit	13,990	14,516
Selling, general and administrative expenses	14,951	14,004
Operating income(loss)	(961)	512
Non-operating income		
Interest income	34	27
Dividend income	320	257
Share of profit of entities accounted for using equity method	-	475
Foreign exchange gains	406	-
Other	368	275
Total non-operating income	1,129	1,035
Non-operating expenses		
Interest expenses	760	516
Foreign exchange losses	-	298
Other	422	249
Total non-operating expenses	1,183	1,064
Ordinary income(loss)	(1,014)	483
Extraordinary income		
Gain on disposal of non-current assets	4	5
Gain on sales of investment securities	501	47
Compensation income	-	19
Other	-	0
Total extraordinary income	506	71
Extraordinary losses		
Loss on disposal of non-current assets	377	552
Loss on disaster	589	-
Impairment loss	41	-
Other	22	61
Total extraordinary losses	1,030	614
Loss before income taxes	(1,538)	(59)
Income taxes	(286)	(132)
Profit (loss)	(1,251)	73
Loss attributable to non-controlling interests	(89)	(19)
Profit (loss) attributable to owners of parent	(1,161)	93

Consolidated Statements of Comprehensive Income

Six Months Ended September 30

(Million yen)

	For the six months ended September 30, 2018	For the six months ended September 30, 2019
Profit (loss)	(1,251)	73
Other comprehensive income		
Valuation difference on available-for-sale securities	668	(657)
Foreign currency translation adjustment	(332)	(113)
Remeasurements of defined benefit plans, net of tax	215	433
Share of other comprehensive income of entities accounted for using equity method	(19)	(24)
Total other comprehensive income	531	(361)
Comprehensive income	(719)	(288)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(684)	(277)
Comprehensive income attributable to non-controlling interests	(35)	(10)