

(Securities Code: 3864)

June 9, 2023

(Date of commencement of electronic
provision measures: June 1, 2023)

To Our Shareholders with Voting Rights

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

Notice of the 158th 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 158th 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 28, 2023.

1. Date and Time: Thursday, June 29, 2023 at 10 a.m.
2. Place: MPM Conference Room (11th Floor, Ryogoku City Core)
2-10-14 Ryogoku, Sumida-ku, Tokyo
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 158th Business Term (from April 1, 2022 to March 31, 2023)

2. Non-Consolidated Financial Statements for the 158th Business Term (from April 1, 2022 to March 31, 2023)

Proposals to be resolved:

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

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

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.
- If revisions to the matters subject to measures for electronic provision arise, a notice of the revisions and the details of the matters before and after the revisions will be posted on the Company's website and the TSE 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 29, 2023 at 10:00 a.m. (Reception will open at 9:00 a.m.)

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

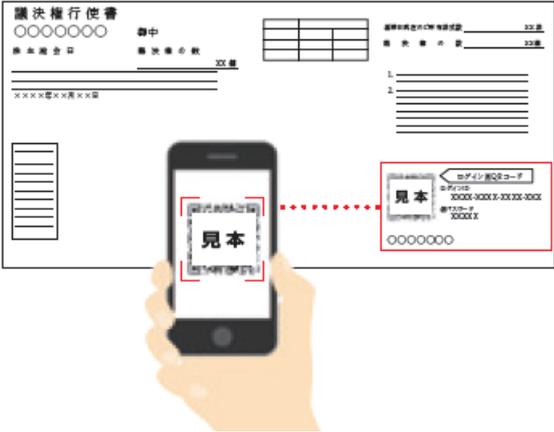
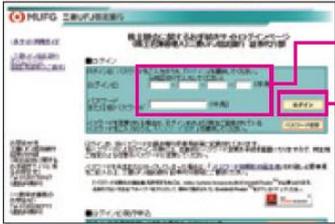
Please state whether you are for or against the agenda items on the Voting Rights Exercise Form and drop it into a post box.

Voting deadline: Please exercise your voting rights by 5:30 p.m. on Wednesday, June 28, 2023

3. Exercising voting rights on the Internet

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

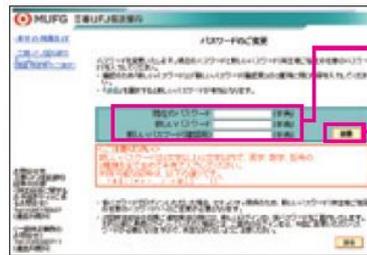
Voting deadline: Entries completed by 5:30 p.m., Wednesday, June 28, 2023

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>  <p>Enter the login ID and temporary password.</p> <p>Click "Login".</p>

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



3. Register a new password.



Register a new password.

Click "Submit".

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	Director (Representative Director), Senior Executive Vice President Nomination and Remuneration Committee Member
3	Shigeji Matsuzawa	REAPPOINTMENT	Director and Managing Executive Officer
4	Yuji Takagami	NEW APPOINTMENT	Managing Executive Officer
5	Kunihiro Nakagawa	NEW APPOINTMENT	Managing Executive Officer
6	Yoshihiro Kataoka	REAPPOINTMENT Outside Independent	Outside Director Nomination and Remuneration Committee Member
7	Kazunori Shinohara	REAPPOINTMENT Outside Independent	Outside Director
8	Atsuko Watanabe	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: 17,707 shares)
1	Ryuichi Kisaka	
 (May 21, 1956) age 67 Attendance of Board of Directors meetings 100% (11/11) <div style="border: 1px solid black; padding: 2px; display: inline-block;">REAPPOINTMENT CANDIDATE</div> Year as a Director: 1 year (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 Division)	
	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: 22,415 shares)
2	Shigeharu Sanada	
 (July 1, 1967) age 55 Attendance of Board of Directors meetings 100% (15/15) <div style="border: 1px solid black; padding: 2px; display: inline-block;">REAPPOINTMENT CANDIDATE</div> Years as a Director: 3 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 Strategy Planning Division and Corporate Governance 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: 2,000 shares (Number of dilutive shares other than the above: - shares)
3	Shigeji Matsuzawa	
 <p>(February 14, 1961) age 62</p> <p>Attendance of Board of Directors meetings 100% (11/11)</p> <p>REAPPOINTMENT CANDIDATE</p> <p>Year as a Director: 1 year (at the close of this general meeting of shareholders)</p>	Profile and position in MPM	
	<p>April 1985 Joined Kanzaki Paper Manufacturing Co., Ltd. (current Oji)</p> <p>June 2006 Group Manager, Information Paper Technology Dept., Oji Paper Co., Ltd.</p> <p>June 2010 General Manager, Research & Technology Dept. of Kanzaki Plant, Oji Paper Co., Ltd.</p> <p>April 2013 Deputy Kanzaki Plant Manager, Oji Imaging Media Co., Ltd.</p> <p>June 2013 Seconded to Chief Officer, Kanzan Spezialpapiere GmbH</p> <p>December 2016 Deputy Kanzaki Plant Manager, Oji Imaging Media Co., Ltd.</p> <p>April 2018 Seconded to Chief Officer, Oji Functional Materials Progressing Center Inc.</p> <p>August 2021 Chief Officer, Group Corporate Planning Dept., Oji Management Office Inc.</p> <p>April 2022 Managing Executive Officer, MPM</p> <p>June 2022 Director and Managing Executive Officer (to present)</p> <p>November 2022 President, Mitsubishi Paper Holding (Europe) GmbH (to present)</p> <p>President, Mitsubishi HiTec Paper Europe GmbH (to present) (responsible for German Operations)</p>	
Reasons for nominating as a candidate for Director		
<p>Mr. Shigeji Matsuzawa has been long engaged in research and development in the Oji Group and has a wealth of experience in business operations related to the pulp and paper and functional materials businesses, including those overseas. He is expected to demonstrate his management talent to strongly promote 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: 4,300 shares (Number of dilutive shares other than the above: 10,549 shares)
4	Yuji Takagami	
 <p>(January 23, 1962) age 61</p> <p>NEW APPOINTMENT CANDIDATE</p>	Profile and position in MPM	
	<p>April 1987 Joined MPM</p> <p>June 2009 General Manager, Marketing Department, Imaging & Development Company</p> <p>January 2014 General Manager, Printing Sensitive Materials Sales Dept., Imaging Media Division</p> <p>June 2018 General Manager, Graphics & Development Sales Dept., Imaging Media Division</p> <p>June 2019 Executive Officer, Deputy General Manager, Imaging Media Division and General Manager, Graphics & Development Sales Dept.</p> <p>June 2020 Executive Officer, Deputy General Manager, Functional Materials Division and General Manager, Imaging Media Dept.</p> <p>February 2022 Executive Officer, Deputy General Manager, Functional Materials Division</p> <p>June 2022 Executive Officer, Deputy General Manager, Functional Materials Division</p> <p>President and CEO, Diamic Co., Ltd.</p> <p>April 2023 Managing Executive Officer, General Manager, Sustainable Fiber Materials Division (to present)</p> <p>Director and President, Mitsubishi Oji Paper Sales Co., Ltd. (to present)</p>	
Reasons for nominating as a candidate for Director		
<p>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. He is expected to demonstrate his management skills in the enhancement of corporate value through the transformation of Sustainable Fiber Materials Division after the segment change and the creation of new businesses. He has thus been nominated as a candidate for Director.</p>		

No. (Date of birth, etc.)	Name	
5	Kunihiro Nakagawa	Number of shares of MPM held: 700 shares (Number of dilutive shares other than the above: 10,549 shares)
 (April 28, 1961) age 62 NEW APPOINTMENT CANDIDATE	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 (to present) General Manager, Research and Development Division (to present)	
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 is expected to set the direction of MPM's research and development, strengthen its product development capabilities, promote collaboration between development and sales as General Manager of the Functional Materials Division, and demonstrate his management skills to enhance corporate value, focusing on continued development in the functional materials business, a growth area. He has thus been nominated as a candidate for Director.		

No. (Date of birth, etc.)	Name	
6	Yoshihiro Kataoka	Number of shares of MPM held: 0 shares (Number of dilutive shares other than the above: - shares)
 (July 30, 1954) age 68 Attendance of Board of Directors meetings 100% (15/15) REAPPOINTMENT CANDIDATE OUTSIDE DIRECTOR CANDIDATE INDEPENDENT DIRECTOR CANDIDATE Years as a Director: 4 years (at the close of this general meeting of shareholders)	Profile and position	
	April 1980 Registered as an attorney-at-law April 1983 Hosoda and Kataoka Law Office September 1984 Chief, Yoshihiro Kataoka Law Office June 1990 Partner Chief, Kataoka & Kobayashi Lpc. (to present) June 2010 Supervisor, Comforia Residential REIT, Inc. June 2011 Outside Audit & Supervisory Board Member, The Higo Bank, Ltd. March 2013 Outside Audit & Supervisory Board Member, Silis Holdings Co., Ltd. (current Silis Co.) April 2014 Outside Audit & Supervisory Board Member, Casa Inc. June 2019 Outside Director, MPM (to present) June 2021 Outside Director, Higo Bank, Ltd. (Audit & Supervisory Committee Member) July 2022 Supervisor, SHIMIZU PRIVATE REIT, Inc. (to present)	
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.		
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.		

No. (Date of birth, etc.)	Name	Number of shares of MPM held: 0 shares (Number of dilutive shares other than the above: - shares)	
7	Kazunori Shinohara		
 <p>(September 25, 1954) age 68</p> <p>Attendance of Board of Directors meetings 100% (11/11)</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 1979	Joined NH Foods Ltd. (hereinafter "NH Foods")	
	April 2010	Executive Officer, General Manager of Corporate Planning Department, Corporate Planning Division, NH Foods	
	April 2012	Executive Officer, General Manager of Administrative Division, Fresh Meats Business Division, NH Foods	
	April 2014	Executive Officer, General Manager of Administrative Division, Fresh Meats Business Division, General Manager of Business Planning Office, NH Foods	
	April 2015	Executive Officer, General Manager of Affiliated Companies Division, NH Foods	
	June 2015	Director, Executive Officer, General Manager of Affiliated Companies Division, NH Foods	
	April 2016	Director, Managing Executive Officer, General Manager of Affiliated Companies Division, NH Foods	
	April 2017	Representative Director, Vice President, Executive Officer in charge of Group Business Structural Reforms, NH Foods	
	April 2018	Representative Director, Vice President, Executive Officer in charge of Group Structural Reforms, NH Foods	
June 2022	Outside Director, MPM (to present)		
	Important positions concurrently held at other companies, etc.		
	Not applicable.		
	Reasons for nominating as a candidate for Outside Director and expected roles, etc.		
	Mr. Kazunori Shinohara served as the Representative Director and Vice President of a leading food processing company after engaging in sales, corporate planning including overseas businesses and management of business divisions and has a proven track record in comprehensive corporate management including the structural reform of businesses. He is expected to strengthen corporate governance by utilizing these management experiences in the manufacturing industry to make proposals, etc. in all aspects of MPM's management. MPM also has large expectations for his supervisory capabilities in the determination of important business operations and the execution of business from an independent viewpoint as an Outside Director. He 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 (Number of dilutive shares other than the above: - shares)	
8	Atsuko Watanabe		
 <p>(February 3, 1964) age 59</p> <p>NEW APPOINTMENT CANDIDATE</p> <p>OUTSIDE DIRECTOR CANDIDATE</p> <p>INDEPENDENT DIRECTOR CANDIDATE</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)	
		Important positions concurrently held at other companies, etc.	
		Attorney-at-law, 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.	

- (Notes) 1. The number of dilutive shares is the number equivalent to the number of vested points as of the end of March 2023 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, Mr. Kazunori Shinohara and Ms. Atsuko Watanabe are candidates for Outside Director.
- (1) Limitation of Liability Agreement
Mr. Yoshihiro Kataoka and Mr. Kazunori Shinohara 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 Ms. Atsuko Watanabe becomes an outside director, she plans to enter into a Limitation of Liability Agreement with MPM which will be effective during her 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 Mr. Kazunori Shinohara will have served as Outside Director for four (4) years and one (1) year, respectively, at the close of this Ordinary General Meeting of Shareholders.
- (3) The reason for the company's recommendation of candidates that has not previously been involved in the management of a company other than by way of becoming an Outside Director or an outside Audit & Supervisory Board Member.
Mr. Yoshihiro Kataoka and Ms. Atsuko Watanabe has not previously been involved in the management of a company other than by way of becoming an Outside Director or an outside Audit & Supervisory Board Member. However, as stated in the above reasons for election as an Outside Director, the Company has determined that they are capable of adequately serving as an Outside Director.

(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	•	•			•	•	•	•	•
Shigeji Matsuzawa	Internal			•				•		
Yuji Takagami	Internal			•	•					
Kunihiro Nakagawa	Internal			•	•					
Yoshihiro Kataoka	Outside								•	
Kazunori Shinohara	Outside	•			•			•		
Atsuko Watanabe	Outside					•			•	

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

The term of the office of Mr. Koichi Nakayama, Audit & Supervisory Board Member, will expire as of the close of this Ordinary General Meeting of Shareholders. Consequently, we will propose that two (2) Audit & Supervisory Board Members including one (1) Outside Audit & Supervisory Board Member be elected by adding one (1) Audit & Supervisory Board Member to strengthen the auditing system even more.

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.

No. (Date of birth, etc.)	Name	Number of shares of MPM held: 2,710 shares
1	Yasuyuki Kusuda	
 <p>(September 22, 1962) age 60</p> <p style="border: 1px solid black; padding: 2px; text-align: center;">NEW APPOINTMENT CANDIDATE</p>	Profile and position in MPM	
	April 1986	Joined MPM
	January 2006	Manufacturing Manager, Manufacturing Dept., Kyoto Mill
	May 2011	General Manager, Sensitive Paper Manufacturing Dept., Kitakami HiTec Paper Corporation
	January 2014	General Manager, Manufacturing Dept., Kyoto Mill
	June 2017	Deputy General Manager, Kitakami Division and President and CEO of Kitakami HiTec Paper Corporation
	June 2019	General Manager, Kitakami Division, President and CEO of Kitakami HiTec Paper Corporation and Deputy General Manager, Imaging Media Division
	March 2020	Head of Kyoto Mill and Deputy General Manager, Imaging Media Division
June 2020	Head of Kyoto Mill and Deputy General Manager, Functional Materials Division	
January 2022	Corporate Counsellor, General Manager, Energy Business Dept. (to present).	
April 2023	Corporate Counsellor, Technology Department, Technology Division (to present)	
Reasons for nominating as a candidate for Audit & Supervisory Board Member		
Mr. Yasuyuki Kusuda has a wealth of management experience, serving as the head of Mill in both Kitakami and Kyoto after having spent his career primarily in the manufacturing and engineering departments. He has contributed to MPM based on his technical expertise as the General Manager of the Energy Business Dept. and is expected to strengthen the company-wide checking function as the head of multiple locations. He has thus been nominated as a candidate for Audit & Supervisory Board Member.		

No. (Date of birth, etc.)	Name	Number of shares of MPM held: 0 shares
2	Nobuko Otsuka	
 <p>(September 15, 1961) age 61</p> <p>NEW APPOINTMENT CANDIDATE</p> <p>OUTSIDE DIRECTOR CANDIDATE</p>	Profile and position in MPM	
	April 1985	Joined Tokyo Regional Taxation Bureau
	March 2006	Joined Tohmatsu Tax Co. (current Deloitte Tohmatsu Tax Co.)
	January 2016	Joined Oji Management Office Inc.
	April 2018	General Manager, Internal Audit Dept. and General Manager, Compliance Dept., Corporate Governance Division, Oji Holdings Corporation
	June 2019	Audit & Supervisory Board Member, Oji Holdings Corporation (to present)
Important positions concurrently held at other companies, etc.		
Not applicable.		
Reasons for nominating as a candidate for Outside Audit & Supervisory Board Member		
Ms. Nobuko Otsuka has a high degree of knowledge in finance and accounting, having worked in the fields of taxation, accounting and internal auditing at the taxation bureau, at a tax accountant corporation and at Oji Holdings Corporation. She is currently serving as a full-time Audit & Supervisory Board Member of Oji Holdings Corporation and expected to properly perform her duties to strengthen MPM's auditing functions even more. She has thus been nominated as a candidate for Audit & Supervisory Board Member.		

- (Notes) 1. Each candidate does not have any special interest in the Company.
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. Ms. Nobuko Otsuka is a candidate for Outside Audit & Supervisory Board Member.

Business Report

(From April 1, 2022 to March 31, 2023)

1. Current Status of the Corporate Group

(1) Business Developments and Results

During the fiscal year ended March 31, 2023, economic activities continued to recover to a certain extent, reflecting progress in efforts to contain the spread of COVID-19 while facilitating economic activities. Meanwhile, uncertainties remained high over matters such as prolongation of the situation in Ukraine and steep rises in raw material and fuel prices, as well as exchange rate fluctuations.

Looking at the environment surrounding the Mitsubishi Paper Mills Group, the Group was significantly affected by sharp increases in the prices of raw materials and fuel such as crude oil, coal, natural gas and wood chips amid a shift toward the endemic COVID-19 era.

In response, the Group took steps to improve productivity by adopting production systems in line with demand trends in each business. Meanwhile, in term of sales, it strove to revise product prices and expand sales of new products.

The Group also began executing the Medium-Term Management Plan (for the fiscal year ending March 31, 2023 to the fiscal year ending March 31, 2025) in the fiscal year under review, adopting “Creation of a New Mitsubishi Paper Mills Group” as a slogan.

The basic policy of the Medium-Term Management Plan (for the fiscal year ending March 31, 2023 to the fiscal year ending March 31, 2025) is as follows.

- (i) Strengthen our revenue base through selection and concentration strategies and expansion of new business
- (ii) Contribution to a green society
- (iii) Organizational change to improve sustainability

In line with the policy of the Medium-Term Management Plan, the Group took a range of measures to advance selection and concentration strategies. The Company decided to sell the business it operated at the Flensburg Mill of its Germany subsidiary on January 30, 2023. Equities are expected to be transferred in the first half of FY2023. In addition, the Company reorganized some of its group companies on April 1, 2023. To improve the efficiency of sales systems, it integrated Diamic Co., Ltd. into Mitsubishi Oji Paper Sales Co., Ltd., thereby merging the Group’s sales agents into a single company. As a result, regardless of product areas, Mitsubishi Oji Paper Sales Co., Ltd. will work to optimize sales on a group-wide basis as the Group’s sole sales company responsible for the sale of the Group’s products. Moreover, by integrating the Kitakami site subsidiary and Hachinohe site subsidiary into the Company, the Company moved forward with selection and concentration strategies and the Group’s reorganization to improve profitability. In addition, with regard to “Contribution to a green society,” the Company promoted the reduction of CO2 emissions and energy saving for carbon neutrality and disclosed information in line with the TCFD recommendations. Under the “Organizational change to improve sustainability,” the Company enhanced career development education for the cultivation of human resources, promoted workstyle reforms, and strengthened external communications using video posting sites.

Consolidated net sales for the fiscal year under review amounted to 209,542 million yen (up 15.2% year on year) partly due to a revision to product prices in response to a steep rise in the prices of raw materials and fuel.

Profitability was significantly affected by surging raw material and fuel prices. Even so, thanks to the effect of cost-cutting initiatives linked mainly to product price revisions, fixed cost reductions and the improvement of carbon intensity, consolidated operating income came to 968 million yen (compared with

a consolidated operating loss of 248 million yen in the previous fiscal year), and consolidated ordinary income was 3,089 million yen (compared with consolidated ordinary income of 1,964 million yen in the previous fiscal year) due to the addition of foreign exchange gains and other factors. A loss attributable to owners of parent stood at 571 million yen, primarily due to the posting of extraordinary losses for selection and concentration strategies, including a loss on sale of businesses as a result of the sale of the business operated at the Flensburg Mill of the Germany subsidiary.

(2) Summary of Operations by Business Category

● Functional Material Business Net sales 59,385 million yen Operating income 4,163 million yen

In the functional materials business, sales of electronics-related products such as battery separators and electronics industry materials, decorative laminate base paper, and tape base paper, among other materials, rose from the year-age level. However, sales fell year on year for air filters, water treatment membrane supporting bodies and backing paper for wallpaper.

The Group enhanced its lineup of melt blown non-woven fabrics by launching, for example, dust collection filters with antibacterial and antiviral functions, among other items. In the healthcare area, it also took steps to launch the Diamour[®], the device will be used for cryopreservation of eggs and embryos for research purposes for the field of reproductive medicine.

In the imaging media-related products business, the volume of sales declined for printing and prepress materials and photographic base paper. However, the value of sales increased year on year, reflecting the expansion of sales of inkjet paper overseas and the impact of sales price revisions and foreign exchange rates.

As a result, the functional materials business achieved growth in both sales and profit overall due to the expansion of sales of growth items and price revisions, despite the significant impact of surges in the prices of raw materials and fuel.

In the functional non-woven fabrics-related business, which is a priority business area in the Medium-term Management Plan, the Group will continue to seek to expand sales of items such as heat-resistant non-woven fabrics and melt blown non-woven fabrics, while also seeking to acquire new users of water treatment membrane supporting bodies and new applications for them for special membranes such as food, beverages and medical care. In electronics-related products, it will focus on sales of electronics industry materials, starting with battery separators and special dry resists for automobiles, demand for which is expected to increase. It will strive to further expand sales of tape base paper and sterilization paper.

Regarding imaging media-related products, demand for which has been declining mainly for image output and printing applications, the Group will work to maintain the volume of sales by tapping into new demand such as use for labeling and industrial ink-jet printers while also seeking to improve profitability by continuing to review production systems.

● Sustainable Fiber Materials Business Net sales 166,534 million yen Operating loss 3,095 million yen

In the domestic market, the volume of sales, particularly that of printing paper, demand for which continues to fall, decreased. Even so, the value of sales increased partly due to the effect of price revisions. Both sales volume and value increased to a certain extent in exports.

With respect to commercial pulp, price revisions were made to domestic products to deal with cost increases linked to rising raw material and fuel prices. In exports, on the other hand, both sales volume and value increased partly due to the weak yen.

Regarding businesses operated in Germany, while sales volume decreased year on year, selling prices were revised in response to sharp rises in the prices of raw materials and fuel such as natural gas and pulp, which resulted in higher sales value.

As a result, the sustainable fiber materials business achieved growth in both sales and profit overall due to price revisions, despite the significant impact of surges in the prices of raw materials and fuel.

The Group will aim to transform its product portfolio and stabilize revenue at the earliest opportunity by expanding sales of bleached kraft paper with functions that contribute to plastic removal and enhancing the product lineup of barricote® paper. In addition, it will seek to maintain the effect of price revisions, and continue efforts to optimize production systems and inventory levels.

Regarding businesses operated in Germany, the Group will continue its efforts to secure stable revenue. To do this, it will continue to maintain a balance between costs and product prices and will work on cost reductions through the reestablishment of production systems following the sale of the Flensburg Mill.

● **Other Businesses** **Net sales 5,303 million yen** **Operating income 120 million yen**
 Net sales declined 24.5% year on year, to 5,303 million yen. Operating income was 120 million yen, an increase of 45 million yen year on year.

<Sales Amount by Business Category>

Business Category	FY2021 (157th term)		FY2022 (158th term)		YoY Changes	
	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	50,249	25.3	59,385	25.7	9,136	18.2
	2,973	–	4,163	–	1,190	40.0
Sustainable fiber materials	141,703	71.2	166,534	72.0	24,831	17.5
	(3,208)	–	(3,095)	–	113	–
Others	7,020	3.5	5,303	2.3	(1,717)	(24.5)
	75	–	120	–	45	58.8
Total	198,973	100.0	231,222	100.0	32,249	16.2
	(159)	–	1,187	–	1,346	–
Elimination or corporate	(17,052)	–	(21,680)	–	(4,628)	–
	(88)	–	(219)	–	(131)	–
Total	181,920	–	209,542	–	27,622	15.2
	(248)	–	968	–	1,216	–

(3) Trends in Assets and Operating Results

Status of Assets and Operating Results of the Corporate Group

Classification		FY2019 (155th term)	FY2020 (156th term)	FY2021 (157th term)	FY2022 (158th term)
Net sales	(Million yen)	194,575	162,325	181,920	209,542
Operating income (loss)	(Million yen)	1,976	(1,770)	(248)	968
Ordinary income (loss)	(Million yen)	2,696	(636)	1,964	3,089
Profit (loss) attributable to owners of parent	(Million yen)	801	(2,532)	1,096	(571)
Profit (loss) per share	(Yen)	17.96	(56.72)	24.62	(12.97)
Net assets	(Million yen)	60,527	62,902	69,613	72,041
Total assets	(Million yen)	212,217	209,438	215,879	227,058

(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.

[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 (FY2023/3-FY2025/3) 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 (FY2023/3-FY2025/3) are as follows.

(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 resources intensively in the functional materials business to steadily increase sales and profits and make it its core business. In the course of structural reforms based on the selection and concentration strategies, the Group has decided to restructure its organization, including the integration of sales subsidiaries and factory site subsidiaries, as well as to sell the business of the Flensburg Mill of the Germany subsidiary. Going forward, it will continue to implement organizational rationalization to improve profitability.

(ii) Contribution to green society

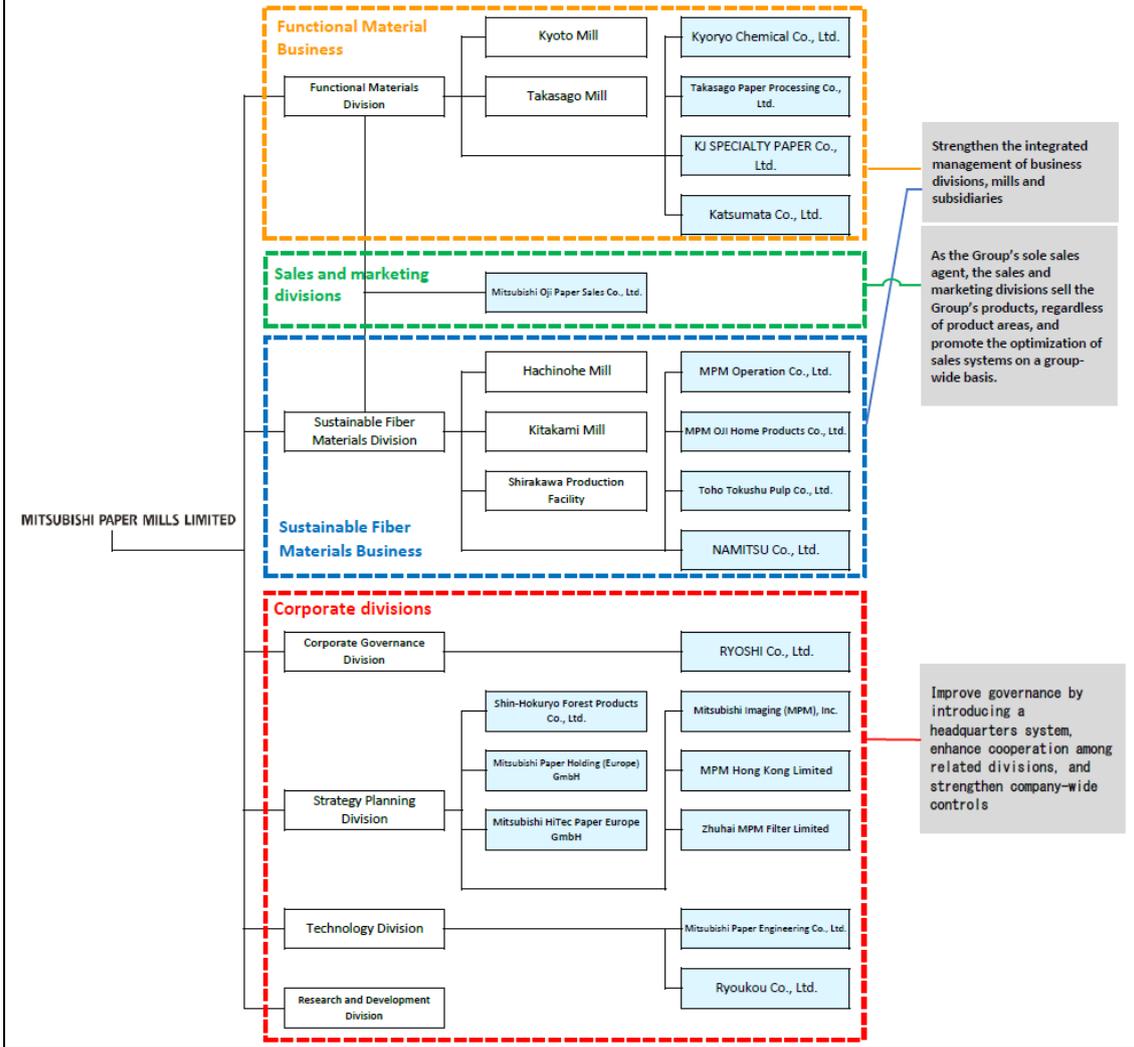
The Group is engaged in activities that contribute to a green society, including efforts to achieve carbon neutrality by 2050, in addition to expanding sales of environmentally friendly products that contribute to the realization of a plastic-free, plastic waste-free, safe, comfortable and sustainable society. The Group has set up a YouTube channel called “Green Webcast,” where it introduces its products and events under the theme of “Green,” and transmits information about the activities of the “Ecosystem Academy,” a hands-on forest environment learning program, hoping that its stakeholders will understand its efforts and products.

(iii) Organizational change to promote sustainability

The Group is working on organizational reforms to promote a range of initiatives such as strengthening corporate governance, promoting sustainability, diversity and inclusion, ensuring compliance and reforming work styles. The headquarters system was introduced on April 1, 2023 to improve governance, strengthen cooperation among related divisions and enhance company-wide control functions including each mill and subsidiary.

Reorganization of Group Subsidiaries and the Head Office Structure

As of April 1, 2023, the Company implemented reorganization through the merger of its group companies and the Company's structural reforms. 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, improve governance by introducing a headquarters system for corporate divisions, enhance cooperation among related divisions, and strengthen company-wide controls.



Strengthen the integrated management of business divisions, mills and subsidiaries

As the Group's sole sales agent, the sales and marketing divisions sell the Group's products, regardless of product areas, and promote the optimization of sales systems on a group-wide basis.

Improve governance by introducing a headquarters system, enhance cooperation among related divisions, and strengthen company-wide controls

In FY2025/3, the final year of the Medium-Term Management Plan (FY2023/3-FY2025/3), the Company aims to achieve the following targets.

<Management Targets>

Consolidated indicators	Targets (FY2025/3)
Net sales	195.0 billion yen
Operating income	7.5 billion yen
Ordinary income	8.5 billion yen
Interest-bearing debt	76.0 billion yen
D/E ratios	1.0

<Precondition> FY2025/3

Exchange rates: 125 yen/US\$, 135 yen/€, Crude oil price (Dubai): 85US\$/barrel, Coal price (Australia): 200US\$/ton

Through the activities above, the MPM Group will work to enhance its corporate value, with the aim of becoming a company that contributes to a sustainable society and grows sustainably by creating social value.

(5) Capital Investment

We have been engaging in capital investment, with a focus on the construction of new facilities for new businesses and environmental measures, mainly for energy saving. We made capital investment of 4,473 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

Capacity expansion of waste boilers

Energy-saving measures

Expansion of production facilities of wet nonwoven fabrics (battery separators)

- Kitakami HiTec Paper Corporation

Energy-saving measures

Modification of pulp production equipment to support tree species switching

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

- The Company

Company-wide IT infrastructure restructuring

(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, 2023)

(i) Status of parent company

Not applicable.

(ii) Status of the important subsidiary companies

Company name	Capital stock	Percentage of voting rights of the Company	Main business
Mitsubishi Oji Paper Sales Co., Ltd.	Million yen 600	% 99.9	Sale of paper, chemicals, etc.
Kitakami HiTec Paper Corporation	450	100.0	Manufacturing, processing and sale of pulp, resin-coated paper and sanitary products
Mitsubishi Paper Engineering Co., Ltd.	150	100.0	Design/installation of various machine and equipment construction
RYOSHI Co., Ltd.	100	100.0	Operation of sporting facilities, insurance agencies, and real estate business
Diamic Co., Ltd.	100	100.0	Sale of printing-plate materials, etc.
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
Hachinohe Paper Processing Co., Ltd.	50	100.0	Paper trimming, grading and packaging, storage and shipment of paper products
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
Hachiryō Co., Ltd.	20	100.0	Premise transport, miscellaneous work and processing of packing paper
Ryōkō 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
Kyōryō Chemical Co., Ltd.	12	100.0	Finishing of sensitive coated paper
Hokuryō Industry Corporation	10	100.0	Contracted manufacture and finishing of paper, miscellaneous work
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

(Notes) 1. Percentage of voting rights of Katsumata Co., Ltd., Toho Tokushu Pulp 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, 2023, and the status of significant subsidiaries as of the same date is as follows.

Company name	Capital stock	Percentage of voting rights of the Company	Main business
Mitsubishi Oji Paper Sales Co., Ltd.	Million yen 600	% 99.9	Sale of paper, printing-plate materials, 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 sporting facilities, 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 CNY 20,103	100.0	Manufacturing, processing and sale of speciality materials

(iii) Status of equity-method affiliated companies

Company name	Capital stock	Percentage of voting rights of the Company	Main business
MPM Oji Eco Energy Co., Ltd.	Million yen 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 5,380	50.0	Transfer of land and plantation assets in January 2018 and scheduled to be liquidated in the future.

(iv) Other

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, 2023)

Classification	Main business
Functional Materials Business	Chemical paper, nonwoven fabrics, filters, rewrite media, battery separators and various functional materials, inkjet paper, photographic printing paper, base paper for photographic printing paper, printing plate making materials, printing equipment, CPT software and various processing chemicals
Sustainable Fiber Materials Business	Uncoated printing paper, fine coated printing paper, coated printing paper, special printing paper, information paper and sanitary paper Packaging paper, electrically insulated pressboard, high-grade white paperboard, specialty white paperboard and other specialty paper Bleached kraft pulp and specialty pulp
Other Businesses	Engineering services, sports facility management, insurance agency business and real estate business

(9) Main Offices and Mills (as of March 31, 2023)

(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), Shirakawa Production Facility (Fukushima)
Laboratories	Takasago R&D Laboratory (Hyogo), Kyoto R&D Laboratory (Kyoto)

(ii) Subsidiaries

Functional Materials Business	Diamic Co., Ltd. (Tokyo), Kitakami HiTec Paper Corporation (Iwate), Hokuryo Industry Corporation (Iwate), Kyoryo Chemical Co., Ltd. (Kyoto), KJ SPECIALTY PAPER Co., Ltd. (Shizuoka), Takasago Paper Processing Co., Ltd. (Hyogo), 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), Hachinohe Paper Processing Co., Ltd. (Aomori) Shin-Hokuryo Forest Products Co., Ltd. (Aomori), Hachiryō Co., Ltd. (Aomori) MPM OJI Home Products Co., Ltd. (Aomori) NAMITSU Co., Ltd. (Osaka), Mitsubishi Paper Holding (Europe) GmbH (Germany) Mitsubishi HiTec Paper Europe GmbH (Germany)
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, 2023, 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, 2023)**(i) Status of Employees in the Corporate Group**

Business Category	Number of employees
Functional materials	930
Sustainable fiber materials	1,903
Others	244
Group-wide (not belonging to any specific segment)	94
Total	3,171 (Change from the end of the previous period:-213)

(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
501	-76	48.1	26.5

(Note) Other than the above, 595 employees are seconded to subsidiaries, etc.

(11) Major Lender (As of March 31, 2023)

Lender	Borrowing amount
Syndicated loans	14,600 million yen
The Norinchukin Bank	13,082 million yen
MUFG Bank, Ltd.	11,936 million yen
Development Bank of Japan, Inc.	6,150 million yen
The Nanto Bank, Ltd.	5,068 million yen
Joyo Bank, Ltd.	4,870 million yen

(Note) Syndicated loans are those provided by 24 financial institutions led by MUFG Bank, Ltd.

2. Matters related to the Company's shares (As of March 31, 2023)

(1) Total number of shares authorized 90,000,000 shares

(2) Total number of shares issued 44,741,433 shares

(3) Number of shareholders 16,277 people (up 285 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%
The Master Trust Bank of Japan, Ltd. (Trust account)	2,546,700 shares	5.7%
Isao Nasu	2,128,500 shares	4.8%
Mitsubishi Paper Mills Shareholder Association	1,020,150 shares	2.3%
The Master Trust Bank of Japan, Ltd. (Officer compensation BIP trust account, 76,599 units)	911,871 shares	2.0%
FUJIFILM Holdings Corporation	850,000 shares	1.9%
The Norinchukin Bank	650,000 shares	1.5%
INTERACTIVE BROKERS LLC	483,900 shares	1.1%
Mitsubishi Gas Chemical Company, Inc.	465,000 shares	1.0%
Tokushu Tokai Paper Co., Ltd.	458,300 shares	1.0%

(Notes) 1. The ratio of share contribution is calculated with treasury stock (74,173 shares) deducted. Treasury stock does not include shares of MPM owned by the Board Incentive Plan.

2. The number of shares owned by Mitsubishi Gas Chemical Company, Inc. includes 360 thousand shares contributed by this company as trust assets for a retirement benefit trust. (The name on the shareholders' register is "The Master Trust Bank of Japan, Ltd. (a trust account for a retirement benefit trust and an account for Mitsubishi Gas Chemical Company, Inc.)")

(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)	25,913 shares	3

(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 7,813 shares that were converted into cash for the purpose of tax payment.

(6) Distribution of shareholders by shareholder type

Category	Number of shareholders	Number of shares held	Shareholding ratio
Financial institutions	30 persons	7,266,826 shares	16.3%
Other corporations	208 persons	19,068,956 shares	42.6%
Individuals and others	15,901 persons	15,395,043 shares	34.4%
Foreign corporations and others	98 persons	2,118,393 shares	4.7%
Financial instruments business operators	40 persons	892,215 shares	2.0%
Total	16,277 persons	—	100.0%

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, 2023)

President (Representative Director)	Ryuichi Kisaka	
Representative Director	Shigeharu Sanada	
Director	Nobuhiro Sato	
Director	Shigeji Matsuzawa	
Director	Kunio Suzuki	
Director	Somitsu Takehara	Director, Chairman, ZECOO Partners Inc. Outside Director, Genki Sushi Co., Ltd. Outside Audit & Supervisory Board Member, TBS Holdings, Inc.
Director	Yoshihiro Kataoka	Partner, Director, Kataoka & Kobayashi LPC Outside Director (Audit and Supervisory Committee Member), The Higo Bank, Ltd. Supervisor, SHIMIZU PRIVATE REIT, Inc.
Director	Kazunori Shinohara	
Full-time Audit & Supervisory Board Member	Koichi Nakayama	
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, 2023)

* Executive Officer, President & CEO	Ryuichi Kisaka	(In charge of Energy Business Dept. and Technology & Environmental Dept.)
* Senior Executive Vice President	Shigeharu Sanada	In charge of Corporate Planning Dept., Global Business Management Dept., Accounting Dept., Information System Dept., General Administration and Legal Dept., Human Resources Dept. and Shirakawa Production Facility Responsible for Raw Materials & Purchasing Dept. and Internal Audit Dept. Director responsible for Sustainability Promotion
Senior Managing Executive Officer	Kazuhiro Nakauchi	Responsible for Energy Business Dept., Technology & Environmental Dept. and Kitakami Div. Assistant officer responsible for Sustainable Fiber Materials Div. Director, Chairman, MPM Operation Co., Ltd., Director, Chairman, Kitakami HiTec Paper Corporation
* Managing Executive Officer	Nobuhiro Sato	Officer responsible for Sustainable Fiber Materials Div. General Manager, Sustainable Fiber Materials Div. Director, President, Mitsubishi Oji Paper Sales Co., Ltd.
* Managing Executive Officer	Shigeji Matsuzawa	Responsible for Functional Materials Div., Research and Development Div. and German operations Assistant officer responsible for Kitakami Div. General Manager, Functional Materials Div., President & CEO, Mitsubishi Paper Holding (Europe) GmbH, President & CEO, Mitsubishi HiTec Paper Europe GmbH
Executive Officer	Teiji Ota	Representative Director, President, Kitakami HiTec Paper Corporation General Manager, Kitakami Div., Deputy General Manager, Sustainable Fiber Materials Div., Deputy General Manager, Functional Materials Div.

Executive Officer	Yuji Takagami	(Deputy General Manager, Functional Materials Div., President & CEO, Diamic Co., Ltd.)
Executive Officer	Hiroaki Kobayashi	(Responsible for Engineering Business Assistant officer responsible for Energy Business Dept. General Manager, Technology & Environmental Dept.)
Executive Officer	Takao Fujiura	(Deputy General Manager, Sustainable Fiber Materials Div., General Manager, Home & Industry Products Sales Dept.)
Executive Officer	Hironori Oikawa	(Responsible for General Administration and Legal Dept., Human Resources Dept. and Shirakawa Production Facility)
Executive Officer	Hiroshi Mohara	(Head, Takasago Mill, Deputy General Manager, Sustainable Fiber Materials Div., Deputy General Manager, Functional Materials Div.)
Executive Officer	Kunihiro Nakagawa	(General Manager, Research and Development Div.)
Executive Officer	Ikuo Fujita	Deputy General Manager, Functional Materials Div., Chairman, Zhuhai MPM Filter Limited, President & CEO, KJ SPECIALTY PAPER Co., Ltd.
Executive Officer	Ryuki Fuchiwaki	Deputy General Manager, Sustainable Fiber Materials Div. Managing Executive Officer, Mitsubishi Oji Paper Sales Co., Ltd.
Executive Officer	Fujitaka Mizushima	(Responsible for Corporate Planning Dept., Global Business Management Dept., Accounting Dept. and Information System Dept. Assistant officer responsible for German operations)
Executive Officer	Hidetaka Tsukada	(Deputy General Manager, Functional Materials Div., General Manager, Kitakami Division Sales Dept., Director and Managing Executive Officer, Diamic Co., Ltd., President & CEO, Mitsubishi Imaging (MPM), Inc.)

Executive Officers with an asterisk concurrently serve as a Director.

- (Notes) 1. Directors Somitsu Takehara, Yoshihiro Kataoka and Kazunori Shinohara are Outside Directors.
2. Audit & Supervisory Board Members Hiroaki Tonooka and Satoshi Takizawa are Outside Audit & Supervisory Board Members.
3. 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.
4. 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.
5. MPM has notified the Tokyo Stock Exchange of the appointment of Directors Somitsu Takehara, Yoshihiro Kataoka and Kazunori Shinohara 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.
6. There are no Directors and Audit & Supervisory Board Members who assumed or left office from the day following the 157th Annual General Meeting of Shareholders held during the fiscal year under review (June 28, 2022) to the end of the fiscal year.

7. Positions and responsibilities of Executive Officers have been changed as follows effective April 1, 2023.

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 Div., Deputy General Manager, Sustainable Fiber Materials Div. Director, Chairman, MPM Operation Co., Ltd. }
Managing Executive Officer	Shigeji Matsuzawa	{ Officer responsible for German operations President & CEO, Mitsubishi Paper Holding (Europe) GmbH, President & CEO, Mitsubishi HiTec Paper Europe GmbH }
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.)
Executive Officer	Teiji Ota	{ Head of Hachinohe Mill, Head of Kitakami Mill, Deputy General Manager, Sustainable Fiber Materials Div. President & CEO, MPM Operation Co., Ltd. }
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, Takasago Mill, Deputy General Manager, Functional Materials Div.)
Executive Officer	Hiroshi Mohara	{ Deputy General Manager, Functional Materials Div. Chairman, Zhuhai MPM Filter Limited }
Executive Officer	Ikuo Fujita	{ Assistant officer responsible for German operations Senior Executive Vice President, Mitsubishi Paper Holding (Europe) GmbH, Senior Executive Vice 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.)
Executive Officer	Hidetaka Tsukada	{ Deputy General Manager, Functional Materials Div. 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.

(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 points: Base amount of stock-based compensation x 0.5

/ Average acquisition price of the Company's shares 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 stock delivery points: Base amount of stock-based compensation

x 0.5 x Achievement-linked coefficient ^(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 2,500 million yen, and the actual amount was 968 million yen. The amount of the target consolidated operating income for the fiscal year ending March 31, 2024 is 6,000 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 = 900 million yen / 2,500 million yen = 36%

(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. At the end of each one-year service period or when the employee becomes ineligible for this plan, cash equal to the accumulated number of points granted multiplied by the share price of the Company's stock will be paid.

(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	Total amount of remuneration, etc.	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	Total amount	Number of eligible recipients	Total amount	Number of eligible recipients	Total amount	Number of eligible recipients	Total amount
Directors	Persons 11	Million yen 140	Persons 11	Million yen 124	Persons 4	Million yen 11	Persons 4	Million yen 2	Persons 1	Million yen 1
Audit & Supervisory Board Members	4	32	4	32	–	–	–	–	–	–
Total (Outside Officers)	15 (6)	173 (32)	15 (6)	157 (32)	4 (–)	11 (–)	4 (–)	2 (–)	1 (–)	1 (–)

- (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 157th Ordinary General Meeting of Shareholders held on June 28, 2022 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 up to 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 compensation for individual Directors, the Nomination and Remuneration Committee, chaired by an independent Outside Director, deliberates on appropriateness from multiple perspectives based on the policies 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 compensation for individual Directors during the fiscal year under review is in line with the policies.

(4) Matters related to Outside Officers (as of March 31, 2023)

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

Director Somitsu Takehara is the Director and Chairman of ZECOO Partners INC., Outside Director of Genki Sushi Co., Ltd., and Outside Audit & Supervisory Board Member of TBS Holdings, Inc. MPM has no special relationships with the above companies where he holds concurrent positions.

Director Yoshihiro Kataoka is a Partner and Director of Kataoka & Kobayashi, an Outside Director (Audit & Supervisory Board Member) of The Higo Bank, Ltd. (retired on March, 2023) and a Supervisor of SHIMIZU PRIVATE REIT, Inc. 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	Somitsu Takehara	15 meetings / 15 meetings (100%)	–
Director	Yoshihiro Kataoka	15 meetings / 15 meetings (100%)	–
Director	Kazunori Shinohara	11 meetings / 11 meetings (100%)	–
Audit & Supervisory Board Member	Hiroaki Tonooka	15 meetings / 15 meetings (100%)	12 meetings / 12 meetings (100%)
Audit & Supervisory Board Member	Satoshi Takizawa	15 meetings / 15 meetings (100%)	12 meetings / 12 meetings (100%)

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

Director Somitsu Takehara 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 knowledge as a certified public accountant and his extensive experience in corporate management through his management consulting business. Additionally, as the chairperson of the Nomination and Remuneration Committee, he attended all ten

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 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 a member of the Nomination and Remuneration Committee, he attended all ten 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 and contributes to the strengthening of the corporate governance of MPM 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. 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.

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, 2023)

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

55 million yen

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

73 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 pay dividends on a stable and continuous basis while 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 the year-end dividend of 5 yen per share as a result of comprehensively taking into consideration the stable and continuous payment of dividends 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 Sheets

FY2022

(Mar 31,2023)

(Million yen)

Assets		Liabilities	
Current assets	109,024	Current liabilities	110,457
Cash and deposits	8,325	Notes and accounts payable - trade	28,710
Notes receivable - trade	8,074	Electronically recorded obligations	3,485
Accounts receivable - trade	38,470	Short-term loans payable	61,467
Merchandise and finished goods	25,257	Commercial paper	5,000
Work in process	6,322	Lease obligations	509
Raw materials and supplies	18,498	Accrued expenses	6,597
Other	4,166	Income taxes payable	302
Allowance for doubtful accounts	(92)	Contract liabilities	371
		Provision for loss on transfer of business	1,614
		Other	2,399
Non-current assets	118,034	Non-current liabilities	44,559
Property, plant and equipment	78,256	Long-term loans payable	32,603
Buildings and structures, net	19,703	Lease obligations	596
Machinery, equipment and vehicles, net	34,918	Deferred tax liabilities	938
Land	20,625	Provision for share awards	53
Leased assets, net	1,138	Provision for directors' retirement benefits	49
Construction in progress	733	Net defined benefit liability	7,603
Other, net	1,135	Asset retirement obligations	885
		Other	1,827
Intangible assets	2,379	Total liabilities	155,016
Other	2,379	Net assets	
		Shareholders' equity	56,012
Investments and other assets	37,398	Capital stock	36,561
Investment securities	21,605	Capital surplus	6,524
Long-term loans receivable	765	Retained earnings	13,357
Net defined benefit asset	12,035	Treasury shares	(430)
Deferred tax assets	2,132	Accumulated other comprehensive income	16,015
Other	923	Valuation difference on available-for-sale securities	5,532
Allowance for doubtful accounts	(64)	Foreign currency translation adjustment	1,111
		Remeasurements of defined benefit plans	9,372
		Non-controlling interests	13
		Total net assets	72,041
Total assets	227,058	Total liabilities and net assets	227,058

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

Consolidated Statements of Income

FY2022

(Apr'22 – Mar'23)

(Million yen)

Net sales		209,542
Cost of sales		182,288
Gross profit		27,253
Selling, general and administrative expenses		26,285
Operating income		968
Non-operating income		
Interest income	27	
Dividend income	652	
Share of profit of entities accounted for using equity method	670	
Foreign exchange gains	983	
Other	545	2,878
Non-operating expenses		
Interest expenses	574	
Other	182	757
Ordinary income		3,089
Extraordinary income		
Gain on disposal of non-current assets	39	
Subsidy income	347	
Gain on sales of investment securities	4	
Other	35	427
Extraordinary losses		
Loss on disposal of non-current assets	263	
Loss on tax purpose reduction entry of non-current assets	329	
Impairment loss	52	
Loss on sale of businesses	3,192	
Extra retirement payments	651	
Loss on valuation of investment securities	12	
Other	22	4,523
Loss before income taxes		(1,006)
Income taxes - current		354
Income taxes - deferred		(797)
Loss		(563)
Profit attributable to non-controlling interests		7
Loss attributable to owners of parent		(571)

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

Statements of Income

FY2022

(Apr'22 – Mar'23)

(Million yen)

Net sales		107,191
Cost of sales		96,391
Gross profit		10,799
Selling, general and administrative expenses		12,161
Operating loss		(1,361)
Non-operating income		
Interest and dividend income	2,719	
Miscellaneous income	1,346	4,066
Non-operating expenses		
Interest expenses	459	
Miscellaneous losses	158	618
Ordinary income		2,086
Extraordinary income		
Gain on disposal of non-current assets	26	
Subsidy income	347	
Other	3	377
Extraordinary losses		
Loss on disposal of non-current assets	196	
Loss on tax purpose reduction entry of non-current assets	329	
Impairment loss	52	
Provision of allowance for doubtful accounts for subsidiaries and associates	1,667	
Extra retirement payments	495	
Loss on valuation of investment securities	12	
Other	140	2,894
Loss before income taxes		(430)
Income taxes - current		(256)
Income taxes - deferred		(882)
Profit		708

(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 24, 2023

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, 2022 to March 31, 2023, 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, 2023, 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 24, 2023

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 sheets, non-consolidated statements 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 158th fiscal year from April 1, 2022 through March 31, 2023.

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 158th fiscal year ended March 31, 2023, 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 158th fiscal year from April 1, 2022 to March 31, 2023, 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, October 28, 2005) 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.
- (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 26, 2023

Mitsubishi Paper Mills Limited Audit & Supervisory Board Member
Full-time Audit & Supervisory Board Member Koichi Nakayama (Seal)
Audit & Supervisory Board Member Hiroaki Tonooka (Seal)
Audit & Supervisory Board Member Satoshi Takizawa (Seal)

(Note) Audit & Supervisory Board Members Hiroaki Tonooka and Satoshi Takizawa are Outside Audit & Supervisory Board Members provided for in Article 2, Item 16 and Article 335, Paragraph 3 of the Companies Act.