

Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2020 (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 Nine Months Ended December 30, 2020 (April 1, 2020 to December 31, 2020)

(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, 2020	118,915	(18.6)	(2,626)	-	(2,226)	-	(3,240)	-
December 31, 2019	146,012	(4.3)	737	-	1,108	-	(600)	-

(Note) Comprehensive income: Nine months ended December 31, 2020: ¥(2,054) million [-%]

Nine months ended December 31, 2019: ¥(134) million [-%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2020	(72.56)		-	
December 31, 2019	(13.45)		-	

(2) Consolidated Financial Condition

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2020	220,909	58,254	26.4
As of March 31, 2020	212,217	60,527	28.5

(Reference) Equity: As of December 31, 2020: ¥58,231 million

As of March 31, 2020: ¥60,525 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, 2020	-	0.00	-	5.00	5.00
Fiscal year ending March 31, 2021	-	0.00	-	-	-
Fiscal year ending March 31, 2021 (Forecast)	-	-	-	0.00	0.00

(Note) Revision to the forecast for dividends announced most recently: Yes

**3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2021
(April 1, 2020 to March 31, 2021)**

(% 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
	160,000	(17.8)	(2,000)	-	(1,000)	-	(2,000)	-	(44.78)

(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: None

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):

December 31, 2020: 44,741,433 shares

March 31, 2020: 44,741,433 shares

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

December 31, 2020: 83,614 shares

March 31, 2020: 82,401 shares

3) Average number of shares during the period:

Nine months ended December 31, 2020: 44,658,566 shares

Nine months ended December 31, 2019: 44,660,238 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, 2020	As of December 31, 2020
Assets		
Current assets		
Cash and deposits	9,260	12,748
Notes and accounts receivable - trade	31,358	40,797
Merchandise and finished goods	30,138	25,324
Work in process	7,066	7,501
Raw materials and supplies	11,278	11,866
Other	3,629	4,401
Allowance for doubtful accounts	(157)	(164)
Total current assets	92,576	102,475
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	24,459	23,545
Machinery, equipment and vehicles, net	43,816	40,833
Land	21,898	21,846
Construction in progress	467	1,193
Other, net	3,066	2,864
Total property, plant and equipment	93,708	90,283
Intangible assets		
Other	409	1,593
Total intangible assets	409	1,593
Investments and other assets		
Investment securities	15,763	18,313
Other	9,833	8,318
Allowance for doubtful accounts	(74)	(74)
Total investments and other assets	25,523	26,557
Total non-current assets	119,641	118,434
Total assets	212,217	220,909

(Million yen)

	As of March 31, 2020	As of December 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	22,082	21,073
Electronically recorded obligations	3,934	3,741
Short-term loans payable	64,267	65,414
Commercial paper	4,000	14,000
Income taxes payable	431	196
Other	10,804	12,121
Total current liabilities	105,519	116,546
Non-current liabilities		
Long-term loans payable	33,495	32,358
Net defined benefit liability	9,423	9,458
Asset retirement obligations	883	884
Other	2,366	3,408
Total non-current liabilities	46,169	46,109
Total liabilities	151,689	162,655
Net assets		
Shareholders' equity		
Capital stock	36,561	36,561
Capital surplus	8,555	8,555
Retained earnings	13,719	10,260
Treasury shares	(152)	(152)
Total shareholders' equity	58,684	55,224
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,206	2,538
Foreign currency translation adjustment	1,095	944
Remeasurements of defined benefit plans	(461)	(476)
Total accumulated other comprehensive income	1,840	3,006
Non-controlling interests	2	22
Total net assets	60,527	58,254
Total liabilities and net assets	212,217	220,909

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

(Million yen)

	For the Nine months ended December 31,2019	For the Nine months ended December 31,2020
Net sales	146,012	118,915
Cost of sales	124,282	103,231
Gross profit	21,730	15,684
Selling, general and administrative expenses	20,993	18,310
Operating income(loss)	737	(2,626)
Non-operating income		
Interest income	40	28
Dividend income	454	484
Share of profit of entities accounted for using equity method	659	744
Other	390	352
Total non-operating income	1,545	1,610
Non-operating expenses		
Interest expenses	756	567
Foreign exchange losses	79	174
Loss for ship lease	-	257
Other	337	211
Total non-operating expenses	1,173	1,210
Ordinary income(loss)	1,108	(2,226)
Extraordinary income		
Gain on disposal of non-current assets	7	12
Gain on sales of investment securities	116	6
Other	67	-
Total extraordinary income	191	19
Extraordinary losses		
Loss on disposal of non-current assets	585	356
Impairment loss	1,159	-
Other	135	131
Total extraordinary losses	1,880	488
loss before income taxes	(580)	(2,695)
Income taxes	79	525
loss	(659)	(3,220)
Profit (loss) attributable to non-controlling interests	(58)	19
loss attributable to owners of parent	(600)	(3,240)

Consolidated Statements of Comprehensive Income
 Nine Months Ended December 31

(Million yen)

	For the Nine months ended December 31,2019	For the Nine months ended December 31,2020
loss	(659)	(3,220)
Other comprehensive income		
Valuation difference on available-for-sale securities	262	1,333
Foreign currency translation adjustment	(385)	(137)
Remeasurements of defined benefit plans, net of tax	671	(14)
Share of other comprehensive income of entities accounted for using equity method	(23)	(15)
Total other comprehensive income	524	1,166
Comprehensive income	(134)	(2,054)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(92)	(2,074)
Comprehensive income attributable to non-controlling interests	(42)	19