

Summary of Consolidated Financial Results for the Six Months Ended September 30, 2015 (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 Six Months Ended September 30, 2015 (April 1, 2015 to September 30, 2015)

(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, 2015	107,046	2.0	594	-	122	-	(512)	-
September 30, 2014	104,918	4.3	(337)	-	(774)	-	(2,131)	-

(Note) Comprehensive income: Six months ended September 30, 2015: ¥(1,719) million [-%]

Six months ended September 30, 2014: ¥(1,648) million [-%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended		
September 30, 2015	(1.50)	-
September 30, 2014	(6.23)	-

(2) Consolidated Financial Condition

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2015	247,394	53,574	20.4
As of March 31, 2015	253,482	55,094	20.5

(Reference) Equity: As of September 30, 2015: ¥50,564 million

As of March 31, 2015: ¥52,017 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, 2015	-	0.00	-	0.00	0.00
Fiscal year ending March 31, 2016	-	0.00			
Fiscal year ending March 31, 2016 (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, 2016 (April 1, 2015 to March 31, 2016)

(% 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
	223,000	3.7	3,500	237.0	1,500	-	2,000	-	5.85

(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: 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):

September 30, 2015: 342,584,332 shares

March 31, 2015: 342,584,332 shares

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

September 30, 2015: 722,795 shares

March 31, 2015: 713,667 shares

3) Average number of shares during the period:

Six months ended September 30, 2015: 341,866,263 shares

Six months ended September 30, 2014: 341,892,243 shares

* 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.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2015	As of September 30, 2015
Assets		
Current assets		
Cash and deposits	6,505	6,234
Notes and accounts receivable - trade	47,045	47,481
Merchandise and finished goods	30,901	28,745
Work in process	8,155	8,146
Raw materials and supplies	10,481	11,379
Other	6,277	5,737
Allowance for doubtful accounts	(149)	(180)
Total current assets	109,217	107,545
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	29,835	29,220
Machinery, equipment and vehicles, net	60,072	58,237
Land	22,950	22,656
Construction in progress	516	732
Other, net	3,281	3,003
Total property, plant and equipment	116,656	113,851
Intangible assets		
Other	284	251
Total intangible assets	284	251
Investments and other assets		
Investment securities	21,468	20,247
Net defined benefit asset	2,638	2,630
Other	4,244	3,659
Allowance for doubtful accounts	(1,027)	(792)
Total investments and other assets	27,324	25,745
Total non-current assets	144,265	139,848
Total assets	253,482	247,394

(Million yen)

	As of March 31, 2015	As of September 30, 2015
Liabilities		
Current liabilities		
Notes and accounts payable - trade	24,015	25,359
Short-term loans payable	77,086	80,174
Commercial papers	—	2,000
Income taxes payable	356	335
Other	14,348	13,819
Total current liabilities	115,807	121,688
Non-current liabilities		
Long-term loans payable	67,234	57,906
Reserve for loss on dissolution of employee's fund	115	115
Net defined benefit liability	9,682	9,219
Asset retirement obligations	880	882
Other	4,667	4,007
Total non-current liabilities	82,580	72,131
Total liabilities	198,388	193,819
Net assets		
Shareholders' equity		
Capital stock	32,756	32,756
Capital surplus	7,523	7,523
Retained earnings	5,147	4,717
Treasury shares	(143)	(144)
Total shareholders' equity	45,284	44,853
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,663	3,934
Foreign currency translation adjustment	1,815	1,721
Remeasurements of defined benefit plans	254	56
Total accumulated other comprehensive income	6,733	5,711
Non-controlling interests	3,076	3,009
Total net assets	55,094	53,574
Total liabilities and net assets	253,482	247,394

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income
Six Months Ended September 30

(Million yen)

	For the six months ended September 30, 2014	For the six months ended September 30, 2015
Net sales	104,918	107,046
Cost of sales	90,954	92,651
Gross profit	13,963	14,394
Selling, general and administrative expenses	14,301	13,799
Operating income (loss)	(337)	594
Non-operating income		
Interest income	49	27
Dividend income	299	232
Royalty income	168	180
Foreign exchange gains	169	164
Other	328	281
Total non-operating income	1,015	886
Non-operating expenses		
Interest expenses	1,263	1,186
Other	189	171
Total non-operating expenses	1,452	1,358
Ordinary income (loss)	(774)	122
Extraordinary income		
Reversal of allowance for doubtful accounts for subsidiaries and affiliates	—	197
Gain on disposal of non-current assets	1	54
Gain on sales of investment securities	784	0
Other	21	11
Total extraordinary income	807	264
Extraordinary losses		
Business restructuring cost	1,437	145
Loss on disposal of non-current assets	220	313
Special retirement expenses	0	157
Other	49	6
Total extraordinary losses	1,707	622
Loss before income taxes and minority interests	(1,675)	(235)
Income taxes	448	234
Loss	(2,123)	(469)
Profit attributable to non-controlling interests	7	42
Loss attributable to owners of parent	(2,131)	(512)

Quarterly Consolidated Statements of Comprehensive Income

Six Months Ended September 30

(Million yen)

	For the six months ended September 30, 2014	For the six months ended September 30, 2015
Loss	(2,123)	(469)
Other comprehensive income		
Valuation difference on available-for-sale securities	635	(834)
Foreign currency translation adjustment	(183)	(264)
Remeasurements of defined benefit plans, net of tax	64	(173)
Share of other comprehensive income of entities accounted for using equity method	(40)	22
Total other comprehensive income	475	(1,249)
Comprehensive income	(1,648)	(1,719)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,782)	(1,691)
Comprehensive income attributable to non-controlling interests	134	(27)