

## Summary of Consolidated Financial Results for the Three Months Ended June 30, 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 Three Months Ended June 30, 2016 (April 1, 2016 to June 30, 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	%
Three months ended June 30, 2016	50,919	(3.5)	518	-	(653)	-	(1,136)	-
June 30, 2015	52,787	1.8	(1,031)	-	(1,119)	-	(1,873)	-

(Note) Comprehensive income: Three months ended June 30, 2016: ¥(2,150) million [-%]

Three months ended June 30, 2015: ¥(1,437) million [-%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2016	(3.32)		-	
June 30, 2015	(5.48)		-	

### (2) Consolidated Financial Condition

	Total assets		Net assets		Equity ratio	
	Million yen		Million yen		%	
As of June 30, 2016	236,387		49,333		20.0	
As of March 31, 2016	241,155		51,492		20.4	

(Reference) Equity: As of June 30, 2016: ¥47,159 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
Fiscal year ended March 31, 2016	Yen -	Yen 0.00	Yen -	Yen 0.00	Yen 0.00
Fiscal year ending March 31, 2017	-				
Fiscal year ending March 31, 2017 (Forecast)		0.00	-	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
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	108,000	0.9	1,500	152.3	500	309.8	(500)	-	(1.46)
Full year	220,000	1.7	4,500	16.2	2,500	12.8	1,000	(54.9)	2.93

(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):

June 30, 2016: 342,584,332 shares

March 31, 2015: 342,584,332 shares

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

June 30, 2016: 736,598 shares

March 31, 2016: 733,884 shares

3) Average number of shares during the period:

Three months ended June 30, 2016: 341,849,341 shares

Three months ended June 30, 2015: 341,868,653 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, 2016	As of June 30, 2016
<b>Assets</b>		
Current assets		
Cash and deposits	11,381	12,945
Notes and accounts receivable - trade	48,338	46,276
Merchandise and finished goods	27,458	25,936
Work in process	7,646	6,944
Raw materials and supplies	10,399	10,755
Other	4,870	4,597
Allowance for doubtful accounts	(188)	(244)
Total current assets	109,907	107,212
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	28,350	27,899
Machinery, equipment and vehicles, net	55,571	53,690
Land	22,518	22,441
Construction in progress	535	2,148
Other, net	2,899	2,784
Total property, plant and equipment	109,875	108,964
Intangible assets		
Other	225	205
Total intangible assets	225	205
Investments and other assets		
Investment securities	18,554	17,515
Other	2,932	2,601
Allowance for doubtful accounts	(338)	(112)
Total investments and other assets	21,147	20,004
Total non-current assets	131,248	129,174
Total assets	241,155	236,387

(Million yen)

	As of March 31, 2016	As of June 30, 2016
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	23,245	22,574
Short-term loans payable	81,176	80,803
Income taxes payable	345	182
Other	13,910	13,870
Total current liabilities	118,677	117,430
Non-current liabilities		
Long-term loans payable	57,443	56,536
Reserve for loss on dissolution of employee's fund	121	121
Net defined benefit liability	9,165	9,124
Asset retirement obligations	884	885
Other	3,370	2,954
Total non-current liabilities	70,985	69,623
Total liabilities	189,663	187,054
Net assets		
Shareholders' equity		
Capital stock	32,756	32,756
Capital surplus	7,456	7,456
Retained earnings	7,447	6,311
Treasury shares	(145)	(145)
Total shareholders' equity	47,514	46,378
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,014	2,394
Foreign currency translation adjustment	1,577	1,385
Remeasurements of defined benefit plans	(2,864)	(2,998)
Total accumulated other comprehensive income	1,727	781
Non-controlling interests	2,250	2,173
Total net assets	51,492	49,333
Total liabilities and net assets	241,155	236,387

(2) Quarterly Consolidated Statements of Income and Comprehensive Income  
Quarterly Consolidated Statements of Income  
Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2015	For the three months ended June 30, 2016
Net sales	52,787	50,919
Cost of sales	47,024	42,577
Gross profit	5,763	8,341
Selling, general and administrative expenses	6,794	7,823
Operating income (loss)	(1,031)	518
Non-operating income		
Interest income	10	9
Dividend income	214	217
Foreign exchange gains	282	—
Other	110	88
Total non-operating income	618	315
Non-operating expenses		
Interest expenses	605	562
Foreign exchange loss	—	827
Other	100	95
Total non-operating expenses	705	1,486
Ordinary loss	(1,119)	(653)
Extraordinary income		
Gain on sales of investment securities	0	233
Other	3	2
Total extraordinary income	4	236
Extraordinary losses		
Loss on disposal of non-current assets	217	221
Loss on valuation of investment securities	—	102
Special retirement expenses	85	64
Business restructuring cost	120	—
Other	3	2
Total extraordinary losses	428	390
Loss before income taxes	(1,543)	(807)
Income taxes	314	288
Loss	(1,857)	(1,095)
Profit attributable to non-controlling interests	15	40
Loss attributable to owners of parent	(1,873)	(1,136)

Quarterly Consolidated Statements of Comprehensive Income

Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2015	For the three months ended June 30, 2016
Loss	(1,857)	(1,095)
Other comprehensive income		
Valuation difference on available-for-sale securities	870	(700)
Foreign currency translation adjustment	(504)	(159)
Remeasurements of defined benefit plans, net of tax	58	(116)
Share of other comprehensive income of entities accounted for using equity method	(2)	(78)
Total other comprehensive income	420	(1,054)
Comprehensive income	(1,437)	(2,150)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,551)	(2,081)
Comprehensive income attributable to non-controlling interests	114	(68)