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(Securities Code: 3864)

June 11, 2024

(Date of commencement of electronic
provision measures: May 31, 2024)

To Our Shareholders with Voting Rights

2-10-14 Ryogoku, Sumida-ku, Tokyo
Mitsubishi Paper Mills Limited
Ryuichi Kisaka, President & CEO

Notice of the 159th Ordinary General Meeting of Shareholders

We would like to express our appreciation for your continued support and patronage.

You are cordially invited to attend the 159th Ordinary General Meeting of Shareholders of Mitsubishi Paper Mills Ltd. (hereinafter “MPM”). The meeting will be held for the purposes as described below. In the convening of this meeting, we will take measures to electronically provide the information that constitutes the content of the reference documents, etc. for the general meeting of shareholders (Matters for Electronic Provision). We kindly request that you check this information by accessing the following websites of the Company on which the information is posted. The information is also posted on the website of the Tokyo Stock Exchange (TSE) as stated below.

The Company’s website:

<https://www.mpm.co.jp/ir/general-meeting.html>

TSE website (Listed
Company Search)

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>

If you cannot view our website, please access the TSE website above, enter and search for the name of the stock (Mitsubishi Paper Mills) or securities code (3864), and select “Basic Information” or “Public Documents/PR Information” to examine the information.

You may exercise your voting rights in advance in writing or via the Internet in lieu of voting in person at the meeting. After reviewing the following reference documents for the general meeting of shareholders, please exercise your voting rights following the instructions below no later than 5:30 p.m. on Wednesday, June 26, 2024.

1. Date and Time: Thursday, June 27, 2024 at 10 a.m.
2. Place: Ginza Phoenix Plaza, Paper and Pulp Kaikan,
3-9-11, Ginza, Chuo-ku, Tokyo
(The venue is different from the previous meeting, so please refer to the venue map at the end to avoid any mistakes.)
3. Agenda of the Meeting: Matters to be reported:
 1. The Business Report, the Consolidated Financial Statements and the results of audits of the Consolidated Financial Statements by the Independent Auditor and the Audit and Supervisory Board for the 159th Business Term (from April 1, 2023 to March 31, 2024)

2. Non-Consolidated Financial Statements for the 159th Business Term
(from April 1, 2023 to March 31, 2024)

Proposals to be resolved:

Proposal No. 1: Election of Eight (8) Directors

Proposal No. 2: Election of One (1) Audit & Supervisory Board Member

4. Matters concerning the exercise of voting rights:

- (1) If you exercise your voting rights both in writing (by mail) and via the Internet, we will treat the latter as the effective exercise of your voting rights.
- (2) If you exercise your voting rights via the Internet several times, we will treat the last exercise as the effective exercise of your voting rights.
- (3) If voting rights are exercised and the voting form in writing (by mail) returned to the Company provides no indication of approval or disapproval with regard to the proposals, the shareholder shall be deemed to have expressed approval.

5. Matters for electronic provision:

Among the matters for electronic provision, the following matters are not stated in the document delivered to shareholders who requested the delivery of documents, in accordance with laws and regulations and the provisions of Article 15 of the Articles of Incorporation of the Company.

- (1) System to ensure the appropriateness of business reporting
- (2) Overview of the operation status of the system to ensure the appropriateness of business reporting
- (3) Basic policy for controlling the management of the Company regarding business reporting
- (4) Consolidated Statements of Changes in Shareholders' Equity in Consolidated Financial Statements
- (5) Notes to Consolidated Financial Statements in Consolidated Financial Statements
- (6) Non-consolidated Statements of Changes in Shareholders' Equity in Non-consolidated Financial Statements
- (7) Notes to Non-consolidated Financial Statements in Non-consolidated Financial Statements

Therefore, documents provided with the Notice of the Ordinary General Meeting of Shareholders are part of the subjects audited by Audit & Supervisory Board Members and Accounting Auditors when preparing audit reports.

- When attending the meeting, please submit the voting rights exercise form at the reception desk to register your attendance.
- Please be advised that in the event the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-Consolidated Financial Statements, or the Consolidated Financial Statements require modifications, MPM will post such modifications on its website (<https://www.mpm.co.jp/ir>) and the Tokyo Stock Exchange website..

Guidance on Exercising Voting Rights

1. If you attend the General Meeting of Shareholders

Please present the voting card at the reception desk upon your arrival.

Date and Time: Thursday, June 27, 2024 at 10:00 a.m. (Reception will open at 9:00 a.m.)

2. If you exercise voting rights in writing (by mail)

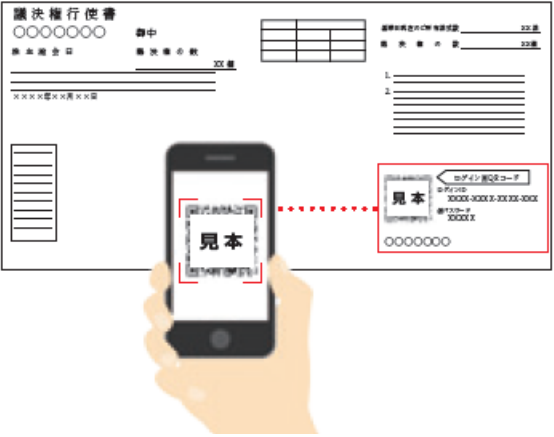
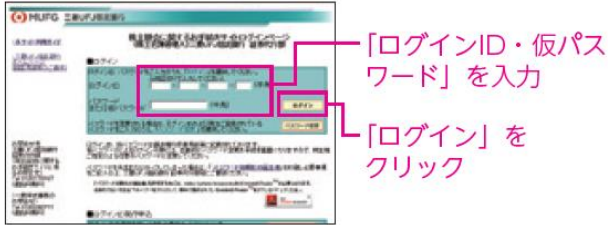
Please state whether you are for or against the agenda items on the Voting Rights Exercise Form and drop it into a post box.

Voting deadline: Please exercise your voting rights by 5:30 p.m. on Wednesday, June 26, 2024

3. Exercising voting rights on the Internet

Please follow the instructions below and enter your approval or disapproval for the proposals.

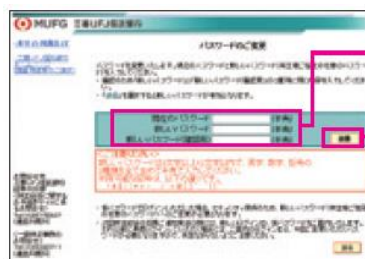
Voting deadline: Entries completed by 5:30 p.m., Wednesday, June 26, 2024

How to read a QR code	How to enter your login ID and temporary password
<p>You can log into the voting website without entering the login ID and temporary password written on the Voting Rights Exercise Form.</p>	<p>Voting website https://evote.tr.mufg.jp/</p>
<p>1. Please scan the QR code on the voting card.</p>  <p>* QR Code is the registered trademark of DENSO WAVE INCORPORATED.</p>	<p>1. Please access the voting website for PCs.</p> <p>2. Please enter the login ID and temporary password written on the Voting Rights Exercise Form and click submit.</p> 

2. Please follow the instructions on the screen to register whether you approve or disapprove of each proposal.



3. Register a new password.



4. Please follow the instructions on the screen to register whether you approve or disapprove of each proposal.

* Screen images are for illustrative purposes.

- For inquiries about operation procedure for exercising voting rights via the Internet using PCs and smartphones, please contact the inquiry desk below.

Stock Transfer Agency Department, Mitsubishi UFJ Trust and Banking Corporation (Helpdesk)

0120-173-027

(Toll free, Operating hours: 9:00-21:00)

- Institutional investors are permitted to use the platform for the electronic exercise of voting rights for institutional investors operated by ICJ, Inc.
- If you exercise your voting rights both in writing (by mail) and via the Internet, we will treat the latter as the effective exercise of your voting rights.
- If you exercise your voting rights via the Internet several times, we will treat the last exercise as the effective exercise of your voting rights.

Reference Documents for the General Meeting of Shareholders


Proposal No. 1: Election of Eight (8) Directors


The terms of the offices of all eight (8) Directors will expire as of the close of this Ordinary General Meeting of Shareholders. Consequently, we will propose that eight (8) Directors including three (3) Outside Directors be elected.


Regarding the selection of the candidates, in accordance with the Director Qualification listed in MPM Basic Policies on Corporate Governance, the Board of Directors has decided after seeking and receiving advice from the Nomination and Remuneration Committee chaired by an Independent Outside Director.


The candidates are as follows:


No.	Name		Current position in MPM
1	Ryuichi Kisaka	REAPPOINTMENT	Director (Representative Director), President and CEO Nomination and Remuneration Committee Member
2	Shigeharu Sanada	REAPPOINTMENT	Representative Director Senior Executive Vice President Nomination and Remuneration Committee Member
3	Yuji Takagami	REAPPOINTMENT	Director and Managing Executive Officer
4	Kunihiro Nakagawa	REAPPOINTMENT	Director and Managing Executive Officer
5	Kazuhiro Nakauchi	NEW APPOINTMENT	Senior Managing Executive Officer
6	Yoshihiro Kataoka	REAPPOINTMENT Outside Independent	Outside Director Nomination and Remuneration Committee Member
7	Atsuko Watanabe	REAPPOINTMENT Outside Independent	Outside Director
8	Soichi Nadahara	NEW APPOINTMENT Outside Independent	


No. (Date of birth, etc.)	Name	Number of shares of MPM held: 20,000 shares (Number of dilutive shares other than the above: 52,928 shares)
1	Ryuichi Kisaka	
 (May 21, 1956) age 68 Attendance of Board of Directors meetings 100% (16/16) REAPPOINTMENT CANDIDATE Years as a Director: 2 years (at the close of this general meeting of shareholders)	Profile and position in MPM April 1982 Joined Kanzaki Paper Manufacturing Co., Ltd. (current Oji Holdings Corporation (hereinafter "Oji")) October 2012 President, Oji Imaging Media Co., Ltd. June 2013 Corporate Officer, Oji June 2015 Director of the Board and Executive Officer, Oji April 2019 Director of the Board and Executive Officer, Oji June 2021 Advisor, Oji February 2022 Advisor, MPM April 2022 President, Executive Officer, MPM June 2022 Director (Representative Director), President and Executive Officer, MPM (to present) (In charge of Technology Div.)	
	Reasons for nominating as a candidate for Director Mr. Ryuichi Kisaka has a wealth of experience in corporate management in the paper and pulp industry as an Executive Officer of Oji and President of Oji Paper Co., Ltd. Since assuming the position of President of MPM in 2022, he has been taking a strong leadership role in the structural reform of the MPM Group, and he is expected to demonstrate his excellent management skills to enhance the corporate value of the MPM Group by maximizing the effects of the capital and business alliance with the Oji Group. He has thus been nominated as a candidate for Director.	


No. (Date of birth, etc.)	Name	Number of shares of MPM held: 1,500 shares (Number of dilutive shares other than the above: 47,163 shares)
2	Shigeharu Sanada	
 (July 1, 1967) age 56 Attendance of Board of Directors meetings 100% (16/16) REAPPOINTMENT CANDIDATE Years as a Director: 4 years (at the close of this general meeting of shareholders)	Profile and position in MPM April 1990 Joined The Mitsubishi Bank Ltd. (current MUFG Bank Ltd. (hereinafter "MB")) May 2016 General Manager, General Affairs Department, Mitsubishi UFJ Financial Group Inc. (hereinafter "MUFG") General Manager, General Affairs Department, MB June 2016 Executive Officer, General Manager, General Affairs Department, MUFG Executive Officer, General Manager, General Affairs Department, MB April 2020 Executive Officer, Headquarters counselor, MB June 2020 Director and Managing Executive Officer, MPM February 2022 Director and Managing Executive Officer (Representative Director) April 2022 Director and Senior Executive Vice President (Representative Director) (to present) (In charge of Corporate Governance Division, General Manager, Strategy Planning Division) Responsible for Internal Audit Department Director responsible for Sustainability Promotion	
	Reasons for nominating as a candidate for Director Mr. Shigeharu Sanada has extensive experience in the execution of business at mega banks including his experience overseas and has in-depth knowledge of corporate management and a broad human network. He is expected to demonstrate his management talent to enhance the corporate value of MPM over the medium and long term by assisting the President, Executive Officer and strongly promoting the medium-term management plan and structural reforms. He has thus been nominated as a candidate for Director.	


No. (Date of birth, etc.)	Name	Number of shares of MPM held: 4,300 shares (Number of dilutive shares other than the above: 29,906 shares)
3	Yuji Takagami	
 <p>(January 23, 1962) age 62</p> <p>REAPPOINTMENT CANDIDATE</p> <p>Attendance of Board of Directors meetings 100% (12/12)</p> <p>Year as a Director: 1 year (at the close of this general meeting of shareholders)</p>	Profile and position in MPM April 1987 Joined MPM June 2009 General Manager, Marketing Department, Imaging & Development Company January 2014 General Manager, Printing Sensitive Materials Sales Dept., Imaging Media Division June 2018 General Manager, Graphics & Development Sales Dept., Imaging Media Division June 2019 Executive Officer, Deputy General Manager, Imaging Media Division and General Manager, Graphics & Development Sales Dept. June 2020 Executive Officer, Deputy General Manager, Functional Materials Division and General Manager, Imaging Media Dept. February 2022 Executive Officer, Deputy General Manager, Functional Materials Division June 2022 Executive Officer, Deputy General Manager, Functional Materials Division President and CEO, Diamic Co., Ltd. April 2023 Managing Executive Officer, General Manager, Sustainable Fiber Materials Division Director and President, Mitsubishi Oji Paper Sales Co., Ltd. (to present) June 2023 Director and Managing Executive Officer, General Manager, Sustainable Fiber Materials Division (to present)	
	Reasons for nominating as a candidate for Director Mr. Yuji Takagami has been involved in research and development and sales in the area of imaging media business and has long contributed to the management of this business, which is a defining business of MPM, and has also led the operations of Imaging Media Division as the Deputy General Manager. April 2023 following segmentation change, he became General Manager, Sustainable Fiber Materials Div. and President, Mitsubishi Oji Paper Sales Co., Ltd. and has been taking a strong leadership role in the transformation of the sustainable fiber materials business. His election as Director is proposed as he is expected to continue to demonstrate his management skills in the enhancement of corporate value.	

No. (Date of birth, etc.)	Name	Number of shares of MPM held: 700 shares (Number of dilutive shares other than the above: 29,906 shares)
4	Kunihiro Nakagawa	
 <p>(April 28, 1961) age 63</p> <p>REAPPOINTMENT CANDIDATE</p> <p>Attendance of Board of Directors meetings 100% (12/12)</p> <p>Year as a Director: 1 year (at the close of this general meeting of shareholders)</p>	Profile and position in MPM April 1986 Joined MPM June 2015 Director, Kyoto Imaging & Healthcare Laboratory, Imaging Media Division January 2020 Deputy General Manager, Research and Development Division and Director, Tsukuba R&D Laboratory June 2020 General Manager, Research and Development Division January 2021 Executive Officer, General Manager, Research and Development Division responsible for Research and Development Division April 2023 Managing Executive Officer, General Manager, Functional Materials Division and General Manager, Research and Development Division June 2023 Director and Managing Executive Officer, General Manager, Functional Materials Division (to present) April 2024 In charge of Research and Development Division and German operation [Director, KJ Specialty Paper, Co., Ltd.]	
	Reasons for nominating as a candidate for Director Mr. Kunihiro Nakagawa has been long involved in research and development and has specialized expertise and experience in product development in the functional materials business, which is a defining characteristic of MPM. He has set the direction of MPM's research and development as General Manager, Research and Development Division and has been promoting collaboration between development and sales since April 2023 when he started to double as General Manager of Functional Materials Division. He has been nominated as a candidate for Director in the hope that he will continue to demonstrate his management skills in enhancing corporate value and focus on continued development of the functional materials business, a growth area.	

No. (Date of birth, etc.)	Name	Number of shares of MPM held: 1,000 shares (Number of dilutive shares other than the above: 23,524 shares)
5	Kazuhiro Nakauchi	
 <p>(February 6, 1965) age 59</p> <p>[NEW APPOINTMENT CANDIDATE]</p>	Profile and position in MPM	
	<p>April 1987 Joined Kanzaki Paper Manufacturing Co., Ltd. (current Oji Holdings Corporation)</p> <p>June 2009 Deputy General Manager, Facilities Department, Tomakomai Mills, Oji Paper Co., Ltd.</p> <p>June 2010 Group Manager, Technology Department, Technical Administrative Division, Oji Paper Co., Ltd.</p> <p>April 2014 General Manager, Facilities Department, Tomakomai Mills, Oji Paper Co., Ltd., and General Manager, Tomakomai Operations Division, Oji Engineering Co., Ltd.</p> <p>April 2020 Executive Officer, Oji Paper Co., Ltd., Head of Nichinan Mills</p> <p>April 2021 Executive Officer, Oji Paper Co., Ltd., Head of Kasugai Mills</p> <p>April 2022 Managing Executive Officer, MPM, In charge of Energy Business Dept, Technology & Environmental Dept and Kitakami Division, Assistant officer in charge of Sustainable Fiber Materials Division</p> <p>Director, Chairman, MPM Operation Co., Ltd.</p> <p>Director, Chairman, Kitakami HiTec Paper Corporation</p> <p>April 2023 Senior Managing Executive Officer, General Manager, Technology Div., Deputy General Manager, Sustainable Fiber Materials Div., MPM</p> <p>Director, Chairman, MPM Operation Co., Ltd.</p> <p>October 2023 Senior Managing Executive Officer, General Manager, Technology Division, Head of Hachinohe Mill, Head of Kitakami Mill, Deputy General Manager, Sustainable Fiber Materials Div.</p> <p>President & CEO, MPM Operation Co., Ltd.</p> <p>April 2024 Senior Managing Executive Officer, General Manager, Technology Division, Deputy General Manager, Research and Development Division, MPM</p> <p>President & CEO, Mitsubishi Paper Engineering Co., Ltd.</p>	
<p>Mr. Nakauchi was involved in Engineering Division of Oji Paper Co., Ltd. for a long time as well as in the management of a number of core mills of Oji Paper Co., Ltd. He has extensive experience and excellent insight into production in paper and pulp business. He also has held core positions in technology and production areas at MPM, and is expected to demonstrate his management skills in strongly promoting the medium-term management plan in cooperation with the Oji Group. He has thus been nominated as a candidate for Director.</p>		

No. (Date of birth, etc.)	Name	Number of shares of MPM held: 0 shares
6	Yoshihiro Kataoka	
 <p>(July 30, 1954) age 69</p> <p>Attendance of Board of Directors meetings 100% (16/16)</p> <p>REAPPOINTMENT CANDIDATE</p> <p>OUTSIDE DIRECTOR CANDIDATE</p> <p>INDEPENDENT DIRECTOR CANDIDATE</p> <p>Years as a Director: 5 years (at the close of this general meeting of shareholders)</p>	Profile and position	
	<p>April 1980 Registered as an attorney-at-law</p> <p>April 1983 Hosoda and Kataoka Law Office</p> <p>September 1984 Chief, Yoshihiro Kataoka Law Office</p> <p>June 1990 Partner Chief, Kataoka & Kobayashi Lpc. (to present)</p> <p>June 2010 Supervisor, Comforia Residential REIT, Inc.</p> <p>June 2011 Outside Audit & Supervisory Board Member, The Higo Bank, Ltd.</p> <p>March 2013 Outside Audit & Supervisory Board Member, Silis Holdings Co., Ltd. (current Silis Co.)</p> <p>April 2014 Outside Audit & Supervisory Board Member, Casa Inc.</p> <p>June 2019 Outside Director, MPM (to present)</p> <p>June 2021 Outside Director, Higo Bank, Ltd. (Audit & Supervisory Committee Member)</p> <p>July 2022 Supervisor, SHIMIZU PRIVATE REIT, Inc. (to present)</p>	
Important positions concurrently held at other companies, etc.		
Partner Chief, Kataoka & Kobayashi Lpc Supervisor, SHIMIZU PRIVATE REIT, Inc.		
Reasons for nominating as a candidate for Outside Director and expected roles, etc.		
<p>Mr. Yoshihiro Kataoka has legal expertise as a lawyer and many years of experience in corporate legal affairs, and has sufficient insight to oversee corporate management. Corporate governance is expected to be strengthened through recommendations to the overall management of MPM. As an Outside Director, he is expected to play a role in determining important matters and supervising business execution from an independent position. He has thus been nominated as a candidate for Outside Director. If he is elected, he will be involved in the selection of candidates for the MPM's Board of Directors and decisions on executive compensation and other matters from an independent standpoint as a member of the Nomination and Remuneration Committee.</p>		

No. (Date of birth, etc.)	Name	Number of shares of MPM held: 0 shares
7	Atsuko Watanabe	
 <p>(February 3, 1964) age 60</p> <p>Attendance of Board of Directors meetings 100% (12/12)</p> <p>REAPPOINTMENT CANDIDATE</p> <p>OUTSIDE DIRECTOR CANDIDATE</p> <p>INDEPENDENT DIRECTOR CANDIDATE</p> <p>Year as a Director: 1 year (at the close of this general meeting of shareholders)</p>	Profile and position	
	April 1996 Registered as an attorney-at-law and joined Nagaishi Law Office	
	August 2010 Watanabe Atsuko Law Office (current Watanabe General Law Office) (to present)	
	June 2021 Outside Director, Hokkan Holdings Limited (to present)	
	June 2023 Outside Director, MPM (to present)	
	Important positions concurrently held at other companies, etc.	
	President, Watanabe General Law Office Outside Director, Hokkan Holdings Limited	
	Reasons for nominating as a candidate for Outside Director and expected roles, etc.	
	Ms. Atsuko Watanabe has legal expertise as a lawyer and many years of experience in corporate and labor legal affairs, and has sufficient insight to oversee corporate management. Corporate governance is expected to be strengthened through recommendations to the overall management of MPM. As an Outside Director, she is expected to play a role in determining important matters and supervising business execution from an independent position. She has thus been nominated as a candidate for Outside Director. If she is elected, she will be involved in the selection of candidates for the MPM's Board of Directors and decisions on executive compensation and other matters from an independent standpoint as a member of the Nomination and Remuneration Committee.	

No. (Date of birth, etc.)	Name	Number of shares of MPM held: 0 shares
8	Soichi Nadahara	
 <p>(December 2, 1957) age 66</p> <p>NEW APPOINTMENT CANDIDATE</p> <p>OUTSIDE DIRECTOR CANDIDATE</p> <p>INDEPENDENT DIRECTOR CANDIDATE</p> <p>[NEW APPOINTMENT CANDIDATE]</p>	Profile and position	
	April 1986 Joined Toshiba Corporation	
	April 2001 Group Manager, Processing Technology Promotion Center, Semiconductor Equipment Company, Toshiba Corporation	
	April 2004 General Manager, Technical Administrative Division, Semiconductor Equipment Company, Dainippon Screen MFG. Co., Ltd.	
	October 2004 Vice President, Semiconductor Equipment Company and General Manager, Technical Administrative Division, Dainippon Screen MFG. Co., Ltd.	
	April 2006 Vice President, Semiconductor Equipment Company and Corporate Officer, Dainippon Screen MFG. Co., Ltd.	
	April 2011 Vice President, Semiconductor Equipment Company and Senior Corporate Officer, Dainippon Screen MFG. Co., Ltd.	
	April 2013 Senior Corporate Officer, Chief Technology Officer (CTO), General Manager, Technological Development Center, Dainippon Screen MFG. Co., Ltd.	
	June 2014 Managing Director, CTO, Dainippon Screen MFG. Co., Ltd.	
	October 2014 Managing Director, CTO, SCREEN Holdings Co., Ltd.	
April 2021 Managing Director, Senior Fellow, SCREEN Holdings Co., Ltd.		
June 2021 Senior Fellow, SCREEN Holdings Co., Ltd.		
April 2023 Advisor, SCREEN Holdings Co., Ltd. (to present)		
Important positions concurrently held at other companies, etc.		
Visiting professor, Nagoya University Associate professor, Kyoto University of Advanced Science		
Reasons for nominating as a candidate for Outside Director and expected roles, etc.		
Mr. Soichi Nadahara is engaged in research and development at several manufacturing companies, while at SCREEN Holdings Co., Ltd., he plays an active role in the management thereof as Managing Director and Chief Technology Officer and has been promoting the acquisition of technologies through open innovation in coordination with universities, companies, etc. in and outside Japan. He has been nominated as a candidate for Outside Director in the hope that he will play the role of supervising decision-making on important matters and the execution of duties from an independent standpoint as Outside Director and provide advice necessary for MPM to realize further progress as a company utilizing technological capabilities.		

(Notes) 1. The number of dilutive shares is the number equivalent to the number of vested points as of the end of March 2024 under the performance-linked stock compensation plan utilizing the BIP Trust.

2. Each candidate does not have any special interest in the Company.

3. Directors and Officers Liability Insurance (D&O Insurance) Agreement

MPM has entered into a D&O Insurance Agreement with an insurance company, naming the MPM's Directors as the insured. The D&O insurance policy is designed to cover damages that may arise due to the insured assuming responsibility for the performance of their duties or receiving claims related to the pursuit of such responsibility. All candidates are scheduled to be insured under this D&O Insurance policy if they are appointed as Directors and assume their offices as Directors.

4. Mr. Yoshihiro Kataoka, Ms. Atsuko Watanabe, and Mr. Soichi Nadahara are candidates for Outside Director.

(1) Limitation of Liability Agreement

Mr. Yoshihiro Kataoka and Ms. Atsuko Watanabe have entered into a Limitation of Liability Agreement with MPM which will be effective during their service pursuant to Article 427 Paragraph 1 of the Companies Act. If Mr. Soichi Nadahara becomes an outside director, he plans to enter into a Limitation of Liability Agreement with MPM which will be effective during his service pursuant to Article 427 Paragraph 1 of the Companies Act. Based on this agreement, liability for compensation for damages under Article 423 Paragraph 1 shall be limited to 10 million yen or the minimum amount stipulated by law, whichever is greater.

(2) Independent Director

MPM plans to notify the Tokyo Stock Exchange that these three people have become Independent Directors.

(Reasons for notification as Independent Director)

These three people meet the Independence Criteria for MPM's Independent Directors. In consideration of this and the expertise that they have, MPM will appoint them as an Independent Director with no possibility of conflicts of interest with the general shareholders of MPM.

(3) Term as Outside Director

Mr. Yoshihiro Kataoka and Ms. Atsuko Watanabe will have served as Outside Director for five (5) years and one (1) year, respectively, at the close of this Ordinary General Meeting of Shareholders.

(4) Reasons for recommending candidates who have been involved in corporate management only by way of becoming outside officers

Although Mr. Yoshihiro Kataoka and Ms. Atsuko Watanabe have been involved in corporate management only by way of becoming outside officers, the Company has determined, as described above in the reasons for electing them as candidates for Outside Directors, that these two persons will adequately execute their duties as Outside Directors.

(Reference 1) For your reference, the relevant provisions of “MPM Corporate Governance Basic Policy” pertaining to Directors are listed below:

(Director Qualification and Nomination Procedures)

Article 18. The post of MPM’s director shall be filled by a person who has integrity, insights, abilities and a wealth of experience, etc. as well as an elevated sense of ethics.

2. When determining a director candidate, MPM shall pay attention to the diversity of those who compose the Board of Directors, weighing the balance between personnel who can play to their strengths in corporate management in a business area in which the group currently operates, or may operate in the future, personnel who are fit for business administration, personnel who can adequately fulfill supervising functions and others.
3. With respect to outside director candidates, MPM shall nominate personnel who can provide suggestions and advice aimed at frank and active, and constructive deliberations regarding corporate management based on their experience, knowledge, expertise, etc., and, from his/her independent standpoint, supervise corporate management and monitor any conflict of interest between the management team, etc. and MPM and have opinions of stakeholders reflected appropriately.
4. The independence of an outside director shall be judged based on the Independence Criteria in the Appendix.
5. A decision on any director candidate nomination shall be made by the Board of Director In light of the preceding four paragraphs after seeking and receiving advice from the Nomination and Remuneration Committee.
6. All directors shall be appointed to a one-year term of office and shall be subject to an election at an ordinary general meeting of shareholders.

(Establishment of a Voluntary Nomination and Remuneration Committee)

Article 23. MPM establishes a Nomination and Remuneration Committee as an advisory body for the Board of Directors.

2. Members of the Nomination and Remuneration Committee shall be elected from among representative directors and independent outside directors and be chaired by an independent outside director.
3. The Nomination and Remuneration Committee shall, in response to inquiry from the Board of Directors, examine the appropriateness of the contents of proposals to be presented to the Board of Directors, and give advice, with respect to each of the following items:
 - i) Director and Audit & Supervisory Board Member candidate nomination and CEO, executive director, operating officer and executive officer elections and dismissals; and
 - ii) Policy on remuneration of directors and executive officers and details of the remuneration for each individual.
4. Any inquiry on the contents of proposals to be presented to the Board of Directors set forth in the preceding paragraph shall as a general rule be made by the President and Representative Director. If the Board of Directors provides otherwise, however, such a procedure shall be followed.

(Reference 2) The balance of knowledge, experience and ability of each candidate is as follows.

Candidate names	Attribute	Corporate management	Finance and accounting	Manufacturing, technology and R&D	Sales and marketing	Personnel and labor management	Purchasing and procurement	Global mindset	Legal and compliance	ESG
Ryuichi Kisaka	Internal	•	•	•	•			•		•
Shigeharu Sanada	Internal	•	•			•	•	•	•	•
Yuji Takagami	Internal			•	•					
Kunihiro Nakagawa	Internal			•	•					
Kazuhiro Nakauchi	Internal			•						•
Yoshihiro Kataoka	Outside								•	
Atsuko Watanabe	Outside					•			•	
Soichi Nadahara	Outside	•		•				•		

Proposal No. 2: Election of One (1) Audit & Supervisory Board Members

The tenure of Mr. Hiroaki Tonooka as outside member of Audit & Supervisory Committee will expire at the closing of this Ordinary General Meeting of Shareholders, and the Company proposes his re-election.

The consent of the Audit & Supervisory Board has been obtained for this proposal.

The selection of the candidates was made in accordance with the requirements and procedures prescribed in MPM Corporate Governance Basic Policy.*


The candidates are as follows:

(*) For your reference, the relevant provisions of “MPM Corporate Governance Basic Policy” pertaining to Audit & Supervisory Board Members are listed below:

(Audit & Supervisory Board Member Qualification and Nomination Procedures)

Article 20. The post of MPM’s Audit & Supervisory Board Member shall be filled by a person who has integrity, insights, abilities and a wealth of experience, etc. as well as an elevated sense of ethics, who is independent of business executors, and who can adequately audit the management of the MPM Group by maintaining a fair and unbiased attitude.

2. At least one Audit & Supervisory Board Member of MPM shall be appointed from people who have appropriate knowledge of finance and accounting.
3. The independence of an Outside Audit & Supervisory Board Member shall be judged based on the Independence Criteria in the Appendix.
4. A decision on candidates for Audit & Supervisory Board Members including substitute Audit & Supervisory Board Members shall be made by the Board of Director in light of the preceding three paragraphs after seeking and receiving advice from the Nomination and Remuneration Committee.

Date of birth, etc.	Name	Number of shares of MPM held: 0 shares	
 <p>(January 23, 1953) age 71</p> <p>Attendance of Board of Directors meetings 100% (16/16)</p> <p>Attendance of Audit & Supervisory Board Member 100% (17/17)</p> <p>REAPPOINTMENT CANDIDATE</p> <p>OUTSIDE AUDIT CANDIDATE</p> <p>INDEPENDENT AUDIT CANDIDATE</p> <p>Years as an Audit & Supervisory Board Member: 8 years (at the close of this general meeting of shareholders)</p>	<p>Hiroaki Tonooka</p> <p>Profile and position</p> <p>April 1976 Joined Meiji Life Insurance Company (present Meiji Yasuda Life Insurance Company)</p> <p>July 2005 Director, General Manager, Corporate Market Development Department, Meiji Yasuda Life Insurance Company</p> <p>December 2005 Director, Meiji Yasuda Life Insurance Company</p> <p>April 2006 Senior Managing Director, Meiji Yasuda Life Insurance Company</p> <p>July 2006 Managing Executive Officer, Meiji Yasuda Life Insurance Company</p> <p>April 2008 Senior Managing Executive Officer, Meiji Yasuda Life Insurance Company</p> <p>July 2012 Director and Executive Officer, Vice President, Meiji Yasuda Life Insurance Company</p> <p>June 2014 Outside Corporate Auditor, Nippon Kayaku Co., Ltd.</p> <p>April 2016 Director, Meiji Yasuda Life Insurance Company</p> <p>June 2016 Advisor, Meiji Yasuda Life Insurance Company</p> <p> Outside member of Audit & Supervisory Committee, MPM (to present)</p> <p>July 2016 Executive and Councilor, The Kitasato Institute(to present)</p> <p>May 2022 Councilor, Japan College of Social Work (to present)</p>		
	Important positions concurrently held at other companies, etc.		
	Director and Councilor, The Kitasato Institute and Councilor, Japan College of Social Work		
	Reasons for nominating as a candidate for Outside Audit & Supervisory Board Member		
	Mr. Hiroaki Tonooka has served as Director, Executive Officer and Deputy President of Meiji Yasuda Life Insurance Company and has expert knowledge of financial affairs and accounting and abundant experience in corporate management. He is nominated as candidate for outside member of Audit & Supervisory Board in the hope that he will perform adequate and effective auditing functions regarding the management of the Company from an independent standpoint as outside member of Audit & Supervisory Board, leveraging the above-mentioned experience.		

(Notes) 1. No conflict of interests exists between MPM and Mr. Hiroaki Tonooka.

2. Directors and Officers Liability Insurance (D&O Insurance) Agreement

MPM has entered into a D&O Insurance Agreement with an insurance company, naming the MPM's Audit & Supervisory Board Members as the insured. The D&O insurance policy is designed to cover damages that may arise due to the insured assuming responsibility for the performance of their duties or receiving claims related to the pursuit of such responsibility. All the candidates are scheduled to be insured under this D&O Insurance policy if they are appointed as Audit & Supervisory Board Members and assume their offices as Audit & Supervisory Board Members.

3. Mr. Hiroaki Tonooka is a candidate for Outside Audit & Supervisory Board Member.

Business Report

(From April 1, 2023 to March 31, 2024)

1. Current Status of the Corporate Group

(1) Business Developments and Results

During the fiscal year ended March 31, 2024, the business environment surrounding the Group continued to recover, mainly due to the normalization of social activities and a recovery in inbound demand. Meanwhile, the high degree of uncertainty remained, reflecting the high prices of raw materials and fuels, mainly linked to growing geopolitical risks such as the prolonged Russian military invasion of Ukraine and rising tensions in the Middle East, the impact of global monetary tightening, concerns regarding the future of the Chinese economy, the continuing weakening of the yen and other factors.

Under these circumstances, the Group took steps to improve productivity and reduce costs, while in terms of sales, it sought to revise product prices and expand sales of new products.

In addition, the Group instituted the following initiatives in line with the basic policy of the Medium-Term Management Plan (for the fiscal year ended March 31, 2023 to the fiscal year ending March 31, 2025) in order to enhance its corporate value.

(i) Strengthen our earning capacity by “selection and concentration” strategies and “expansion of new business”
The Group is strongly promoting the expansion of its growth businesses, namely the functional non-woven fabrics-related business and the electronics-related field, to grow its business. The Group will continue to invest intensively in the functional materials business to steadily increase sales and profits and make it its core business. In addition, in the course of structural reforms based on the selection and concentration strategies, the Group worked to restructure its organizations through efforts such as the integration of subsidiaries into the Company and the merger of subsidiaries with each other, while simultaneously selling the business of the Flensburg Mill of the Germany subsidiary and transferring the sports club operation business and other businesses including thermal paper processing. The Group will continue to proceed with its organizational transformation to bolster its profitability and strengthen corporate governance.

(ii) Contribution to green society

Aiming for the sustainable growth of the Group, the medium- to long-term enhancement of its corporate value and contribution to society, the Group is promoting information disclosure in line with the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures) regarding both the risks and opportunities that climate change poses to its business. With regard to its initiatives to reduce CO₂ emissions, the Group participated in the GX League (GX: green transformation) to advance the initiatives to reach the target for 2030 that the Group has pledged to achieve in order to realize a carbon-neutral society.

In terms of the sales expansion of environmentally friendly products, the Group is seeking to expand sales of kraft paper and barrier paper, which are in strong demand for use in paper bags for mail order and take-out meals. The Group will contribute to reducing and eliminating the use of plastic and realizing a safe and comfortable sustainable society.

(iii) Organizational change to promote sustainability

Under the Mitsubishi Paper Mills Group Basic Sustainability Policy, the Group will strive to enhance its corporate value by earning trust and support from its stakeholders while also helping to address a range of social issues, with a view toward realizing a sustainable society. In addition, it has established the Mitsubishi Paper Mill's Forest with Nissy & Kassy program with the aim of helping the Group's shareholders increase their understanding of the current status of the Group's business activities and initiatives to promote sustainability, and encouraging shareholders' involvement in these initiatives. Additionally, the Group has

decided to publish integrated reports in place of its corporate reports. By further enhancing the content of its corporate reports, it will work to disclose more detailed information, thereby ensuring that all stakeholders understand all of the activities of the Group.

The Group has renewed its core systems and built a new group-unifying IT infrastructure. The Group will continue to push forward with the introduction of digital technologies at its facilities, including plants, improving operational efficiency and increasing work safety, while implementing digital transformation initiatives that will enhance corporate value.

As a result, consolidated net sales for the fiscal year under review increased to 193,462 million yen (down 7.7% year on year).

On the profitability side, consolidated operating income came to 5,410 million yen (compared with consolidated operating income of 968 million yen in the previous fiscal year), and consolidated ordinary income was 7,098 million yen (compared with consolidated ordinary income of 3,089 million yen in the previous fiscal year), reflecting the effects of product price revisions and cost reductions implemented to respond to the surging prices of raw materials and fuels. Profit attributable to owners of parent was 4,170 million yen (compared with a profit attributable to owners of parent of 571 million yen in the previous fiscal year).

Operating results by segment are as follows:

In the fiscal year under review, the Company has reviewed the composition of each reportable segment in accordance with the reorganization of the Group and the organizational change of the Company effective April 1, 2023 and changed the segment for communication and specialty paper, including businesses operated in Germany, from the sustainable fiber materials business to the functional materials business and the segment to which Kitakami site products (photographic base paper) belong from the functional materials business to the sustainable fiber materials business.

(2) Summary of Operations by Business Category

(Functional Material Business) Ratio of net sales: 48.6%

Net sales 97,351 million yen (down 11.5% YoY) Operating income 4,053 million yen (up 27.6% YoY)

In industrial materials-related products, sales of separators for energy storage devices, rewrite media and tape base paper rose from the previous year, but sales of air filters, water treatment membranes and decorative laminate base paper decreased from the previous year.

In the imaging media-related business, revenue from inkjet paper fell below the level a year ago, reflecting a decrease of sales volume. The sales volume of special dry film resists increased year on year, but in monetary terms, sales were lower than in the previous year.

In the information media-related business, the sales volumes of thermal paper, carbonless paper and PPC paper were lower than the previous year, but in monetary terms, their sales rose year on year due to the effect of price revisions.

In Building material related products, sales of tape base paper increased year on year, while sales of laminated board base paper decreased year on year.

Regarding businesses operated in Germany, both sales volume and value declined, due mainly to the impact of decreasing demand caused by concerns about economic recession.

As a result, the functional materials business as a whole posted lower sales and higher profits.

In the industrial materials-related business, the Group will seek to enhance its competitiveness through the continued improvement of quality and strengthen sales globally leveraging its overseas bases. In addition, it

will work to tap into demand related to applications in growth areas, for example, water treatment membranes for use in the manufacturing industry and desalination plants, separators for energy storage devices for use in electric double layer capacitors and condensers and filters for use in total heat exchange equipment.

In the imaging media-related business, the Group will work to expand sales of special dry film resists not only for communication applications but also in-vehicle related applications whose market is expected to grow going forward. In the imaging media-related business, although demand for image output and printing is declining, the Group will work to increase sales volume by expanding sales of products for signage labeling and industrial inkjet and promoting sales in developing countries in Asia, while seeking to improve profitability by working to build an appropriate production system.

Regarding the information media-related business, the Group will continue to work to stabilize earnings while simultaneously seeking to increase sales of added value products, for example, thermal paper for the POS market and PPC paper for FSC-certified paper products.

In the building materials business, we will work to increase sales through exports of base paper for decorative laminates as the housing slump in the U.S. and China recovers.

Regarding businesses operated in Germany, the Group will continue trying to stabilize profitability by facilitating business structural reform programs at the Bielefeld Mill.

(Sustainable Fiber Materials Business) Ratio of net sales: 48.6%

Net sales 97,511 million yen (down 4.1% YoY) Operating income 1,177 million yen (- YoY)

In the domestic market for printing paper, while sales volume decreased compared to a year ago due to a fall in demand, revenue increased owing to the effect of price revisions. Given the market environment in which the yen remained weak, exports increased year on year in both volume and monetary terms. With respect to the production system, the Group has been working on efficient production and inventory reduction while simultaneously assessing demand trends.

Commercial pulp recorded a decline in terms of both sales volume and sale value due to an accident that involved production equipment.

As a result, the sustainable fiber materials business as a whole posted lower sales and higher profits.

In the domestic market, the Group has been working to maintain prices and optimize the production system and inventory level. In addition, it has been expanding sales of kraft paper and environmentally friendly wrapping paper with barrier and heat-sealing properties (barricote® paper) by establishing a track record of use, reflecting the strong demand for plastic-free and reduced-plastic products against the backdrop of increasing environmental awareness. In addition, the Group will aim to stabilize revenue in the sustainable fiber materials business by seeking to maximize synergies at both Hachinohe and Kitakami Mills and reduce costs at each factory.

(Other Businesses) Ratio of net sales: 2.8%

Net sales 5,628 million yen (up 6.1% YoY) Operating income 245 million yen (up 104.1% YoY)

<Sales Amount by Business Category>

Business Category	FY2022 (158th term)		FY2023 (159th term)		YoY Changes (Figures in parentheses indicate decreases)	
	Upper column: Net sales Lower column: Operating income (loss)	Percentage	Upper column: Net sales Lower column: Operating income (loss)	Percentage	Amount	Ratio
	Million yen	%	Million yen	%	Million yen	%
Functional materials	109,967	50.7	97,351	48.6	(12,615)	(11.5)
	3,176	–	4,053	74.0	877	27.6
Sustainable fiber materials	101,668	46.9	97,511	48.6	(4,157)	(4.1)
	(2,423)	–	1,177	21.5	3,601	–
Others	5,303	2.4	5,628	2.8	325	6.1
	120	–	245	4.5	125	104.1
Total	216,939	100.0	200,491	100.0	(16,447)	(7.6)
	873	–	5,476	100.0	4,603	527.3
Elimination or corporate	(7,397)	–	(7,029)	–	367	–
	95	–	(66)	–	(161)	–
Total	209,542	–	193,462	–	(16,080)	(7.7)
	968	–	5,410	–	4,442	458.7

The segment information for the previous consolidated fiscal year is based on the reportable segments after the change.

(3) Trends in Assets and Operating Results

(i) Status of Assets and Operating Results of the Corporate Group

Classification		FY2020 (156th term)	FY2021 (157th term)	FY2022 (158th term)	FY2023 (159th term)
Net sales	(Million yen)	162,325	181,920	209,542	193,462
Operating income (loss)	(Million yen)	(1,770)	(248)	968	5,410
Ordinary income (loss)	(Million yen)	(636)	1,964	3,089	7,098
Profit (loss) attributable to owners of parent	(Million yen)	(2,532)	1,096	(571)	4,170
Earnings (loss) per share	(Yen)	(56.72)	24.62	(12.97)	95.28
Net assets	(Million yen)	62,902	69,613	72,041	90,954
Total assets	(Million yen)	209,438	215,879	227,058	235,380

(4) Issues to be addressed

Based on the corporate philosophy “Live up to the trust of its customers in the world market,” “Be always on the leading edge of technology” and “Contribute to preserving the global environment and creating a recycling society,” the MPM Group is pursuing corporate activities to achieve its sustainable growth and enhance its corporate value over the medium to long term.

In line with the current medium-term management plan (fiscal year ended March 2023 – fiscal year ending March 2025), the Company will aim at achieving a performance exceeding the initial target by executing the measures described below. The Company is also devising a new medium-term management plan for the next steps..

[Medium-term Management Plan (FY2023/3-FY2025/3)]

In the fiscal year ended March 31, 2023, the Group began executing the Medium-Term Management Plan by adopting “Creation of a New Mitsubishi Paper Mills Group” as a slogan to strengthen its earnings base by advancing structural reforms at an unprecedented speed in response to the rapidly changing business environment. The basic policy and implementation status of various measures in the Medium-Term Management Plan are as follows.

(i) Strengthen our earning capacity by “selection and concentration” strategies and “expansion of new business”

- As a selection and concentration initiative, the Company is working to integrate group companies. (Please refer to “Reorganization of Group Subsidiaries and the Company Structure.”) As of April 1, 2024, the Company implemented reorganization by way of a merger of its group companies. Further, it plans to integrate KJ SPECIALTY PAPER Co., Ltd. into the Company as of July 1, 2024. The restructuring of subsidiaries is intended to rationalize the organization, reduce fixed costs and strengthen corporate governance, as well as to strengthen the integrated management of business divisions and mills. After the implementation of the restructuring (July 1, 2024), the number of subsidiaries in the Group (excluding companies under liquidation process, etc.) will be reduced from 25 as of March 31, 2022 to 11 (a decrease of 14 companies).
- As a new business initiative, the Company is seeking to boost sales of functional products in the growth fields of functional non-woven fabrics-related and electronics-related businesses, by further enhancing their research and development structures to ensure the products’ superior quality. With respect to printing paper, the Company is working to form appropriate domestic sales prices by offsetting decreases in domestic demand with increases in export sales, while also focusing on expanding the export of pulp.

(ii) Contribution to green society

- With respect to initiatives to reduce CO2 emissions, the Company participated in the GX League (GX: green transformation) to advance initiatives to reach the target for 2030 (40% reduction compared to the level of fiscal year 2013) that the Company has pledged to achieve toward the realization of a carbon-neutral society.
- Recognizing solving problems faced by society as a business opportunity, the Company is working to develop and expand sales of products in the packaging field (kraft paper, barrier-coated paper) that contribute to the reduction of plastic use and the achievement of safe, comfortable and sustainable society.

(iii) Organizational change to promote sustainability

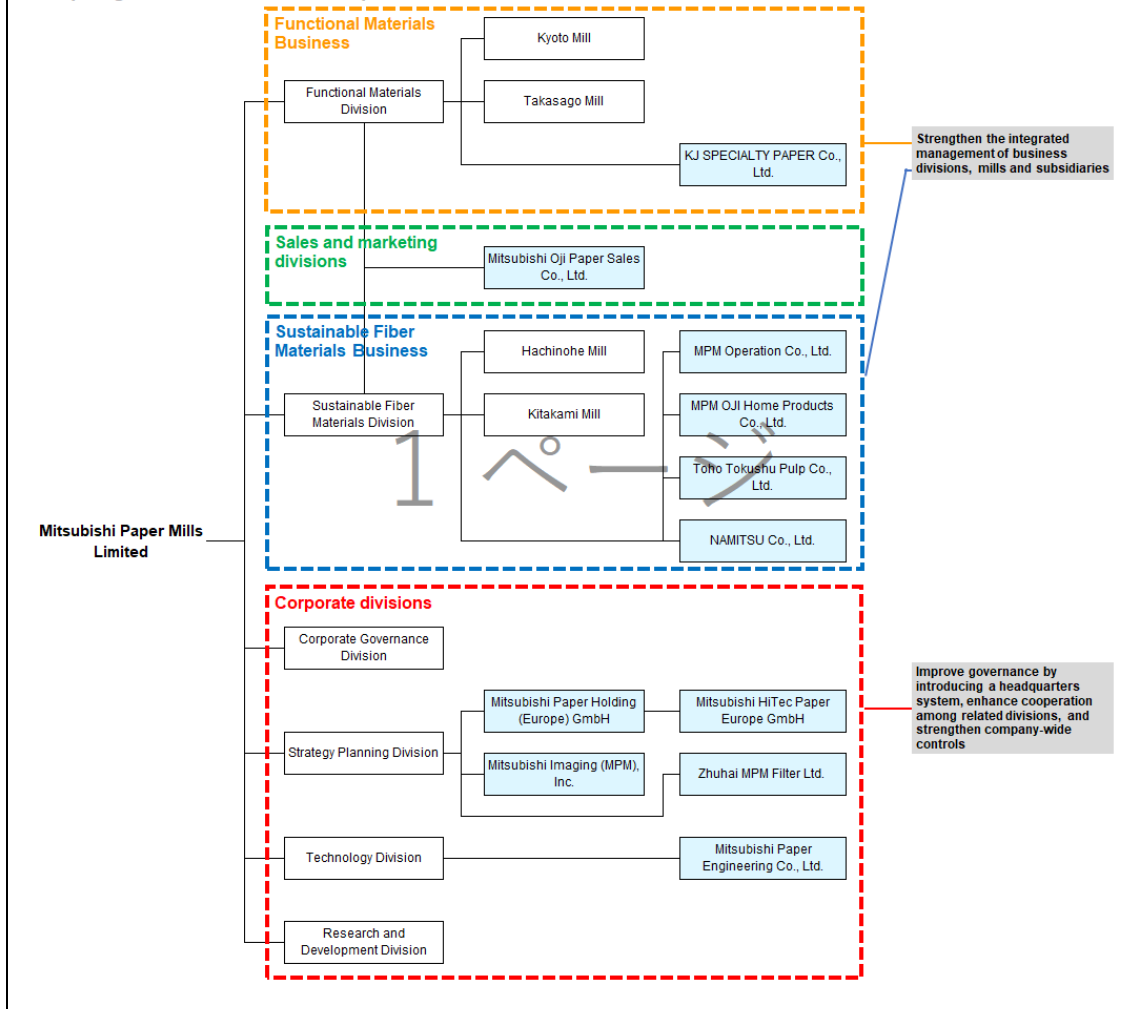
- The Company will establish Mitsubishi Paper Mill’s Forest with Nissy & Kassy program with the aim of helping its shareholders, through hands-on experience, achieve greater insight into the current status of the Company’s activities to promote sustainability. The Company is preparing for the first tree planting experience.
- From the viewpoint of diversity and inclusion, a female outsider director and a full-time member of Audit & Supervisory Committee were appointed in the fiscal year 2023, and a female executive officer was assigned in the fiscal year 2024. The Company is also promoting the employment of foreign nationals and people with disabilities.
- With the aim to promote working practice reform, the Company will work to expand the scope of work-at-home system for persons who are acquiring childcare and nursing care hours, and will use a staggered working hours system to improve work-life balance and productivity.
- To ensure compliance, the Company will improve its effectiveness through an enhanced internal whistleblowing system, and will adhere to its Declaration on Elimination of Harassment announced in fiscal year 2023, among other initiatives.
- The Company continued to publish an integrated report from the prior fiscal year to enhance

communication with its stakeholders, and will use Green Webcast on YouTube to promote information disclosure.

Reorganization of Group Subsidiaries and the Company Structure

As of April 1, 2024, the Company implemented reorganization through the merger of its group companies. They are intended to rationalize the organization, reduce fixed costs and strengthen corporate governance by restructuring subsidiaries, as well as to strengthen the integrated management of business divisions and mills, enhance cooperation among related divisions, and strengthen company-wide controls. As a result, the number of subsidiaries and indirectly owned subsidiaries, excluding those that are in the course of liquidation, decreased from 26 as of March 31, 2023, to 12 as of April 1, 2024.

Group Organizational Chart as of April 1, 2024



In fiscal year ending March 2025, the final year of the medium-term management plan (fiscal year ended March 2023 – fiscal year ending March 2025), the Company has set the following performance forecasts.

Consolidated indicators	FY2025/3	
	Forecasts (Announced on May 13, 2024)	Medium-term management plan target values
Net sales	197.0 billion yen	195.0 billion yen
Operating income	8.0 billion yen	7.5 billion yen
Ordinary income	8.0 billion yen	8.5 billion yen
Interest-bearing debt	73.0 billion yen	76.0 billion yen
D/E ratios	0.7	1.0

<Precondition> FY2025/3

<Assumptions of performance forecasts>

Exchange rates: 150 yen/US\$, Crude oil price (Dubai): 90US\$/barrel, Coal price (Australia): 140US\$/ton

<Assumptions of medium-term management plan>

Exchange rates: 125 yen/US\$, Crude oil price (Dubai): 85US\$/barrel, Coal price (Australia): 200US\$/ton

[Response to inappropriate incident at a subsidiary of the Company]

On May 10, 2024, the Company announced details about an inappropriate incident concerning heat resistant press board manufactured at Mitsubishi Paper Engineering Co., Ltd., a subsidiary in the Company's Shirakawa site, and established a special investigating committee consisting of external experts. The committee is working to establish a complete picture of the incident, analyze causes and propose preventive measures. The Company will give full cooperation to the special committee to ensure prompt and effective investigation, and review the group-wide quality management system for future reforms.

(5) Capital Investment

We have been engaging in capital investment with a focus on productivity improvement, environmental measures, and information technology infrastructure restructuring. We made capital investment of 1,472 million yen in the fiscal year under review, and major facilities and equipment that were completed or ongoing as of the end of the fiscal year under review are as follows.

A. Major facilities that were completed during the fiscal year under review

- The Company

Company-wide IT infrastructure restructuring

Renewal of paper quality measuring equipment for No. 2 coating machine at Hachinohe Mills

Head office layout change

B. Major ongoing facilities as of the end of the fiscal year under review

- The Company

Relocation work for heat resistant electrically insulated pressboard manufacturing facilities

Energy-saving measures

- Mitsubishi HiTec Paper Europe GmbH

New construction of warehouses and improvement work for in-house warehouses

(6) Fund Procurement

Funds for facilities and working capital during the fiscal year under review were financed by cash on hand, borrowings from financial institutions, and the issuance of commercial paper, among other means.

(7) Status of Principal Parent Companies and Subsidiaries (As of March 31, 2024)**(i) Status of parent company**

Not applicable.

(ii) Status of the important subsidiary companies

Company name	Capital stock (Million yen)	Percentage of voting rights of the Company	Main business
Mitsubishi Oji Paper Sales Co., Ltd.	600	99.9	Sale of paper, chemicals, etc.
Mitsubishi Paper Engineering Co., Ltd.	150	100.0	Design/installation of various machine and equipment construction
RYOSHI Co., Ltd.	100	100.0	Operation of insurance agencies and real estate business
NAMITSU Co., Ltd.	90	100.0	Cargo transportation and warehousing
MPM OJI Home Products Co., Ltd.	80	70.0	Manufacture and sale of household paper
Shin-Hokuryo Forest Products Co., Ltd.	70	100.0	Manufacture and sale of wood chips, etc.
Toho Tokushu Pulp Co., Ltd.	60	100.0	Manufacture and sale of special pulp
KJ SPECIALTY PAPER Co., Ltd.	50	100.0	Manufacturing, processing and sale of chemical paper
Katsumata Co., Ltd.	46	99.9	Manufacture and sale of processed paper products
Takasago Paper Processing Co., Ltd.	30	100.0	Paper trimming, grading and packaging
Ryokou Co., Ltd.	20	100.0	Construction industry, machine repair
MPM Operation Co., Ltd.	20	100.0	Entrustment with operation and management of production activities of Hachinohe Mill
Kyoryo Chemical Co., Ltd.	12	100.0	Finishing of sensitive coated paper
Mitsubishi Paper Holding (Europe) GmbH	Thousand EUR 1,000	100.0	Management of European affiliates
Mitsubishi HiTec Paper Europe GmbH	Thousand EUR 11,759	100.0	Manufacture and sale of paper
Mitsubishi Imaging (MPM), Inc.	USD 1,000	100.0	Sale of paper and photographic/printing plate materials
MPM Hong Kong Limited	Thousand HKD 700	100.0	Sale of speciality materials
Zhuhai MPM Filter Limited	Thousand CNY20,103	100.0	Manufacturing, processing and sale of speciality materials

(Notes) 1. Percentage of voting rights of MPM in Toho Tokushu Pulp Co., Ltd., Katsumata Co., Ltd. and Mitsubishi HiTec Paper Europe GmbH includes those of MPM's subsidiaries.

2. The Company and its subsidiaries conducted the absorption-type merger of their subsidiaries as part of the group reorganization on April 1, 2024, and the status of significant subsidiaries as of the same date is as follows. On July 1, 2024, KJ Specialty Paper Co, Ltd will be integrated into the Company.

Company name	Capital stock (Million yen)	Percentage of voting rights of the Company	Main business
Mitsubishi Oji Paper Sales Co., Ltd.	600	99.9	Sale of paper, chemicals, etc.
Mitsubishi Paper Engineering Co., Ltd.	150	100.0	Design/installation of various machine and equipment construction
NAMITSU Co., Ltd.	90	100.0	Cargo transportation and warehousing
MPM OJI Home Products Co., Ltd.	80	70.0	Manufacture and sale of household paper
Toho Tokushu Pulp Co., Ltd.	60	100.0	Manufacture and sale of special pulp
KJ SPECIALTY PAPER Co., Ltd.	50	100.0	Manufacturing, processing and sale of chemical paper
Katsumata Co., Ltd.	46	99.9	Manufacture and sale of processed paper products
MPM Operation Co., Ltd.	20	100.0	Entrustment with operation and management of production activities of Hachinohe Mill
Mitsubishi Paper Holding (Europe) GmbH	Thousand EUR 1,000	100.0	Management of European affiliates
Mitsubishi HiTec Paper Europe GmbH	Thousand EUR 11,759	100.0	Manufacture and sale of paper
Mitsubishi Imaging (MPM), Inc.	USD 1,000	100.0	Sale of paper and photographic/printing plate materials
MPM Hong Kong Limited	Thousand HKD 700	100.0	Sale of speciality materials
Zhuhai MPM Filter Limited	Thousand CNY 20,103	100.0	Manufacturing, processing and sale of speciality materials

(iii) Status of equity-method affiliated companies

Company name	Capital stock (Million yen)	Percentage of voting rights of the Company	Main business
MPM Oji Eco Energy Co., Ltd.	400	45.0	Power generation business, power sales business, and any other business incidental or related thereto
Hyogo Clay Co., Ltd.	25	36.2	Manufacturing of tankal and pigments for inkjet paper
Forestal Tierra Chilena Ltda.	Thousand USD 5,096	50.0	Transfer of land and plantation assets in January 2018 and scheduled to be liquidated in the future.

(iv) Others

MPM is an equity-method affiliated company of Oji Holdings Corporation, which owns 33% of voting rights of MPM.

(8) Principal Business (as of March 31, 2024)

Functional Materials Business	Water treatment materials, building materials, separator for electricity storage device, air filter, electronic and industrial materials, thermo rewritable products, inkjet paper, photosensitive materials, printing and prepress materials, information software products for printing, etc., printing plates for newspaper, communication paper, heat resistant pressboard, healthcare, paper straws,
Sustainable Fiber Materials Business	Uncoated printing paper, fine coated printing paper, coated printing paper, special printing paper and sanitary paper packaging papers, white paperboard, other specialty paper, bleached kraft pulp, specialty pulp
Other Businesses	Engineering services, insurance agency business and real estate industry leasing

(9) Main Offices and Mills (as of March 31, 2024)**(i) The Company**

Head Office	2-10-14 Ryogoku, Sumida-ku, Tokyo
Mills and Offices	Takasago Mill (Hyogo), Kyoto Mill (Kyoto), Hachinohe Mill (Aomori), Kitakami Division (Iwate)
Laboratories	Takasago R&D Laboratory (Hyogo), Kyoto R&D Laboratory (Kyoto)

(ii) Subsidiaries

Functional Materials Business	Kyoryo Chemical Co., Ltd. (Kyoto), KJ SPECIALTY PAPER Co., Ltd. (Shizuoka), Takasago Paper Processing Co., Ltd. (Hyogo) Mitsubishi Paper Holding (Europe) GmbH (Germany) Mitsubishi HiTec Paper Europe GmbH (Germany) Mitsubishi Imaging (MPM), Inc. (United States), MPM Hong Kong Limited (China), Zhuhai MPM Filter Ltd. (China)
Sustainable Fiber Materials Business	Mitsubishi Oji Paper Sales Co., Ltd. (Tokyo), Toho Tokushu Pulp Co., Ltd.(Tokyo), Katsumata Co., Ltd. (Saitama) MPM Operation Co., Ltd. (Aomori Prefecture), Shin-Hokuryo Forest Products Co., Ltd. (Aomori Prefecture) MPM OJI Home Products Co., Ltd. (Aomori) NAMITSU Co., Ltd.(Osaka)
Other Businesses	Mitsubishi Paper Engineering Co., Ltd. (Aomori), RYOSHI Co., Ltd. (Tokyo) Ryokou Co., Ltd. (Hyogo)

(Note) The Company and its subsidiaries conducted the absorption-type merger of their subsidiaries as part of the group reorganization on April 1, 2024, the details of which are described in Note 2 in “1. Current Status of the Corporate Group (7) Status of Principal Parent Companies and Subsidiaries (ii) Status of the important subsidiary companies.”

(10) Employees (As of March 31, 2024)**(i) Status of Employees in the Corporate Group**

Business Category	Number of employees
Functional materials	1,374
Sustainable fiber materials	1,129
Others	233
Group-wide (not belonging to any specific segment)	96
Total	2,832 (Change from the previous period:-339)

(Note) The number of employees in the Company-wide (not belonging to any specific segment) category includes employees who belong to the administration division that cannot be classified into any specific business segment.

(ii) Status of Employees in the Company

Number of employees	Change from the end of the previous period	Average age	Average years of continuous service
607	+106	47.9	25.8

(Note) Other than the above, 527 employees are seconded to subsidiaries, etc.

(11) Major Lender (As of March 31, 2024)

Lender	Borrowing amount (Million yen)
Syndicated loans	12,680
The Norinchukin Bank	12,057
MUFG Bank, Ltd.	10,077
Development Bank of Japan, Inc.	5,257
The Nanto Bank, Ltd.	4,806
Joyo Bank, Ltd.	4,593

(Note) Syndicated loans are those provided by 25 financial institutions led by MUFG Bank, Ltd.

2. Matters related to the Company's shares (As of March 31, 2024)

- (1) Total number of shares authorized 90,000,000 shares
 (2) Total number of shares issued 44,741,433 shares
 (3) Number of shareholders 16,526 people
 (up 249 people from the end of the previous fiscal year)

(4) Major shareholders

Name of shareholder	Number of shares held	Shareholding ratio
Oji Holdings Corporation	14,693,000 shares	32.9%
Isao Nasu	2,128,500 shares	4.8%
The Master Trust Bank of Japan, Ltd. (Trust account)	1,178,300 shares	2.6%
Mitsubishi Paper Mills Shareholder Association	979,850 shares	2.2%
SBI SECURITIES Co., Ltd.	960,325 shares	2.2%
The Master Trust Bank of Japan, Ltd. (Officer compensation BIP trust account, 76,599 units)	863,739 shares	1.9%
FUJIFILM Holdings Corporation	850,000 shares	1.9%
INTERACTIVE BROKERS LLC	703,600 shares	1.6%
The Norinchukin Bank	650,000 shares	1.5%
Tashiroya Limited Liability Company	481,100 shares	1.1%

(Note) The ratio of share contribution is calculated with treasury stock (75,794 shares) deducted. Treasury stock does not include shares of MPM owned by the Board Incentive Plan.

Distribution of shareholders by shareholder type ← Pie chart

Category	Number of shareholders	Number of shares held	Shareholding ratio
Financial institutions	26 persons	5,258,021 shares	11.7%
Other corporations	200 persons	20,134,770 shares	45.0%
Individuals and others	16,155 persons	14,085,439 shares	31.5%
Foreign corporations and others	106 persons	2,979,900 shares	6.7%
Financial instruments business operators	39 persons	2,283,303 shares	5.1%
Total	16,526 persons	—	100.0%

(5) Status of shares granted to Company officers during the fiscal year under review as consideration for performance of duties

	Number of shares	Number of eligible Directors
Directors (excluding Outside Directors)	20,316 shares	1

(Notes) 1. Details of the Company's stock-based compensation are described in "3. Matters related to company officers,

(4) The amounts of compensation for Directors and Audit & Supervisory Board Members concerning the fiscal year under review."

2. The number of shares above includes 6,116 shares that were converted into cash for the purpose of tax payment.

3. Matters related to company officers

(1) Names and the status of important concurrent positions of Directors and Audit & Supervisory Board Members (as of March 31, 2024)

President (Representative Director)	Ryuichi Kisaka	
Representative Director	Shigeharu Sanada	
Director	Shigeji Matsuzawa	
Director	Yuji Takagami	
Director	Kunihiro Nakagawa	
Director	Yoshihiro Kataoka	(Partner, Director, Kataoka & Kobayashi LPC Supervisor, SHIMIZU PRIVATE REIT, Inc.)
Director	Kazunori Shinohara	
Director	Atsuko Watanabe	(President, Watanabe General Law Office Outside Director, Hokkan Holdings Limited)
Full-time Audit & Supervisory Board Member	Yasuyuki Kusuda	
Full-time Audit & Supervisory Board Member	Nobuko Otsuka	
Audit & Supervisory Board Member	Hiroaki Tonooka	(Director, Trustee, The Kitasato Institute Trustee, Japan College of Social Work)
Audit & Supervisory Board Member	Satoshi Takizawa	(Representative Director, President, Mitsubishi UFJ Trust Business Co., Ltd.)

(2) Names and responsibilities of Executive Officers (As of March 31, 2024)

Position	Name	Responsibilities
* Executive Officer, President & CEO	Ryuichi Kisaka	In charge of Technology Div.
* Senior Executive Vice President	Shigeharu Sanada	In charge of Strategy Planning Division and Corporate Governance Division Responsible for Internal Audit Department Director responsible for Sustainability Promotion
Senior Managing Executive Officer	Kazuhiro Nakauchi	General Manager, Technology Division Head of Hachinohe Mill, Head of Kitakami Mill, Deputy General Manager, Sustainable Fiber Materials Div. President & CEO, MPM Operation Co., Ltd.
* Managing Executive Officer	Shigeji Matsuzawa	Officer responsible for German operations
* Managing Executive Officer	Yuji Takagami	General Manager, Sustainable Fiber Materials Div. Director, President, Mitsubishi Oji Paper Sales Co., Ltd.
* Managing Executive Officer	Kunihiro Nakagawa	General Manager, Functional Materials Div. General Manager, Research and Development Div.
Managing Executive Officer	Teiji Ota	Deputy General Manager, Sustainable Fiber Materials Div.
Executive Officer	Hiroaki Kobayashi	Deputy General Manager, Technology Div., General Manager, Technology Dept. Responsible for Engineering Business President & CEO, Mitsubishi Paper Engineering Co., Ltd.
Executive Officer	Takao Fujiura	General Manager, Corporate Governance Div.
Executive Officer	Hironori Oikawa	Head of Takasago Mill, Deputy General Manager, Functional Materials Div.
Executive Officer	Hiroshi Mohara	Chairman, Zhuhai MPM Filter Limited Deputy General Manager, Functional Materials Div.

Executive Officer	Ikuo Fujita	Officer responsible for German operations President, Mitsubishi Paper Holding (Europe) GmbH President, Mitsubishi HiTec Paper Europe GmbH President & CEO, Mitsubishi Imaging (MPM), Inc.
Executive Officer	Ryuki Fuchiwaki	President & CEO, KJ SPECIALTY PAPER Co., Ltd.
Executive Officer	Fujitaka Mizushima	General Manager, Strategy Planning Div. Deputy General Manager, Functional Materials Division and General Manager, Functional Materials Sales Department
Executive Officer	Hidetaka Tsukada	Managing Executive Officer, Mitsubishi Oji Paper Sales Co., Ltd.
Executive Officer	Yukio Tokunaga	Head of Kyoto Mill, Deputy General Manager, Functional Materials Div.
Executive Officer	Sadao Nakamura	Deputy General Manager, Sustainable Fiber Materials Div. Managing Executive Officer, Mitsubishi Oji Paper Sales Co., Ltd.

Executive Officers with an asterisk concurrently serve as a Director.

- (Notes)
1. Directors Yoshihiro Kataoka, Kazunori Shinohara and Atsuko Watanabe are Outside Directors.
 2. Audit & Supervisory Board Members Hiroaki Tonooka, Satoshi Takizawa, and Nobuko Otsuka are Outside Audit & Supervisory Board Members.
 3. Ms. Nobuko Otsuka, member of Audit & Supervisory Committee, has a high degree of knowledge in financial affairs and accounting, having worked over many years in the fields of tax affairs, accounting and internal auditing at the taxation bureau, a tax accountant corporation and Oji Holdings Corporation.
 4. Audit & Supervisory Board Member Hiroaki Tonooka has many years of experience in financial institutions including his serving as a Director and an Executive Officer at Meiji Yasuda Life Insurance Company and has expertise in accounting and finance.
 5. Audit & Supervisory Board Member Satoshi Takizawa has many years of experience in financial institutions including his serving as a Director and a Senior Managing Executive Officer at Mitsubishi UFJ Trust and Banking Corporation and has expertise in accounting and finance.
 6. MPM has notified the Tokyo Stock Exchange of the appointment of Directors Yoshihiro Kataoka, Kazunori Shinohara, Atsuko Watanabe and Audit & Supervisory Board Members Hiroaki Tonooka and Satoshi Takizawa as Independent Directors and Audit & Supervisory Board Members with no possibility of conflicts of interest with general shareholders.
 7. There are no Directors and Audit & Supervisory Board Members who assumed or left office from the day following the 158th Annual General Meeting of Shareholders held during the fiscal year under review (June 29, 2023) to the end of the fiscal year.
 8. Responsibilities of Executive Officers and Mission Executives have been changed as follows, effective April 1, 2024.
 - * A head of an important organization, who participates in management meeting which is the highest decision-making organ for the management team, is assigned as Executive Officer with the aim of clarifying management responsibilities and ensuring timely decision-making. Meanwhile, a person who serves as deputy head, etc. of an important organization and plays an important role as an officer in a specific area is assigned as Mission Executive.

Position	Name	Responsibilities
Executive Officer, President & CEO	Ryuichi Kisaka	(In charge of Technology Div.)
Senior Executive Vice President	Shigeharu Sanada	(In charge of Corporate Governance Div. General Manager, Strategy Planning Div. Responsible for Internal Audit Department Director responsible for Sustainability Promotion)

Senior Managing Executive Officer	Kazuhiro Nakauchi	General Manager, Technology Division Deputy General Manager, Research and Development Div. President & CEO, Mitsubishi Paper Engineering Co., Ltd.
Managing Executive Officer	Yuji Takagami	General Manager, Sustainable Fiber Materials Div. Director, President, Mitsubishi Oji Paper Sales Co., Ltd.
Managing Executive Officer	Kunihiro Nakagawa	General Manager, Functional Materials Div. In charge of Research and Development Division and German operations President & CEO, KJ SPECIALTY PAPER Co., Ltd.
Executive Officer	Hiroaki Kobayashi	Head of Hachinohe Mill, Head of Kitakami Mill, Deputy General Manager, Sustainable Fiber Materials Div. President & CEO, MPM Operation Co., Ltd.
Executive Officer	Takao Fujiura	(General Manager, Corporate Governance Div.)
Executive Officer	Hironori Oikawa	Head of Takasago Mill and Head of Kyoto Mill Deputy General Manager, Functional Materials Div.
Executive Officer	Ikuo Fujita	Officer responsible for German operations President & CEO, Mitsubishi Paper Holding (Europe) GmbH, President & CEO, Mitsubishi HiTec Paper Europe GmbH President & CEO, Mitsubishi Imaging (MPM), Inc.
Executive Officer	Wakana Aizawa	General Manager, Research and Development Division and General Manager, Research and Development Planning Office General Manager, Intellectual Property Department Deputy General Manager, Technology Div.
Mission Executive	Hiroshi Mohara	Chairman, Zhuhai MPM Filter Limited Deputy General Manager, Functional Materials Div.
Mission Executive	Ryuki Fuchiwaki	(General Manager, Internal Audit Department)
Mission Executive	Fujitaka Mizushima	Assistant officer responsible for German operations Senior Executive Vice President, Mitsubishi Paper Holding (Europe) GmbH, Senior Executive Vice President, Mitsubishi HiTec Paper Europe GmbH
Mission Executive	Hidetaka Tsukada	(Senior Executive Vice President, KJ SPECIALTY PAPER Co., Ltd.)
Mission Executive	Yukio Tokunaga	Deputy General Manager, Functional Materials Division and General Manager, Functional Materials Sales Department Managing Executive Officer, Mitsubishi Oji Paper Sales Co., Ltd.
Mission Executive	Sadao Nakamura	Deputy General Manager, Sustainable Fiber Materials Div. Managing Executive Officer, Mitsubishi Oji Paper Sales Co., Ltd.
Mission Executive	Koji Yamanaka	Deputy General Manager, Strategy Planning Divi. General Manager, Global Business Management Dept. Managing Executive Officer, Mitsubishi Oji Paper Sales Co., Ltd.
Mission Executive	Mitsuhiro Ikeda	(Deputy Factory Manager, Kitakami Mills)
Mission Executive	Hiroyuki Inou	Deputy Factory Manager, Hachinohe Mills Director, General Manager, Administrative Department, MPM Operation Co., Ltd.

(3) Outline of liability insurance for officers, etc.

MPM signs a directors and officers liability insurance policy as specified in paragraph 1, Article 430-3 of the Companies Act to cover damages such as compensation and legal expenses if a damage compensation claim is filed against the insured during the insurance period due to an act committed by the insured in their capacity as the insured under this insurance. However, the above policy does not cover damages arising from the insured's illegal obtaining of benefits or advantages, criminal acts, dishonest acts, fraudulent acts or acts committed with knowledge that they violate laws, regulations, or regulatory statutes.

The insured of the insurance policy is the Directors, Audit & Supervisory Board Members and managerial employees of MPM, and MPM pays all of the premiums for all of the insured.

(4) The amounts of compensation for Directors and Audit & Supervisory Board Members concerning the fiscal year under review

(i) Matters related to resolutions of the Shareholders' Meeting about remuneration for the Directors and Audit & Supervisory Board Members

The amount of monetary compensation for Directors was resolved at the 156th Ordinary Shareholders' Meeting held on June 25, 2021 to be within 280 million yen per year (not including salaries Directors receive for their concurrently serving as employees of the Company). The number of Directors when the annual Shareholders' Meeting ended was eight (including two Outside Directors).

Additionally, separately from monetary compensation, it was resolved at the same Shareholders' Meeting that MPM will contribute up to 150 million yen per fiscal year to a trust as a performance-linked stock compensation plan for Directors and Executive Officers (excluding Outside Directors, part-time Directors and non-residents of Japan), and that the maximum number of shares of MPM to be delivered, etc. through the trust will be a total of 1.8 million points (equivalent to 1.8 million shares) for three fiscal years. As of the conclusion of the Ordinary Shareholders' Meeting, five Directors (excluding Outside Directors, part-time Directors and non-residents of Japan) are participating in the performance-linked stock compensation plan.

The amount of monetary compensation for Audit & Supervisory Board Members was resolved at the 121st Ordinary Shareholders' Meeting held on June 27, 1986 to be within 7 million yen per month. The number of Audit & Supervisory Board Members when the annual Shareholders' Meeting ended was three.

(ii) Policies on decisions related to details of compensation for individual Directors, etc.

a. Details of the policies

At a meeting held on May 12, 2022, the Company's Board of Directors resolved policies for determining details of the compensation for individual Directors.

MPM's Basic Policies on Corporate Governance stipulate that compensation for Directors and Executive Officers shall be appropriate, fair, and balanced to motivate them to achieve the sustainable growth of MPM and the enhancement of its corporate value over the medium and long term, and that the Board of Directors shall make a resolution on this matter after consulting the Nomination and Remuneration Committee, which is an advisory body to the Board of Directors and chaired by an Outside Director.

Compensation for Directors (excluding Outside Directors and part-time Directors) consists of a fixed remuneration (cash) and stock-based compensation. Stock-based compensation consists of a fixed portion not linked to business performance and a portion linked to business performance. The stock-based compensation that is not linked to business performance is the granting of a certain number of stock delivery points in accordance with the Director's position. The stock-based compensation that is linked to business performance is the granting of stock delivery points linked to the consolidated operating income for each fiscal year during the subject period in accordance with the Director's position. Since indicators for performance-linked compensation are highly connected to company performance, the consolidated operating income, etc., announced in the consolidated performance forecast are used as indicators to ensure the executive compensation system is highly transparent and objective. Regarding stock-based compensation, the total number of shares to be delivered (one share of the Company's stock per stock delivery point) will be determined after the Director retires.

Outside Directors and part-time Directors are not paid stock-based compensation from the perspective of their independence for Outside Directors, and for the part-time Directors, due to the fact that they do not

excuse business operations. Outside Directors and part-time Directors are paid only a fixed remuneration (cash).

b. Weighting of performance-linked compensation and compensation other than performance-linked compensation

Compensation for Directors consists of fixed remuneration (cash) and stock-based compensation, and the stock-based compensation consists of a fixed portion not linked to business performance and a portion linked to business performance.

The weighting for each category, which serves as the standard, is as follows.

Classification	Fixed remuneration	Stock-based compensation		Total
	Monetary remuneration	Non-monetary remuneration (fixed)	Non-monetary remuneration (linked to business performance)	
Director (excluding Outside Directors and part-time Directors)	75%	12.5%	12.5%	100%
Outside Directors and part-time Directors	100%	–	–	100%

(Notes) 1. Monetary remuneration, which is fixed remuneration, is a fixed amount determined in accordance with the Director's position.

2. The actual weighting varies depending on the amount of performance-linked compensation paid.

c. Calculation method of stock-based compensation

(Fixed portion)

The fixed portion is a fixed amount determined according to the Director's position and calculated by "fixed share delivery points."

Fixed share delivery point: Base amount of stock-based remuneration by position $\times 0.5 \div$ Average price of shares of the Company's stock acquired by the Trust^(Note 1)

(Performance-linked portion)

The performance-linked portion is calculated based on the "performance-linked stock delivery points" determined according to the Director's position and the achievement-linked coefficient.

Performance-linked share delivery point: Base amount of stock-based remuneration by position $\times 0.5 \div$ Average price of shares of the Company's stock acquired by the Trust^(Note 2)

Average acquisition price of the Company's shares by the Trust^(Note 1)

(Notes) 1. If the Trust period is extended, the average acquisition price of the Company's shares after the extension of the Trust shall be used.

2. The achievement-linked coefficient shall be a coefficient based on the degree of achievement of the target consolidated operating income for each fiscal year, and shall be resolved by the Board of Directors together with the setting of the amount of such target consolidated operating income. The value of the achievement-linked coefficient to be applied is as follows. The amount of the target consolidated operating income for the fiscal year under review is 6,000 million yen, and the actual amount was 5,410 million yen. The amount of the target consolidated operating income for the fiscal year ending March 31, 2025 is 8,000 million yen.

Formula

Achievement-linked coefficient = Coefficient according to the achievement level of target consolidated operating income (the actual value of consolidated operating income is calculated after rounding down to the nearest 100 million yen, and values less 1% are rounded off)

Achievement-linked coefficient for the fiscal year under review = 5,400 million yen / 6,000 million yen =

90%

(Coefficient table based on the achievement level of target consolidated operating income)

Target achievement level	Achievement-linked coefficient:
0% or less (loss)	0%
More than 0% but less than 100%	Target achievement level
100%	100%
More than 100% but less than 200%	$100\% + (\text{Target achievement level} - 100\%) / 2$
200% or more	150%

3. The points are fixed at the time of retirement and are paid by converting a certain percentage of the tax payment funds into cash.

d. Cash plan

For non-residents in Japan, the cash plan system will be applied instead of the performance-linked stock compensation plan, and cash linked to the share price of the Company's stock will be paid. In this plan, the same point calculation as in the performance-linked stock compensation plan will be performed in accordance with the regulations concerning the stock-based compensation for Directors and Executive Officers, and the calculated points will be granted as cash plan points. With respect to points provided, money will be paid in the amount obtained by the number of accumulated points multiplied by the share price of the Company's stock at the end of each year of engaging in work duties or at the time when the subject person ceases to be eligible for the system.

(iii) Method for determining remuneration

The Company has established the Nomination and Remuneration Committee as an advisory body to the Board of Directors, which is appointed from the Representative Directors and Independent Outside Directors and chaired by an Independent Outside Director. Receiving inquiries from the Board of Directors, the Nomination and Remuneration Committee considers policies regarding compensation for Directors and Executive Officers and details of individual compensation based on the policies in (ii) above, and reports to the Board of Directors.

(iv) The total amount of remuneration and other payments for Directors and Audit & Supervisory Board Members

Classification	Number of eligible recipients Persons	Total amount of remuneration, etc. Million yen	Total amount of remuneration, etc. by type and the number of eligible recipients							
			Fixed remuneration		Stock-based compensation				Cash plan	
			Monetary remuneration		Non-monetary remuneration (fixed)		Non-monetary remuneration (linked to business performance)		Monetary remuneration	
			Number of eligible recipients Persons	Total amount Million yen	Number of eligible recipients Persons	Total amount Million yen	Number of eligible recipients Persons	Total amount Million yen	Number of eligible recipients Persons	Total amount Million yen
Director	11	167	11	130	4	13	4	14	1	8
Audit & Supervisory Board Member	5	46	5	46	–	–	–	–	–	–
Total (Outside Officers)	16 (7)	213 (48)	16 (7)	176 (48)	4 (–)	13 (–)	4 (–)	14 (–)	1 (–)	8 (–)

(Notes) 1. The table above includes the remuneration paid to three Directors and one Audit & Supervisory Board Member who retired at the conclusion of the 158th Ordinary General Meeting of Shareholders held on June 29, 2023 during their terms of office.

2. The total amount of each stock-based compensation and cash plan above is the sum of the amounts expensed during the fiscal year under review. The portion linked to business performance of the stock-based compensation and cash plan will be determined after the end of the fiscal year based on the actual achievement of consolidated operating income targets.

(v) Reasons for determining that compensation for individual Directors for the fiscal year under review is in line with the policy determined by the Board of Directors

When determining remuneration for individual Directors, the Nomination and Remuneration Committee, chaired by an independent Outside Director, deliberates on appropriateness from multiple perspectives based on the policies described in (ii) above, and reports to the Board of Directors. Given that the Board of Directors has passed resolutions based on the deliberation process and report of the Nomination and Remuneration Committee, the Board of Directors has determined that remuneration for individual Directors during the fiscal year under review is in line with the policies.

(5) Matters related to Outside Officers (as of March 31, 2024)

- a. Important concurrent positions and relationship between MPM and the entities where they hold concurrent positions

Director Yoshihiro Kataoka is a Partner and Director of Kataoka & Kobayashi, and a Supervisor of SHIMIZU PRIVATE REIT, Inc. MPM has no special relationships with the above companies where he holds concurrent positions.

Director Ms. Atsuko Watanabe is President of Watanabe General Law Office and Outside Director of Hokkan Holdings Co., Ltd. MPM has no special relationships with the above companies where he holds concurrent positions.

Audit & Supervisory Board Member Hiroaki Tonooka is a Director and Trustee of The Kitasato Institute and a Trustee of Japan College of Social Work. MPM has no special relationships with the above companies where he holds concurrent positions.

Audit & Supervisory Board Member Satoshi Takizawa is the Representative Director and President of Mitsubishi UFJ Trust and Banking Corporation. MPM has no special relationships with the above companies where he holds concurrent positions.

- b. Main activities for the fiscal year under review

- Attendance at the Board of Directors meetings and the Audit & Supervisory Board meetings

		Board of Directors	Audit & Supervisory Board
Director	Yoshihiro Kataoka	16 meetings / 16 meetings (100%)	–
Director	Kazunori Shinohara	16 meetings / 16 meetings (100%)	–
Director	Atsuko Watanabe	12 meetings / 12 meetings (100%)	–
Audit & Supervisory Board Member (Full-time Audit & Supervisory Board Member)	Nobuko Otsuka	12 meetings / 12 meetings (100%)	13 meetings / 13 meetings (100%)
Audit & Supervisory Board Member	Hiroaki Tonooka	16 meetings / 16 meetings (100%)	17 meetings / 17 meetings (100%)
Audit & Supervisory Board Member	Satoshi Takizawa	16 meetings / 16 meetings (100%)	17 meetings / 17 meetings (100%)

- Statements made at Board of Directors meetings and Audit & Supervisory Board meetings

Director Yoshihiro Kataoka plays a role in making decisions on important matters and supervising the execution of business operations by asking questions and providing recommendations from an independent and objective standpoint based on his experience and insight as a lawyer with expertise in corporate legal affairs. Additionally, as the chairperson of the Nomination and Remuneration Committee, he attended all 16 Nomination and Remuneration Committee meetings held during the fiscal year under review and contributed to the strengthening of the corporate governance of MPM by enhancing objectivity in the selection of candidates for Directors and the determination of officer remuneration.

Director Kazunori Shinohara plays a role in making decisions on important matters and supervising the execution of business operations by asking questions and providing recommendations from an independent and objective standpoint based on his extensive experience in all aspects of company management in food companies. Additionally, as a member of the Nomination and Remuneration Committee, he attended all 16 Nomination and Remuneration Committee meetings held during the fiscal year under review and contributed to the strengthening of the corporate governance of MPM by enhancing objectivity in the selection of candidates for Directors and the determination of officer remuneration.

Based on her experience and insight as an attorney with expertise in corporate legal affairs, Director Ms. Atsuko Watanabe fulfills the role of supervising decision-making regarding important matters and business execution by presenting questions and suggestions from an independent and objective standpoint. She thus contributes to the improvement of the Company's corporate governance.

Ms. Nobuko Otsuka, member of Audit & Supervisory Committee, conducts appropriate and effective audits of the Company's business execution by objectively expressing useful opinions based on her expert insight into tax affairs, accounting and audits cultivated through her experience at the taxation bureau, a tax accountant corporation and Oji Holdings Corporation.

Audit & Supervisory Board Member Hiroaki Tonooka appropriately and effectively audits the Company's business operations by providing useful comments from an independent and objective standpoint based on his experience in the management of a life insurance company and his expertise in accounting and finance in general.

Audit & Supervisory Board Member Satoshi Takizawa appropriately and effectively audits the Company's business operations by providing useful comments from an independent and objective standpoint based on his experience in the management of a trust bank and his expertise in accounting and finance in general.

4) As described in the issues to be addressed, improper conduct was found in the quality inspection of heat resistant electrically insulated pressboard products manufactured at the Shirakawa Plant of Mitsubishi Paper Engineering Co., Ltd., a wholly owned subsidiary of the Company. Although the outside directors and outside auditors were not aware of the facts until they were discovered, they had always taken a compliance-oriented management perspective and had appropriately performed their duties, such as speaking up during board meetings. Even after the facts were discovered, they made recommendations at board meetings, board of auditors meetings, and more regarding a thorough investigation to clarify the full picture and identify the causes, and suggested further strengthening the compliance system to prevent recurrence.

c. Outline of agreement for limitation of liability

The Company has concluded contracts for the limitation of liability, by which the liability for damages stipulated in Article 423, paragraph (1) of the Companies Act of Japan is limited by the provision of Article 427, paragraph (1) of the said Act, with its Outside Directors and Outside Audit & Supervisory Board Members.

The maximum amount of liability for compensation of damages under the agreement is the higher of 10 million yen or the amount stipulated by law.

4. Status of Accounting Auditors

(1) Name of Accounting Auditor (As of March 31, 2024)

Ernst & Young ShinNihon LLC.

(2) The amount of fees, etc. paid to Accounting Auditors for the fiscal year under review

a. Fees, etc. paid to Accounting Auditors for the fiscal year under review

58 million yen

b. Total amount of money and other financial benefits that the Company and its subsidiaries should pay to Accounting Auditors

77 million yen

(Notes) 1. Since the amount of fees and other considerations paid to Accounting Auditors under the Companies Act and the amount of remuneration for auditing services under the Financial Instruments and Exchange Act are not distinguished in the agreement between MPM and the Accounting Auditors, the amount in a above is the sum of these amounts.

2. Among MPM's important subsidiaries, Mitsubishi Paper Holding (Europe) GmbH, Mitsubishi HiTec Paper Europe GmbH, Mitsubishi Imaging (MPM), Inc., MPM Hong Kong Limited and Zhuhai MPM Filter Limited are subject to audits (limited to those under the provisions of the Companies Act and the Financial Instruments and Exchange Act (including equivalent foreign laws and regulations)) of their financial statements by certified public accountants or auditing firms (including those who have qualifications equivalent to these qualifications in foreign countries) other than MPM's Accounting Auditors.

3. Based on the Practical Guidelines for Cooperation with Accounting Auditors published by the members of the Japan Audit & Supervisory Board, the Audit & Supervisory Board obtained and received explanations from the Accounting Auditors and related departments within MPM regarding the comparison of audit plans and results for the previous fiscal year, audit time and compensation and other necessary materials, and further examined the adequacy of audit plans and estimated compensation for the fiscal year under review by reviewing the audit fees of other companies. As a result, MPM determined that the remuneration, etc. of the Accounting Auditors was appropriate and gave its consent as stipulated in Article 399, Paragraph 1 of the Companies Act.

(3) Policy on decision to dismiss or not to reappoint Accounting Auditors

The Audit & Supervisory Board will dismiss the Accounting Auditors with the unanimous consent of the Audit & Supervisory Board Members if any of the items of Article 340, Paragraph 1 of the Companies Act apply regarding the Accounting Auditors.

In cases other than the foregoing where it is deemed difficult for the Accounting Auditors to perform appropriate audits due to the occurrence of events which undermine their suitability or independence, the Audit & Supervisory Board will determine the details of a proposal for the dismissal or non-reappointment of the Accounting Auditors, and the Board of Directors will submit the proposal to the General Meeting of Shareholders based on this decision.

5. Policy regarding decisions on dividends of surplus, etc.

The Company's basic policy regarding dividends of surplus and the like is to regard the distribution of profits to shareholders as a key management issue and maintain stable dividends while comprehensively considering business performance in each business year and internal reserves necessary to prepare for future management initiatives.

As for the year-end dividend for the fiscal year under review, the Company has decided to pay a year-end dividend of 10 yen per share, after taking into comprehensive consideration the maintenance of a stable dividend payment and the recent trend in its business performance.

Under Article 459 of the Companies Act, the Articles of Incorporation stipulate that dividends of surplus, etc. shall be paid by resolution of the Board of Directors.

Consolidated Balance Sheet

FY2023 Mar 31,2024

(Million yen)

Assets		Liabilities	
Item	Amount	Item	Amount
Current assets	101,930	Current liabilities	104,272
Cash and deposits	10,009	Notes and accounts payable - trade	24,779
Notes receivable-trade	10,493	Electronically recorded obligations	4,607
Accounts receivable - trade	37,642	Short-term loans payable	62,026
Merchandise and finished goods	23,092	Lease obligations	408
Work in process	6,744	Accrued expenses	7,149
Raw materials and supplies	12,007	Income taxes payable	1,261
Other	1,981	Contract liabilities	461
Allowance for doubtful accounts	(40)	Other	3,577
Non-current assets	133,450	Non-current liabilities	40,153
Property, plant and equipment	71,301	Long-term borrowings	22,281
Buildings and structures	17,327	Lease obligations	348
Machinery, equipment and vehicles	30,866	Deferred tax liabilities	8,210
Land	20,317	Provision for share awards	114
Leased assets	763	Provision for directors' retirement benefits	36
Construction in progress	1,018	Net defined benefit liability	6,855
Other	1,008	Asset retirement obligations	939
Intangible assets	1,954	Other	1,367
Other	1,954	Total liabilities	144,425
Investments and other assets	60,194	Net assets	
Investment securities	26,376	Shareholders' equity	60,005
Long-term loans receivable	315	Capital stock	36,561
Net defined benefit asset	31,680	Capital surplus	6,523
Deferred tax assets	999	Retained earnings	17,336
Other	901	Treasury shares	(416)
Allowance for doubtful accounts	(78)	Accumulated other comprehensive income	30,926
		Valuation difference on available-for-sale securities	9,399
		Foreign currency translation adjustment	763
		Remeasurements of defined benefit plans	20,763
		Non-controlling interests	22
		Total net assets	90,954
Total assets	235,380	Total liabilities and net assets	235,380

(Note) The stated amounts are rounded down to the nearest million yen.

Consolidated Statement of Income

FY2023 Apr '23 - Mar '24

(Million yen)

Item	Amount	
Net sales		193,462
Cost of sales		165,315
Gross profit		28,146
Selling, general and administrative expenses		22,736
Operating income		5,410
Non-operating income		
Interest income	5	
Dividend income	503	
Share of profit of entities accounted for using equity method	658	
Foreign exchange gains	1,249	
Other	456	2,872
Non-operating expenses		
Interest expenses	938	
Other	245	1,183
Ordinary income		7,098
Extraordinary income		
Gain on disposal of non-current assets	1,289	
Gain on sales of investment securities	1,681	
Insurance claim income	1,571	
Gain on sale of businesses	230	4,772
Extraordinary losses		
Loss on disposal of non-current assets	218	
Accident related loss	2,687	
Business restructuring costs	859	
Impairment loss	546	
Loss on cancellation of contracts	449	
Loss on sale of businesses	119	
Other	86	4,968
Profit before income taxes		6,902
Income taxes - current		1,562
Income taxes - deferred		1,163
Profit		4,177
Profit attributable to non-controlling interests		6
Profit attributable to owners of parent		4,170

(Note) The stated amounts are rounded down to the nearest million yen.

Balance Sheet

FY2023 Mar 31, 2024

(Million yen)

Assets		Liabilities	
Item	Amount	Item	Amount
Current assets	74,033	Current liabilities	84,165
Cash and deposits	8,294	Accounts payable - trade	12,933
Notes receivable - trade	250	Electronically recorded obligations	3,839
Accounts receivable - trade	27,545	Short-term loans payable	59,976
Merchandise and finished goods	13,576	Lease obligations	34
Work in progress	4,239	Accounts payable - other	850
Raw materials and supplies	7,047	Accrued expenses	5,097
Advance payments to suppliers	179	Income taxes payable	447
Prepaid expenses	238	Contract liabilities	350
Short-term loans receivable	11,429	Unearned revenue	76
Accounts receivable - other	1,167	Deposits received	165
Other	62	Electronically recorded obligations – non-operating	280
		Other	112
Non-current assets	84,011	Non-current liabilities	22,840
Property, plant and equipment	54,922	Long-term loans payable	21,006
Buildings	11,214	Lease obligations	67
Structures	2,663	Provision for share awards	114
Machinery and equipment	24,849	Asset retirement obligation	899
Vehicles	37	Other	752
Tools, furniture and fixtures	289		
Land	14,346		
Mountains and planted forests	442		
Leased assets	91		
Construction in progress	988		
Intangible assets	1,895		
Trademark right	0	Total liabilities	107,006
Software	1,605		
Software in progress	18	Net assets	
Other	270	Shareholders' equity	46,549
Investments and other assets	27,193	Capital stock	36,561
Investment securities	9,162	Capital surplus	8,094
Shares of subsidiaries and associates	9,463	Legal capital surplus	8,094
Investments in capital of subsidiaries and associates	562	Retained earnings	2,265
Long-term loans receivable	2,009	Legal retained earnings	22
Long-term prepaid expenses	85	Other retained earnings	2,242
Prepaid pension costs	3,353	Retained earnings brought forward	2,242
Deferred tax assets	2,238	Treasury shares	(372)
Other	342	Valuation and translation adjustments	4,489
Allowance for doubtful accounts	(23)	Valuation difference on available-for-sale securities	4,489
		Total net assets	51,038
Total assets	158,044	Total liabilities and net assets	158,044

(Note) The stated amounts are rounded down to the nearest million yen.

Statement of Income

FY2023 Apr '23 - Mar '24

(Million yen)

Item	Amount	
Net sales		103,170
Cost of sales		88,351
Gross profit		14,819
Selling, general and administrative expenses		9,906
Operating income		4,913
Non-operating income		
Interest and dividend income	1,776	
Proceeds from miscellaneous income	1,511	3,288
Non-operating expenses		
Interest expenses	516	
Miscellaneous loss	147	663
Ordinary income		7,538
Extraordinary income		
Gain on disposal of non-current assets	0	
Reversal of allowance for doubtful accounts for affiliates	3,239	
Insurance claim income	1,571	
Gain on sales of investment securities	1,512	
Gain on extinguishment of tie-in shares	74	6,397
Extraordinary losses		
Loss on disposal of non-current assets	184	
Loss on valuation of investments in capital of subsidiaries and associates	9,126	
Accident related loss	2,687	
Impairment loss	367	
Other	81	12,447
Profit before income taxes		1,487
Income taxes - current		432
Income taxes - deferred		994
Profit		60

(Note) The stated amounts are rounded down to the nearest million yen.

Audit reports

Accounting Auditor's Report on Consolidated Financial Statements

Independent Auditors' Report

May ●, 2024

Mitsubishi Paper Mills Limited
To the Board of Directors

Ernst & Young ShinNihon LLC.
Tokyo Office
Designated Limited Liability Partner
Partner responsible for audit services
Certified Public Accountant Masanori Abe
Designated Limited Liability Partner
Partner responsible for audit services
Certified Public Accountant Taku Inoue

Audit opinion

We have audited the consolidated financial statements, comprising the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity and the related notes of Mitsubishi Paper Mills Limited for the year, from April 1, 2023 to March 31, 2024, pursuant to the provisions of Article 444, Paragraph 4 of the Companies Act.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Corporate Group that consists of Mitsubishi Paper Mills Limited and its consolidated subsidiaries applicable to the consolidated fiscal year ended March 31, 2024, in conformity with accounting principles generally accepted in Japan.

Basis for auditor's opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under the auditing standards are described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section. We are independent of the Company and its consolidated subsidiaries in accordance with the professional ethical regulations that are applicable in Japan, and we have fulfilled our other ethical responsibilities as an auditor. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The other information comprises the business report and its accompanying supplementary schedules. Management is responsible for the preparation and disclosure of the other information. In addition, the Audit & Supervisory Board and its members are responsible for overseeing the directors' performance of their duties in the development and operation of the reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information,

we are required to report that fact.

We have no matters to report with respect to the other information.

Responsibilities of management, the Audit & Supervisory Board Member relating to consolidated financial statements

Management's responsibility is to create consolidated financial statements in accordance with corporate accounting standards generally accepted in Japan and to present them properly. The responsibility includes establishing and operating an internal control system that management considers necessary for creating consolidated financial statements that do not include any significant misstatements stemming from injustice or errors and presenting them properly.

In preparing the consolidated financial statements, management is responsible for assessing whether the preparation of the consolidated financial statements based on the going concern assumption is appropriate and for disclosing, as applicable, matters relating to the going concern based on the corporate accounting standards generally accepted in Japan.

The responsibilities of the Audit & Supervisory Board Member lie in monitoring the directors' performance of their duties in the development and operation of the financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our responsibilities are to obtain reasonable assurance that the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and to express an opinion on the consolidated financial statement as independent auditors in an auditor's report. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the decisions of users on the basis of the consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit as below:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. These audit procedures are selected and performed, depending on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- The purpose of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of internal control. However, to design audit procedures that are appropriate in the circumstances, we examine internal control relating to the audit when we assess risks.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Reach a conclusion on the appropriateness of the preparation of the consolidated financial statements by management on the assumption of going concern and, based on the audit evidence obtained, whether material uncertainties exist related to events or conditions that may cast significant doubt on the going concern assumption. If a material uncertainty related to the going concern assumption is identified, we are required to draw attention to it in our auditor's report to the related notes in the consolidated financial statements or, if such notes on a material uncertainty in the consolidated financial statements are inadequate, to express a modified opinion on the consolidated financial statements. The auditor's conclusions are based on audit evidence obtained on or before the auditor's report date, but the risk remains that the company is unable to survive as a going concern due to matters or circumstances in the future.
- Evaluate whether the presentation of the consolidated financial statements and notes are in accordance with the corporate accounting standards generally accepted in Japan and whether the presentation, structure and content of the consolidated financial statement, including related notes, and the consolidated financial statements represent the

underlying transactions and accounting events appropriately.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We report the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by the auditing standards to the Audit & Supervisory Board Member.

We also report a statement that we have complied with the professional ethical regulations that are applicable in Japan regarding independence, matters that may reasonably be thought to bear on our independence, and the content of safeguards, where applicable, to eliminate or reduce threats to the Audit & Supervisory Board Member.

Conflicts of interest

There is no conflict of interest between the Company and its consolidated subsidiaries and us or its engagement partners which should be disclosed under the provisions of the Certified Public Accountants Act.

End

Accounting Auditor's Report

Independent Auditors' Report

May ●, 2024

Mitsubishi Paper Mills Limited
To the Board of Directors

Ernst & Young ShinNihon LLC.
Tokyo Office
Designated Limited Liability Partner
Partner responsible for audit services
Certified Public Accountant Masanori Abe
Designated Limited Liability Partner
Partner responsible for audit services
Certified Public Accountant Taku Inoue

Audit opinion

We have audited, pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act of Japan, the non-consolidated financial statements, namely the non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in net assets, notes to the non-consolidated financial statements and the related supplementary schedules, of Mitsubishi Paper Mills Limited (the "Company") for the 159th fiscal year from April 1, 2023 through March 31, 2024.

In our opinion, the financial statements etc. referred to above present fairly, in all material respects, the financial position and results of operations of Mitsubishi Paper Mills Limited applicable to the 159th fiscal year ended March 31, 2024, in conformity with accounting principles generally accepted in Japan.

Basis for auditor's opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under the auditing standards are described in the "Auditor's responsibilities for the audit of the financial statements etc." section. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The other information comprises the business report and its accompanying supplementary schedules. Management is responsible for the preparation and disclosure of the other information. In addition, the Audit & Supervisory Board and its members are responsible for overseeing the directors' performance of their duties in the development and operation of the reporting process of the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have no matters to report with respect to the other information.

Responsibilities of management, the Audit & Supervisory Board Member relating to financial statements etc. and related data

Management's responsibility is to create financial statements etc. in accordance with corporate accounting standards generally accepted in Japan and to present them properly. The responsibility includes establishing and operating an internal control system that management considers necessary for creating financial statements etc. that do not include any significant misstatements stemming from injustice or errors and presenting them properly.

In preparing the financial statements etc., management is responsible for assessing whether the preparation of the financial statements etc. based on the going concern assumption is appropriate and for disclosing, as applicable, matters relating to the going concern based on the corporate accounting standards generally accepted in Japan.

The responsibilities of the Audit & Supervisory Board Member lie in monitoring the directors' performance of their duties in the development and operation of the financial reporting process.

Auditor's responsibilities for the audit of the financial statements etc.

Our responsibilities are to obtain reasonable assurance that the financial statements etc. as a whole are free from material misstatements, whether due to fraud or error, and to express an opinion on the financial statements etc. as independent auditors in an auditor's report. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the decisions of users on the basis of the financial statements etc.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit as below:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. These audit procedures are selected and performed, depending on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- The purpose of the audit of the financial statements etc. is not to express an opinion on the effectiveness of internal control. However, to design audit procedures that are appropriate in the circumstances, we examine internal control relating to the audit when we assess risks.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Reach a conclusion on the appropriateness of the preparation of the financial statements etc. by management on the assumption of going concern and, based on the audit evidence obtained, whether material uncertainties exist related to events or conditions that may cast significant doubt on the going concern assumption. If a material uncertainty related to the going concern assumption is identified, we are required to draw attention to it in our auditor's report to the related notes in the financial statements etc. or, if such notes on a material uncertainty in the financial statements etc. are inadequate, to express a modified opinion on the financial statements etc. The auditor's conclusions are based on audit evidence obtained on or before the auditor's report date, but the risk remains that the company is unable to survive as a going concern due to matters or circumstances in the future.
- Evaluate whether the presentation of the financial statements etc. and notes are in accordance with the corporate accounting standards generally accepted in Japan and whether the presentation, structure and content of the financial statement etc., including related notes, and the financial statements etc. represent the underlying transactions and accounting events appropriately.

We report the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by the auditing standards to the Audit & Supervisory Board Member.

We also report a statement that we have complied with the professional ethical regulations that are applicable in Japan regarding independence, matters that may reasonably be thought to bear on our independence, and the content of safeguards, where applicable, to eliminate or reduce threats to the Audit & Supervisory Board Member.

Conflicts of interest

Neither we nor our engagement partners have any interest in the Company that should be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

End

The Audit & Supervisory Board Members' Report

Audit Report

Regarding the performance of duties by Directors for the 159th fiscal year from April 1, 2023 to March 31, 2024, the Audit & Supervisory Board Member hereby submits its audit report, which has been prepared through discussions based on the audit reports prepared by the respective Audit & Supervisory Board Member as follows:

1. Outline of Audit Methodology of the Audit & Supervisory Board Member

- (1) The Audit & Supervisory Board Member determined, among other things, the auditing policy and the assignment of auditing duties, received reports regarding the status of execution of audit and its results from each Audit & Supervisory Board Member; received reports from Directors, other relevant employees and independent auditors concerning the performance of their duties; and when necessary, requested them to provide explanations.
- (2) In accordance with the auditors' auditing standards specified by the Audit & Supervisory Board Member and in compliance with the auditing policies and the assignment of auditing duties, each Audit & Supervisory Board Member ensured effective communication with Directors, employees in the internal audit division and other relevant employees, and made efforts to collect the necessary information and improve the auditing environment. Each Audit & Supervisory Board Member carried out the audit in the following manner:
 - (i) Attended the meetings of the Board of Directors and other important meetings; received reports from Directors, employees and other relevant persons regarding the performance of their duties; requested them to provide explanations where necessary; examined important decision documents and associated information; and studied the operations and financial conditions at the head office as well as other principal offices and plants. The Audit & Supervisory Board Member also shared information and communicated with the Directors and auditors, etc. of subsidiaries and received business reports from subsidiaries as necessary.
 - (ii) The Audit & Supervisory Board Member expressed their opinion after regularly receiving reports, and requesting explanations as needed, from Directors, employees and other relevant persons about the contents of resolutions of the Board of Directors regarding the implementation of systems required to be implemented to ensure the proper operations of corporations under Article 100, Paragraph 1 and Paragraph 3 of the Enforcement Regulations of the Companies Act including a system to ensure that the performance of duties by Directors is in compliance with the laws and regulations, and the Articles of Incorporation, which are stated in the business report, and the formulation and operation of the system (internal control system) are implemented according to the resolutions. As for internal control over financing reporting, they received reports mainly from Directors and Ernst & Young ShinNihon LLC. on the evaluation and audit status of such internal control, and ask for explanations as required.
 - (iii) We have reviewed the basic policy regarding how the persons who control decisions on MPM's financial and business policies should be and each of the initiatives described in the "Basic Policy on Control over the Company" in the business report, based on the deliberations at the meetings of the Board of Directors and other meetings.
 - (iv) They monitored and verified whether the Accounting Auditor maintains an independent position and conducts appropriate audits, received a report from the Accounting Auditor on the performance

status of its duties and asked for explanations as necessary. Also, the Audit & Supervisory Board Member received notification from the Accounting Auditor to the effect that “systems to ensure that duties are executed appropriately” (the matters listed in each item of Article 131 of the Regulation on Corporate Accounting) had been established in accordance with “Quality Control Standards for Auditing” (Business Accounting Council) and where necessary requested explanations.

Based on the aforementioned methods, the Audit & Supervisory Board Member examined for the said fiscal year the business report and business schedules, the non-consolidated financial statements (non-consolidated balance sheet, non-consolidated income statement, non-consolidated statement of changes in shareholders’ equity and notes to non-consolidated financial statements) and supplementary schedules and consolidated financial statements (consolidated balance sheet, consolidated income statement, consolidated statement of changes in shareholders’ equity and notes to consolidated financial statements) and supplementary schedules.

2. Results of audit

(1) Results of audit of business report, etc.

- (i) In our opinion, the business report and supplementary schedules fairly represent the Company’s condition in accordance with the related laws and regulations, and the Articles of Incorporation.
- (ii) With regard to the performance of duties by Directors, we have found no evidence of wrongful action or material violation of related laws and regulations, nor of the Articles of Incorporation.
- (iii) In our opinion, resolutions of the meetings of the Board of Directors regarding the internal control system are fair and reasonable. Further, we have found no matters requiring comment regarding the contents of the business report and the performance of duties by Directors in relation to the internal control system, including internal control over financial reporting.

As described in the business report, an inappropriate incident relating quality test of products manufactured by a subsidiary of the Company came to light. The Audit & Supervisory Board confirmed that a special investigation committee consisting of external experts has been established and is working to establish a complete picture of the incident, analyze causes and make a proposal of preventive measures. The Company will continue to closely monitor the progress of these matters.

- (iv) We have found no matters requiring comment regarding the “Basic Policy on Control over the Company” in the business report. We acknowledge that none of the efforts based on the Basic Policy are detrimental to the common interests of our shareholders and are not intended to maintain the status of our corporate officers.

(2) Results of audit of financial statements and their annexed detailed statements

In our opinion, the methods and results employed and rendered by the independent auditors, Ernst & Young ShinNihon LLC. are fair and reasonable.

(3) Audit results concerning consolidated financial statements

In our opinion, the methods and results employed and rendered by the independent auditors, Ernst & Young ShinNihon LLC. are fair and reasonable.

May 27, 2024

Mitsubishi Paper Mills Limited Audit & Supervisory Board

Full-time Audit & Supervisory Board Member Yasuyuki Kusuda

Full-time Audit & Supervisory Board Member Nobuko Otsuka

Audit & Supervisory Board Member Hiroaki Tonooka

Audit & Supervisory Board Member Satoshi Takizawa