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Mitsubishi Paper Mills Group

Corporate Philosophy

We aim to contribute to society by being active in the world market, maximizing our technological capabilities and helping protect the global environment.

PHILOSOPHY

A corporate group that is always on the leading edge of technology

A corporate group that lives up to the trust of its customers in the world market

A corporate group that contributes to preserving the global environment and creating a recycling-based society



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Editorial Policy

Mitsubishi Paper Mills publishes the Mitsubishi Paper Mills Group Integrated Report, which summarizes financial and nonfinancial information to provide stakeholders with an understanding of the group’s overall business activities. In these pages, we report on the Mitsubishi Paper Mills Group’s corporate value-building activities that help to build a more sustainable society.

■ Scope

The companies included are Mitsubishi Paper Mills Limited and its consolidated subsidiaries (7 companies in Japan and 4 companies overseas), as well as its equity-method affiliates (2 companies in Japan).

■ Reporting Period

The reporting period of this report is the fiscal year 2024 (starting from April 1, 2024 and ending March 31, 2025), with some content included from outside this period.

■ Guidelines Referenced (including but not limited to)

International Integrated Report Framework
Value Co-Creation Guidance
GRI Standard
ISO26000
Environmental Reporting Guidelines (2018 Edition), Ministry of the Environment

■ Contact

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■ Issued

2025/10

Our Website

The Mitsubishi Paper Mills website provides a range of information on subjects that include sustainability and the environment, investor relations, products and services, research and development, basic data on the company, and recruitment.

Sustainability / Environment

Integrated reports, Corporate reports



SDS / AIS / Analysis test report



Products & Services



Research & Development



Investor Relations

Annual Business Report



Financial Results, Management Report Materials



From History & Tradition to “SHINKA” – The Value Creation Story of the Mitsubishi Paper Mills Group

Since its founding in Kobe in 1898, the Mitsubishi Paper Mills Group has leveraged its advanced technological capabilities to develop a wide range of distinctive, socially beneficial products and services, consistently delivering value that satisfies its customers.

Our commitment to prioritizing the “value” of stakeholders, based on our long history and tradition, remains unchanged to this day.

Founding
1898

1901

Moved the mill from Sannomiya, Kobe to Takasago City in Hyogo Prefecture (currently the Takasago Mill)



Takasago Mill shortly after its founding

1944

Merged with Kyoto Photo Industry Co., Ltd. and established the Kyoto trial mill for photographic paper (currently the Kyoto Mill)



Kyoto trial mill (currently the Kyoto Mill)

1966

Hachinohe Mill constructed; merged with Shirakawa Pulp Industries Co., Ltd.



Hachinohe Mill Paper machine No.1 trial run

1972

Thermal paper production began at the Takasago Mill



1980

Inkjet paper, Nakagawa Mill World's first paper for inkjet printers launched



1997

Started production of household paper at the Kitakami Mill Launch of the household paper brand “nakure”



Household paper brand “nakure”

2000s~



With the acquisition (2011) and later the merger (2024) of KJ Specialty Paper Co., Ltd., decorative laminate base paper and tape base paper have been added to our product lineup.



We offer environmentally-friendly products such as inkjet paper, packaging paper, and total heat exchange elements.

“Toward a New Stage”

The Mitsubishi Paper Mills Group will celebrate its 130th anniversary in April 2028. Moving toward a new stage, we will continue our journey in business without pause, contributing to the development of industry and society as a company that has evolved.

- 1898** Hisaya Iwasaki took over a paper mill operated by the Walsh Brothers in Sannomiya, Kobe, and established the Kobe Paper Mill Company
- 1917** Constructed the Nakagawa Mill in Katsushika-ku, Tokyo (closed in March 2003) Incorporated and changed name to Mitsubishi Paper Mills, Ltd.
- 1925** Head Office moved from Takasago City in Hyogo Prefecture to Yurakucho, Chiyoda-ku, Tokyo

- 1935** Baryta paper research completed at the Takasago Mill
- 1950** Release of photographic paper “Gekko V” (blue-black tone)
- 1965** Launched Mitsubishi color photographic paper
- 1971** Started production of nonwoven fabric at Nakagawa Mill
- 1974** Launched direct plate-making system “Mitsubishi Silver Master”

- 1981** Head Office moved to Yurakucho, Chiyoda-ku, Tokyo
- 1989** Established the local subsidiary Mitsubishi Paper GmbH in Dusseldorf
- 1995** Established the joint venture sales company Mitsubishi Imaging (MPM), Inc. with Mitsubishi Corporation in New York
- 2007** Established Zhuhai MPM Filter, Ltd. in China

- 2011** The Great East Japan Earthquake caused severe damage to the Hachinohe Mill, especially due to the tsunami (fully restored by November of the same year).
KJ Specialty Paper Co., Ltd., a chemical-based paper subsidiary of Kohjin Co., Ltd., becomes a wholly owned subsidiary.

- 2012** Head Office moved to Ryogoku, Sumida-ku, Tokyo
- 2016** Established a joint venture with Oji Green Resources Co., Ltd. called MPM Oji Eco-Energy Co., Ltd.
- 2017** Established a joint venture with Oji Nepia Co., Ltd. called MPM Oji Home Products Co., Ltd.

- 2019** Issued new shares through third party allotment to Oji Holdings Corporation, making the company an equity method affiliate
- 2024** Integrated KJ Specialty Paper Co., Ltd. into Mitsubishi Paper Mills and renamed Fuji Mill. Established the Fuji R&D Office within the Core Technology Center, Research and Development Division

Founding~1920s

Rise of the modern paper manufacturing industry

Mitsubishi and the Walsh brothers: From Kobe Paper Mills to Mitsubishi Paper Mills

As modernization progressed, the demand for paper sharply increased, and the Walsh brothers built a pulp mill for cotton rags in Kobe. Demand for modern Western-style paper increased further between the Russo-Japanese War and World War I. The company moved from Kobe to the Takasago Mill and established the Nakagawa Mill in Tokyo. The pulp raw material source was changed from rags and straw to wood, and high-quality paper production was expanded. The company had a particularly high market share for art paper.



Takasago Mill Coater No.1

1930s~1950s

Transformation during wartime and postwar construction

Product diversification under raw material control Expansion into specialty paper and photographic paper

It became difficult to import base paper for photographic paper (Baryta paper) due to the war, creating strong hopes for domestic production of the paper. The company succeeded in developing Baryta paper at its Takasago Mill, then proceeded with production at the Nakagawa Mill and merged with Kyoto Photo Industry Co., Ltd. (currently the Kyoto Mill.) Photographic paper became the company's signature specialty paper. The photographic paper “Gekko V” developed after the war also gained popularity and became the cornerstone of the Kyoto Mill. Product diversification under raw material control Expansion into specialty paper and photographic paper



Nakagawa Mill test room

1960s~1970s

Severe economic fluctuations and the expansion of information and communications

Establishing an integrated system from pulp to paper Rapid increase in demand for communication paper

Since thorough cost reduction was essential in order to respond to drastic market changes, we established the Hachinohe Mill, capable of integrated mass production of pulp and paper, and the Kitakami Mill solidified its foothold as a pulp mill using 100% domestic materials. The Takasago Mill was transformed into a mill for manufacturing communication paper for information and communication equipment such as fax machines and word processors as they became more advanced.



Various types of communication paper

1980s~1990s

Bubble economy and Heisei recession

Advancement in the photosensitive materials sector Launch of household paper brand

As photosensitive material technologies improved dramatically, our Mitsubishi color photographic paper and direct plate-making system “Mitsubishi Silver Master” became popular both in Japan and overseas. To respond to the European and American markets, we expanded our sales bases in the US and Germany and established a production base for information paper in Germany. The Kitakami Mill began producing household paper.



Automatic plate-making machine for the Silver Master CP-550

2000s~2010s

Growing risks to the environment and crisis awareness

Strengthen development of functional materials Japan's first commercialization of FSC® certified paper

Sales, research, and development work together to develop a business that develops functional materials with an awareness of environmental issues (currently the Functional Materials Division). Placing greater emphasis on “environmental contributions” than ever before, we commercialized FSC® forest-certified paper for the first time in Japan. We opened the “Ecosystem Academy” to provide a place for hands-on learning.



FSC® forest certified copy paper

2020s~

“SDGs” and “carbon zero” become buzzwords

Product development aimed at coexistence between people and nature Paper as a sustainable material

Established the “MPM Group Basic Policy on Sustainability” and “Mitsubishi Paper Mills Group Environmental Vision 2050” We are developing functional materials that contribute to resource and energy circulation along with paper and pulp products that can help reduce plastic waste. We are also selling locally produced and locally consumed household paper products that protect and nurture domestic forests.

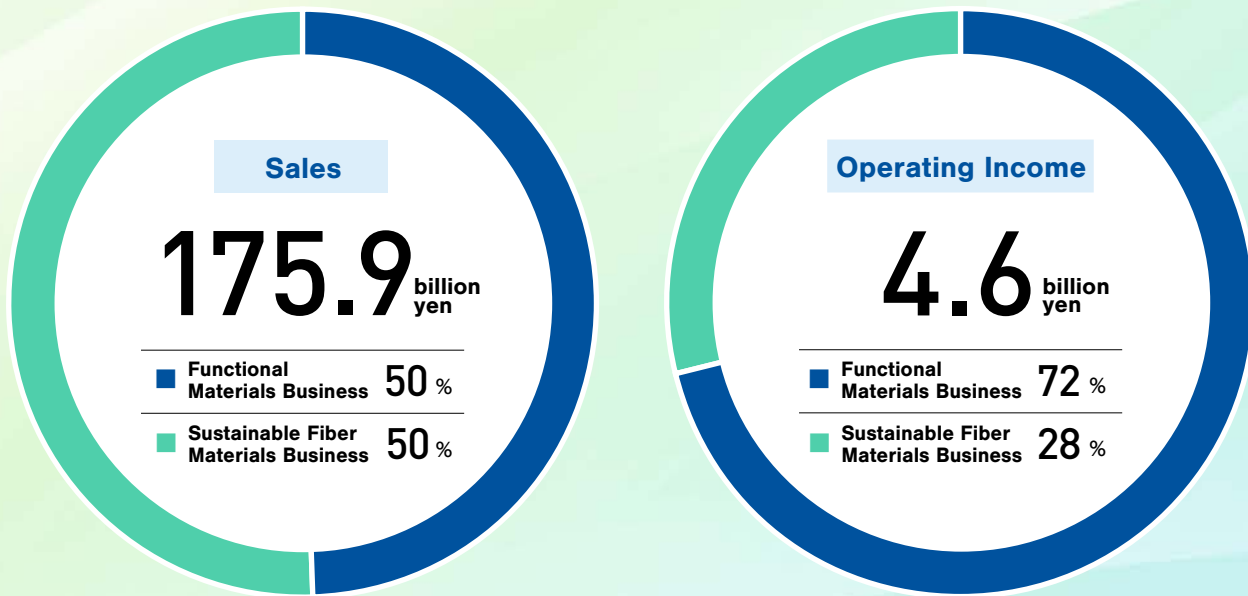


Reverse osmosis membrane element (using our nonwoven fabric)

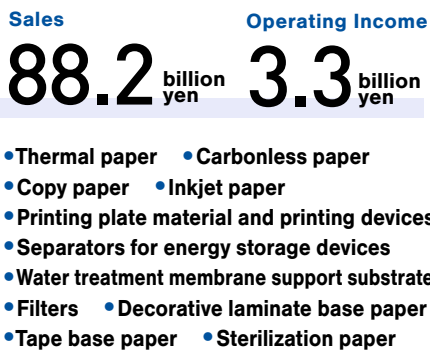
Overview of Mitsubishi Paper Mills Group's Businesses

The Mitsubishi Paper Mills Group is committed to developing and providing products and services that are useful and safe for society through our advanced technological capabilities and innovation. We will continue to fulfill our social responsibilities, contribute to the realization of a sustainable society, and aim for our own sustainable growth.

FY2024 Sales/Operating Income



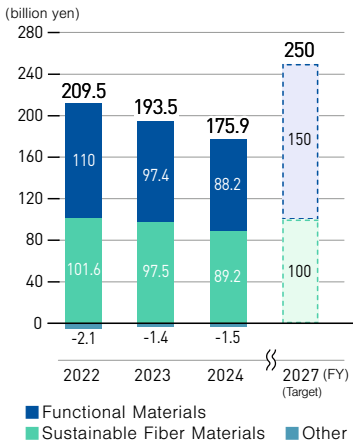
Functional Materials Business



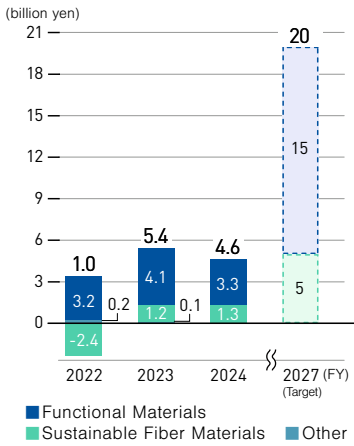
Financial and Non-Financial Highlights

Profitability

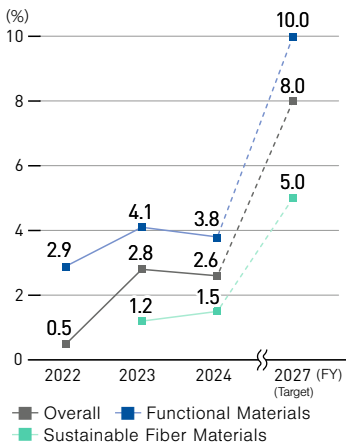
Sales



Operating Income

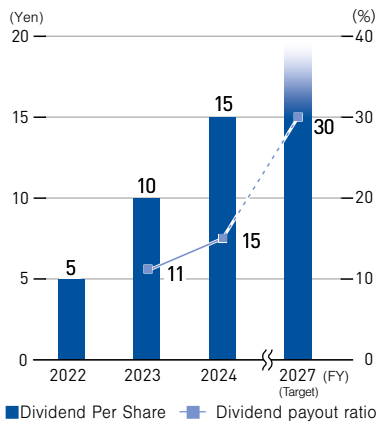


Operating income margin



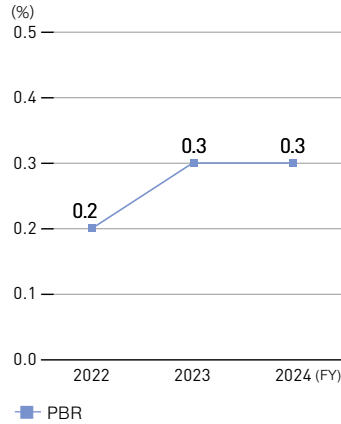
Shareholder Returns

Dividend Per Share/
Dividend Payout Ratio

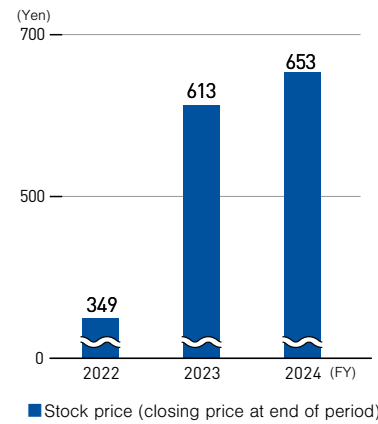


Market Evaluation

PBR

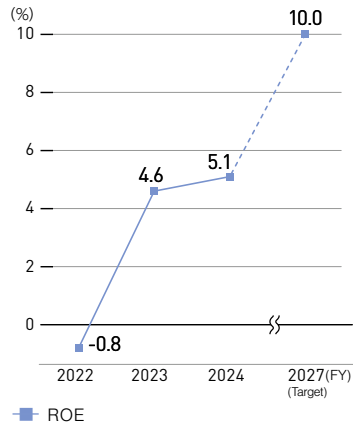


Stock Price

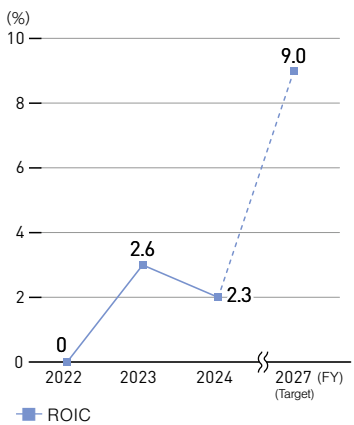


Efficiency/Investment

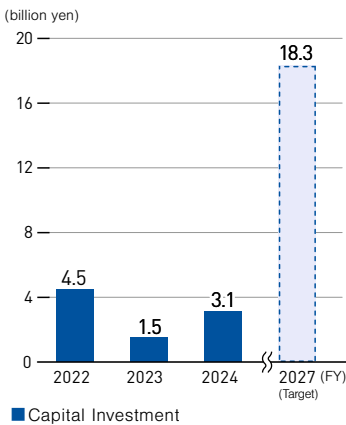
ROE



ROIC

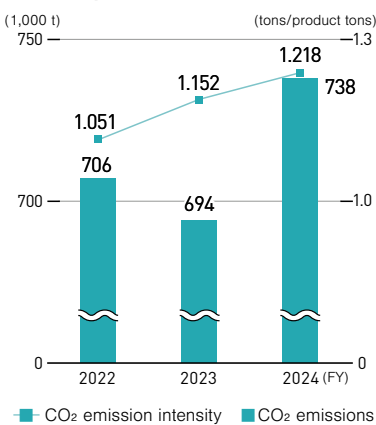


Capital Investment

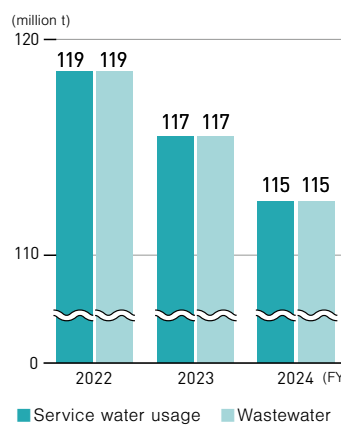


Environment

CO₂ emissions and emission intensity

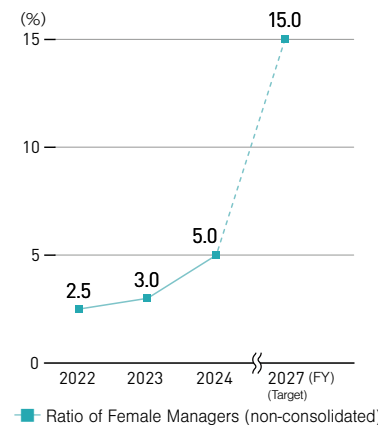


Service water usage and wastewater



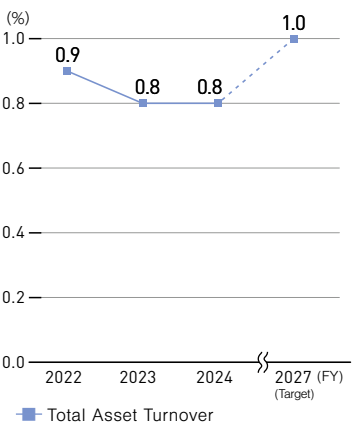
Society

Ratio of female managers

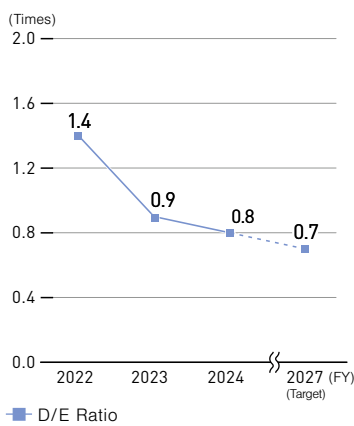


Financial Soundness

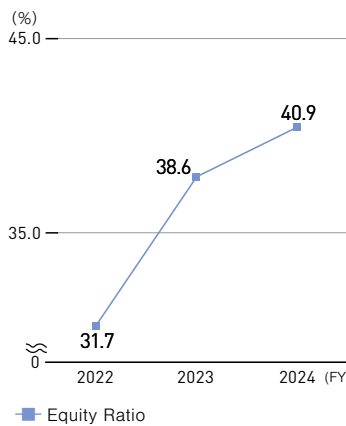
Total Asset Turnover



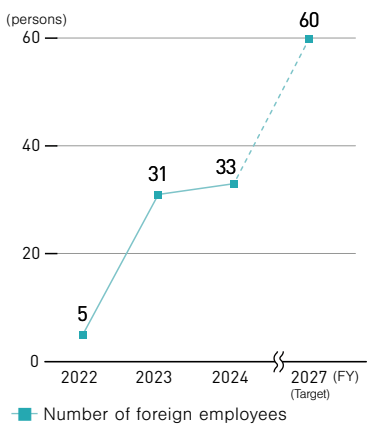
D/E Ratio



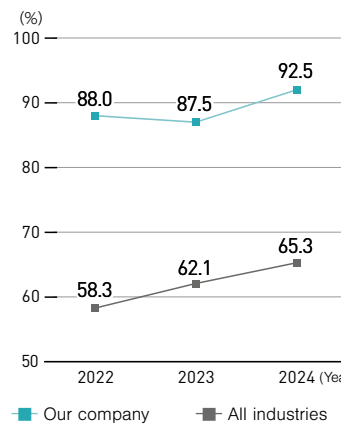
Equity Ratio



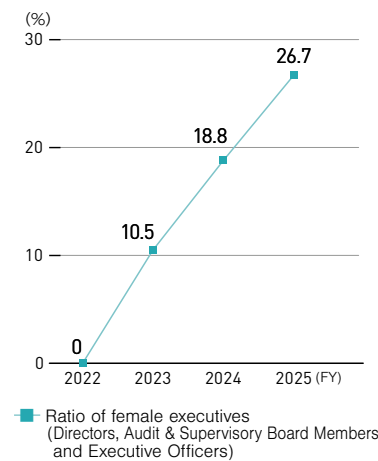
Number of foreign employees



Annual Paid Leave Acquisition Rate



Ratio of Female Executives



Message from the President

President /CEO
Representative Director

木坂 隆一



Medium-Term Management Plan

United as one, we are committed to driving transformation and growth to achieve our management goals of our Medium-Term Management Plan “130 Years as a “SHINKA” company ^{NEXT} and ever evolving”

Review of Medium-Term Management Plan performance

Breaking away from successful experiences of the past

Mitsubishi Paper Mills Limited will celebrate its 130th anniversary in April 2028. Toward this milestone that leads to the next step of our corporate journey, we have formulated the Medium-Term Management Plan “130 Years as a “SHINKA” company ^{NEXT} and ever evolving” (FY2025–FY2027). This plan is not merely a list of numerical targets. It is a strong declaration of our determination to continue challenging transformation and growth as a unified company, driven by both tradition and innovation, without being bound by past successes.

We have delivered superior print quality through distinctive art and coated paper that set us apart from competitors, and provided variable data printing on demand using pressure-sensitive paper and thermal paper. Meanwhile, drawing on our capabilities acquired from Kyoto Photo Industry Co., Ltd., we have created products with distinctive and highly unique functions for photographic printing paper, inkjet paper, and similar products for creating beautiful images. Based on such creativity, we have constantly refined our technologies and pursued the potential of our products, such as by seeking new functional materials in response to the changing times. However, in today’s constantly evolving business environment, our track record and experience spanning over 120 years alone are no longer sufficient to guarantee future success.

In particular, the wave of digitalization is fundamentally changing the demand structure for paper, and soaring raw material prices are having a significant impact on business operations. As a company that utilizes wood, a natural material, as a raw material and contributes to a “sustainable forest cycle” and a “circular economy,” addressing social issues such as achieving carbon neutrality is an urgent issue. Amidst this uncertain outlook, we firmly recognize that fundamental structural reforms are indispensable. I believe that not only management but also each and every employee on the front lines can feel this firsthand.

The trajectory of structural reforms and our next challenges

In the previous Medium-Term Management Plan (FY2022–FY2024), we set “selection and concentration” strategies and “expansion of new business” as basic policies and worked to strengthen profitability. However, against our consolidated sales target of 195 billion yen and operating income target of 7.5 billion yen, actual results fell short at 175.9 billion yen and 4.6 billion yen, respectively. The main reason for this was our inability to fully execute strategic investments to put the highly profitable Functional Materials Business on its next growth trajectory. In particular, our ongoing efforts to expand in global markets remain incomplete, and the lack of progress

in improving profitability in Germany has come to symbolize these challenges.

On the other hand, during this period, we clearly identified the challenges to be overcome and steadily implemented bold structural reforms. The first step was a fundamental reorganization of group subsidiaries. One of the most drastic reforms was the organizational streamlining that reduced the number of group subsidiaries from 25 to 11. This reform was not a unilateral directive from management but driven by all employees themselves by identifying issues and engaging in thorough discussions. The widespread acknowledgment that “the organization is siloed, making governance ineffective” and “there are many overlapping tasks, leading to inefficiency” became the driving force behind our reform efforts. Not only were discussions held in meeting rooms, but opinions from the front lines were also gathered and utilized in each integration process.

For example, during the integration of a sales department, there were concerns such as, “Will the change in client assignments lead to delays in the handover process?” In response, joint customer visits were conducted with an integrated sales team, and by discovering new proposal methods that combined the strengths of both companies, customer satisfaction actually improved. In the integration of production departments, there were concerns that “unique technical know-how might be lost,” but by regularly holding technical exchange meetings among engineers from each mill and sharing best practices, overall production efficiency improved dramatically. This subsidiary integration not only optimized management resources, but also deepened cooperation among companies, lowered barriers between departments,



and enabled faster decision-making. The organization became slimmer and more agile, gaining the flexibility to respond to major changes.

We also proceeded with the sale of non-core businesses and assets, deciding on and executing the sale of the Flensburg Mill in Germany. Going forward, while strengthening the profitability of the Bielefeld Mill, we will enhance cooperation with our U.S. sales subsidiary and globally promote strategic products of the Functional Materials Business developed in Japan.

These successful experiences with structural reforms have also brought significant results to individual businesses. In particular, achieving a return to profitability at the Hachinohe Mill, a long-standing challenge in the Sustainable Fiber Materials Business, symbolizes our company’s transformation. Located in Hachinohe, Aomori, this mill boasts one of Japan’s top integrated production systems which turns pulp into paper, leveraging its coastal location and advanced technical capabilities. However, it had long been operating in the red. We carried out fundamental reforms, improving production efficiency, reducing energy costs, and thoroughly reviewing manufacturing processes. Specifically, we introduced a logistics management system, actively implemented energy-saving measures, and actively promoted “improvement activities” from the front lines. One employee proposed reusing offcuts from the paper trimming process as raw material for other products. By implementing this idea, we successfully achieved both waste reduction and cost savings. In addition to replacing the lighting in the mill with LEDs, we also introduced a system to maximize the use of natural daylight during the day. As a result of accumulating such small improvements, the mill finally achieved profitability on a standalone basis. This successful experience significantly boosted employee motivation and fostered a positive “we can do it” mindset across our entire Sustainable Fiber Materials Business.

The path to restoring trust

I would like to once again express our deepest apologies for the significant inconvenience and concern caused to our customers and all stakeholders by the recently uncovered quality compliance issue. At the root of this problem were long-standing business practices, poor communication at the front lines, and deficiencies in the quality assurance system.

We have taken this issue seriously and have implemented the following fundamental reforms to ensure that such problems never occur again.

First, the Quality Assurance Department, whose

independence within the mill was insufficient, was placed under the direct control of the Head Office’s Technology Division, establishing a system that allows quality to be checked from a position completely independent of the mills responsible for manufacturing. In addition, to enhance the quality audit control system, we established the Internal Audit Department and the Compliance Office within the Risk Management Division to enable monitoring of the quality assurance system and compliance status from multiple perspectives.

Furthermore, to ensure that reforms are not merely superficial, I as well as business department and Head Office executives actively held lunch meetings

with employees and visited mills, business sites, and subsidiaries to promote two-way dialogue rather than one-way briefings. We will correct the lack of awareness regarding misconduct and reaffirm our commitment to placing safety first and strict compliance with laws and regulations.

We are also actively promoting employee rotation to prevent fixation in specific departments, thereby fostering change, eliminating bad business practices, and cultivating an open organizational culture. These initiatives are not temporary as we are determined to continue them and rebuild trust, our most important asset.

Future management strategies

Overview and challenges of the Medium-Term Management Plan “130 Years as a “SHINKA” company^{next} and ever evolving”

Our Medium-Term Management Plan is a bottom-up initiative, shaped by the passion and ideas from the frontlines, created through the independent thinking, discussion, and collaboration of all employees. Rather than being shaped by management, it was formulated through a process of gathering opinions from the front lines, sharing information on issues, and jointly deriving solutions. This plan was formulated with a strong determination for our company to continue evolving and developing beyond the 130th anniversary of our founding, which will be reached at the end of the current Medium-Term Management Plan.

Under this plan, we will steer toward a growth trajectory aimed at our medium- to long-term aspirations, based on the following three basic policies.

1. **“SHINKA” (sophistication) of technologies and research to expand our array of distinctive functional and Environmentally-Friendly Products and accelerate productivity improvement**
2. **“SHINKA” (evolution) in our contributions to the global environment**
3. **“SHINKA” (internalization) of governance and human capital management**

As management targets for FY2027, we aim for sales

of 250 billion yen, operating income of 20 billion yen, and an operating income margin of 8%. Making up the 250 billion yen sales target are our bold sales targets of 150 billion yen for the Functional Materials Business and 100 billion yen for the Sustainable Fiber Materials Business. This reflects our strong determination to maximize our potential, while squarely facing current challenges. We also set a D/E ratio target of 0.7 times and an ROE target of 10%. Furthermore, as medium- to long-term aspirations, we aim to achieve sales of 300 billion yen, an operating income margin of 10%, an ROE of 10% or higher, and an ROIC of 11%.

In addition, over the next three years, we plan to utilize approximately 37 billion yen in operating cash flow, allocating about 32 billion yen to management investments and about 5 billion yen to shareholder returns. In particular, we will actively allocate approximately 33 billion yen to strategic investments, focusing on expanding environmentally conscious products, expanding functional products, investing in research and development, initiatives toward carbon neutrality, and strengthening Human Resources, as well as investing in DX and labor-saving measures. This demonstrates our commitment to balancing profit growth with a sustainable future.

Initiatives and Measures Towards 130 Years of Being a “SHINKA” Company NEXT

(1) “SHINKA” (sophistication) of technologies and research: Shift to a market-in approach

In the Medium-Term Management Plan, we are not solely focused on increasing sales, but are firmly committed to maximizing profitability. The key to achieving this lies in fundamentally shifting our traditional “product-oriented” culture toward a “market-in” approach. Because of our strong development capabilities, we have tended to prioritize technical seeds over verifying market needs, advancing product development accordingly. However, this approach does not allow for significant sales growth from developed products, and makes it difficult to recover the labor, costs, and capital investments spent on development.

Therefore, in the previous fiscal year, we established the Research and Development Planning Office within the Research and Development Division. The Research and Development Planning Office takes the lead in analyzing market needs, competitor trends and social trends, rigorously examining the market suitability of development themes, and selecting projects that will lead to future growth. We have also set up development teams at each mill, involving the sales and manufacturing departments from the early stages of product development and integrating the expertise of each department to create higher-quality products. Furthermore, for projects that were abandoned or suspended, we have established a system to thoroughly analyze and verify the causes. This is not simply reflection but is regarded as serving as the “tuition” for future success, accumulating knowledge and insights in the process. This knowledge is shared within the company and becomes the foundation for future innovation. From this, we will maximize the return on investment in research and development to build a system that steadily leads to growth.

The Functional Materials Business will leverage strengthened research and development capabilities to achieve results, advancing the high value-added development of information and image media and functional materials, accelerating global expansion and market share growth. In the Sustainable Fiber Materials Business, we will expand packing paper and domestic 100% pulp applications, promoting environmentally-conscious products and improving productivity. In particular, we aim to integrate operations of the Hachinohe Mill and Kitakami Mill, enhance efficiency and competitiveness through

digital transformation and labor-saving investments, and pursue export growth.

(2) “SHINKA” (evolution) in our contributions to the global environment: Contribute to helping build a more sustainable society

Addressing climate change is now a fundamental prerequisite for conducting business. We are accelerating initiatives toward carbon neutrality, setting an interim goal of reducing CO₂ emissions in fiscal 2030 by 40% compared to fiscal 2013. To achieve this, in addition to switching fuels for coal boilers and fully utilizing green energy, we will also explore possibilities for next-generation energy and CCS (carbon capture and storage technology) through cooperation with local communities and other industries. As a contribution to a recycling-based society, we will promote the efficient use of forest resources and aim to achieve a 100% recycling rate for plastic resources by fiscal 2027. Over the past three years, we have promoted energy conservation, reducing CO₂ emissions by 22% in fiscal 2024 compared to fiscal 2013, and have strengthened sustainability disclosures, including TCFD information disclosure. We will further accelerate these efforts.

(3) “SHINKA” (internalization) of governance and human capital management: The compass for opening up the future

Our company regards the high level of technological expertise cultivated over more than 120 years and the human resources represented by our employees who support it as our most important assets. The success of the Medium-Term Management Plan depends on how effectively we can leverage these human resources. Through a planned human resource strategy investment of 3 billion yen, we will strengthen workplace environment improvements, DX, labor-saving measures, recruitment, and development of human resources.

We have set goals such as increasing the ratio of female managers to 15% and employing 60 foreign nationals by promoting the recruitment of talent with diverse backgrounds and enhancing flexible work systems. Additionally, as our 130th anniversary approaches, all employees are working together to formulate our “Credo (code of conduct).” This is not something unilaterally imposed by management but rather an initiative that encourages all employees to deeply reflect on what type of company Mitsubishi Paper should become in the future so that each individual can take ownership of the company's

direction and feel a strong sense of belonging and pride. We expect this Credo to serve as a standard for daily business decisions and as a compass to guide the entire company in a unified direction.

Improving capital efficiency and returning profits to shareholders

We promote management focused on capital costs and stock price, aiming to improve PBR by raising ROE (return on equity) and PER (price earnings ratio). Our goal is to raise ROE, which has hovered around 5% recently, to 10% by fiscal 2027, exceeding the assumed shareholder capital costs of 7–8%. We position profit returns to shareholders as a key management issue, and while securing funds for strategic investments and returns to employees for future investments, we aim for a dividend payout ratio of 30%, striving to continuously provide stable dividends and enhanced shareholder returns.



To all stakeholders, including our shareholders and other investors

The slogan “130 Years as a “SHINKA” company NEXT and ever evolving” is not just words, but expresses our strong determination. Through the current Medium-Term Management Plan, we will enhance dialogue with all stakeholders and strive to improve communication so that our management policies and business activities are deeply understood.

By sincerely listening to your opinions and reflecting them in our management, we aim to enhance corporate value and build the history of Mitsubishi Paper Mills for the next 50 and 100 years. I sincerely ask our stakeholders for their continued guidance and encouragement.

Message from the Director Responsible for Sustainability Promotion



“SHINKA”: The Compass to the Future
Creating New Value through Sustainability Management

Representative Director, Senior Executive Vice President
Director responsible for Sustainability Promotion

Shigeharu Sanada

Based on the Corporate Philosophy of the Mitsubishi Paper Mills Group (“We aim to contribute to society by being active in the world market, maximizing our technological capabilities and helping protect the global environment”), our mission is to solve social issues by providing sustainable value. In addition to being a paper manufacturing company, we also aspire to be an entity that fulfills its responsibilities in harmony with the environment, society, and the economy.

In the Medium-Term Management Plan, which was launched in fiscal 2025, under the slogan “130 Years as a “SHINKA” company ^{next} and ever evolving,” we aim for evolution aimed at growth. Specifically, through the three pillars of “SHINKA” (sophistication) of technologies and research to expand our array of distinctive functional and Environmentally-Friendly Products and accelerate productivity improvement; “SHINKA” (evolution) in our contributions to the global environment: Contribute to helping build a more sustainable society; and “SHINKA” (internalization) of governance and human capital management, we will achieve both the realization of a sustainable society

and the enhancement of corporate value.

Achieving both corporate value growth and social issue resolution

The most important aspect of our sustainability promotion is “achieving both corporate value growth and social issue resolution” To realize this concept, we have established three key initiatives.

First, as “initiatives to achieve management targets,” we are working to build a competitive business foundation by expanding sales of high value-added products and introducing new technologies.

Second, as “initiatives for global environmental conservation,” we are actively working to reduce CO₂ emissions, utilize biomass fuels, and expand our FSC®-certified products, products that use raw materials approved for sustainable forest use and conservation, thereby reducing environmental impact.

Third, in addition to strengthening risk management, we are promoting the recruitment and development of diverse human resources, and creating safe and rewarding workplaces through “initiatives for

governance and human resources.”

Through this series of “SHINKA” strategies, we aim to become a company recognized by society capable of sustainable growth.

“Internalization” of governance and human capital management

In the previous Medium-Term Management Plan, we set “Transformation for sustainability” as a basic policy, promoting governance enhancement and thorough compliance. As governance standards required of Prime Market-listed companies rise, we recognize the need for more essential and highly transparent corporate governance sophistication. In addition to strengthening and developing individual human resources, we have added ““SHINKA” (internalization) of governance and human capital management” to our basic policy to appropriately connect individual strengths and enhance organizational capabilities.

This “internalization” means not just the superficial establishment of systems but that each and every employee fully understands the importance of governance, genuinely embraces the importance of governance, and acts accordingly. In past quality misconduct issues, organizational and internal control problems, issues with compliance awareness, and problems with corporate culture were indicated. We will take this issue as a lesson and thoroughly strengthen our sense of ethics and compliance, fostering a corporate culture that does not tolerate wrongdoing. To strengthen the early detection of misconduct and our response system, we will enhance awareness-raising activities through training and other means, as well as reinforce the audit system and improve the internal whistleblower system.

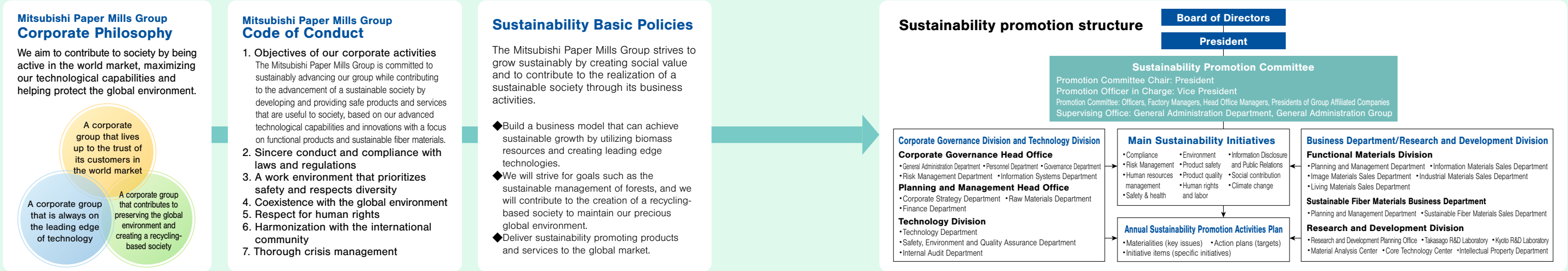
Furthermore, we are also focusing on creating an environment where diverse human resources can thrive. On the social front, we are promoting initiatives such as advancing women’s participation, expanding the hiring of foreign nationals, creating safe workplaces, and promoting the employment of disabled people, with the ratio of female managers and the employment rate of disabled people both on the rise. As one of the pillars of human capital management, we will continue to strengthen these efforts going forward.

Dialogue with Stakeholders

We strive to maintain and promote the development of healthy relationships with all stakeholders, including customers, suppliers, shareholders, investors, members of the local community, employees, and others. In particular, for our shareholders and investors, we will disclose fair, impartial, and highly transparent information in a timely manner, and strive to enhance dialogue so that they can gain a deeper understanding of our management policies and business activities. We take the feedback we receive seriously, incorporate it into our management practices, and leverage it to improve transparency with the goal of strengthening our corporate value.

As part of our sustainability initiatives, we have launched and are continuously implementing the Nissy-Kassy Forest Program where shareholders can deepen their understanding by actually experiencing tree planting in our company-owned forest in the Shirakawa District of Fukushima Prefecture. We will continue to strengthen external communications and further enhance dialogue with our shareholders while advancing the transformation of our corporate culture.

Positioning of Mitsubishi Paper Mills Group’s Sustainability Promotion Activities



Review of the Previous Medium-Term Management Plan and Medium- to Long-Term Management Goals

Summary of the previous Medium-Term Management Plan (FY2022–FY2024)

For fiscal 2024, the final year of the previous medium-term management plan, sales were 175.9 billion yen and operating income was 4.6 billion yen, both falling short of targets. However, the D/E ratio was 0.8 times which exceeded the target. Our Issues are to further promote strategic investments to expand our high-profit Functional Materials Business based on improvements in our financial structure.

Achievements and Issues from FY2022 to FY2024

| Basic Policy | Achievements | Issues |
|---|--|--|
| Strengthen our earning capacity by “Selection and concentration” strategies and “Expansion of new business” | Selection and Concentration <ul style="list-style-type: none">Business division reorganization (Functional Materials: Consolidation of specialty coated products)Sustainable Fiber Materials: Consolidation of integrated pulp mills (Hachinohe and Kitakami)Organizational streamlining (Integration of subsidiaries: 25 companies ⇒ 11 companies)Sale of non-core businesses and assets (sale of one factory in Germany, sale of Sports Business , sale of Mitsubishi Oji Paper Sales Co., Ltd. office building)Production consolidation (site consolidation: transfer of pressboard production, machine integration)Dividend increases for three consecutive terms Expansion of new business <ul style="list-style-type: none">Strengthening research system (locating development bases within plant premises, increasing personnel)Sales expansion (Functional Materials: Separators for energy storage devices, tape base paper; Sustainable Fiber Materials: Packaging materials) | Expansion of businesses <ul style="list-style-type: none">Expand sales of products in the Functional Materials Business (coated paper and nonwoven fabric)Increase export sales utilizing overseas basesStep up the development of new productsInvest in growing and strategic areas Improvement of profitability <ul style="list-style-type: none">Establish an optimal production structureCarry out digital transformation (DX) |
| | Initiatives for carbon neutrality <ul style="list-style-type: none">Implementation of energy saving initiatives (22% reduction in CO₂ emissions in FY2024 compared to FY2013) Disclosure of information regarding environmental and social contribution <ul style="list-style-type: none">Implementation of TCFD-compliant information disclosure and SDG activities (creation of shareholder tree-planting program) | Initiatives for carbon neutrality <ul style="list-style-type: none">Implement fuel transition and energy conservation (Target: 40% reduction in FY2030 compared to FY2013)Enhancement of disclosure of information regarding environmental and social contribution |
| | Sustainability improvement <ul style="list-style-type: none">Strengthening of governance (Introduction of briefings for outside officers, Increase in number of full-time auditors [1→2]) (Increase in the number of outside directors [2→3, over 1/3])Implementation of sustainability activities (establishment of a subcommittee and formulation of a basic policy)Strict compliance (response to misconduct regarding heat resistant electrically insulated pressboard, harassment elimination declaration, and human rights due diligence)Enhancement of diversity and inclusion initiatives (appointment of women officers and others and recruitment of mid-carrier workers, foreign nationals and workers with disabilities)Implementation of workstyle reforms (enhancement of the remote working program and introduction of a super flextime program) | Enhancement of governance <ul style="list-style-type: none">Change the corporate cultureIncrease compliance awareness (focus on integrity) Investment in human resources for expansion <ul style="list-style-type: none">Step up diversity and inclusion initiativesReinforce workstyle reformsIncrease productivity through DXIncrease engagement |

Mitsubishi Paper Mills Group medium- to long-term management goals

In the previous Medium-Term Management Plan (FY2022–FY2024), we focused on “Enhancement of our profitability through ‘selection and concentration’ strategies and ‘expansion of new business,’” “Contribution to a greener society,” and “Transformation for sustainability” as our basic policies, working on business structure reforms and strengthening our management foundation, and building a solid base for the next stage.

Now, as we approach our 130th anniversary, we have launched the Medium-Term Management Plan “130 Years as a “SHINKA” company ^{next} and ever evolving.”

This is a milestone for our company to improve sales scale and profit margin, shift to a growth trajectory,

contribute to the realization of a sustainable society, and pursue our own sustainable “growth.”

Realizing the three pillars of “SHINKA” (sophistication) of technologies and research to expand our array of distinctive functional and Environmentally-Friendly Products and accelerate productivity improvement; “SHINKA” (evolution) in our contributions to the global environment: Contribute to helping build a more sustainable society; and “SHINKA” (internalization) of governance and human capital management is the path to value creation toward our vision for 2027 as indicated in the current Medium-Term Management Plan, and toward our long-term aspiration.

Management Targets

| 〈Consolidated〉 Unit: billion yen | FY2022 (actual) | FY2023 (actual) | FY2024 (actual) | FY2027 target figures | Medium- to long-term aspiration |
|----------------------------------|-----------------|-----------------|-----------------|-----------------------|---------------------------------|
| Sales | 209.5 | 193.5 | 175.9 | 250 | 300 |
| Operating income | 1.0 | 5.4 | 4.6 | 20 | 30 |
| General Income | 3.1 | 7.1 | 4.5 | — | — |
| D/E Ratio | 1.4 times | 0.9 times | 0.8 times | 0.7 times | 0.7 times |
| ROE | △0.8% | 4.6% | 5.1% | 10% | 10% or greater |
| ROIC | 0.4% | 2.6% | 2.3% | 9% | 11% |



Mitsubishi Paper Mills Group’s Value Creation Process

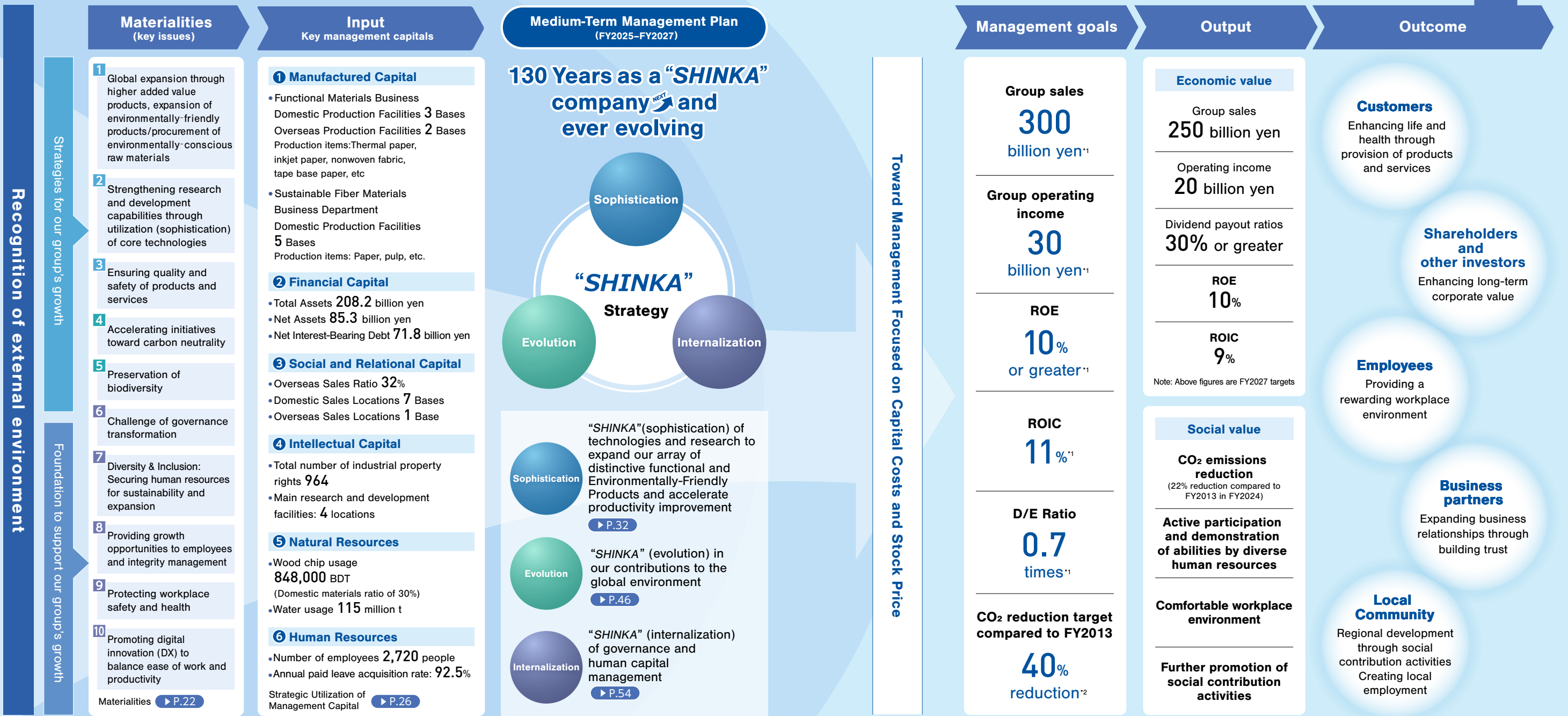
The Mitsubishi Paper Mills Group is committed to developing and providing products and services that are useful and safe for society through our advanced technological capabilities and innovation with a focus on functional products and sustainable fiber materials.

Going forward, we will continue to fulfill our social responsibilities and aim for our own sustainable growth while helping to realize a sustainable society.

Corporate Philosophy

We aim to contribute positively to society through our activity in the global market, maximizing our technological capabilities and helping protect the environment around the world.

- A corporate group that is always on the leading edge of technology
- A corporate group that lives up to the trust of its customers in the world market
- A corporate group that contributes to preserving the global environment and creating a recycling-based society



^{*1} Medium, long-term aspirations
^{*2} 2030 target value in Environment Vision 2050

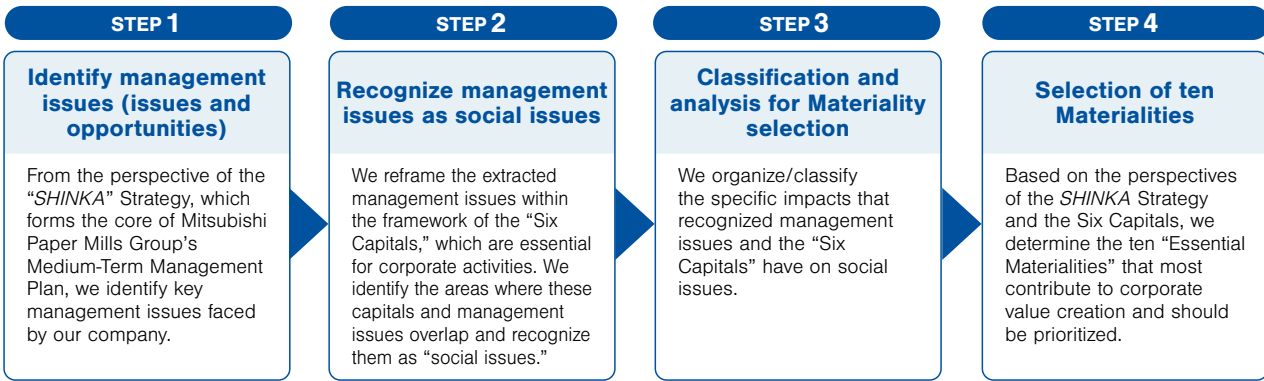
The Mitsubishi Paper Mills Group’s Materialities

At Mitsubishi Paper Mills Group, starting with the “SHINKA” strategies (sophistication, evolution, and internalization)” set forth in the Medium-Term Management Plan (FY2025–FY2027), we have organized particularly important themes for future growth. First, based on the “SHINKA” Strategies, we identified our strengths and challenges, and clarified key management issues. Next, to organize how these issues relate to society, we utilized the perspective of the “Six Capitals”^{*1}. In this way, by organizing the “SHINKA” strategies and the “Six Capitals”

to classify and analyze how they mutually influence each other, Mitsubishi Paper Mills Group is deriving the roles it should play in society and the important themes it should address for the future. Through this process, Mitsubishi Paper Mills Group has identified ten “Essential Materialities.”

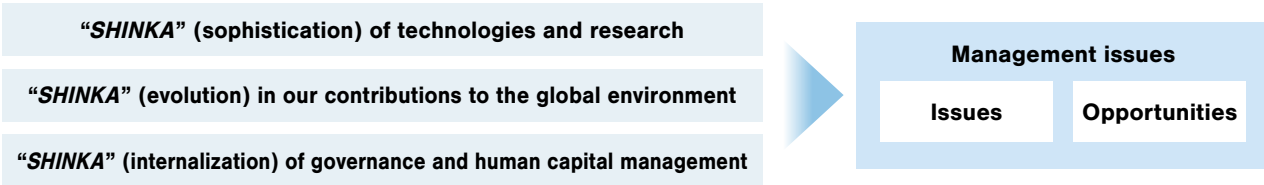
^{*1} According to the International Integrated Reporting Council (IIRC) International Integrated Framework, the “Six Capitals” are classified as manufactured capital, financial capital, social and relational capital, intellectual capital, natural resources, and human resources, making up six categories.

Approach to Selecting Materialities



STEP 1 “Issues and Opportunities” derived from the “SHINKA” strategies

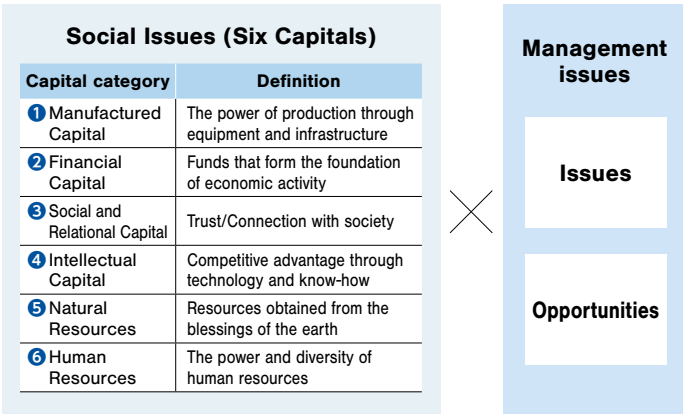
The “management issues” of Mitsubishi Paper Mills Group are derived from the three axes of the “SHINKA” strategies (sophistication, evolution, and internalization) set forth in the Medium-Term Management Plan. These are positioned as matters for the company to continue and grow into the future.



STEP 2 Social issues (Six Capitals) × Management issues (issues and opportunities)

At Mitsubishi Paper Mills Group, social issues are viewed as impacts on the “Six Capitals” (classified as manufactured capital, financial capital, social and relational capital, intellectual capital, natural resources, and human resources). At the same time, the “management issues” set forth in our Medium-Term Management Plan have multifaceted effects on these Six Capitals and are closely related to the sustainable growth of the company.

Thus, we believe that the area where social issues faced by society and our management issues overlap is where our “Essential Materialities” lie.



STEP 3 Classification of the impacts of management issues (issues and opportunities) on the Six Capitals























Management issues (issues and opportunities) form the core strategies of the Mitsubishi Paper Mills Group’s Medium-Term Management Plan and have multifaceted impacts on the “Six Capitals” (Manufactured Capital, Financial Capital, Social and Relational Capital, Intellectual Capital, Natural Resources, and Human Resources), corporate value created through our business activities. We have mapped and categorized how each “SHINKA” strategy, our starting points for addressing key management issues and opportunities, impacts various forms of capital, thereby visualizing a foundation for examining our core material issues.

| Capital / “SHINKA” | “SHINKA” (sophistication) of technologies and research | “SHINKA” (evolution) in our contributions to the global environment | “SHINKA” (internalization) of governance and human capital management |
|---------------------------------|---|---|---|
| ① Manufactured Capital | Strengthening of a differentiated manufacturing system through the introduction of highly efficient equipment and production consolidation | Developing an environmentally responsible production infrastructure through the implementation of decarbonization technologies and the adoption of renewable energy | Rebuilding the quality assurance system and audit system to improve reliability of manufacturing processes |
| ② Financial Capital | Transforming into a highly profitable structure through focused investment in growth areas and improving capital efficiency | Building a sustainable financial structure through implementation of environmental strategic investments | Achieving long-term value creation through ROE, ROIC, and dividend payout ratio targets |
| ③ Social and Relational Capital | Gaining stakeholder trust through global expansion of high value-added products | Deepening social dialogue through information disclosure (in accordance with TCFD, GX League, and other standards) | Supporting the creation of a highly reliable organization through strengthened internal and external dialogue and transformation of corporate culture |
| ④ Intellectual Capital | Accelerating the accumulation of knowledge by expanding research and development bases and systematizing technological assets | Strengthening environmental knowledge and explanatory capabilities through GX and CDP initiatives | Advancing organizational knowledge through promotion of generative AI and DX education |
| ⑤ Natural Resources | Promoting the development of resource-circulating products, such as utilizing 100% domestic pulp | Contributing to the preservation of the natural environment through initiatives such as CO ₂ reduction and 100% plastic recycling | Promoting connections between local communities and nature through forest environment education and experiential activities |
| ⑥ Human Resources | Reinforcing the human resource base that supports technological capabilities by increasing the number of researchers and enhancing training | Promoting safety and health/health management and enhancing the working environment for employees | Promoting diversity and flexible work systems to support the success of employees |

STEP 4 10 Materialities derived from the “SHINKA” strategies and capital perspectives

The Mitsubishi Paper Mills Group has identified the starting points of “Essential Materialities” in medium- to long-term value creation for the company by aligning the “SHINKA” Strategy (sophistication, evolution, and internalization)” and the impact on the “Six Capitals”. These are evaluated from both the demands of society and the importance to our management, and ultimately organized into 10 materiality items.

Note: The Ten Materialities and action plans are listed on the next two pages.

| SHINKA | Related SDGs | Materialities | Action Plan | Primary goals |
|---|--|--|---|---|
| Sophistication (technologies and research) |    | 1 Global expansion through higher added value products, expansion of environmentally-friendly products/procurement of environmentally- conscious raw materials | <ul style="list-style-type: none">Expand share in the information and image media sector* (sophistication) * Thermal paper and inkjet paper adapted for on-demand applicationsBecome a top runner in functional materials* (evolution) * Water treatment membrane support substrate, Separators for energy storage devices, Filters, Tape base paper etc.Expand applications for packaging materials and 100% domestic pulp (sophistication)Integrate operations of the Hachinohe Mill and Kitakami Mill to improve profitability (evolution)Sustainable raw material procurement (use of environmentally-friendly domestic chips) (CO₂ reduction through active use of waste tires) | <ul style="list-style-type: none">Thermal paper: Expand market share through further quality improvement and enhanced cost competitivenessInkjet paper: Expand global market share by strengthening product competitivenessFunctional materials: Expand market share by promoting higher added valueIncrease production of environmentally-friendly FSC® forest-certified craft paperExpand sales of 100% domestic Kitakami hardwood and softwood pulpPromote the use of domestic materialsIncrease production by improving the operating rate of Hachinohe MillSecure fuel procurement for stable operation of the Hachinohe waste boiler |
| |   | 2 Strengthening research and development capabilities through utilization (sophistication) of core technologies | <ul style="list-style-type: none">Enhance the competitiveness of existing core products (sophistication)Develop new products | <ul style="list-style-type: none">Increase sales volume and acquire new customers by improving nonwoven fabric qualityIncrease sales volume by enhancing the added value of inkjet paperDevelopment of environmentally conscious products |
| |   | 3 Ensuring quality and safety of products and services | <ul style="list-style-type: none">Promote high-level quality control and product safety management | <ul style="list-style-type: none">Zero major quality incidentsZero product safety accidents |
| Evolution (environment and resources) |    | 4 Accelerating initiatives toward achieving carbon neutrality | <ul style="list-style-type: none">Build a foundation to improve fossil energy efficiencyTake on the challenge of green transformation (GX)Promote initiatives to address climate change risks that enhance corporate value | <ul style="list-style-type: none">Reduce fossil energy-derived CO₂ emissions by 40% in FY2030 compared to FY2013Fuel conversion, reduction of coal and heavy oil usageConsideration of next-generation technologiesDisclose goals, initiatives, and achievements through GX League, CDP, etc., and receive evaluation |
| |   | 5 Preservation of biodiversity | <ul style="list-style-type: none">Reduce environmental impactContribute to preserving biodiversityDisclose information based on TNFD | <ul style="list-style-type: none">Effective utilization rate of waste: 99%, plastic resource recycling rate: 100%Continue 1% year-on-year reduction in water usageUse of Shirakawa district company-owned forests (Murabi, Kakeiri, Akanita): Maintain nature symbiosis sitesEcosystem Academy: Implementation of hands-on forest environment learningInformation disclosure based on TNFD |
| Internalization (governance and human resources) |   | 6 Challenge of governance transformation | <ul style="list-style-type: none">Increase engagement with stakeholders | <ul style="list-style-type: none">Enhancement of IR and SREnhance information dissemination (Integrated Report, website) |
| |   | 7 Diversity & Inclusion: Securing human resources for sustainability and expansion | <ul style="list-style-type: none">Promote active participation by womenIncrease employment rate of people with disabilitiesIncrease number of foreign employeesTalent recruitmentImprove work engagement | <ul style="list-style-type: none">Establish a workplace environment where diverse opinions are reflected by increasing female managers and executivesCreate a workplace that is easy for people with disabilities to work in and expand employment opportunities for people with disabilities by expanding job categoriesIncrease employment of foreigners by developing an environment that accepts foreign languages, cultures, customs, etc.Actively recruit talent and expand necessary human resources for growth by assigning personnel to appropriate positionsImprove work engagement to retain talent and revitalize the organization |
| |   | 8 Providing growth opportunities to employees and integrity management | <ul style="list-style-type: none">Develop and enhance education and training systemsEstablish a new wage system commensurate with roles and skillsEstablish a corporate culture that emphasizes integrity | <ul style="list-style-type: none">Develop a system that integrates recruitment, education, and personnel systems for the development and retention of desired talentFormulate skill maps for each department and establish a new wage system based on skills to motivate and improve the skills of employeesAll employees voluntarily choose honest actions, and a culture based on transparency and trust is established throughout the organization |
| |   | 9 Protecting workplace safety and health | <ul style="list-style-type: none">Create a work environment that prioritizes safetyMaintain physical and mental health, Reduce working hours | <ul style="list-style-type: none">Zero deaths or serious industrial accidents, accident frequency rate below 0.65Establish health management based on the idea that “the physical and mental health of employees is the source of corporate vitality”Promote physical and mental health and work-life balance by eliminating long working hours and reducing total working hours |
| |   | 10 Promoting digital innovation (DX) to balance ease of work and productivity | <ul style="list-style-type: none">Automate operations and make operations more efficient | <ul style="list-style-type: none">Develop a work environment where employees can choose where to workIntroduction of dataless PCsUtilize digital tools such as RPA and generative AI to independently improve operational efficiency |

Ten Materialities and Action Plans

Strategic Utilization of Management Capital



1 Manufactured Capital

The Functional Materials Business is supported by three key manufacturing sites: the Takasago Mill, which produces thermal paper, water treatment membrane support substrates, and Separators for energy storage devices; the Kyoto Mill, which manufactures inkjet paper; and the Fuji Mill, which produces decorative laminate base paper and tape base paper. In addition, the two mills handling products of the Sustainable Fiber Materials Business are the Hachinohe Mill, which conducts integrated coastal production from pulp to paper, and the Kitakami Mill, which manufactures 100% domestic high-value pulp. These mills are at the core of producing distinctive high-value-added products.

- **Functional Materials Business**
Domestic Production Facilities **3** Bases
Overseas Production Facilities **2** Bases
(Production items: Thermal paper, inkjet paper, nonwoven fabric, tape base paper, etc.)
- **Sustainable Fiber Materials Business**
Department
Domestic Production Facilities **5** Bases
(Production items: Paper, pulp, etc.)

② Financial Capital

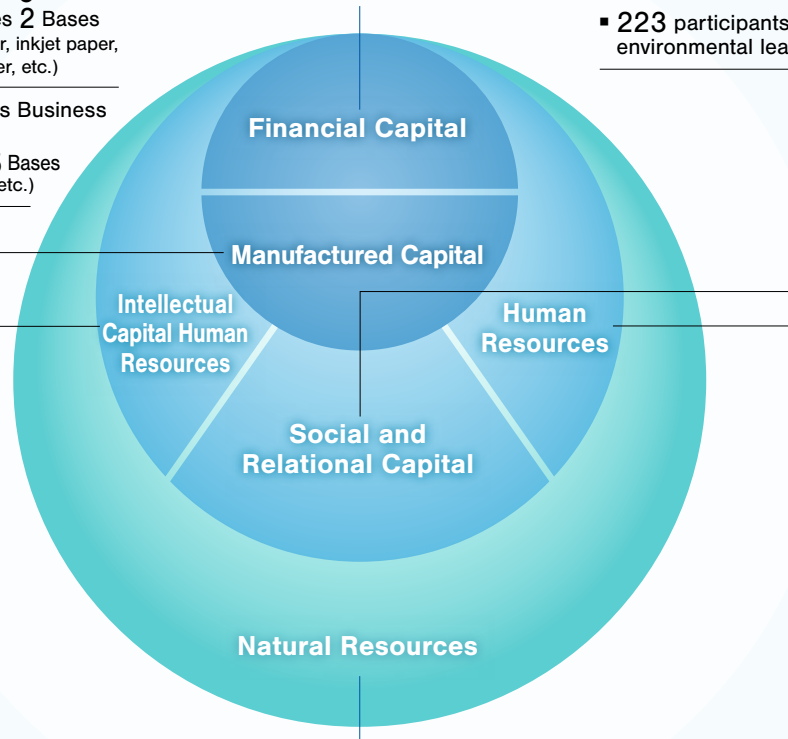
During the previous Medium-Term Management Plan period, the D/E ratio improved from 1.3 times to 0.8 times, exceeding the target and greatly improving our financial structure. In the current Medium-Term Management Plan period, the D/E ratio target is set at 0.7 times, and in addition to improving the financial structure, we will actively make strategic investments to expand the Functional Materials Business and develop growth strategies.

| | |
|-----------------------------|-------------------|
| ■ Total Assets | 208.2 billion yen |
| ■ Net Assets | 85.3 billion yen |
| ■ Net Interest-Bearing Debt | 71.8 billion yen |

3 Social and Relational Capital

To enhance corporate value, building good relationships with various stakeholders such as customers, shareholders and other investors, business partners, employees, and the local community is important. The Mitsubishi Paper Mills Group will further strengthen its connection with society through initiatives such as providing products that ensure safety, peace of mind, and accountability, building a sustainable supply chain, and actively promoting communication.

- Sales Locations 7 domestic sites
1 overseas site
- Overseas Sales Ratio 32%
- 223 participants in experiential environmental learning



4 Intellectual Capital

At research bases located at all our production sites, we will quickly conduct research and development and provide technical support related to mill products. We will increase and strengthen the training of researchers, and enhance training programs to improve research and development capabilities.

- Total number of industrial property rights **964**
(patent rights, utility model rights, design rights, and trademark rights)
- Four research facilities at mills
(Hachinohe, Fuji, Kyoto, Takasago)
- Research and development expenses:
0.6 billion yen

5 Natural Resources

We will accelerate efforts toward carbon neutrality through environmental strategic investment (approx. 5 billion yen).

In addition, while promoting coexistence with the local community, we will advance the use of forest resources centered on domestic materials and contribute to a recycling-based society.

- Wood chip usage **848,000 BDT**
(Domestic materials ratio of 30%)







- Water usage: **115 million t**

6 Human Resources

We aim to realize our management philosophy and enhance corporate value by establishing workplaces where diverse talent can demonstrate their experience and abilities. The company will promote diversity & inclusion, establish a corporate culture that emphasizes integrity, provide educational opportunities to foster employee growth and awareness, and improve ease of work and productivity through DX promotion.

- Number of employees **2,720 people**
(2,138 domestic employees, 582 overseas employees)
- Ratio of female managers: **5%**
- Annual paid leave acquisition rate: **92.5%**

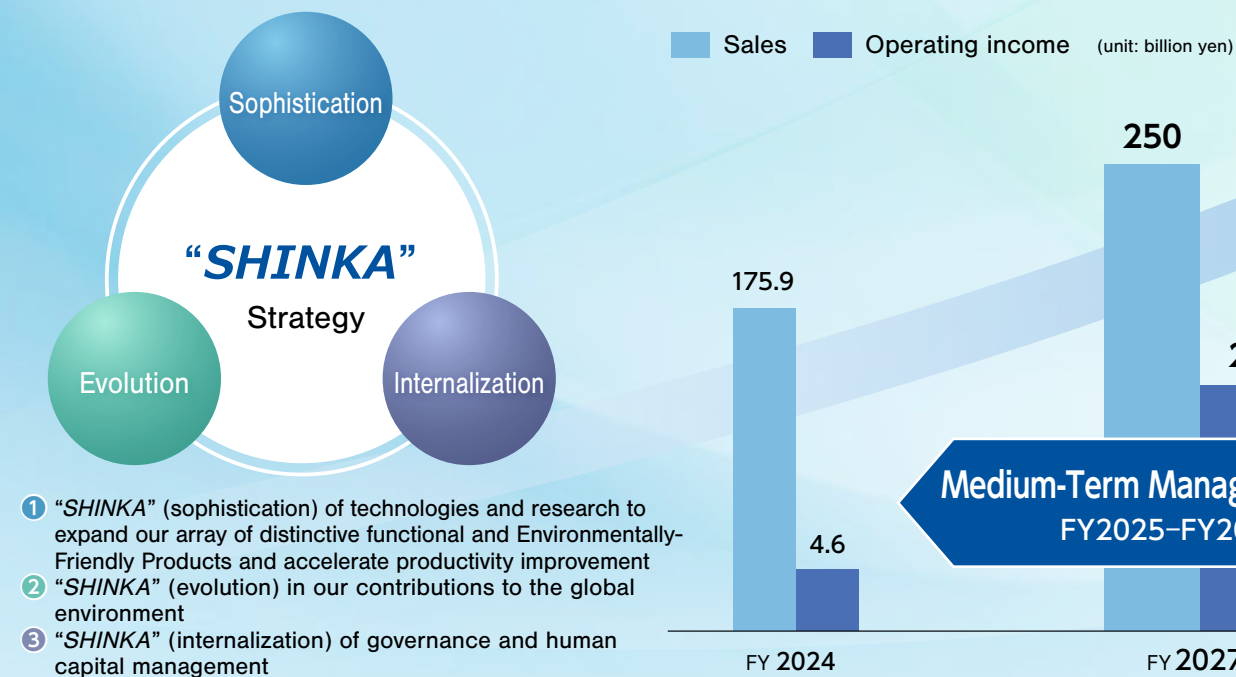
Strengthening Management Capital

| Management capital | Measures for enhancement as part of the “SHINKA” strategies | Related Materialities |
|--|--|---|
| 1 Manufactured Capital  | Improvement of productivity by integrating operations of the Hachinohe Mill and Kitakami Mill Expansion of the sales of products in the Functional Materials Business (coated paper and nonwoven fabric) and optimization of production facilities Expansion of Environmentally-Friendly Products through increased use of packaging materials domestic pulp 100% pulp Strengthening of overseas production system | <ul style="list-style-type: none"> Ensuring the quality and safety of products & services Functional Materials Business ▶ P36-39 Sustainable Fiber Materials Business ▶ P40-41 |
| 2 Financial Capital  | Improvement of capital efficiency <ul style="list-style-type: none"> Improve ROE (Return on Equity) Target for FY2027: 10% Improve ROIC Target for FY2027: 9% Promotion of strategic investment <ul style="list-style-type: none"> Business strategy investment: Approx. 25 billion yen Environment strategy investment: Approx. 5 billion yen Human resources strategy investment: Approx. 3 billion yen Enhancement of shareholder returns <ul style="list-style-type: none"> Dividend payout ratio: 30% (FY2027 target) | <ul style="list-style-type: none"> Challenges toward governance transformation Global expansion through higher added value products, expansion of environmentally-friendly products/procurement of environmentally-conscious raw materials Toward Management Focused on Capital Costs and Stock Price ▶ P30-31 Financial-related data ▶ P88-93 |
| 3 Social and Relational Capital  | Strengthening of the quality control system <ul style="list-style-type: none"> Ensure independence of the quality control department from factory organizations Enhance the audit system Strengthening of risk management <ul style="list-style-type: none"> Establish a Risk Management Department and enhancement of risk maps to strengthen initiatives Seize business opportunities through appropriate risk-taking Minimize losses when risks materialize Increasing engagement with stakeholders <ul style="list-style-type: none"> Strengthen external communications and transform corporate culture through the establishment of the Public Relations and Investor Relations Office Thorough dialogue with shareholders and investors Strengthen cooperation with the local community Highly transparent information disclosure and fulfillment of social responsibility <ul style="list-style-type: none"> Improve corporate governance standards Enhance data, information collection, and data utilization systems | <ul style="list-style-type: none"> Challenges toward governance transformation Risk Management ▶ P76-77 Compliance ▶ P78-81 Quality Control System ▶ P82 Co-creation with stakeholders ▶ P83-86 Information Disclosure and Public Relations ▶ P87 |
| 4 Intellectual Capital  | Sophistication and application of core technologies <ul style="list-style-type: none"> Advance and leverage core technologies from the photosensitive materials, papermaking, synthesis, and precision coating fields Strengthening the research system <ul style="list-style-type: none"> Increase the number of researchers: 1.5 times more than FY2024 number (FY2027 target) Expand R&D expenditure: Increase by 9 billion yen over FY2024 amount (cumulative for FY2025-FY2027) Placement of research and development departments at all domestic production facilities Promotion of new product development | <ul style="list-style-type: none"> Global expansion through higher added value products, expansion of environmentally-friendly products/procurement of environmentally-conscious raw materials Strengthening research and development capabilities through utilization (sophistication) of core technologies Research and Development ▶ P42-45 |
| 5 Natural Resources  | Building a foundation for improving fossil energy unit consumption <ul style="list-style-type: none"> Reduce FY2030 CO₂ emissions by 40% compared to FY2013 Green Transformation (GX) Utilization of forest resources Improvement of plastic resource recycling rate <ul style="list-style-type: none"> FY2027 recycling rate target: 100% Enhancing social value through business expansion contributing to SDGs | <ul style="list-style-type: none"> Accelerating initiatives toward achieving carbon neutrality Preservation of biodiversity Environmental Strategy ▶ P47-53 |
| 6 Human Resources  | Promote diverse human resources utilization and work style reform <ul style="list-style-type: none"> Recruit talent from diverse backgrounds Develop an environment for active participation of diverse talent Secure and develop global talent Promote securing of operational talent Improve work comfort and productivity through DX promotion Support for employee skill improvement and career development <ul style="list-style-type: none"> Provide career development and continuous learning opportunities Strengthening organizational culture through improved engagement <ul style="list-style-type: none"> Establish a corporate culture that emphasizes integrity Thorough prioritization of safety | <ul style="list-style-type: none"> Diversity & Inclusion: Securing human resources for sustainability and expansion Providing growth opportunities to employees and integrity management Protecting workplace safety and health Promoting digital innovation (DX) to balance ease of work and productivity Human Capital Management ▶ P55-59 DX Strategy ▶ P59 |

Medium-Term Management Plan (FY2025–FY2027)

130 Years as a “SHINKA” company ^{NEXT} and ever evolving

Mitsubishi Paper Mills will celebrate its 130th anniversary in April 2028, and during this Medium-Term Management Plan period, we will continue to develop into the future with our three basic policies (“SHINKA”) for growth and expansion.



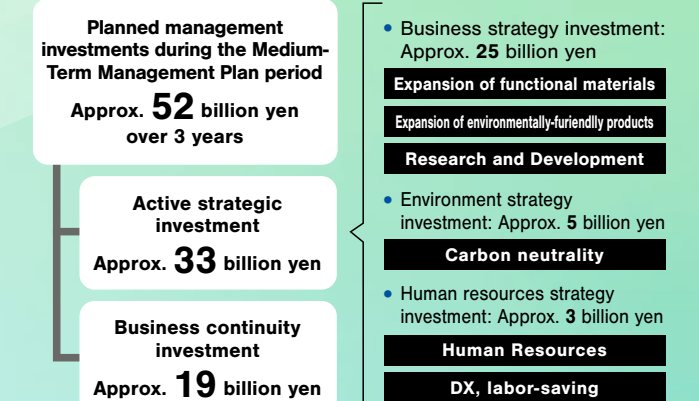
Corporate Philosophy

We aim to contribute to society by being active in the world market, maximizing our technological capabilities and helping protect the global environment.

Management Targets

To quickly achieve our medium- to long-term aspiration of 300 billion yen in sales and 30 billion yen in operating income, we aim to reach 250 billion yen in sales and 20 billion yen in operating income in FY2027, the final year of the Medium-Term Management Plan. The Functional Materials Business will increase revenue and profit through scale expansion, while the Sustainable Fiber Materials Business will aim for increased profit by maintaining sales and improving profitability. The target figures are a D/E ratio of 0.7 times, ROE of 10%, and ROIC of 9%.

Management investment plan for sustainable growth



Medium-Term Management Plan (FY2025–FY2027) Basic Policies and Business Strategies

Basic Policy 1 ▶ P32–45

“SHINKA” (sophistication) of technologies and research to expand our array of distinctive functional and Environmentally-Friendly Products and accelerate productivity improvement

Leveraging the strengthened technical and R&D capabilities developed during the previous Medium-Term Management Plan, we enhance the value of our growing Functional Materials Business and expand its global reach while also promoting environmentally-friendly products and

improving productivity in the Sustainable Fiber Materials Business. Furthermore, we will expand our business through synergy effects in marketing and technology between the Functional Materials Business and Sustainable Fiber Materials Business.

Functional Materials Business

Achieve “SHINKA” by increasing added Value and expanding globally

- Expand share in the information and image media sector
- Strengthen overseas production and sales systems
- Become a top runner in functional materials

Sustainable Fiber Materials Business

Achieve “SHINKA” by promoting sales of environmentally-friendly products and increasing productivity

- Expand applications for packing paper and 100% domestic pulp
- Integrate operations of the Hachinohe Mill and Kitakami Mill

Quality improvement leveraging research and development capabilities and new market development through new products



Technologies/Research and Development

Increase the corporate value of Mitsubishi Paper Mills through “SHINKA”

- Fuse core and external technologies and invest in new technologies
- Create new value through the development of core technologies
- Improve quality by strengthening core technologies

Basic Policy 2 ▶ P46–53

“SHINKA” (evolution) in our contributions to the global environment

We will contribute to the global environment by accelerating efforts toward carbon neutrality (improve fossil energy unit consumption and take on the challenge of green transformation), contributing to a recycling-based society (utilizing forest resources, increasing the recycling rate of plastic resources, expanding businesses that contribute to SDGs, promoting initiatives to address climate change risks).

Accelerating initiatives toward carbon neutrality

- Enhance use of non-fossil energy
- Take on the challenge of green transformation (GX)

Contribution to a recycling-based society

- Utilize forest resources
- Increase the recycling rate of plastic resources
- Enhance social value through business expansion contributing to SDGs
- Promote initiatives to address climate change risks that lead to increased corporate value

Basic Policy 3 ▶ P54–87

“SHINKA” (internalization) of governance and human capital management

Governance transformation (strengthening quality control systems, enhancing stakeholder engagement, responding to higher expectations required of prime-listed companies, and strengthening risk management), strengthening human resources and organizational capabilities (securing and developing diverse human resources, improving the environment, establishing a corporate culture that emphasizes integrity, promoting employee growth and awareness, thorough prioritization of safety, and promoting DX) to improve ease of work and productivity.

Establishing systems for advanced governance

- Strengthen the quality control system
- Increase engagement with stakeholders
- Respond to higher expectations required of prime-listed companies
- Strengthen risk management

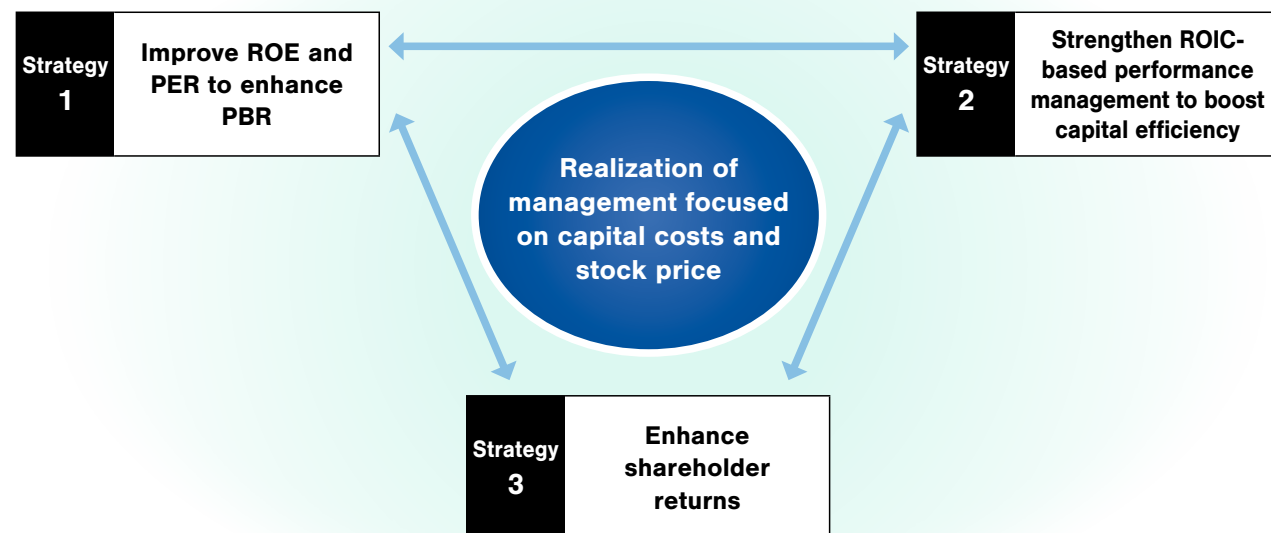
strengthening human resources and organizational capabilities

- Secure and develop diverse human resources
- Develop an environment for active participation of diverse talent
- Establish a corporate culture that emphasizes integrity
- Promote employee growth and awareness
- Thoroughly prioritize safety
- Improve work comfort and productivity through DX promotion

Toward Management Focused on Capital Costs and Stock Price

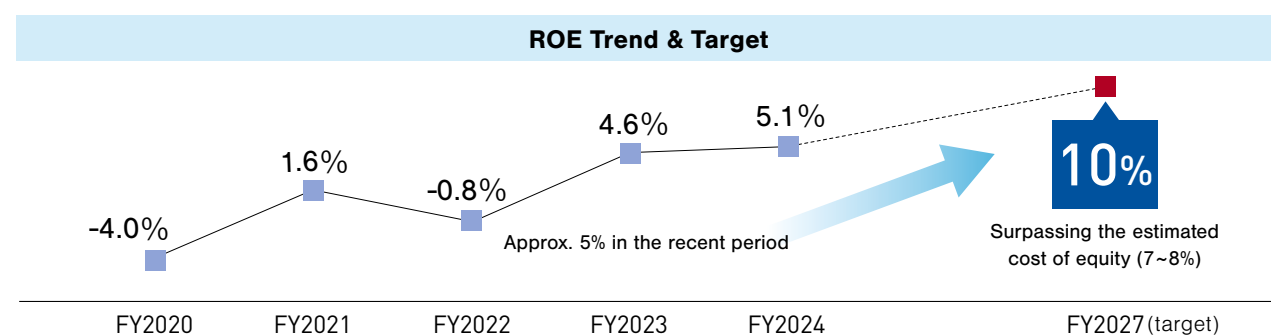
We pursue management that is focused on capital costs and stock price by adopting the following core strategies:

- (1) Improve ROE(Return On Equity) and PER(Price Earnings Ratio) to enhance PBR(Price Book-value Ratio);
- (2) Strengthen ROIC(Return on Invested Capital)-based performance management to boost capital efficiency; and
- (3) Enhance shareholder returns.



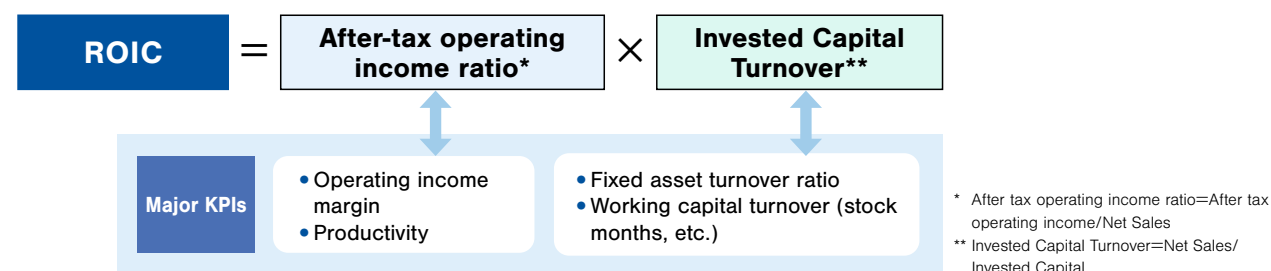
Strategy 1 Improve ROE and PER to enhance PBR

| | ROE | | | PER |
|--|---|--|---|---|
| | Improving profitability | Improvement of efficiency | Optimization of financial leverage | |
| Initiatives of the Medium-Term Management Plan | Improvement of operating income margin <ul style="list-style-type: none"> Expand high-profit Functional Materials Business Improvement profitability of Sustainable Fiber Materials Business | Increase in total asset turnover through sales expansion <ul style="list-style-type: none"> Expand Functional Materials Business Asset optimization <ul style="list-style-type: none"> Consolidate production facilities | Efficient management investment <ul style="list-style-type: none"> Maintain D/E ratio Improve ROIC | <ul style="list-style-type: none"> Provide stable shareholder returns Enhance information disclosure Contribute to the global environment Contribute to a recycling-based society Promote human capital management |



Strategy 2 Strengthen ROIC-based performance management to boost capital efficiency

To improve capital efficiency, we will introduce ROIC (Return on Invested Capital) as an indicator. We will analyze KPIs such as operating income margin by business, invested capital turnover, and strengthen management to improve ROIC.

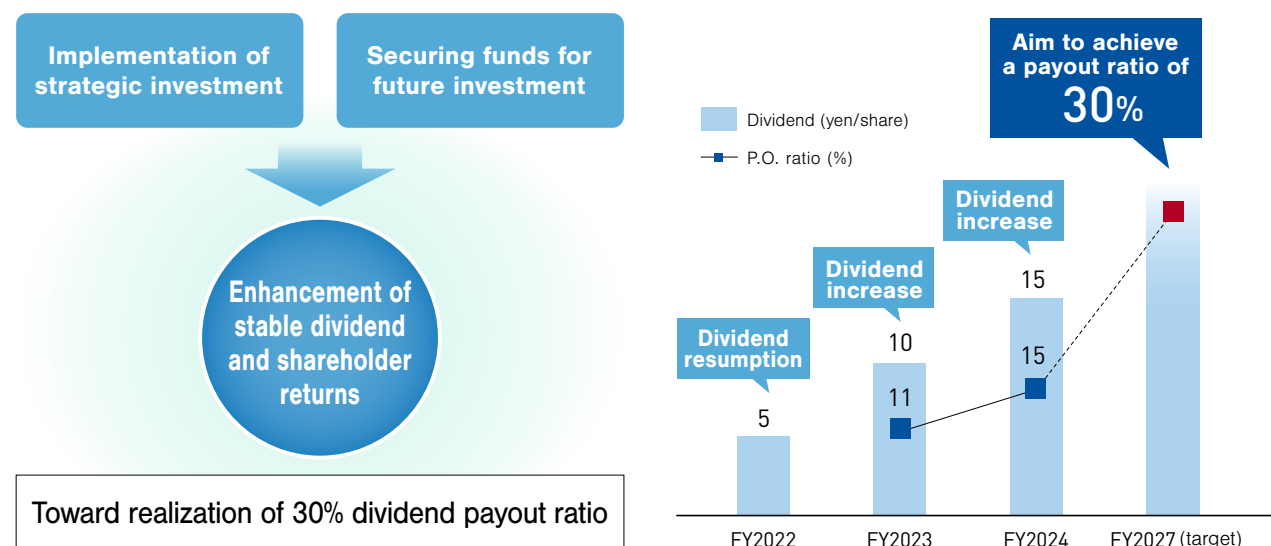


Strategy 3 Enhance shareholder returns

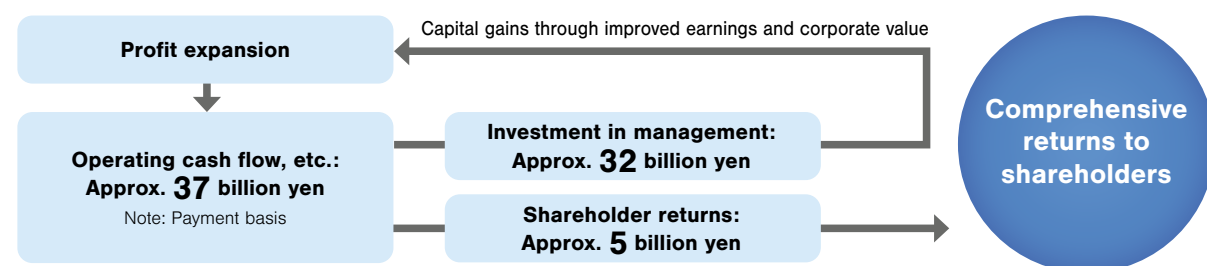
Positioning the return of profits to shareholders as a key issue, as a result of initiatives under the previous Medium-Term Management Plan, we have implemented three consecutive dividend increases since the resumption of dividends in FY2022, along with business recovery.

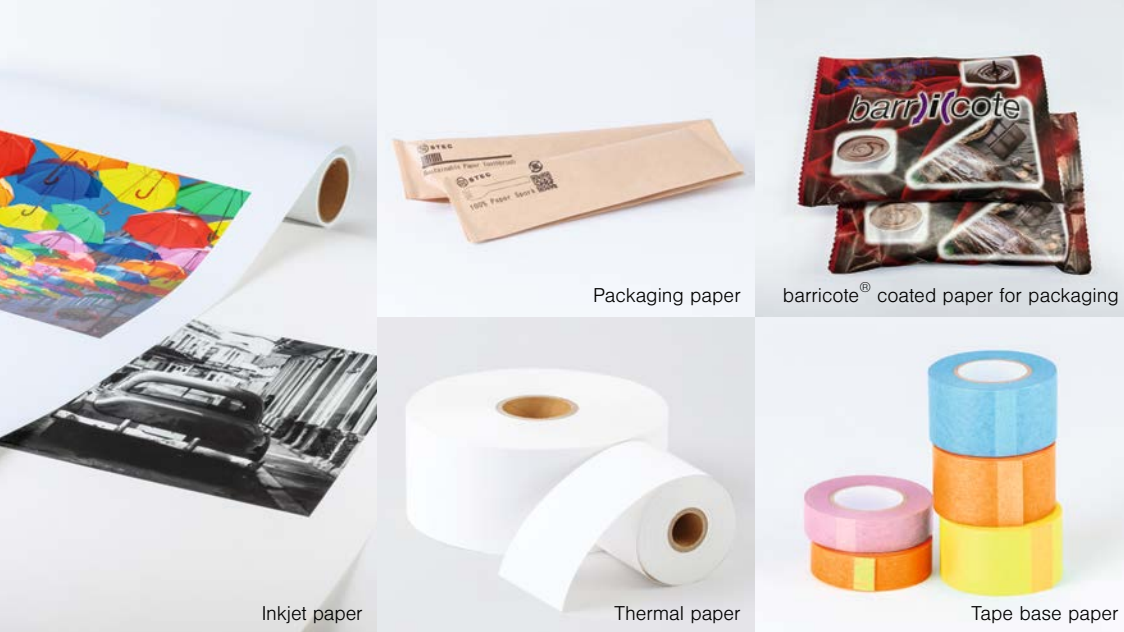
During the Medium-Term Management Plan period, we will continue to secure funds for strategic investment and future investment, aiming for a dividend payout ratio of 30% and enhancing shareholder returns.

Targets in the Medium-Term Management Plan



Approach to Capital Allocation





Packaging paper

barricote® coated paper for packaging

Inkjet paper

Thermal paper

Tape base paper

01 Basic Policy

“SHINKA” (sophistication) of technologies and research to expand our array of distinctive functional and Environmentally-Friendly Products and accelerate productivity improvement

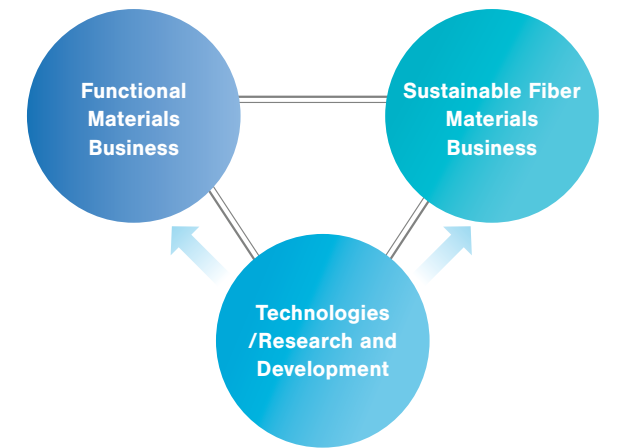


Decorative laminate base paper



“SHINKA” Outline of Business Strategies Growth strategies for achieving the plan

Based on the strengthened technical research and development capabilities established during the previous Medium-Term Management Plan period, the Functional Materials Business will expand through high value-added products and global development, while the Sustainable Fiber Materials Business will promote the expansion of environment-friendly products and productivity improvement. Furthermore, we will maximize the synergy effects in marketing and technology between the Functional Materials Business and the Sustainable Fiber Materials Business.



Strategy “SHINKA” of Functional Materials Business through higher value-added products and global development

- | | | |
|---|--|---|
| Expand share in the information and image media sector <ul style="list-style-type: none"> Improve quality superiority of thermal paper Strengthen global sales of inkjet paper | Become a top runner in functional materials <ul style="list-style-type: none"> Expand adoption of water treatment membrane support substrate Improve quality of separators for energy storage devices Expand sales of tape base paper Expand sales of sustainable filters | Strengthen overseas production and sales system <ul style="list-style-type: none"> Utilize manufacturing bases in Germany and sales bases in the United States to strengthen global expansion in Europe, the Americas, Asia, etc. |
|---|--|---|

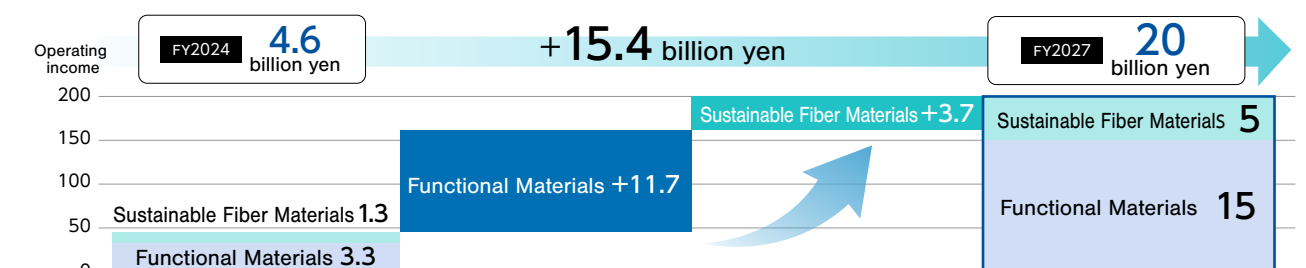
Strategy “SHINKA” of Sustainable Fiber Materials Business through expansion of environmentally-friendly products and productivity improvement

- | | |
|--|--|
| Expand applications for packing paper and pulp made from 100% wood grown in Japan <ul style="list-style-type: none"> Expand sales of plastic-free packing paper/packing paper designed with plastic reduction in mind Expand sales of pulp made from 100% wood grown in Japan produced by Kitakami Mill | Integrate operations of the Hachinohe Mill and Kitakami Mill <ul style="list-style-type: none"> Increase production at Hachinohe Mill through productivity improvement Restructure production system at Kitakami Mill |
|--|--|

Strategy Enhance the corporate value of Mitsubishi Paper Mills through “SHINKA” of technologies and research

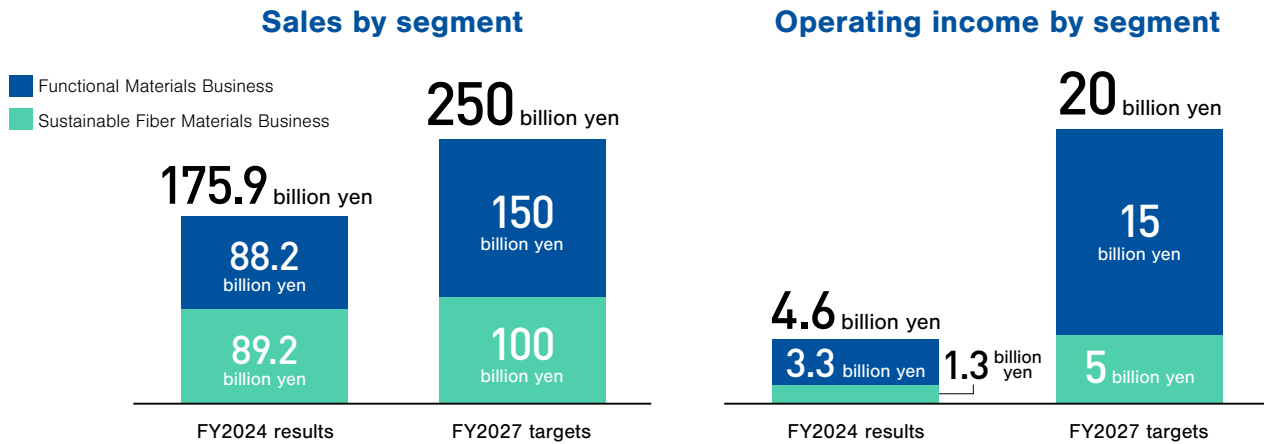


Profit Outlook Based on Initiatives



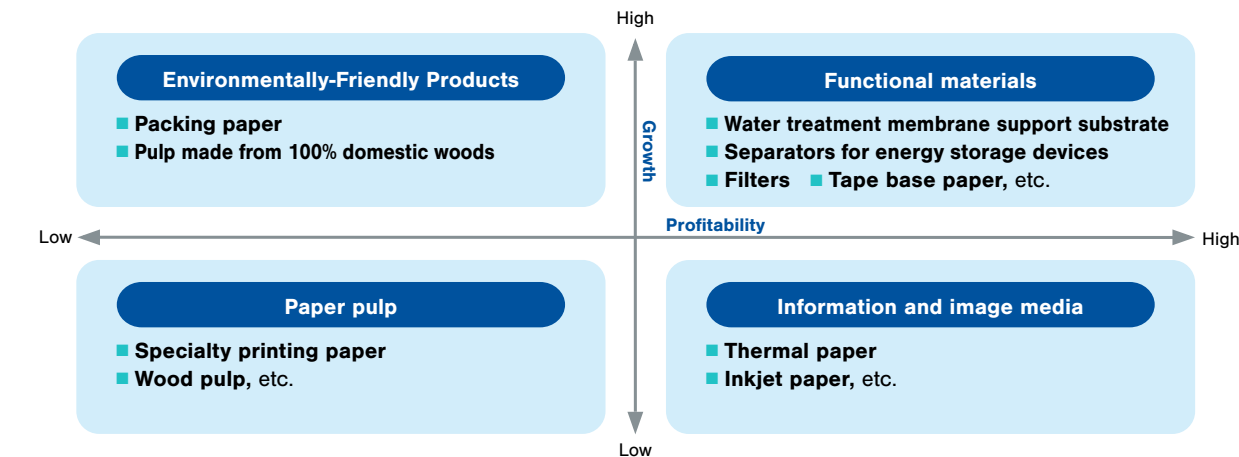
Sales Revenue Composition Ratio

In FY2027, the final year of the Medium-Term Management Plan, we aim to increase sales to 250 billion yen and operating income to 20 billion yen. The Functional Materials Business aims to increase revenue and profit through expansion (expansion of share in the information and image media sector, expansion of functional materials sales, strengthening overseas production and sales system), targeting sales of 150 billion yen and operating income of 15 billion yen. The Sustainable Fiber Materials Business will offset the shrinking printing paper market by expanding sales of Environmentally-Friendly Products (expansion of applications for packing paper and pulp made from 100% wood grown in Japan), maintaining sales, and aiming for increased profits through productivity improvement (integration of Hachinohe Mill and Kitakami Mill operations), targeting sales of 100 billion yen and operating income of 5 billion yen.

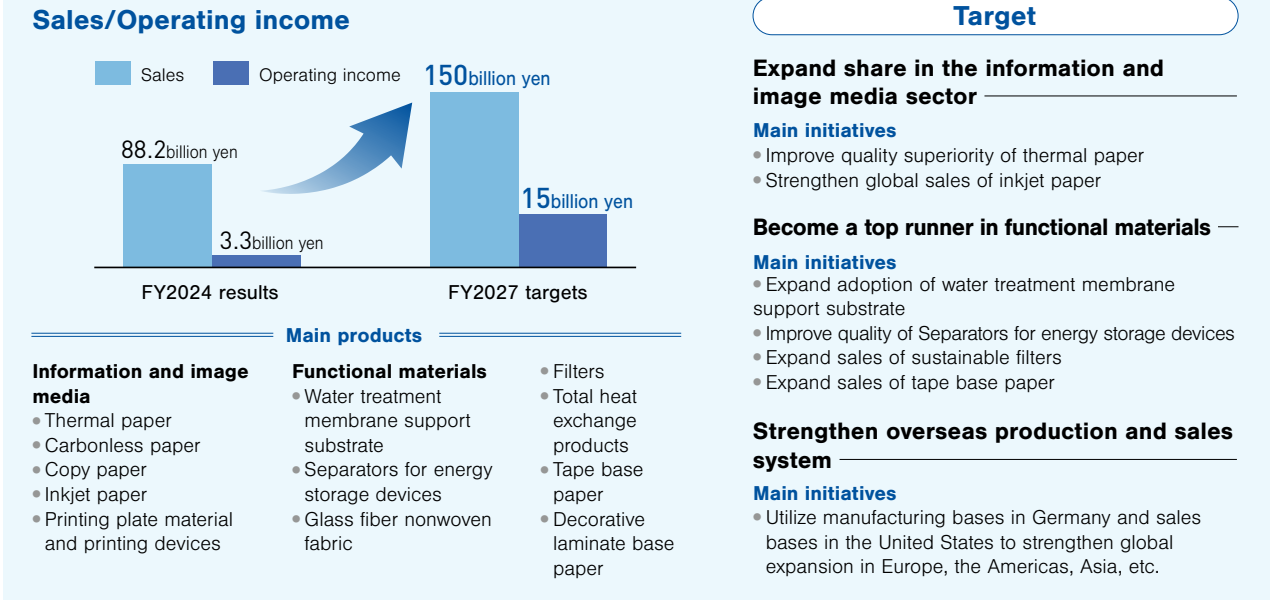


Business Portfolio and Strategic Direction

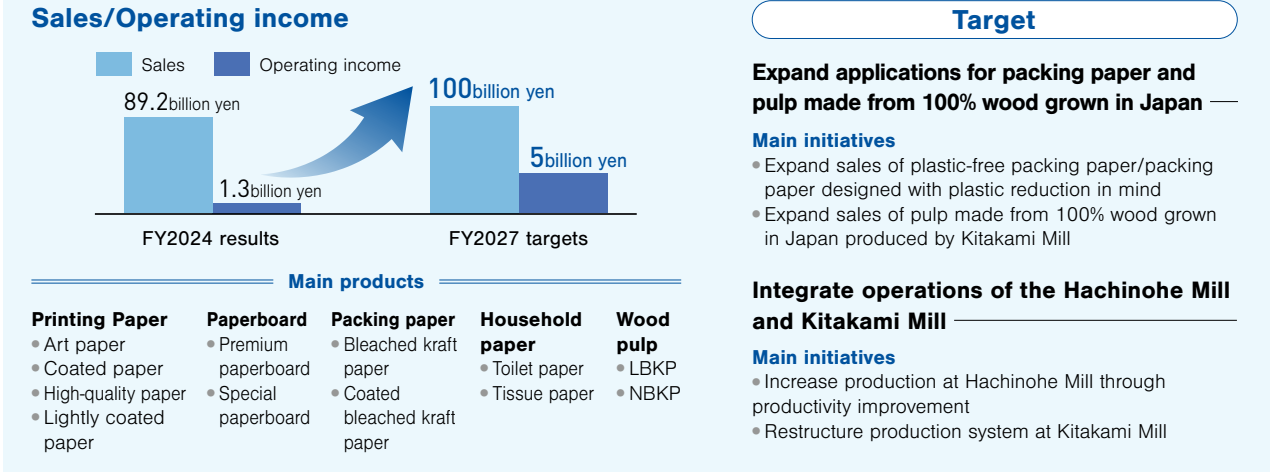
For information and image media, one of our core business areas, we aim to expand market share by leveraging our long-standing technological expertise to enhance quality and by consolidating our production systems to strengthen competitiveness. We will also expand our share by expanding our product lineup and strengthening overseas sales. For the growing functional materials business, we aim to become the industry's top runner by leveraging our technologies and research and development capabilities for improving quality superiority and adding higher value to products, and increasing production capacity through capital investments. For the nurturing business of environmentally conscious products, we will expand sales by leveraging our distinctive packing paper lineup and Pulp made from 100% domestic woods and also contribute to the region through the use of domestic materials. We will integrate operations of the Hachinohe Mill and Kitakami Mill, increase production of paper products at the Hachinohe Mill, streamline Kitakami Mill, and expand sales of pulp products to improve profitability.



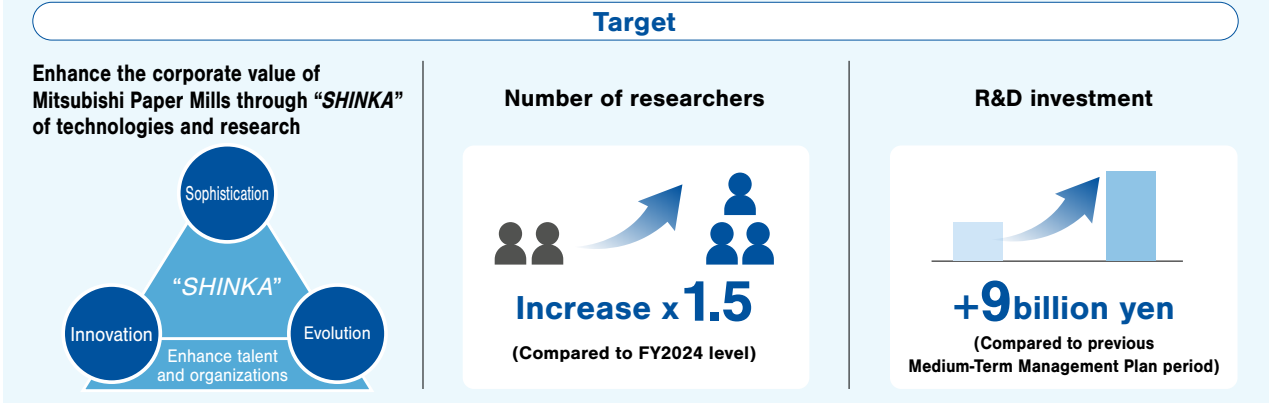
Functional Materials Business: “SHINKA” of Functional Materials Business through higher value-added products and global development



Sustainable Fiber Materials Business: “SHINKA” of the Sustainable Fiber Materials Business through expansion of Environmentally-Friendly Products and productivity improvement



Technologies/Research and Development



Functional Materials Business

Transforming the Functional Materials Business with Information and Image Media Products and Functional Materials Serving as Pillars

Medium-Term Management Plan
Management goals

“SHINKA” of Functional Materials Business through higher value-added products and global development
Operating income: 3.3 billion yen (FY2024)
FY2027 target: 15 billion yen



- Main products and fields
- Thermal paper • Carbonless paper • Copy paper • Inkjet paper • Printing plate material and printing devices
 - Water treatment membrane support substrate • Separators for energy storage devices • Glass fiber nonwoven fabric • Filters • Total heat exchange products • Decorative laminate base paper • Tape base paper

Business Outlook and Challenges for “SHINKA”

FY2024 achievements and new challenges

We are accelerating optimization of our business portfolio and global expansion to respond to changes in society and diverse customer needs.

In FY2024, we expanded sales of inkjet paper, thermal paper, and functional nonwoven fabric to improve profitability. In particular, sales of Separators for energy storage devices and tape base paper exceeded targets. On the other hand, sales of water treatment membrane support substrate fell short of targets due to intensified competition in the Chinese market, leaving an issue to be addressed. On the organizational front, we promoted organizational streamlining through efforts including the integration of KJ Specialty Paper Co., Ltd. into Mitsubishi Paper Mills.

Main strategies of the Medium-Term Management Plan

We aim for “SHINKA” of Functional Materials Business through higher value-added products and global development,” and are promoting three initiatives to achieve this.

The first initiative is to expand our share in the information and image media sector. For thermal paper and inkjet paper, we are leveraging our long-cultivated technological capabilities to expand sales through quality improvement and enhance cost competitiveness by consolidating production structure. The second initiative is to expand adoption of water treatment membrane support substrates, Separators for energy storage devices, and tape base paper through a unified approach integrating sales, R&D, and manufacturing, aiming to become a top runner in functional materials. We will also launch sustainable products such as total heat exchange elements that contribute to energy saving and filters made with Environmentally-Friendly

materials, and promote the expansion of the filter business. The third initiative is to enhance overseas production and sales structure for higher profitability through structural reform of overseas business bases.

Risk awareness and response

With the strengthening of global expansion, it is important to respond quickly to geopolitical risks, rising raw material costs, and intensified market competition. We will establish market superiority with a lineup of high value-added products, and plan to pass on cost increases beyond self-help efforts to product prices. From a risk diversification perspective, we are working to expand adoption of water treatment membrane support substrate, Separators for energy storage devices, and filters, which are mostly used in China and South Korea, in the U.S. and European markets. In addition, for inkjet paper and tape base paper, regarding the risk of rising raw material and transportation costs, we plan to pass on these costs to product prices by maintaining superiority in quality.

Future outlook

This term, the first year of the Medium-Term Management Plan, we will strengthen relationships with customers in the information and image media sector and further expand sales in that area. For functional materials, this year is positioned as a foundation-building year for establishing increased production building increased production capacities and capturing demand in new markets. We will build a structure to promote global expansion while advancing structural reforms of overseas businesses. Through these initiatives, all employees will work together to achieve the goal of increasing operating profit by 11.7 billion yen over three years.

Business Strategies for Achieving the Targets of the Medium-Term Management Plan

Strategy 1 Expand share in the information and image media*1 sector

Our information and imaging media products are core products of the Takasago Mill and Kyoto Mill where we continue to develop high-quality products backed by years of accumulated technological expertise. In the Medium-Term Management Plan, information and image media products will enhance customer value by enriching the product portfolio unique to mature businesses and acquiring new customers through environmentally-friendly initiatives. In the thermal paper business, we will work to expand our market share by offering a diverse product lineup as demand is expected to expand in the POS and logistics label fields. In the inkjet paper business, we will expand sales to new regions and increase overseas market share by strengthening cooperation with our U.S. sales base.

*1 Thermal paper and inkjet paper adapted for on-demand applications

Strategic actions

| Improve quality superiority of thermal paper | | Strengthen global sales of inkjet paper | |
|--|---|---|--|
| Strengths | <ul style="list-style-type: none">• Integrated development system combining research and mills• Quality superiority and sales achievements for register roll applications• Diverse product lineup including environmentally-friendly products | Strengths | <ul style="list-style-type: none">• Technological capabilities as a pioneer in the inkjet paper field• Top-class domestic market share for premium paper grades (according to in-house research conducted in 2024)• Sales system that utilizes our U.S. sales base |
| Initiatives | <ul style="list-style-type: none">• Expand market share for register roll applications through quality improvement and strengthening sales system• Enhance cost competitiveness by optimizing the entire supply chain• Expand sales through high value-added products (environment-friendly thermal labels, etc.) | Initiatives | <ul style="list-style-type: none">• Acquire new customers by expanding grade offerings• Expand overseas market share by strengthening cooperation with our U.S. sales base• Further increase cost competitiveness and expand into Southeast Asia, the Middle East, and Africa, where market growth is expected |

Main Approaches

Improve quality by leveraging long-cultivated technological capabilities

Environmentally-friendly thermal labels and recyclable inkjet paper are examples of reflecting market needs required for a sustainable society into product quality by combining existing technologies and research and development capabilities. We will continue to improve quality in response to customer requests and work to expand into new markets.

Consolidate the production structure to increase competitiveness

We are working to improve production efficiency and reform our profit structure by consolidating base paper production, leveraging the unique characteristics and geographic advantages of each mill. To enhance cost competitiveness in product lines aimed at expanding market share, we are also strengthening collaboration between our manufacturing and research and development sections.

Environmentally-Friendly Products

Re-wetting adhesive linerless thermal label “Water Thermal®”

This is a linerless thermal label that uses a “re-wettable adhesive” which activates adhesion when moistened with water. The absence of release paper contributes to waste reduction while the shift to silicone-free materials supports efforts to minimize environmental impact. On-demand label printing helps promote resource-saving practices.



Recyclable photo-grade inkjet media

Photo-grade inkjet paper typically uses plastic film to achieve a high-gloss effect. This product achieves a high-gloss effect with non-laminated paper as the base material. Recycling, which was difficult with plastic film-based products, has become possible, contributing to the realization of a sustainable society.



Strategy 2 **Becoming a top runner in functional materials**^{*1}

Our functional materials have grown by focusing on the development of new materials utilizing the distinctive production facilities and know-how of the Takasago Mill and Fuji Mill. In the Medium-Term Management Plan, we aim to become a top runner in each growth business field. By maximizing cooperation between our research and development sections and mills, and leveraging competitive development speed, we will contribute to market revitalization and the realization of a sustainable society through the development of functional materials that quickly capture market needs.

^{*1} Water treatment membrane support substrate, Separators for energy storage devices, Filters, Tape base paper etc.

Strategic actions

| Expand adoption of water treatment membrane support substrate | |
|---|---|
| Strengths | <ul style="list-style-type: none">Sales achievements for industrial applications in the Chinese marketDevelopment capabilities for high-performance nonwoven fabric using diverse fibers |
| Initiatives | <ul style="list-style-type: none">Expand adoption of products for seawater desalination applicationsPromote business expansion for functional membrane support substrates in the energy, pharmaceutical, and food fields |



| Expand sales of sustainable filters | |
|-------------------------------------|---|
| Strengths | <ul style="list-style-type: none">Total heat exchange products utilizing papermaking and coating technologies |
| Initiatives | <ul style="list-style-type: none">Expand total heat exchange product lineup to meet energy-saving ventilation needsExpand environmentally-friendly filter products using sustainable materials |



| Improve quality of Separators for energy storage devices | |
|--|--|
| Strengths | <ul style="list-style-type: none">Mixed papermaking technology using cellulose and synthetic fibersDevelopment capabilities for high-performance products (high voltage resistance, high heat resistance, thin film) |
| Initiatives | <ul style="list-style-type: none">Expand sales to automotive and generative AI server markets (conductive polymer solid capacitors)Expand adoption for electromagnetic wave shielding materials for smartphones and all-solid-state batteries |



| Expand sales of tape base paper | |
|---------------------------------|--|
| Strengths | <ul style="list-style-type: none">High global share of Japanese paper-type masking tape market (according to in-house research conducted in 2024) |
| Initiatives | <ul style="list-style-type: none">Strengthen supply system through facility expansionAcquire demand for switching from crepe type masking tape from the U.S. and Europe to Japanese paper type masking tape |



Main Approaches

Improve quality by leveraging research and development capabilities

In the functional materials field, we will add more value to products by utilizing our research and development capabilities and manufacturing technologies for high-performance nonwoven fabric made from various fibers. We will promote the use of water treatment membrane support substrate and Separators for energy storage devices in new fields and advance development of filters to make them environmentally-friends and designed for sustainability. For tape base paper, will continue to work on improving quality, building on our proven superiority in Japanese paper type masking tape production.

Increase production capacity through capital investments

Under the Medium-Term Management Plan, we will make capital investments to increase production capacity and optimize facilities, building an efficient production system with strong cost competitiveness. We aim to maximize customer value through high quality and stable supply capabilities. For tape base paper, we plan to expand overseas sales with a diverse lineup of products for various applications and grades.

Strategy 3 **Strengthen overseas production and sales system**

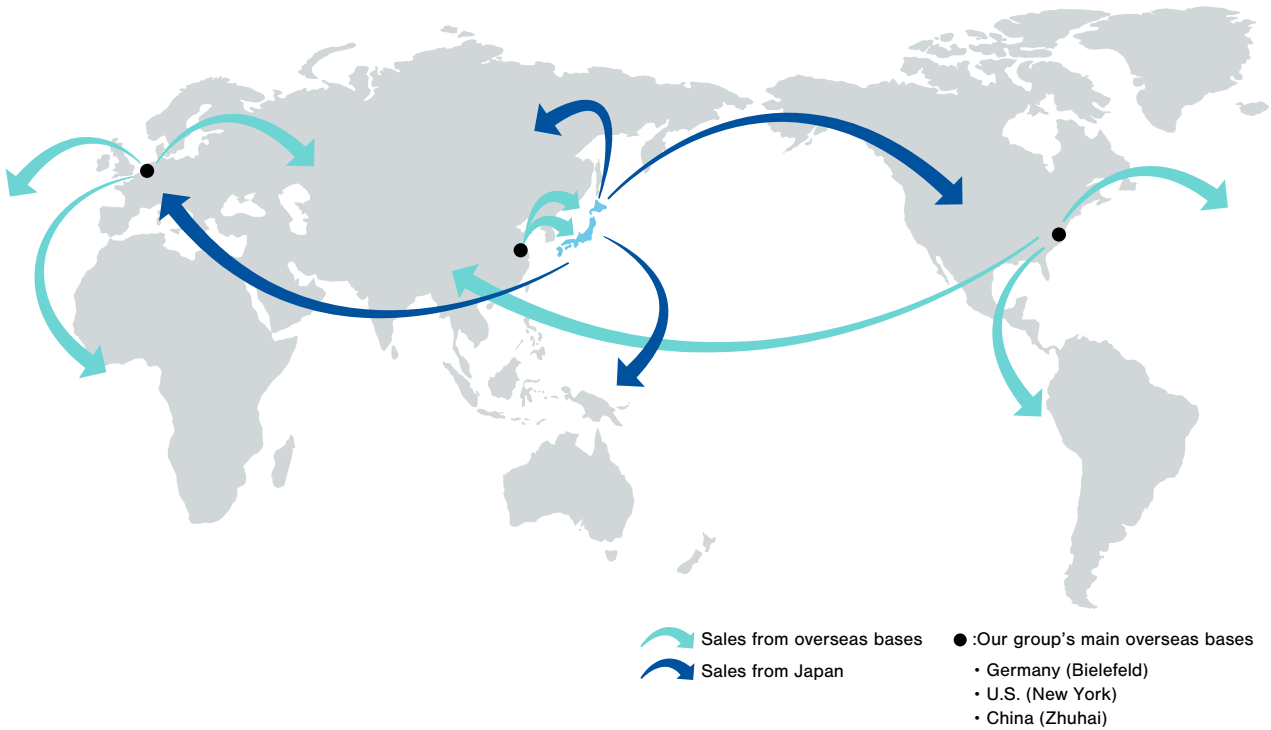
We will strengthen cooperation with our three overseas business bases and promote global sales. By conducting sales activities that transcend product boundaries, we will create synergies with domestic businesses and aim for sustainable growth of the Functional Materials Business. In strengthening our production system, we will continue to implement structural reforms in our German business and transform our business structure to meet the expectations of overseas markets.

Strategic actions

| | |
|-------------|---|
| Strengths | <ul style="list-style-type: none">Papermaking and coating in Germany, trimming and processing in China, and sales and marketing in the U.S.Well-balanced site allocation across Europe, the Americas, and Asia |
| Initiatives | <ul style="list-style-type: none">Implement structural reforms in our German business in response to market fluctuations (complete redesign of production system)Expand sales of German-made products outside Europe by strengthening cooperation with our US sales baseStrengthen export sales capabilities from Japan by fully utilizing our three overseas bases |



Bielefeld Mill (Mitsubishi HiTec Paper Europe GmbH (Germany))



Main Approach

Enhance system for sales expansion to adapt to changing business conditions

While each of our overseas business bases has established its own production and sales systems based on regional strengths, we are enhancing mutual collaboration not only with our Head Office in Japan but also among international locations. This enables us to respond swiftly to changing market conditions and expand product offerings that meet customer needs, thereby reinforcing both sales growth and our profit base

Sustainable Fiber Materials Business

The Sustainable Fiber Materials Business Aims for Growth through the Added Value of Paper and Overseas Expansion

Medium-Term Management Plan

Management goals

“SHINKA” of the Sustainable Fiber Materials Business through expansion of Environmentally-Friendly Products and productivity improvement

Operating income: 1.3 billion yen (FY2024)
FY2027 5 billion yen

Director, Managing Executive Officer Sustainable Fiber Materials Business General Manager

Yuji Takagami

- Main products and fields
- Printing paper (coated, lightly coated, non-coated, specialty)
 - Packing paper (bleached/unbleached kraft paper, barrier paper)
 - Specialty paper (photo base paper, industrial paper)
 - Household paper (tissue, toilet paper)
 - Paperboard (white paperboard)
 - Pulp (bleached kraft pulp, wood free pulp)

Business Outlook and Challenges for “SHINKA”

Overcoming a challenging market environment and moving toward solid growth

In fiscal 2024, despite facing a challenging market environment with declining demand for printing paper, we carried out structural reforms and achieved an operating income of 1.3 billion yen (130% of the target level), a solid result. This was achieved through a shift to high value-added products, various cost reductions, and product price revisions. In the domestic market, we are shifting to high-quality printing paper and packaging materials. Overseas, we are actively proposing our kraft paper for luxury brands, such as shopping bags and packaging for wealthy customers. The concept of “wrapping products with high-quality paper made in Japan” has been highly valued by customers in rapidly growing markets such as Vietnam and Malaysia, contributing to stable profitability.

Comprehensive strength resulting from organizational reform

This success is also a result of organizational reform. The integration of sales companies implemented last year has promoted the sharing of know-how in the sales field and is advancing the shift to a proposal-based sales style that accurately captures diverse customer needs. In addition, through organizational management integrating production, sales, and development, we have established a system that quickly reflects customer requests in product development. Compared to before, the development

cycle has been significantly shortened through strengthened cooperation between departments, enabling us to respond quickly to market changes and gain competitiveness. Our integrated capabilities in production, sales, and development enable us to respond swiftly to market needs—key strengths of our company.

Expanding the possibilities of “paper” toward a sustainable future

The Sustainable Fiber Materials Business will pursue further growth through several strategic initiatives moving forward. As a response to climate change, we are advancing technological innovation for plastic alternatives. Leveraging the strength of highly recyclable paper materials and using processing technology gained from barricote®, we are developing plastic alternatives with even higher barrier properties. We will also strengthen our high-quality strategy in the Asian market and propose high-quality paper for luxury brands. Furthermore, by utilizing the brand and strengths of pulp made from 100% wood grown in Japan made from Iwate Prefecture wood, we will appeal the reliability of integrated domestic production from raw materials to finished products, and in the future, consider pulp applications beyond paper. Paper is a sustainable material that properly manages forests through afforestation and fixes CO2. We not only provide products, but also contribute to the realization of a sustainable society as a circular industry.

Business Strategies for Achieving the Targets of the Medium-Term Management Plan

Strategy 1 Expand applications for packing paper and pulp made from 100% wood grown in Japan

The Sustainable Fiber Materials Business operates through the production of paper and pulp at our Hachinohe Mill and Kitakami Mill. At Hachinohe Mill, the decline in demand for our main printing paper continues, and in the Medium-Term Management Plan, we will expand sales of environmentally friendly packing paper products and shift our product portfolio from graphic to packaging applications. Also, at Kitakami Mill, due to the significant decrease in demand for silver halide photo prints, we have announced the shutdown of the N1 paper machine, and going forward, we will focus on expanding sales and applications of pulp made from 100% wood grown in Japan.

Strategic actions

| Expand sales of plastic-free packing paper/packing paper designed with plastic reduction in mind | | Expand sales of pulp made from 100% wood grown in Japan produced by Kitakami Mill | |
|--|---|---|---|
| Strengths | <ul style="list-style-type: none">• Integrated product development system for production, sales, and development• Production of packing paper utilizing the know-how cultivated through high-quality printing paper production• Product lineup with excellent printability such as ink adhesion and color development | Strengths | <ul style="list-style-type: none">• Lineup of highly valuable pulp made from 100% wood grown in Japan• Regional and environment contribution by promoting the use of domestic materials |
| Initiatives | <ul style="list-style-type: none">• Increase sales of environmentally-friendly FSC® forest-certified kraft paper• Expand lineup of bleached kraft products• Expand sales of “barricote®,” a product offering excellent recyclability and barrier performance | Initiatives | <ul style="list-style-type: none">• Create lineup of domestic hardwood and softwood pulp made from 100% wood grown in Japan• Concentration on pulp production by shutting down paper machine |

Main Approaches

Expand sales of packing paper

With our packing paper “Bleached Kraft Coat N,” we can greatly improve the color development in gravure and flexographic printing, which was a challenge for the single-sided bleached kraft paper commonly used in paper packaging. High contrast, definition, and gloss together provide a three-dimensional, attractive print effect, making it possible to create paper packages with excellent product appeal. We will continue to expand packing paper products that meet user needs and capture the growing demand for plastic-free and plastic reduction, both domestically and internationally, driven by increased awareness of a sustainable society.



Bleached Kraft Coat N FSC® Certified-MX adoption examples

Strategy 2 Integrate operations of the Hachinohe Mill and Kitakami Mill

We are consolidating production by suspending operations of the N1 paper machine at Kitakami Mill and shifting operations to the high-efficiency paper production facilities in Hachinohe Mill. Through enhanced production efficiency and cost reduction efforts at both sites, we aim to further strengthen our business foundation.

Strategic actions

| Increase production through improved productivity at Hachinohe Mill | | Restructure production system at Kitakami Mill | |
|---|---|--|--|
| Strengths | <ul style="list-style-type: none">• Production of industry-leading brands “New V Matte (A2 Matte Coat)” “S Pearl Card (special white paperboard)” | Strengths | <ul style="list-style-type: none">• Increase in production of pulp made from 100% wood grown in Japan |
| Initiatives | <ul style="list-style-type: none">• Improve production efficiency through DX and labor-saving investments• Integrate production brands and consolidation of production for increased output• Expand products for export | Initiatives | <ul style="list-style-type: none">• Consolidate paper production at Hachinohe Mill• Streamline organization through integrated operations with Hachinohe Mill• The Kitakami Mill will focus on the pulp business |

Research and Development

Research and Development That Will Open Up the Future through Three “SHINKA” Strategies and Human Resources Development

Medium-Term Management Plan

Target

Enhance the corporate value of Mitsubishi Paper Mills through “SHINKA” of technologies and research

Number of researchers: **1.5X** compared to FY2024

Research and development investment: **11 billion yen** for FY2025–2027 (9 billion yen increase compared to the previous Medium-Term Management Plan period)

Executive Officer, Research and Development Division General Manager

Wakana Aizawa

Business Outlook and Challenges for “SHINKA”

Importance of research and development in the Medium-Term Management Plan

In the Research and Development Division, under the slogan “Enhance the corporate value of Mitsubishi Paper Mills through “SHINKA” of technologies and research”, we are planning research and development investments and personnel increases totaling 11 billion yen, an increase of 9 billion yen from the previous Medium-Term Management Plan. This investment includes research and development expenses, investment in research and development departments, and investment in factories as research and development outcomes. Through this “SHINKA,” we aim to create the future of Mitsubishi Paper.

Three “SHINKA” Strategies

Under the first strategy, “sophistication,” we will strengthen our core technologies such as nonwoven fabric and paper products, and improve quality. This is the most important theme of the Medium-Term Management Plan, and in the first year, 70–80% of research and development resources will be concentrated in this field. Under the next strategy, “evolution,” we will develop our core technologies and support the global expansion of high-quality products such as inkjet paper, thermal paper, nonwoven fabric (water treatment membrane support substrate and separators for energy storage devices), as well as functional products and high-quality paper materials such as packing materials. The final strategy is “innovation.” Through this effort, we will combine our core technologies with external technologies and take on the challenge of entering new markets, such as downstream fields of nonwoven fabric. This initiative also includes expanding joint development efforts with universities and research institutions, as well as increasing participation in consortia to accelerate

research and development.

Organizations and human resources that generate innovation

To foster innovation, we are advancing the transformation of our organization and human resources. The Research and Development Division consists of three departments: Development, Planning, and Support, and has established a system with research and development departments located at our factories. Going forward, we will strengthen cooperation between sites and implement rotations between research bases, as well as between the Research and Development Division, business divisions, and factories. In terms of human resources, while striving to secure diverse talent through new graduate and mid-career recruitment, we will also focus on enhancing our job education system. In particular, to improve the retention rate of young talent, we will support human resource development and network building by utilizing e-learning and external seminars in addition to OJT.

An open and challenging corporate culture

The Research and Development Division places importance on three corporate culture characteristics: “An open environment that encourages new ideas,” “A culture where challenges can be taken without fear of failure,” and “A culture with strong teamwork to tackle difficult issues.” To create an open environment, our Takasago research base has introduced a free-address system with daily seat changes to encourage spontaneous interactions. By strengthening the integrated collaboration among our research and development sections, business units, and manufacturing sites, we are committed to addressing challenges as one unified team and driving sustainable growth.

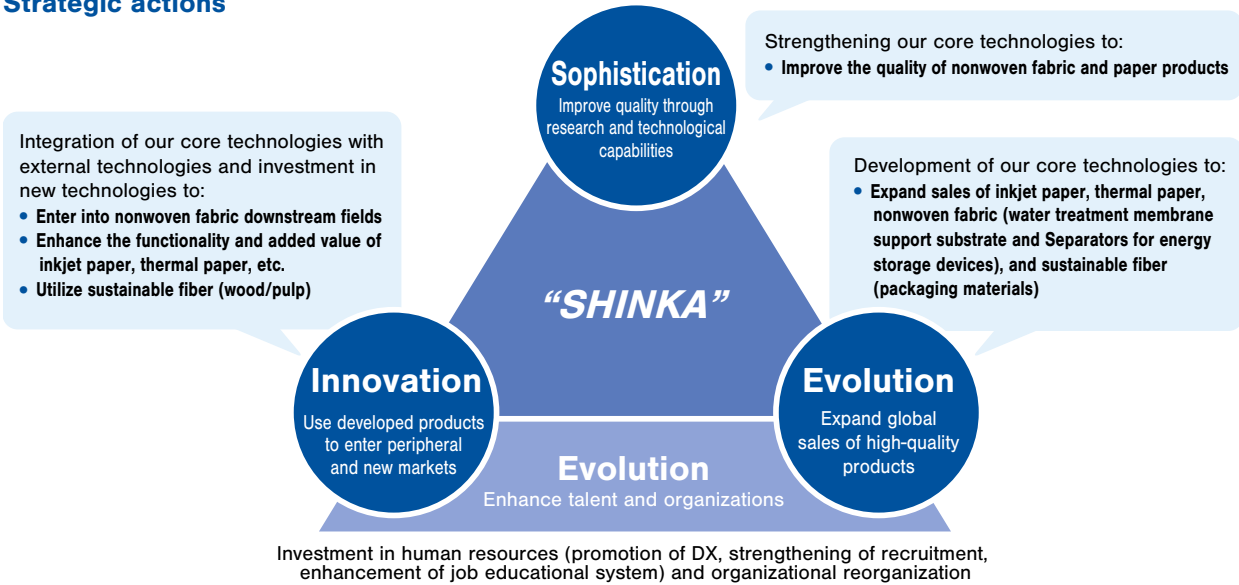
Research and Development Strategies for Achieving Targets of the Medium-Term Management Plan

Strategy 1 “SHINKA” of our technologies/research and development

With the research and development basic policy to “Enhance the true value of Mitsubishi Paper Mills through “SHINKA” of technologies and research,” we aim for sustainable growth and development with the following actions as support efforts.

- Strengthening of existing products and core technologies as a foundation (sophistication)
- Global expansion of high-quality products through the evolution of core technologies (evolution)
- Entry into peripheral and new markets with products developed by integrating our core technologies with external technologies and investing in new technologies (innovation)
- Growth and strengthening of people and organizations (evolution)

Strategic actions

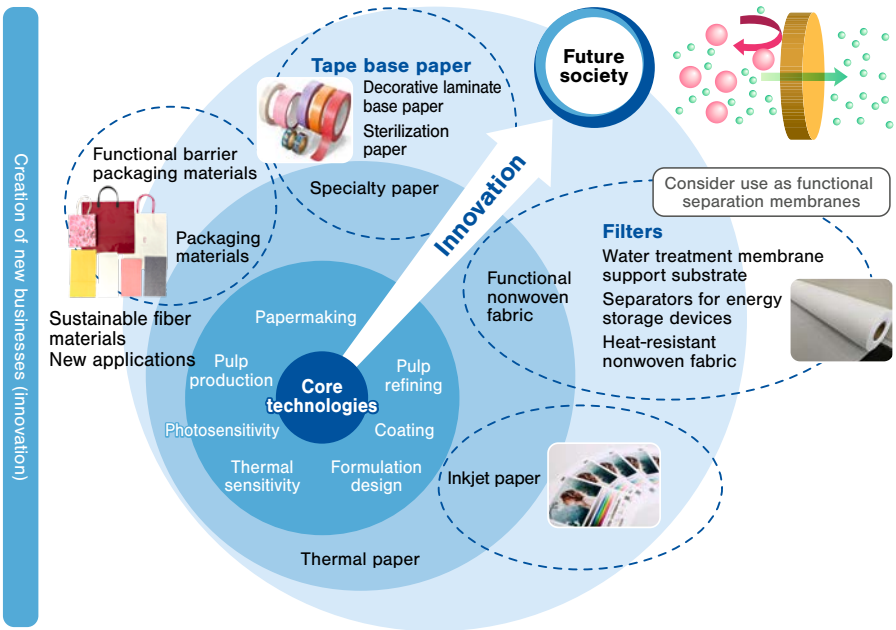


| | | |
|--|---|---|
| <p>Sophistication</p> <p>Improve quality through research and technological capabilities</p> | <p>Strengthening our core technologies to:</p> <ul style="list-style-type: none">• Improve the quality of nonwoven fabric and paper products <p>For water treatment membrane support substrate utilizing nonwoven fabric, we are working to improve the performance of reverse osmosis (RO) membrane support substrates. Similarly, for Separators for energy storage devices, we are advancing technology development and quality improvement to meet the increasing performance requirements of electronic devices. For paper products, we will enhance the barrier properties of packaging materials and promote the expansion of their applications.</p> | <p>Related businesses</p> <p>▶ P.38</p> <p>▶ P.41</p> |
| <p>Innovation</p> <p>Use developed products to enter peripheral and new markets</p> | <p>Integration of our core technologies with external technologies and investment in new technologies to:</p> <ul style="list-style-type: none">• Enter into nonwoven fabric downstream fields• Enhance the functionality and added value of inkjet paper, thermal paper, etc.• Utilize sustainable fiber (wood/pulp) <p>We will not only provide nonwoven fabric as material but also develop products with new value by processing them to meet customer needs and enter downstream fields. For pulp materials, we are also exploring technologies for effective use in applications other than paper products.</p> | <p>Related businesses</p> <p>▶ P.37</p> <p>▶ P.41</p> |
| <p>Evolution</p> <p>Expand global sales of high-quality products</p> | <p>Development of our core technologies to:</p> <ul style="list-style-type: none">• Expand sales of inkjet paper, thermal paper, nonwoven fabric (water treatment membrane support substrate and Separators for energy storage devices), and sustainable fiber (packaging materials) <p>By quickly achieving quality improvement, higher functionality, and compliance with overseas standards, we will support the global strategy of the business divisions.</p> | <p>Related businesses</p> <p>▶ P.37</p> <p>▶ P.39</p> |

Further sophistication/evolution of core technologies and taking on the challenge of innovation

By refining our core technologies in pulp refining and papermaking, we aim to further enhance the quality and functionality of our advanced nonwoven materials. By acquiring and integrating new core technologies, we will drive innovation and evolve our products into advanced functional separation membranes.

By further deepening other core technologies such as formulation design and coating, we will improve the quality of tape base paper, decorative laminate base paper, and more. By enhancing precision coating technology, we will increase the performance of inkjet paper and evolve it aiming for its global expansion.



The role of intellectual property in creating innovation

Our company is focusing on intellectual property activities to achieve sustainable business growth. Intellectual property rights, which are the results of many years of research and development, serve as an important foundation supporting the competitiveness of our products. In addition, by utilizing intellectual property rights outside our group through license agreements and technology transfers, we are creating new sources of revenue. Going forward, we will continue to value intellectual property generated from high creativity and technological innovation, and strive to enhance our corporate value.

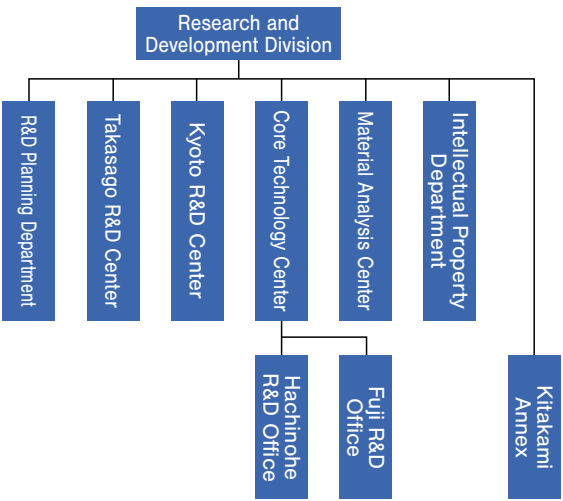
| Number of patents by major technology field | |
|---|-----------------------------------|
| Functional materials | Functional nonwoven fabric: 105 |
| | Inkjet paper: 72 |
| | Tape base paper: 6 Other: 434 |
| Sustainable fiber materials | Packaging materials: 16 Other: 22 |
| Total | 655 patents |

Strategy 2 Placement of research and development departments at all domestic production facilities

Research and development system

To accelerate product development, facilitate smooth technical support to production sites, and contribute to profitability across business segments, dedicated research and development bases have been established within the premises of our Hachinohe Mill, Fuji Mill, Kyoto Mill, and Takasago Mill, namely the Hachinohe R&D Office, Fuji R&D Office, Kyoto R&D Center, and Takasago R&D Center.

The R&D Planning Department, in cooperation with the business divisions, carries out research and development planning, market information gathering, human resource development, and progress management, supporting the development teams. As a support department, Material Analysis Center analyzes products under development, contributing to shortening the development period. Furthermore, we are strengthening cooperation with universities and external organizations to acquire new technologies and knowledge.



| Bases | Research and Development Division |
|----------------|--|
| Hachinohe Mill | • Core Technology Center Hachinohe R&D Office |
| Kitakami Mill, | • Research and Development Division Kitakami Annex |
| Head Office | • Core Technology Center |
| Fuji Mill, | • Core Technology Center Fuji R&D Office |
| Kyoto Mill, | <Research and Development Division> • Kyoto R&D Center • R&D Planning Department • Material Analysis Center • Intellectual Property Department |
| Takasago Mill | • Takasago R&D Center |

Human resource development and organizational strengthening

We enhance expertise and diverse career plans, and further foster teamwork through OJT, a mentor system, as well as online and in-house/external training, to improve the skills and motivation of all researchers.

To strengthen organizational capabilities, we established the Core Technology Center in April 2025. Under this center, we have placed the Hachinohe R&D Office (sustainable fiber materials) and the Fuji R&D Office (functional materials).

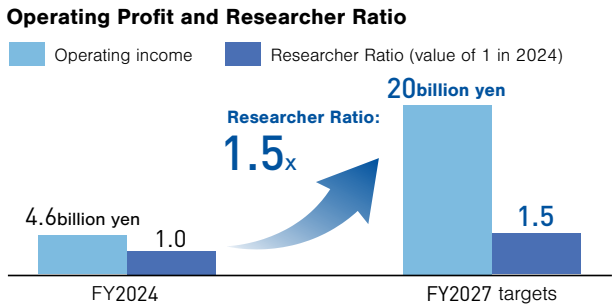
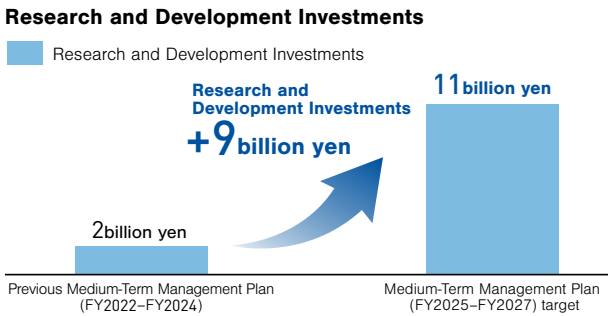
By leveraging their shared core technology of “papermaking,” we are driving new product development and production efficiency. In addition, the Material Analysis Center, which contributes to new product development and manufacturing process improvement, is equipped with the latest analytical instruments and staffed with personnel to enhance the competitiveness of our research and development.



In-house seminars

The impact of technologies/research and development on finance

By increasing investments in research and development and increasing the number of researchers that we employ, we will launch more new products to the market and increase sales. Furthermore, by developing products with high market competitiveness in terms of quality and performance, we can secure high profit margins.





02 Basic Policy

“SHINKA” (evolution) in our contributions to the global environment

Strategy Accelerating initiatives toward carbon neutrality

- Building a foundation for improving fossil energy unit consumption

 - Reduce FY2030 CO₂ emissions by 40% compared to FY2013
- Taking on the challenge of green transformation (GX)

 - Support the CO₂ emissions trading system
 - Explore the potential of next-generation energy and CCS*1 through collaboration with local communities and cross-industry partners

Strategy Contribute to a recycling-based society

- Utilization of forest resources

 - Contribute to a recycling-based society by making full use of forest resources
- Improvement of plastic resource recycling rate

 - FY2027 Target: 100%
- Enhance social value through business expansion contributing to SDGs

 - Expansion of Environmentally-Friendly Products
- Promote initiatives to address climate change risks that lead to increased corporate value

 - Enhance transparency through environmental information disclosure programs such as the GX League, CDP, and TCFD

Connection between environmental initiatives and increased

| corporate value | | Desired society | | The society we aim for Specific non-financial activities Direct effects of non-financial activities | Financial/Corporate value |
|--------------------------|---|---|--|---|---------------------------|
| | | | | | |
| Decarbonized society | Accelerating initiatives toward carbon neutrality | Fuel conversion of coal boilers (Coal ⇒ LNG) | GHG*3 emissions reduction | Expansion of sales | |
| | | Promotion of decarbonization investment through the introduction of ICP*2 | Reduction of total waste emissions | | |
| Recycling-based society | Challenge for GX | CO2 free electricity purchases, etc. | Improvement of resource recycling rate | Improvement of profitability | |
| | | Support of CO2 emissions trading system | Reduction of pollutants | | |
| Nature-symbiotic society | | Exploration of the potential of next-generation energy and CCS through collaboration with local communities and cross-industry partners | Conservation of local ecosystems | Enhancement of corporate value | |

*1 CCS: Carbon dioxide capture and storage technology *2 ICP: Internal carbon pricing
*3 GHG: Greenhouse gases

"Nissy" and "Kassy" are characters of the Ecosystem Academy established by our company.



Environmental Strategy

Contribution to a Sustainable Society

Key strategic initiative

Accelerating initiatives toward carbon neutrality

5 billion yen in environmental strategic investment (FY2025-FY2027 plan)

Director, Managing Executive Officer
Technology Division General Manager
Research and Development Division Deputy General Manager
Kazuhiro Nakauchi



Future Outlook and Challenges for “SHINKA”

Initiatives toward achieving carbon neutrality

Company-wide efforts are underway to reduce CO₂ emissions, aiming for a 40% reduction in FY2030 compared to FY2013. A 22% reduction was achieved in FY2024.

In addition to annual energy-saving activities of at least 1% at each mill, at Hachinohe Mill, which accounts for about 80% of the company's total emissions, we are leveraging our location to receive gas supply from a nearby LNG import terminal, and are converting the fuel for the lime kiln in the pulp process from heavy oil to LNG, which emits less CO₂. We are also working to maximize the use of black liquor, a biomass energy byproduct of pulp production, and will examine the possibilities of CCS for capturing and storing emitted CO₂.

With the 5 billion yen investment through FY2027, we will promote energy saving by introducing internal carbon pricing (ICP) and adopting high-efficiency equipment, and will also consider converting coal boilers to LNG.

Contribute to a recycling-based society

We recognize that maintaining the global environment is the lifeline for the continuation of our business. In addition to utilizing recyclable wood resources, we will expand Environmentally-Friendly Products and improve

productivity through our technologies/research and development. In response to the law promoting resource circulation for plastics, we are working to improve the recycling rate of plastic resources, aiming to achieve the FY2027 target of 100%. The recycling rate in FY2024 was 98.8%, steadily approaching the target.

As part of our efforts to address climate change risks, we are externally communicating our environmental information through participation in the GX League and disclosure of TCFD and CDP scores. We are working to improve transparency through disclosure programs, and will utilize knowledge gained from other companies through participation in the GX League to drive further technological innovation.

Company-wide awareness reform

Reduction of environmental impact in production activities is promoted by the Environmental Conservation Committee, which is led by the Safety, Environment and Quality Assurance Department at the Head Office and the Safety and Environmental Management Office at the mills. The Head Office and mills/affiliated companies cooperate to implement company-wide risk management and preventive measures. In addition, we have established a system to respond quickly to any environmental trouble, contributing to a sustainable society.



Strategy 1 Accelerating initiatives toward carbon neutrality

Our approach to climate change

The Mitsubishi Paper Mills Group formulated “the Mitsubishi Paper Mills Group Environmental Vision 2050” to contribute to the Japanese government’s long-term goal of “Achieving carbon neutrality by 2050.” Through this vision, we aim to help realize a decarbonized society with zero greenhouse gas emissions.



Mitsubishi Paper Mills Group Environmental Vision 2050

Maximum utilization of resources such as renewable energy

Utilizing carbon fixation technologies

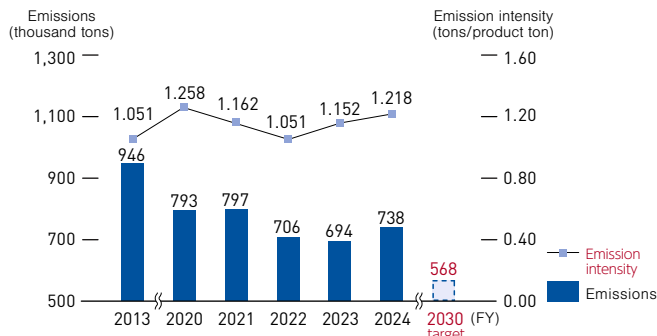
Development of eco-conscious products

Through these efforts, we aim to achieve carbon neutrality and contribute to the Japanese government’s long-term goal of “Realize a decarbonized or carbon neutral society with zero greenhouse gas emissions overall by 2050.”

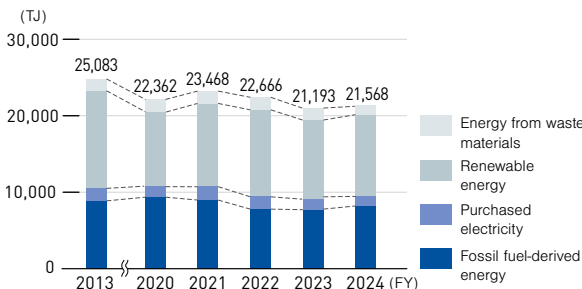
Building a foundation for improving fossil energy unit consumption

The Mitsubishi Paper Mills Group has set a target of reducing our energy-derived CO₂ emissions in Japan by 40% compared to FY2013 by FY2030, and is working on reducing our fossil fuel-based energy and overall energy consumption.

CO₂ emissions and emission intensity



Energy consumption



Strategic actions

| Reduce FY2030 CO ₂ emissions by 40% compared to FY2013 | | Taking on the challenge of green transformation (GX) | |
|---|--|--|---|
| Initiatives | <ul style="list-style-type: none">Fuel conversion for coal boilers (coal ⇒ LNG)Promotion of decarbonization investment through ICP introductionFull utilization of green energy (solar, biomass, etc.)CO₂ free electricity purchases, etc. | Initiatives | <ul style="list-style-type: none">Support the CO₂ emissions trading systemExplore the potential of next-generation energy and CCS through collaboration with local communities and cross-industry partnersParticipation in GX League |
| | | | |

Our group participates in the Ministry of Economy, Trade and Industry’s GX League, which became active in FY2023. In addition to demonstrating our commitment to realizing a carbon neutral society in 2050, we will strengthen our systems aimed at achieving our group’s publicly stated targets for 2030.

Strategy 2 Contribute to a recycling-based society

Our group will make full use of forest resources and contribute to a recycling-based society by further strengthening the domestic wood chip collection base in northern Tohoku, and implementing experiential forest environment learning utilizing company-owned forests.

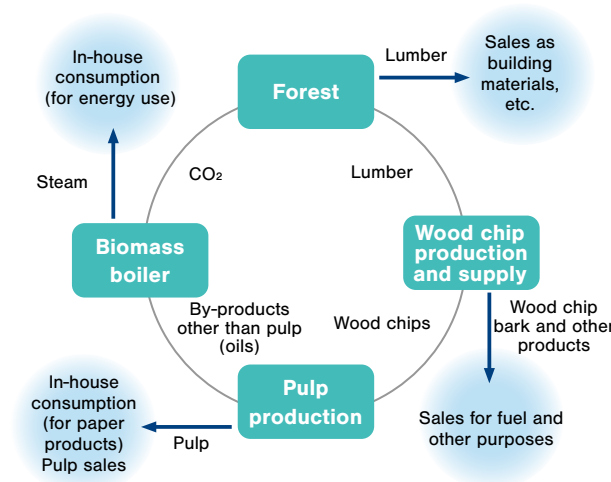
In addition, in line with the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures), we will promote the disclosure of information regarding the risks and opportunities that climate change poses to our business. This document was also created following these recommendations. Through our business activities, we will contribute to the creation of social value and the realization of a sustainable society.



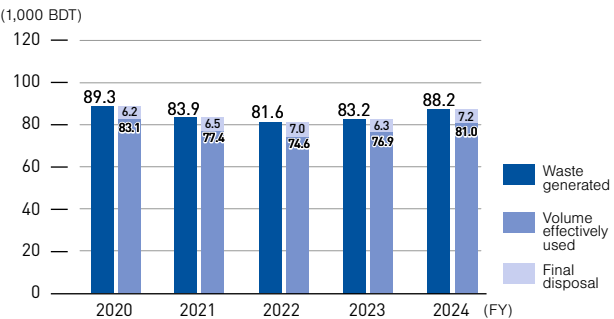
Strategic actions

| Utilization of forest resources | |
|--|--|
| Initiatives | <ul style="list-style-type: none">• Contribute to a recycling-based society by making full use of forest resources (use of use from wood, chips, pulp, etc. in product sales and for energy use)• Promoting the use of domestic materials: 60 years of experience in collecting domestic wood chips in northeastern Tohoku• Utilization of company-owned forests: Experiential forest environment learning such as forest nature observation, tree planting, tree measurement, and papermaking |
| | |
| Improve the recycling rate of plastic resources: Target for FY2027 is 100% | |
| Initiatives | <ul style="list-style-type: none">• Strengthen efforts to separate plastics from mixtures• Thermally recycle plastic waste collected on-site using waste boilers• Cut and process discarded papermaking tools on-site and then thermally recycled them using a waste boiler |

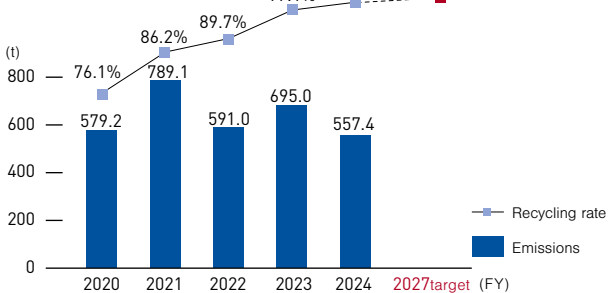
Forest Resource Utilization Cycle



Waste Generated and Volume Effectively Reused



Changes in plastic waste emissions and the recycling rate



In addition, in response to the Plastic Resource Circulation Act, we will systematically work to reduce plastic waste discharged from our group factories and increase the recycling rate.

| Enhance social value through business expansion contributing to SDGs | | Promote initiatives to address climate change risks that lead to increased corporate value | |
|--|---|--|---|
| Initiatives | <ul style="list-style-type: none">Expansion of Environmentally-Friendly Products (packaging materials, pulp made from 100% wood grown in Japan) and products that contribute to a convenient and comfortable environment and lifestyle (Water treatment membrane support substrate, Separators for energy storage devices, Tape base paper) | Initiatives | <ul style="list-style-type: none">Enhance transparency through environmental information disclosure programs such as the GX League, CDP, and TCFD |
| | | | |



The GX League is a group of companies actively engaged in GX (Green Transformation) in collaboration with governments, universities, financial institutions, and other parties. It was established as a venue to discuss the transformation of economic and social systems overall and to practice the creation of new markets.

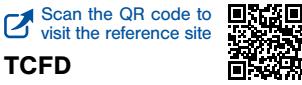


The CDP score is an indicator used by the international environmental non-profit organization CDP to evaluate companies' environmental information disclosure and initiatives regarding climate change, forests, and water resources.

| CDP Score | |
|---|---|
| FY2024 results | Target |
| Climate change: C Forests: C Water resources: D | Climate change: B Forests: B Water resources: C |

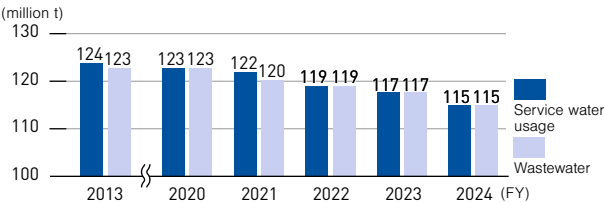
Reduction of water usage

Our group has set a goal of “reducing water usage by 1% year-on-year” and will promote water recycling within processes and strive for effective utilization. Through this, we will suppress the consumption of heat and electric energy and aim to reduce CO₂ emissions. In addition, we will properly treat used water and strive to protect the environment.



| Indicators and Goals |
|--|
| • We have formulated the Mitsubishi Paper Mills Group Environmental Vision 2050, under which our company aims to become carbon neutral by 2050. |
| • By FY2030, we aim to reduce energy-derived CO ₂ emissions in Japan by 40% compared to fiscal 2013 to 568,000t or less. |
| • We launched the Fiscal 2030 CO ₂ Reduction Task Force |
| • Our emissions of greenhouse gases in Japan in FY2024, including CO ₂ in Scopes 1 and 2, were 800,000t. By fiscal 2030, we aim to reduce emissions by 36% from fiscal 2013 level to 681,000t or less. |
| • Regarding CO ₂ reduction with the supply chain included, we will continue to investigate Scope 3 calculation methods and future disclosure. |
| • The amount of industrial water intake for FY2024 was 115 million t. We will promote water recycling (circulation and reuse of water) within our processes and strive for effective utilization. Furthermore, each factory has a wastewater treatment facility, and the water used within the factory is purified in accordance with legally mandated standards before being released back into the community. We also strive to conserve water quality, comply with standards, and strive to preserve the local environment. |
| • Our company owns about 2,000 ha of forests, mainly in the Tohoku region. We will continue to improve domestic timber's self-sufficiency rate and conserve forests by actively using timber from Northern Tohoku. |

Trends in water usage and wastewater volume



Chemical Substance Management

Our group has formulated the Chemical Substance Management Guidelines and Rules for Administration of the Chemical Substance Management Guidelines to manage chemicals throughout the supply chain and ensure product safety. Based on these, each factory and manufacturing subsidiary manages and handles chemicals, and promotes green procurement in accordance with the Mitsubishi Paper Mills Group Green Procurement Standards and Procedures, working to reduce environmental risks from chemicals.

Emission transfer amount of PRTR target substances

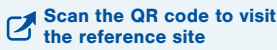
Unit: kg/year (mg-TEQ/year is used for dioxins only)

| No. | PRTR Class 1 Designated Chemical Substances | Cabinet No. | Emissions | | | Amount transferred | |
|-----|---|-------------|------------|-------|----------|--------------------|----------|
| | | | Atmosphere | Water | Landfill | Sewerage | Off-site |
| 1 | Xylene | 80 | 510 | 0 | 0 | 0 | 370 |
| 2 | Chloroform | 127 | 16,400 | 3,300 | 0 | 0 | 0 |
| 3 | Cyclohexylamine | 154 | 0 | 0 | 0 | 0 | 0 |
| 4 | 2,2-Dibromo-2-cyanoacetamide | 210 | 0 | 619 | 0 | 0 | 70 |
| 5 | Dioxins | 243 | 0.00 | 21.33 | 15.00 | 0.00 | 26.00 |
| 6 | Triethylamine | 277 | 1,700 | 0 | 0 | 0 | 0 |
| 7 | Toluene | 300 | 6,320 | 0 | 0 | 0 | 2,440 |
| 8 | Boron and its compound | 405 | 0 | 0 | 0 | 91 | 74 |
| 9 | Formaldehyde | 411 | 18 | 1 | 0 | 0 | 1,202 |
| 10 | Methylnaphthalene | 438 | 380 | 0 | 0 | 0 | 0 |
| 11 | 1,3-Dichloro-2-propanol | 498 | 0 | 0 | 0 | 0 | 0 |
| 12 | Butyl cellosolve | 594 | 0 | 0 | 0 | 0 | 5,900 |
| 13 | Chloric acid and its potassium and sodium salts | 598 | 0 | 0 | 0 | 0 | 0 |
| 14 | Diethylene glycol monobutyl ether | 627 | 0 | 2,600 | 0 | 0 | 0 |
| 15 | Dimethyl (1-phenylethyl) benzene | 653 | 0 | 0 | 0 | 0 | 0 |
| 16 | Melamine | 682 | 0 | 2 | 0 | 0 | 1 |
| 17 | N-Methyl-2-pyrrolidone | 746 | 0 | 20 | 0 | 0 | 8 |

Environmental Charter

Basic Principles

The Mitsubishi Paper Mills Group intends to make an active contribution to the protection of the global environment and the creation of a recycling-based society. We will strive to prevent global warming and conserve biodiversity while also working to earn the trust of our stakeholders through the sustainable use of forest resources.



Environmental Charter

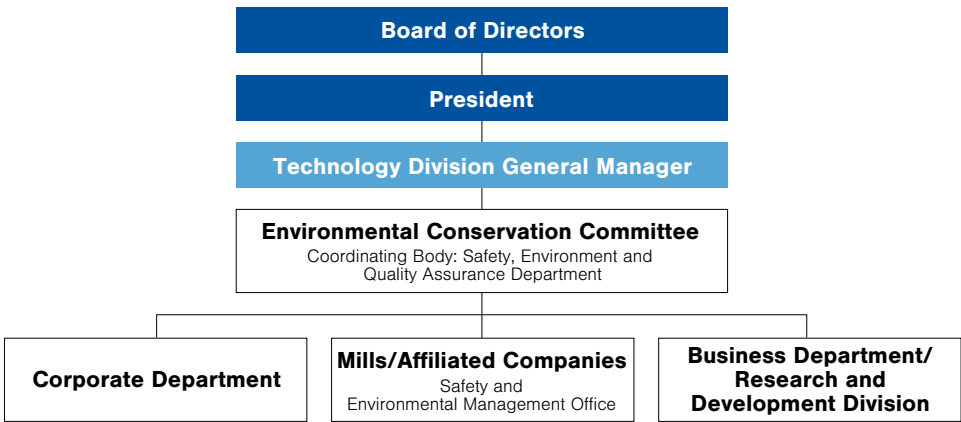
Basic Policy

- (1) Implement measures to counteract global warming
- (2) Protection and nurturing of forest resources, with appropriate care given to the preservation of biodiversity
- (3) Promote the sustainable use of resources
- (4) Development of environmentally friendly production technologies and products
- (5) Develop and fully utilize environmental management systems
- (6) Promote environmental communication
- (7) Draw up appropriate contingency plans

Environmental Management System

In order to realize the basic principles of the Environmental Charter, our company's group is implementing a new environmental management system from April 2023. The Safety, Environment and Quality Assurance Department newly established within the Head Office Technology Division oversees environmental management within the group, and has built a system to more quickly and accurately comply with laws and regulations, share information, and horizontally deploy environmental management. We have established a management system that integrates factories, affiliated companies, and the Head Office, with the Head Office taking the lead in dealing with group-wide issues as required by the situation.

We have also established a Safety and Environmental Management Office at each mill, creating a system that can immediately respond to environmental incidents.



Conducting environmental audits

The Technology Division's Internal Audit Department regularly conducts environmental audits at all production sites to check the status of environmental performance. During audits, we assess various environmental risks surrounding us and confirm the effectiveness of our initiatives. In addition to regular audits, follow-up audits are also conducted to prevent recurrence, with production sites and the Head Office working together as one.

Preserving Biodiversity

Our approach to biodiversity and initiatives

Through participation in the 30by30 Alliance for Biodiversity promoted by the Ministry of the Environment, the Mitsubishi Paper Mills Group will create environmental value and contribute to a sustainable global environment by engaging in activities to maintain and conserve biodiversity.

Ecosystem Academy

In line with the Mitsubishi Paper Mills Group Sustainability Basic Policies, the Mitsubishi Paper Ecosystem Academy provides experiential forest-based environmental learning programs, including hands-on activities and ecological research, at Shirakawa Sanso and the Murabi Company Forest in Nishigo Village, Fukushima Prefecture. These efforts aim to contribute to biodiversity conservation and enhance the Group's corporate value and long-term growth. The Murabi Company Forest, which serves as our activity base, has been certified by the Ministry of the Environment as a “Nature Symbiosis Site,” an area where biodiversity is conserved through private sector initiatives.



Nature Symbiosis Site Certificate

Experiential forest environmental learning

This program combines forest-based experiences, such as observation, tree planting, cultivation, and measurement in company-owned forests, with lectures, traditional papermaking, and paper craft workshops at Shirakawa Sanso. Centered around the theme of collaboration between nature and industry, it encourages participants to explore topics like forest conservation, climate change mitigation, and biodiversity, while contributing to the achievement of the SDGs. In fiscal 2024, we held 13 events with a total of 223 participants. The Murabi Company Forest has been accredited as “A Place to Experience Fukushima Prefecture” based on the Act on Enhancing Motivation on Environmental Conservation and Promoting of Environmental Education.



7th Ecosystem Academy tree planting event



Local elementary school students gathered inside the Visitor Center



1st Snowshoe Experience Event

Forest Surveys and Research

In the company-owned forest field, we continuously work on forest ecosystem and biodiversity research, conducting various field studies. These include tree growth measurements, wildlife monitoring using trail cameras, surveys of soil fauna and aquatic organisms, and joint birdwatching studies in collaboration with the Shirakawa Chapter of the Wild Bird Society of Japan.



Sika deer (trail camera animal survey)



Chestnut Tiger Butterfly (in the company-owned forest)



Japanese Tit (Visitor Center)



White-spotted Char (juvenile) (in the company-owned forest)

Information communication

We have established an Ecosystem Academy Office website and regularly share updates on the forest and learning activities via the “Eco Aca Forest Blessings Blog.”

Scan the QR code to visit the reference site

Mitsubishi Paper Mills Ecosystem Academy

A must-see! Eco Aca Forest Blessings Blog

Environmental Data

Material Balance

| Input | | Mitsubishi Paper Mills Group (Domestic) [Scope] Hachinohe Mill Kitakami Mill, Fuji Mill, Kyoto Mill, Takasago Mill Toho Tokushu Pulp Co., Ltd. | Output | |
|--|-------|---|-------------------------------------|-------|
| Main raw materials (1,000t) | | | Atmospheric release | |
| Imported wood chips | 597 | | CO ₂ emissions (1,000 t) | 738 |
| Domestic wood chips | 251 | | NOx emissions (1,000 Nm3) | 705 |
| Purchased pulp | 20 | | SOx emissions (1,000 Nm3) | 166 |
| Waste paper | 22 | | Soot and dust (t) | 240 |
| Inorganic pigments | 28 | | Released into water systems | |
| Energy (Crude oil equivalent, 1,000kl) | | | Wastewater (million t) | 115 |
| Fossil fuels | 215 | | COD (t) | 5,486 |
| Purchased electricity | 33 | | SS (t) | 3,542 |
| Biomass | 280 | Waste (1,000BDT) | | |
| Refuse-derived fuel | 30 | Waste generated | 88 | |
| Water supply (million t) | | Volume effectively used | 81 | |
| Industrial water | 115 | Final disposal | 7 | |
| [Reference] mill in Germany | | Production volume | | |
| Purchased pulp amount (1,000 t) | 61 | Paper (1,000 t) | 522 | |
| Waste paper (1,000 t) | 0 | Photo sensitive materials (million m²) | 2 | |
| | | Pulp (1,000 t) | 83 | |
| Service water usage (1,000 t) | 1,654 | | | |
| Wastewater (1,000 t) | 1,444 | | | |
| CO ₂ emissions (1,000 t) | 9 | | | |

Figures for Mitsubishi HiTec Paper Europe GmbH (Bielefeld Mill, Germany) are shown for reference, but are not added to the total for the Mitsubishi Paper Mills due to differences in environment-related rules and regulations.

Environmental impact data

| | | FY2013 | FY2021 | FY2022 | FY2023 | FY2024 |
|--|-----------------------|--------|--------|--------|--------|--------|
| Natural resources | | | | | | |
| Fossil Fuel-Based Energy Consumption | TJ | 10,596 | 10,352 | 9,493 | 9,144 | 9,577 |
| Fossil fuel energy intensity GJ/product-tons | GJ/product-tons | 11.8 | 15.1 | 14.1 | 15.2 | 15.8 |
| Service water usage | million t | 124 | 122 | 119 | 117 | 115 |
| Wastewater | million t | 123 | 120 | 119 | 117 | 115 |
| Atmosphere | | | | | | |
| CO ₂ emissions*1 | 1,000 t | 943 | 797 | 707 | 694 | 738 |
| NO _x | 1,000 Nm ³ | 878 | 738 | 726 | 669 | 705 |
| SO _x | 1,000 Nm ³ | 265 | 185 | 162 | 159 | 166 |
| Soot and dust | t | 322 | 253 | 269 | 219 | 240 |
| Water quality | | | | | | |
| COD | t | 6,359 | 6,134 | 5,748 | 4,868 | 5,486 |
| SS | t | 3,599 | 3,349 | 3,410 | 3,213 | 3,542 |
| Waste | | | | | | |
| Waste generated | 1,000 t | 95 | 140 | 140 | 161 | 159 |
| Final disposal amount | 1,000 t | 10 | 8 | 8 | 8 | 10 |
| Final disposal rate*2 | % | 89.5 | 94.2 | 94.4 | 94.9 | 94.0 |

*1 For CO₂ emissions missions from purchased electricity, we use the CO₂ emissions coefficient provided by the Federation of Electric Power Companies of Japan.
*2 Final disposal rate = (Waste generated – Final disposal amount)/Waste generated × 100

Environmental Accounting

| Environmental Conservation Costs | | (million yen) | |
|--|---|---------------|--------------|
| Classification | Principal Initiatives | Investments | Expenditures |
| (1) Costs within business areas | | 632 | 8,126 |
| ① Pollution control costs | Air pollution, water pollution, foul odor, noise, and vibration measures, etc. | 520 | 1,504 |
| ② Global environmental conservation cost | Includes domestic afforestation, energy conservation measures, etc. | 49 | 0 |
| ③ Resource recycling costs | Includes waste measures and waste paper and other product recycling | 63 | 6,622 |
| (2) Upstream/downstream costs | Container and packaging recovery and recycling, etc. | 219 | 219 |
| (3) Management activity costs | Includes environmental education, environmental management systems, and certification acquisition | 13 | 33 |
| (4) R&D costs | Environment-friendly product development, etc. | 0 | 246 |
| (5) Social activity costs | Greening, environmental beautification, environmental data disclosure, etc. | 31 | 32 |
| (6) Environmental damage costs | Fees for pollution-related health damage | 0 | 44 |
| Total | | 894 | 8,700 |

Economic Benefit of Environmental Conservation Measures (million yen)

| Classification | Effects | Amount |
|----------------|---|--------|
| Earnings | Reuse of recovered pallets | 248 |
| | Profit from sales of materials effectively recycled | 37 |
| Cost reduction | Cost reduction from decreased energy usage | 128 |
| | Cost reduction from improved material yield | 157 |
| Total | | 570 |

The statistical method conforms with the Environmental Accounting Guidelines 2005 issued by the Ministry of the Environment



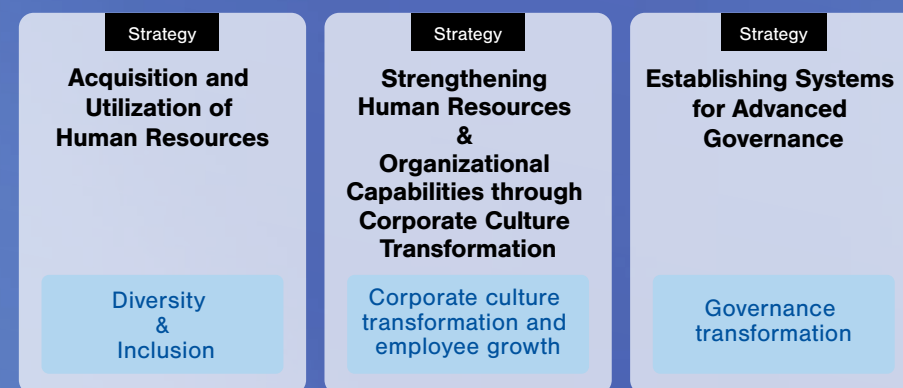
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03 Basic Policy

“SHINKA” (Internalization) of governance and human Capital management



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Human Capital Management

Investment in Human Resources to Build an Environment Where Diverse Employees Can Thrive and to Enhance Corporate Value

Key strategic initiative

Human Resources Strategic Investment: **3 billion yen** (FY2025-27 target)

Human Resources Recruitment: Increase by **3x** (FY2027 target)
Recruitment-Related Expenses / Compared to FY2024

Human Resources Development: Increase by **2.5x** (FY2027 target)
Training Cost Per Person (non-consolidated) / Compared to FY2024



Representative Director
Senior Executive Vice President
Corporate Governance Head
Office General Manager
Director responsible for
Sustainability Promotion
Shigeharu Sanada

Future Outlook and Challenges for “SHINKA”

Creating an environment where diverse human resources can thrive

To respond to societal changes such as declining birthrate and aging population and diversification of values, it is essential for our company to view human resources as capital and strategically develop a comfortable working environment for sustainable growth.

In the Medium-Term Management Plan, human resources are positioned as one of the three “SHINKA” pillars, and we are working on “strengthening diversity & inclusion,” “creating a workplace environment where each employee can work comfortably,” and “securing and developing human resources to enhance corporate value.”

In April 2025, we established the Diversity Promotion Office to promote diversity & inclusion across the group. The office emphasizes communication with employees and works to understand and address their needs. We are fostering a workplace culture where women can expand their opportunities and aspire to management positions, and we provide native language displays and lifestyle support to help foreign employees work comfortably. Additionally, we have established a Work Support Team to help people with disabilities find fulfillment in their work. In recruitment, in addition to the “Welcome Back Program” for former employees, we have introduced a “Referral Recruitment Program” in which employees refer acquaintances, and five people have already joined through this system.

Work style reform and engagement enhancement

I feel that work style reform leads to improved

employee engagement. Employee engagement in fiscal 2024 improved by 1 point compared to the previous year. With the introduction of the “Super Flex System” with no core time and the spread of the “Telework System,” many employees are now able to take advantage of flexible work styles.

Fostering organizational culture through the “Credo Creation Project”

To foster an “open and communicative culture where it is easy to speak up,” we are advancing the “Credo Creation Project” with the participation of all employees. This initiative involves everyone discussing what kind of company we want to become and what each person wants to achieve here. Through this project, we hope to raise awareness among each employee to act autonomously to improve the company.

Continued strategic investment in human resources

With a declining labor force population expected, establishing working conditions that allow employees to work for a long time is essential for business continuity. We will continue to make strategic investments in human resources for sustainable growth. By proactively incorporating the experiences and knowledge of people with diverse backgrounds and values, and creating an environment where each person can enhance and demonstrate their abilities, we will contribute to enhancing corporate value.



Strengthening Diversity & Inclusion

Based on our Principles and Guidelines on Human Rights and Labor Practices, the Mitsubishi Paper Mills Group undertakes a variety of initiatives to continue creating a workplace that enables all employees to respect each other, fully utilize their abilities, and feel comfortable and fulfilled. To further promote Diversity & Inclusion, we established the Diversity Promotion Office in April 2025.

Promoting active participation by women

To promote active participation by women, we conduct career advancement training for female management candidates. We also hold a Women’s Advancement Promotion Committee to give shape to the voices of female employees and create a more comfortable workplace for women.

Ratio of Female Managers (non-consolidated)

| 2020 | 2021 | 2022 | 2023 | 2024 | 2027 target |
|------|------|------|------|------|-------------|
| 1.6% | 2.0% | 2.5% | 3.0% | 5.0% | 15% |

Securing and retaining global talent

We are actively promoting the employment of foreign personnel, both as sales staff to support our overseas business strategy and as operational staff to address labor shortages caused by declining birthrates. We are also hiring staff to support the work and daily lives of foreign employees for their recruitment and retention.

Number of Foreign Employees (including temporary staff)

| FY2024 result | FY2027 target |
|---------------|---------------|
| 33 persons | 60 persons |

Proactive career recruitment

We engage in active mid-career recruitment to revitalize our organization by making use of diverse experiences and values. By hiring external specialists, we aim to gain new perspectives, insights, and raise our standards. To utilize alumni who have previously left the company, we are actively implementing a welcome-back program and working to absorb the knowledge and experience they have gained externally. Additionally, to strengthen recruitment through employee referrals, we have established the Referral Recruitment Program.

Number of Career Hires

| | FY2024 results | FY2027 targets |
|--------------------------|----------------|----------------|
| Career hires | 34 persons | 50 persons |
| Referral-based hires | 5 persons | 15 persons |
| Welcome back-based hires | 2 persons | 5 persons |

Promotion of employment of people with disabilities

Our company’s rate of employment of people with disabilities exceeds the statutory rate. To create a workplace environment where disabled people can demonstrate their abilities, we have established a support team consisting of disability support staff and disabled employees. In addition, we continue to provide training for staff in charge of disabled employees by disability support staff. We will work to foster a comfortable working environment for people with disabilities and will continue active hiring.

Employment Rate of Disabled People (non-consolidated)

| FY2024 result | FY2027 target |
|---------------|---------------|
| 2.8% | 3.2% |

Creation of a Comfortable Working Environment for All Employees

The safety and health of everyone involved in our business activities are the top priority of the Mitsubishi Paper Mills Group. We are working to create a workplace environment where employees can work energetically in good health.

Initiatives to improve work engagement

In order to understand the voices of employees, including their thoughts and opinions, we conduct a work engagement survey in order to improve the workplace environment and promote improvement measures based on the results.

- Conduct a work engagement survey and share the strengths and challenges of each workplace based on the survey results
- Planning and implementation of action plans through workplace environment improvement workshops held at each workplace

Regular program reviews in cooperation with the labor union

Together with our labor union, we regularly hold meetings of a specialized committee to review our human resources programs and hold labor-management discussions on creating better programs. Meetings focus on issues such as wages, annual paid leave usage situation, hours worked, reemployment, and work-life balance.

Annual Paid Leave Acquisition Rate

| | 2020 | 2021 | 2022 | 2023 | 2024 |
|----------------|-------|-------|-------|-------|-------|
| All Industries | 56.3% | 56.6% | 58.3% | 62.1% | 65.3% |
| Our company | 75.3% | 80.6% | 88.0% | 87.5% | 92.5% |

Transformation of the way we work

To promote flexible working styles that accommodate each employee’s lifestyle, we have introduced a super-flex system with no core time for greater freedom. Together with the remote working program, these systems aim to improve work-life balance and alleviate stress from commuting through rush hours, and thereby are also contributing to increase productivity.

Moreover, with the introduction of an undesignated desk system at the head office, it is now possible to flexibly choose a workplace according to the purpose and situation, which improves work efficiency and revitalizes communication. We are also working to improve the efficiency of internal meetings, and are working to shorten meeting times by reviewing the operation of meeting bodies, leading to a reduction in total working hours.

Health management

Based on the recognition that “the physical and mental health of employees is the source of corporate vitality”, Mitsubishi Paper Mills has declared that its management will collaborate with the health insurance union (Collaboration Health) to maintain and improve the health of its employees. Furthermore, we will extend these activities to the entire Mitsubishi Paper Mills Group and employees’ families, comprehensively promoting work-life balance, improving productivity, and creating a vibrant workplace.

| Examples of initiatives |
|--|
| <ul style="list-style-type: none">Stress check implementationExternal EAP (Employee Assistance Program) utilizationInfluenza vaccine cost subsidySubsidy for gynecological cancer screeningWalking campaign implemented (health maintenance and promotion) |

Securing and developing human resources to enhance corporate value

Training by rank

To develop human resources for achieving our management philosophy and management targets, we conduct rank-specific education that spans new employees to executive candidates. Rank-specific education aims to gradually enhance management skills by leveraging external institutions in addition to in-house training. Furthermore, through training by job level and compliance training, we are fostering a workplace culture that emphasizes compliance and integrity.

Personnel transfers and active promotion of job rotation

At our company, we assign responsible work from an early stage and actively promote personnel transfers/job rotation. In this process, by dispatching personnel to our bases in Europe, the U.S., and Asia, we also develop human resources with intercultural communication and global management skills.

Self-development/Skill improvement

To enhance employees’ motivation through the enhancement and utilization of their skills, we are working to enrich self-development through means including expanded allowances for obtaining qualifications, subsidies for the correspondence education programs, business skill courses (reskilling), and our English conversation study subsidy program. We also encourage participation in external courses to improve operational skills.

Mitsubishi Paper Mills’ human resource development system

| | New employees/young employees | Mid-level employees | Newly appointed managers | Section chiefs | General managers |
|---|--|------------------------|-----------------------------------|------------------------|--|
| Strengthening of management capabilities | | Core position training | Newly appointed manager training | Section chief training | General manager training/ Executive candidate training |
| Career development and skill improvement | New employee training/ Young employee training | | | | |
| | Job rotation, OJT | | | | |
| | Correspondence education assistance, reskilling | | | | |
| Fostering of climate of compliance and of inclusion awareness | | Female leader training | | | |
| | Compliance training | | | | |
| | Fostering of workplace culture through communication of human rights philosophy by compliance promotion leaders and others | | | | |
| Foundation for human resource development | Personnel system that conducts fair evaluations and draws out growth based on achievements, efforts, and capabilities | | | | |
| | | | Training for personnel evaluators | | |
| | Enhancement of work engagement through improvement of work environment | | | | |
| | Promotion of physical and mental health through transformation of the way we work and initiatives for prioritizing safety and health | | | | |

Occupational Safety and Health Initiatives

Thorough prioritization of safety

With the safety and health of everyone involved in the Mitsubishi Paper Mills Group’s business activities as our top priority, we aim to create an accident-free workplace environment where people can work with peace of mind. Toward this end, we have formulated a health and safety promotion plan with “Prioritizing Safety and Health” as its basic philosophy, and are advancing safety and health initiatives.

Occupational accident frequency rate (safety results)

The occupational accident frequency rate for the Mitsubishi Paper Mills Group (including cooperative associations) remained between 1.14 to 1.95 from 2019 and 2023. In 2024, it was 1.01 (Japan Paper Association occupational accident frequency rate: 2.09), marking the best safety record since 2019.

2024 Mitsubishi Paper Mills Group Safety and Health Promotion Plan

All employees working in the Mitsubishi Paper Mills Group will follow and enforce established rules, and advance initiatives to improve safety awareness and hazard sensitivity. In addition, top management of each division and workplace, together with the Head Office safety department, will cooperate to promote intrinsic safety of equipment and formulate safety guidelines, achieving top-level safety performance in the paper industry. Furthermore, based on the “Three Actuals Principle” of confirming reality at the actual site with actual objects for each work task, we are making it a habit to conduct near-miss and KYT (hazard prediction training) activities at worksites to invigorate safety activities.

Priority efforts to prevent industrial accidents

We will focus on the following four points in order to build a safety culture in which employees think for themselves about ensuring safety during work, and to foster a culture that promotes the visualization of danger.

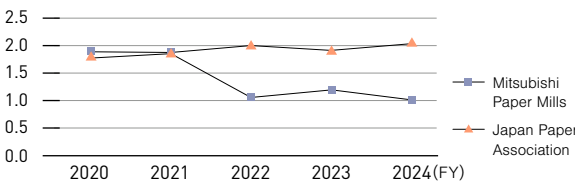
1. Inspection of measures implemented for past fatalities and serious industrial accidents
2. Activation of safety activities
3. Promotion of “making equipment inherently safer,” “visualization and digital transformation of hazards,” and “heat stroke countermeasures”

The Head Office and factory safety departments work together to promote safety activities, actively visiting work sites to conduct safety inspections and guidance, aiming to prevent similar accidents and to improve and energize safety activities.

2024 safety and health achievements

| | | |
|---------|--------------------------------------|--|
| Target | Number of deaths/serious accidents 0 | Decrease in occupational accident frequency rate 50% reduction by 2030 compared to 2020 (1.95) |
| Results | Number of deaths/serious accidents 0 | Occupational accident frequency rate 1.01 |

Occupational accident frequency rate (main body + cooperative association)



Basic Policy...
Aiming for zero accidents in the Mitsubishi Paper Mills Group based on the basic philosophy of “Prioritizing Safety and Health”

Slogan...
Let’s follow and enforce our rules, to ensure the safety of employees, cooperative associations, and temporary workers!

Priority target...
“Zero deaths or serious accidents, accident frequency rate below 0.65” (serious accidents: accidents involving danger to life)

Maintenance and improvement of mental and physical health

To protect mental and physical health, we have set management standards for long working hours and strengthened management to prevent overwork.

1) Mental and physical health management

- Prevention of long working hours and compliance with health management rules for all employees, including managers
- Recommendation of secondary health check-ups and specific health guidance for persons with findings indicated in regular health check-ups

2) Improving the workplace hygiene environment

- Inspection through workplace patrols and improvement of identified points

DX Strategy

We aim to improve work ease and productivity through company-wide DX promotion. In addition, we aim to develop/ provide useful and safe products and services to society, contribute to the realization of a sustainable society, and achieve our own sustainable growth.



To utilize DX, we are introducing the following digitalization and automation systems.

| Field | Details of introduction | Effect |
|-----------------------------------|---|--|
| Safety | • Location confirmation and safety confirmation support system for solo work | Ensures safety for solo work |
| | • AI camera system to detect people around forklifts | Prevention of accidents between vehicles and people |
| Quality | • Automatic collection of quality measurement data and shipment inspection report creation system | Prevention of data tampering, operational efficiency |
| | • Database for searching chemical hazards and legal regulations | Data sharing, operational efficiency |
| Disaster prevention | • Automatic measurement and abnormality detection system for conveyor bearing temperature/vibration | Fire prevention, operational efficiency |
| Transformation of the way we work | • Enhancement of mobile environment | Development of a work environment regardless of location |
| | • RPA tools | Improved productivity, operational efficiency |

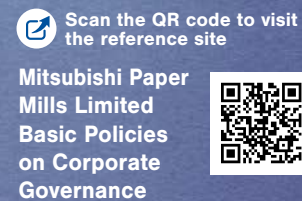
Going forward, we will continue the following initiatives to achieve our target goals.

| Target goals | Initiative details |
|--------------------------------------|--|
| Operational efficiency/ Optimization | <ul style="list-style-type: none">• Development of a digital environment to further promote work style reform• Expansion of the use of no-code/low-code tools and RPA• Promotion of generative AI usage• Visualization of manufacturing technology & data using IoT technology• Safety measures at manufacturing sites through IT utilization• Demand forecasting/Inventory optimization using data utilization |
| Digital infrastructure development | <ul style="list-style-type: none">• Promotion of modernization• Expansion of IoT device implementation• IT literacy education for Employees• Development of factory infrastructure for IT utilization• Strengthening security using AI• Secure and develop DX talent |

Governance

Corporate Governance as a Management Foundation

Mitsubishi Paper Mills' corporate activities are based on its corporate philosophy: "Earning the trust of customers in the global market", "Always be on the leading edge of technology", and "Contributing to the global environmental conservation and a recycling-based society". Based on this philosophy, the Group pursues corporate group management that values sustainable growth (sustainability) of our company and society, works to enhance management transparency, and boost corporate governance, all to achieve the sustainable growth of the Group and the medium- to long-term improvement of its corporate value.



Corporate Governance Framework

Our company has designated an independent company with an Audit & Supervisory Board as its organizational design. We have appointed multiple independent outside directors to create a system that allows the Board of Directors to adequately fulfill the roles required of it. We divide up the oversight and executive functions, adopting an executive officer system to limit the size of the Board of Directors, speed up decision-making on management, and define responsibilities for business execution. In addition, we have a Nomination and Remuneration Committee that, in the interest of maintaining objectivity and transparency in matters concerning executive appointment and remuneration, is chaired by an independent outside director and composed of a majority of Independent Outside Directors.

In addition to regular monthly Board of Directors meetings, special Board of Directors meetings are held as necessary to make decisions and supervise matters concerning those outlined by laws, regulations, and the Articles of Incorporation, as well as the execution of significant business. Our Audit & Supervisory Board, which also includes outside Audit & Supervisory Board members,

holds meetings periodically and as needed. As a general rule, we hold a management meeting once a week with executive officers and other management executives to discuss management policies, management strategies, and basic business strategies, aiming for prompt and optimal decision-making, thorough group governance, and sharing of important information.

In terms of business execution, we have adopted a division system, and we aim to strengthen our business execution system by giving each business division responsibility for earnings and authority. The scope of organizational responsibilities is always clarified through the division of duties regulations, and decisions are made appropriately based on the rules of the Board of Directors, its bylaws, and other company rules.

To advance group-wide management with a focus on sustainability, we have appointed a dedicated executive and established a Sustainability Promotion Committee chaired by the President. This cross-functional committee oversees all sustainability initiatives, formulates the basic policy and annual plans for sustainability promotion, and submits them for deliberation by the Board of Directors.

Directors and Audit & Supervisory Board Members

Directors



**Representative Director
President / CEO**
Ryuichi Kisaka
Strategy Planning Division
General Manager



**Representative Director
Senior Executive Vice
President**
Shigeharu Sanada
Corporate Governance Division
General Manager
Director responsible for
Sustainability Promotion



**Director
Managing Executive Officer**
Yuji Takagami
Sustainable Fiber Materials
Division General Manager
President, Mitsubishi Oji Paper
Sales Co., Ltd.



**Director
Managing Executive Officer**
Kunihiro Nakagawa
Functional Materials Division
General Manager
In Charge of Research and
Development Division
In Charge of Germany Business
Fuji Mill Manager



**Director
Managing Executive Officer**
Kazuhiro Nakauchi
Technology Division General
Manager
Research and Development
Division Deputy General Manager
President, Mitsubishi Paper
Engineering Co., Ltd.



Independent Outside Director
Atsuko Watanabe
Watanabe Sogo Law Office
Representative Attorney



Independent Outside Director
Soichi Nadahara
Former Chief Technology Officer
(CTO) of SCREEN Holdings Co.,
Ltd. Managing Director



Independent Outside Director
Yoshiyuki Shu
President and CEO of Core Value
Management Co., Ltd.

Audit & Supervisory Board Members



**Full-time Audit & Supervisory
Board Member**
Yasuyuki Kusuda



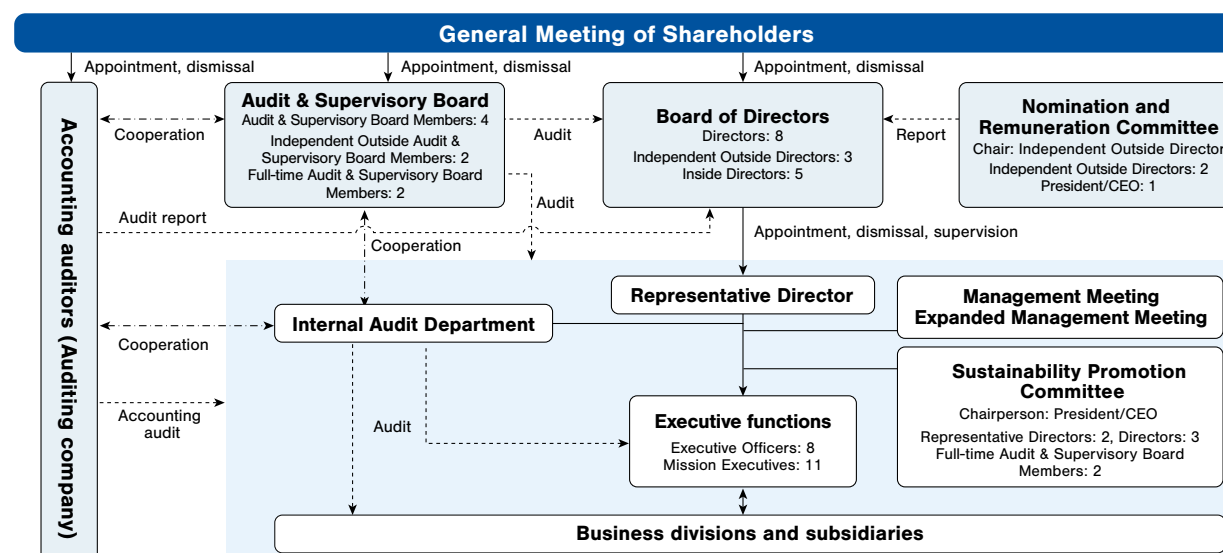
**Full-time Audit & Supervisory
Board Member, Independent
Outside Audit & Supervisory
Board Member**
Nobuko Otsuka
Former Full-time Audit &
Supervisory Board Member of Oji
Holdings Co., Ltd.



**Independent Outside Audit &
Supervisory Board Member**
Satoshi Takizawa
Advisor, Mitsubishi UFJ Trust
Business Co., Ltd.



**Independent Outside Audit &
Supervisory Board Member**
Toshiyuki Sumiyoshi
Chairman and CEO, Meiji
Yasuda Trading Co., Ltd.



Skill Matrix of Directors

To reliably carry out the transformation set forth in the Medium-Term Management Plan “130 Years as a “SHINKA” company and ever evolving” and achieve sustainable enhancement of corporate value, our directors are composed of personnel with diverse expertise and extensive experience. The knowledge possessed by each director is essential for supervising and promoting key strategies such as “Expansion of the Functional Materials Business,” “Improvement of profitability in the Sustainable Fiber Materials Business,” “Contribution to the global Environment,” and “Strengthening governance/Human capital management.” That knowledge is indispensable for overseeing and advancing these important strategies. The skill matrix demonstrates that the Board of Directors as a whole is well-balanced in its ability to address these strategic issues.

Skills required for Directors/Reasons for selection

| Skill items | Required skills | Reasons for selection |
|-------------------------------|---|--|
| Corporate Management | Extensive management experience, transformation of business portfolios, and high insight into strategic thinking | To strongly promote growth strategies and achieve sustainable enhancement of corporate value through accurate decision-making |
| Finance/Accounting | Advanced expertise and experience in financial strategy, capital policy, data analysis, etc. | To make strategic investments effective and achieve management goals such as ROE 10% while maintaining financial soundness |
| Manufacturing/Technology/R&D | Expertise in productivity improvement, new technologies/new product development, and innovation creation | To strengthen our competitiveness for the growth of the Functional Materials Business and securing profitability in the Sustainable Fiber Materials Business |
| Business/Sales | Deep knowledge and experience in marketing strategy and building sales networks | To increasing sales/profits and achieve the Medium-Term Management Plan goals/targets by developing global markets/expanding market share |
| Human Resources/Labor Affairs | Expertise and experience in appropriate recruitment/development of human resources, and labor management | To promote human resources management and build a talent strategy as the foundation for sustainable growth |
| Purchasing/Procurement | Extensive experience and knowledge in promoting sustainable procurement and optimizing costs | To respond to fluctuations in raw material prices and build/maintain a competitive supply chain, contributing to business continuity |
| Internationality | Global perspective and business experience in various countries/regions | To accelerate corporate growth by strengthening the operation of overseas bases and expanding business in global markets |
| Legal Affairs/Compliance | Deep expertise in domestic and international regulations, compliance, and risk management | To ensure social trust by further enhancing compliance/risk management levels based on legal compliance |
| ESG | Advanced knowledge in responding to climate change/recycling-based society and building relationships with stakeholders | To fulfill social responsibility by contributing to the global Environment, building and maintaining good relationships with stakeholders |

Main knowledge, experience, and abilities of individual directors

| Name | Corporate Management | Finance/Accounting | Manufacturing/Technology/R&D | Business/Sales | Human Resources/Labor Affairs | Purchasing/Procurement | Internationality | Legal Affairs/Compliance | ESG |
|---|----------------------|--------------------|------------------------------|----------------|-------------------------------|------------------------|------------------|--------------------------|-----|
| Ryuichi Kisaka Representative Director President/CEO, | ● | ● | ● | ● | | | ● | | ● |
| Shigeharu Sanada Representative Director, Senior Executive Vice President | ● | ● | | | ● | ● | ● | ● | ● |
| Yuji Takagami Director, Managing Executive Officer | | | ● | ● | | | | | |
| Kunihiro Nakagawa Director, Managing Executive Officer | | | ● | ● | | | | | |
| Kazuhiro Nakauchi Director, Managing Executive Officer | | | ● | | | | | | ● |
| Atsuko Watanabe Outside Director (Independent Director) | | | | | ● | | | ● | |
| Soichi Nadahara Outside Director (Independent Director) | ● | | ● | | | | ● | | |
| Yoshimi Shu Outside Director (Independent Director) | | ● | | | ● | | ● | ● | |

Outside officers

Director

Atsuko Watanabe (Born February 3, 1964)

| | |
|-------------|--|
| April 1996 | Registered as an attorney-at-law and joined Nagaishi Law Office |
| August 2010 | President, Watanabe Atsuko Law Office (current Watanabe General Law Office) (to present) |
| June 2021 | Outside Director, Hokkan Holdings Limited (to present) |
| June 2023 | Outside Director, MPM (to present) |

| | |
|--|---|
| Important positions concurrently held at other companies, etc. | President, Watanabe General Law Office Outside Director, Hokkan Holdings Limited |
| Board of Directors meetings attendance | Board of Directors meetings:100%(16/16) |

Director

Soichi Nadahara (Born December 2, 1957)

| | |
|--------------|--|
| April 1986 | Joined Toshiba Corporation |
| April 2001 | Group Manager, Processing Technology Promotion Center, Semiconductor Equipment Company, Toshiba Corporation |
| April 2004 | General Manager, Technical Administrative Division, Semiconductor Equipment Company, Dainippon Screen MFG. Co., Ltd. |
| October 2004 | Vice President, Semiconductor Equipment Company and General Manager, Technical Administrative Division, Dainippon Screen MFG. Co., Ltd. |
| April 2006 | Vice President, Semiconductor Equipment Company and Corporate Officer, Dainippon Screen MFG. Co., Ltd. |
| April 2011 | Vice President, Semiconductor Equipment Company and Senior Corporate Officer, Dainippon Screen MFG. Co., Ltd. |
| April 2013 | Senior Corporate Officer, Chief Technology Officer (CTO), General Manager, Technological Development Center, Dainippon Screen MFG. Co., Ltd. |
| June 2014 | Managing Director, CTO, Dainippon Screen MFG. Co., Ltd. |
| October 2014 | Managing Director, CTO, SCREEN Holdings Co., Ltd. |
| April 2021 | Managing Director, Senior Fellow, SCREEN Holdings Co., Ltd. |
| June 2021 | Senior Fellow, SCREEN Holdings Co., Ltd. |
| April 2023 | Advisory, SCREEN Holdings Co., Ltd. |
| June 2024 | Outside Director, MPM (to present) |

| | |
|--|--|
| Important positions concurrently held at other companies, etc. | Visiting professor, Nagoya University, Tokai National Higher Education and Research System Associate professor, Kyoto University of Advanced Science, Nagamori Gakuen |
| Board of Directors meetings attendance | Board of Directors meetings:100%(11/11) |

Director

Yoshimi Shu (Born March 7, 1969)

| | |
|---------------|--|
| August 2000 | Joined JPMorgan Securities Japan Co., Ltd. |
| June 2006 | Head of Tokyo Control Room, Compliance Department, JPMorgan Securities Japan Co., Ltd. |
| May 2012 | Managing Director, JPMorgan Securities Japan Co., Ltd. |
| October 2012 | Head of Japan Controls & Oversight Department, JPMorgan Securities Japan Co., Ltd. |
| February 2014 | Joined Core Value Management Co., Ltd. |
| November 2016 | Representative Director and Vice President, Core Value Management Co.,Ltd. |
| June 2019 | Outside Director, Mebuki Financial Group, Inc. (to present) |
| March 2022 | Representative Director and President, Core Value Management Co., Ltd. (to present) |
| December 2024 | Outside Director, Japan Business Systems, Inc. (to present) |
| June 2025 | Outside Director, MPM (to present) |

| | |
|--|--|
| Important positions concurrently held at other companies, etc. | Representative Director and President, Core Value Management Co., Ltd. Outside Director, Mebuki Financial Group, Inc. Outside Director, Japan Business Systems, Inc. |
|--|--|

Full-time Audit & Supervisory Board Member

Nobuko Otsuka (Born September 15, 1961)

| | |
|--------------|--|
| 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 | Full-time Audit & Supervisory Board Member, Oji Holdings Corporation |
| June 2023 | Full-time (outside) Audit & Supervisory Board Member, MPM (to present) |

| | |
|--|---|
| Board of Directors and Audit & Supervisory Board meetings attendance | Board of Directors meetings: 100% (16/16) Audit & Supervisory Board meetings: 100% (15/15) |
|--|---|

Audit & Supervisory Board Member

Satoshi Takizawa (Born June 21, 1961)

| | |
|------------|---|
| April 1984 | Joined Mitsubishi Trust and Banking Corporation (current Mitsubishi UFJ Trust and Banking Corporation) |
| June 2010 | Executive Officer and General Manager of Financial Planning Department, Mitsubishi UFJ Financial Group, Inc., Executive Officer, Mitsubishi UFJ Trust and Banking Corporation |
| June 2012 | Executive, Officer General Manager, Corporate Planning Department, Mitsubishi UFJ Trust and Banking Corporation |
| June 2013 | Managing Executive Officer, Mitsubishi UFJ Trust and Banking Corporation |
| June 2016 | Senior Executive Officer, General Manager, Mitsubishi UFJ Trust and Banking Corporation |
| April 2019 | President and Chief Executive officer, Mitsubishi UFJ Trust Business Co., Ltd. |
| June 2021 | Outside Audit & Supervisory Board Member, MPM (to present) |
| April 2025 | Advisor, Mitsubishi UFJ Trust Business Co., Ltd. (to present) |

| | |
|--|---|
| Important positions concurrently held at other companies, etc. | Advisor, Mitsubishi UFJ Trust Business Co., Ltd. |
| Board of Directors and Audit & Supervisory Board meetings attendance | Board of Directors meetings: 100% (16/16) Audit & Supervisory Board meetings: 100% (15/15) |

Audit & Supervisory Board Member

Toshiyuki Sumiyoshi (Born January 15, 1963)

| | |
|------------|--|
| April 1986 | Joined Meiji Life Insurance Company (now Meiji Yasuda Life Insurance Company) |
| April 2012 | General Manager, Yamaguchi Regional Office, Meiji Yasuda Life Insurance Company |
| April 2015 | General Manager, Corporate Agency Services Department, Meiji Yasuda Life Insurance Company |
| April 2017 | Operating Officer, General Manager of Human Resouces Department, Meiji Yasuda Life Insurance Company |
| April 2019 | Managing Executive Officer, Meiji Yasuda Life Insurance Company |
| April 2024 | Senior Managing Executive Officer, Meiji Yasuda Life Insurance Company |
| March 2025 | Retired as a Senior Managing Executive Officer, Meiji Yasuda Life Insurance Company |
| April 2025 | Representative Director and Chairman, Meijiyasuda Trading Co., Ltd. (to present) |
| June 2025 | Outside Audit & Supervisory Board Member, MPM (to present) |

| | |
|--|---|
| Important positions concurrently held at other companies, etc. | Representative Director and Chairman, Meijiyasuda Trading Co., Ltd. |
|--|---|

Nomination and Compensation Committee (Advisory body to the Board of Directors) —

In order to ensure the propriety of the appointment of officers and the determination of compensation, we have established a voluntary Nomination and Remuneration Committee and have established procedures for the committee to consider in advance any proposals that are to be deliberated by the Board of Directors. The Nomination and Remuneration Committee is comprised of two independent outside directors and one representative director, with a majority comprised of independent outside directors. An independent outside director serves as the chair.

| Members of the Nomination and Remuneration Committee (FY2025) | | |
|---|---------------------------|--------------------------------|
| Independent Outside Director | | Representative Director |
| Outside Director Watanabe (Chair) | Outside Director Nadahara | Representative Director Kisaka |

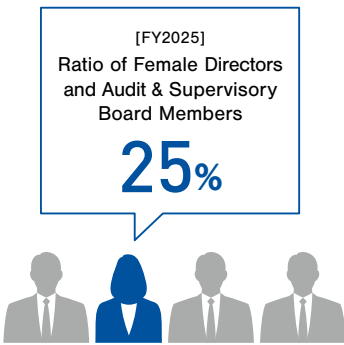
*Chair is appointed from independent outside directors

| Main roles and authority of the Nomination and Remuneration Committee |
|---|
| <div><div>■ Examining the appropriateness of the following proposals to be deliberated by the Board of Directors and reporting the results of the examination</div><div><div>• Nomination of director and auditor candidates</div><div>• Appointment and dismissal of executive officers and mission executives</div><div>• Policy regarding executive compensation</div><div>• Details of individual compensation</div></div></div> <div>■ Discussion and examination of CEO succession planning</div> |

About the appointment and dismissal of directors

The Basic Corporate Governance Policy stipulates that the Nomination and Remuneration Committee will consider the appropriateness of nominations for director and auditor candidates, appointment and dismissal of representative directors, executive directors, executive officers, and mission executives, and will report to the Board of Directors.

From the perspective of diversity & inclusion, we appointed women in outside director and Standing Audit & Supervisory Board member positions in FY2023, and a woman for executive officer in FY2024. Furthermore, in FY2025, we will increase the number of female outside directors by one, resulting in a female ratio of 25% among Directors and Audit & Supervisory Board Members.



Succession planning

In order to continuously secure management personnel who contribute to our company's medium- to long-term growth and enhancement of corporate value, the Nomination and Remuneration Committee discusses succession planning for the President and other executives annually and as needed, and reports the details to the Board of Directors. Based on the discussions of the Nomination and Remuneration Committee, the Board of Directors appropriately supervises the succession plan by annually and as needed considering the qualities required of successors to the President and others, as well as their career paths until appointment, in light of our group's management philosophy and strategies.



Policy regarding executive remuneration and its implementation

Our company has established in its basic policy on corporate governance in a way that the remuneration for directors, executive officers, and mission executives should be appropriate, fair, and well-balanced to motivate sustainable growth and enhancement of medium- to long-term corporate value. The content is consulted with the Nomination and Remuneration Committee, which is chaired by an independent outside director and consists of a majority of independent outside directors, and is resolved by the Board of Directors.

The remuneration for directors (excluding outside and part-time directors) consists of monetary compensation and stock compensation. The monetary compensation is determined based on the company's performance in the previous fiscal year and individual executive evaluations. Stock compensation consists of a "fixed portion" that is not linked to performance and a "performance-linked portion" that is linked to performance, both of which are, in principle, granted upon retirement. For outside directors and part-time directors, stock-based compensation is not granted; only fixed monetary compensation is provided, based on considerations of their independence and their involvement in business execution.

The total amount of compensation for directors, etc. is capped at 280 million yen per year for monetary compensation and 600,000 points per year for stock

compensation (1 point = 1 share of our company stock), as resolved at the General Meeting of Shareholders.

Regarding individual compensation, the Board of Directors decides it based on the results of deliberations at the Nomination and Remuneration Committee held in January 2024, and operates in accordance with this policy.

In line with the sales expansion strategy set forth in our group's new Medium-Term Management Plan, and to further enhance awareness of contributing to medium- to long-term performance improvement and corporate value enhancement, we have changed the performance evaluation indicators for the stock compensation system from the single evaluator of consolidated operating income to consolidated sales and consolidated operating income, effective for compensation from April 2025.

The performance-linked portion of stock compensation is calculated based on the achievement level of each target, and the number of points is determined based on the average acquisition price of our company stock through the trust. The target values are resolved by the Board of Directors for each fiscal year.

We will continue to strive to enhance corporate value by motivating executives appropriately for our company's growth and operating a highly transparent compensation system.

Composition Ratio of Performance-Linked Compensation and Non-Performance-Linked Compensation

| Category | Monetary compensation | Stock compensation | | | Total |
|---|-----------------------|--------------------|--------------------|------------------|-------|
| | | Fixed | Performance linked | | |
| | | | Sales | Operating income | |
| Directors, Executive Officers, Mission Executives (excluding outside/part-time, etc.) | 78% | 11% | 5.5% | 5.5% | 100% |
| Outside/Part-time Directors | 100% | — | — | — | 100% |

Total Remuneration by Executive Category, by Type of Remuneration, and Number of Officers Covered

| Executive category | Total amount of compensation, etc. (million yen) | Total amount by type of compensation, etc. (million yen) | | | | | Number of eligible executives (persons) |
|---|--|--|-----------------------------------|--|-----------------------|--------------------|---|
| | | Monetary compensation | Stock compensation | | Cash plan | Retirement benefit | |
| | | | Non-monetary compensation (fixed) | Non-monetary compensation (performance linked) | Monetary compensation | | |
| Directors (excluding outside directors) | 159 | 126 | 17 | 8 | 7 | — | 6 |
| Audit & Supervisory Board Members (excluding outside audit & supervisory board members) | 19 | 19 | — | — | — | — | 1 |
| Outside executives | 58 | 58 | — | — | — | — | 7 |

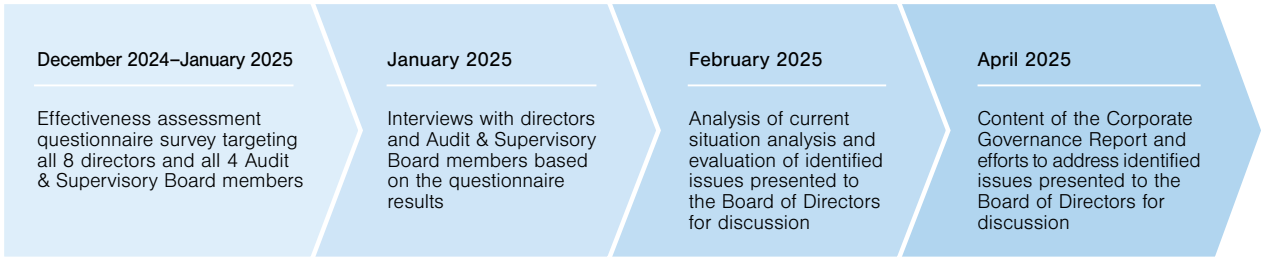
Note: The above table includes the amount of compensation, etc. during the term of one director and one outside executive who retired at the conclusion of the 159th Ordinary General Meeting of Shareholders held on June 27, 2024.

The total amounts of stock compensation and cash plan above are the total amounts recorded as expenses in the current fiscal year. The performance-linked portion of stock compensation and cash plan will be finalized after the end of the fiscal year based on the achievement level of the actual consolidated operating profit target. In the current fiscal year, for one director who retired in June 2024, monetary compensation equivalent to 15,319 shares of our company stock was provided under the cash plan system.

Assessments of the Board of Directors Effectiveness

The Board of Directors conducts questionnaires and interviews for directors and Audit & Supervisory Board members to analyze and evaluate the effectiveness of the Board of Directors as a whole. An overview is provided below. The Board of Directors shares its current understanding and, through initiatives to identify issues and further enhance the functions of the Board of Directors, will continuously strive to improve the effectiveness of the Board of Directors.

Evaluation process



- Evaluation items
- ① Composition of the Board of Directors (Number of members, skills possessed, diversity)

② Operation of the Board of Directors (Meeting frequency, proceedings, materials, information provision system)

③ Functions of the Board of Directors (discussions in Board of Directors meetings, status of execution of work, mutual supervision of directors, committee functions)

④ Other (status of improvement of issues identified in the previous fiscal year’s effectiveness assessment)

FY2024 General Evaluation

As a result of the evaluation from the perspectives of the Composition of the Board of Directors, the Operation of the Board of Directors, and the Functions of the Board of Directors, this company’s Board of Directors has been able to appropriately fulfill its expected roles and functions. Furthermore, since a certain degree of improvement has been made with regard to the issues identified in the previous year’s evaluation, it can be said that the effectiveness has been ensured.

| | |
|---|--|
| ① Composition of the Board of Directors | Given the current scale of our company, the number of members and the ratio of internal and outside executives are considered appropriate for fulfilling the functions of the Board of Directors, and each member generally possesses sufficient skills. In terms of board diversity, the reappointment of a female outside director and the continued presence of a female outside audit & supervisory board member ensure the maintenance of a two-member female representation structure and a female ratio of 16.7%*. In addition, the appointment of an outside director with international experience specializing in research and technology has furthered diversity and invigorated discussions. Going forward, we will work to develop internal executives with diverse backgrounds, including women, by enhancing our internal executive training system. * From June 27, 2025, there will be three females serving in director + Audit & Supervisory Board member roles (female ratio of 25%) |
| ② Operation of the Board of Directors | The frequency of meetings, the management of proceedings, and tracing of items to be resolved are generally being carried out appropriately. In particular, the outside officer management briefing sessions have improved the information sharing system with outside officers, and sufficient Q&A is conducted in advance, which is evaluated as contributing to the activation of discussions and improvement of the quality of deliberations in the Board of Directors. Regarding agenda items, for example, we repeatedly discussed responses and recurrence prevention measures for the quality impropriety case related to heat-resistant press boards, for which a special investigative committee was established in May 2024, and matters of interest to outside executives are reported as appropriate. Furthermore, efforts by the chair to create an atmosphere where people can speak freely and the holding of briefings on issues and themes related to research and development have been positively evaluated by outside executives. |

| | |
|---------------------------------------|---|
| ③ Functions of the Board of Directors | As in the previous year, supervision of the status of business execution by the executive side, mutual monitoring among directors, governance regarding compensation, discussions from the stakeholder perspective, and discussions aimed at realizing sustainability management that contributes to enhancing corporate value are generally functioning appropriately. On the other hand, it was recognized that further enhancement is needed for discussions on medium- to long-term management strategies such as business portfolio management and allocation of management resources with awareness of capital cost and stock price, as well as discussions on human resource strategies linked to management strategies. Although “management with awareness of capital cost and stock price” continues to be considered as in the previous year, further appropriate disclosure from the perspective of investors is required. Regarding human resources, it is necessary to conduct discussions with a proactive approach that is comprehensively linked to management strategies. |
| ④ Other | The creation of the “Shareholders’ Forest” and SR/IR activities such as the “Research and Development IR Briefing” can be evaluated as stakeholder engagement. However, as a Prime Market-listed company, there is room for ingenuity and improvement in dialogue with shareholders and SR/IR activities for institutional investors and analysts, and it is necessary to deepen discussions at the Board of Directors. Additionally, while opportunities for off-site exchanges of opinions have promoted the sharing of issues among directors and further revitalized the Board of Directors, strengthening continuous follow-up on medium- to long-term matters discussed by the Board of Directors has been identified as a challenge. Furthermore, it is necessary to further advance monitoring methods through appropriate goal setting, such as key performance indicators (KPIs), and at the same time, strengthen group management through regular factual reporting on streamlined subsidiary management. |

Improvement status of issues identified in the previous year’s effectiveness evaluation

Regarding the issues identified in the previous fiscal year’s effectiveness assessment (① Monitoring the Medium-Term Management Plan and discussing the formulation of the Medium-Term Management Plan, ② Deepening discussions on sustainability issues, ③ Enhancing discussions on human resources strategies), the evaluation is as follows.

| | |
|--|---|
| ① Monitoring the Medium-Term Management Plan and discussing the formulation of the Medium-Term Management Plan | Monitoring of the Medium-Term Management Plan has improved compared to the previous year and is generally appropriate. Regarding the formulation of the Medium-Term Management Plan, there was an interim report during the creation process, and further deepening of discussions will be pursued going forward. |
| ② Deepening discussions on sustainability issues | Although discussions on the achievements and challenges of sustainability promotion activities have improved since last year, in order to further enhance effectiveness, it is necessary to advance discussions on specific measures. |
| ③ Enhancing discussions on human resources strategies | While a full range of human resources challenges has been identified, strategic formulation and revision must reflect evolving labor market dynamics and shifts in social structure. In order to secure sustainable human resources and improve employee engagement, enhance working conditions and treatment, and develop systems for human resources development, it is necessary to continuously discuss comprehensive human resources strategy linked to management strategy. |

Extracted issues and initiatives

Based on the results of the evaluation above, we have identified the following challenges to improve corporate value and further enhance the functionality of the Board of Directors, and will proceed with initiatives to address them.

1. Deepening discussions on comprehensive human resources strategy linked to management strategy
2. Confirm the implementation status of the Medium-Term Management Plan
3. Strengthen information sharing and supervision regarding subsidiaries
4. Monitoring the systems and operations concerning quality assurance

Discussion

01

Outside Director

Atsuko Watanabe

Outside Director

Soichi Nadahara

Outside Director

Yoshimi Shu

Emerging from a period of transformation to shape the future

As our company drives transformation toward sustainable growth, we are committed to further strengthening our governance structure to simultaneously enhance corporate value and contribute to a sustainable society. In this roundtable discussion, outside directors with different areas of expertise talk about the company’s journey so far and future prospects.

Looking back on FY2024 and changes in management

Watanabe Since President Kisaka took office in 2022, structural reforms have been advanced at our company under his leadership. Specific examples of structural reforms include the integration of group companies and withdrawal from unprofitable businesses. Through these structural reforms over the past few years, I recognize that the company has built a solid foundation and is now prepared to make a significant leap forward as we approach the 130th anniversary of Mitsubishi Paper Mills. Additionally, our Board of Directors is composed of highly diverse members. As both the President and Vice President were recruited from outside the company, there is a strong attitude of actively incorporating external opinions, making the Board of Directors a consistently lively forum for discussion. I felt this vibrant atmosphere from the time I was appointed as a director two years ago. Last year, with the addition of Mr. Nadahara, who has been active in the semiconductor industry, I feel that the discussions have gained even greater depth and new perspectives.

Nadahara I have been serving as Outside Director since last year, and under President Kisaka’s leadership, the “Selection and Concentration” strategies has progressed, resulting in significant changes. In particular, the shift toward proactive investment has been impressive. I feel that the company has moved from a repair-driven investment approach — ‘fix it because it’s broken’ — to one that emphasizes building for the future. This shift in mindset

represents the most critical step toward the company’s next stage of growth, and I believe it will directly link with the goals of our Medium-Term Management Plan and hold strong expectations for the impact of this transformation.

Frankly speaking, this past year has been a year of learning for me in the paper and pulp sector. From my perspective based on 40 years in the semiconductor industry, the paper and pulp industry seems to be quite conservative. The semiconductor industry is a tough world where rapid innovation is always required based on Moore’s Law, which doubles the integration of semiconductor circuits every two years, and even a slight pause in development can quickly place a company behind the competition. Mitsubishi Paper Mills is now aiming to expand new businesses using functional materials. I have high expectations for this approach and hope my experience can contribute to development, sales, and manufacturing practices. In the Functional Materials Business, we will be dealing with markets and customers that are different from those we have dealt with before. I believe that the customer-oriented development style and the know-how for speedy business development cultivated in the semiconductor industry can be leveraged here.

Watanabe Our Board of Directors is diverse and engages in very active discussions. Hearing the insights of individuals like Mr. Nadahara, who has thrived in the fast-paced semiconductor industry, inspires a growing awareness that our company also has the potential for greater growth. Under the Medium-Term Management Plan starting in April 2025, I believe it will serve as a strong source of motivation



From left to right: Atsuko Watanabe, Yoshimi Shu, Soichi Nadahara

for both the executive team aiming to enhance technological capabilities and expand market share, as well as for us outside directors. I hope that the proactive mindset of top management will permeate from the Board of Directors throughout the company, including research and development, manufacturing, and sales departments.

Shu My career has been rooted in the financial sector with a longstanding focus on finance and consulting. That said, I have limited knowledge of the manufacturing industry and feel there is much I need to learn. Recently, I had the opportunity to tour a factory where I witnessed the integrated production process where massive equipment is used to turn raw pulp into paper. I was deeply impressed by the scale and the depth of technology involved. Just being able to understand the integrated paper production process was an extremely valuable experience. Leveraging my experience, I intend to focus first on thoroughly understanding this industry.

Enhancing the effectiveness of the Board of Directors and strengthening governance

Watanabe The company holds outside officer management briefing sessions for outside officers about twice a month prior to the Board of Directors meetings. This is a forum where we receive detailed explanations in advance about matters to be discussed at the Board of Directors. This enables us to attend Board of Directors meetings with sufficient knowledge, and the company also takes into consideration the opinions we express at the briefings. As a result, I feel that the company is conducting executive management with a high degree of sincerity. Additionally, for long-term projects, we are provided with progress reports in the form of summary tables, ensuring that issues are not left unattended. The system that allows us to continuously follow up on matters discussed once is extremely important for improving the quality of monitoring.

The Nomination and Remuneration Committee operates on a voluntary basis and is not mandated by the Companies Act. This year, the rules of the Nomination and Remuneration Committee were revised by resolution of the Board of Directors. The majority of committee members are now outside



directors and the chair is also appointed by the Board of Directors. Through this, I believe the independence of the committee has increased and the oversight by the Board of Directors has become stronger. Deciding executive appointments and remuneration through a highly objective and transparent process is the foundation of corporate governance, and this reform greatly contributes to its strengthening.

Nadahara As Mr. Watanabe mentioned earlier, the briefings for outside officers are extremely beneficial. Not only outside directors but also outside auditors participate, and there are lively Q&A sessions among a very diverse group of members, including lawyers, finance, insurance, and technical experts like myself. Because questions are asked from each member’s professional perspective, we can delve into each agenda item from multiple angles, greatly improving the quality of the discussions. At the Board of Directors meetings, the President creates an atmosphere where it is very easy to ask questions, so candid opinions are expressed by each officer. I believe the Board of Directors is not merely a formal body but rather a highly transparent and functional body where discussions are held based on thorough prior briefings and a solid understanding of the issues.

Regarding the effectiveness evaluation of the Board of Directors, evaluators provide quite detailed opinions using the free comment section of the evaluation form rather than just giving scores. Therefore, I feel there is a truly effective improvement cycle in place. Because I see the company sincerely embracing the evaluation results and striving to reflect them in next year’s

operations, we too are encouraged to actively offer constructive feedback.

Shu The materials for the briefings held prior to Board of Directors meetings are carefully prepared, Q&A sessions are lively, and I perceive the company’s responses as being sincere. The relevant departments respond earnestly, even to the smallest of inquiries. I believe that this accumulation of such efforts builds a relationship of trust between management and outside officers.

Expectations for and monitoring of the Medium-Term Management Plan

Watanabe I have heard that the Medium-Term Management Plan was created not through a top-down approach but through repeated dialogue with employees on the front lines. As a result, I am sure that everyone on the front lines is motivated to achieve it. In a large organization, the Medium-Term Management Plan cannot be achieved by individual effort alone. To achieve our goals, it is essential that all departments, including R&D, manufacturing, and sales, along with the company as a whole unite with shared intent and ingenuity. We intend to closely monitor the progress of these efforts. If the plan’s progress is unsatisfactory, it is also our important role to thoroughly analyze the causes and encourage corrective action.

Nadahara The Medium-Term Management Plan is a highly promising initiative that marks a major shift from paper pulp to functional materials. However, there will likely be aspects of the detailed measures that will be developed as we move forward. I would like to carefully



examine the specific measures for implementing this plan and actively offer advice wherever I can contribute. In particular, the key to this plan is the research and development system. The semiconductor industry has always been a world that demands innovation. I hope to support more active discussions at the Board of Directors about the enthusiasm and innovative ideas from the field, such as requests from the Research and Development department for more people and funding to pursue new initiatives. By doing so, I feel that the “SHINKA” aspect of this plan will be realized in its true sense.

Shu While I am still in the process of grasping the overall picture, I want to closely examine whether the conditions necessary for the growth strategy presented by management are properly in place. Specifically, key considerations are whether the necessary talent and financial resources to execute the plan are sufficiently secured and whether the plan aligns with shareholder expectations. I believe it is the role of outside directors to objectively evaluate the feasibility of the strategy and, if necessary, encourage alternative plans or risk hedging measures. From a long-term perspective, I hope to contribute to bold decision-making and the open communication and evaluation necessary to support the plan.

Dialogue with stakeholders and future outlook

Watanabe Corporate stakeholders have diverse positions and perspectives, but the common goal is to help this company grow. As a lawyer who has handled business revitalization, I have experience coordinating efforts among stakeholders and hope to contribute by facilitating discussions that balance the interests of the company and its diverse stakeholders through constructive dialogue, driving progress toward growth. Although the company’s IR activities are still in the developmental stage, with the establishment of a new department, they are expected to become more robust going forward. I hope that more investors will participate in events such as financial results briefings, and that these opportunities for direct dialogue between top management and investors will lead to deeper, constructive discussions. We sincerely accept even the harsh opinions from shareholders and investors and use them to improve our management. That very process of dialogue is essential for enhancing corporate value.

Nadahara Regarding dialogue with stakeholders,



I feel that as we shift from paper and pulp to new functional materials through “SHINKA”, we also need to change how we communicate with customers and investors. Unlike our previous paper products, I believe that functional materials will increasingly involve B2B business elements. In addition to dialogue with shareholders and investors, we need to build even closer relationships by deeply engaging with customers’ challenges and jointly developing solutions. I would like to leverage the customer-focused product development and dialogue know-how I gained in the semiconductor industry at Mitsubishi Paper Mills.

Shu I recognize that the industry to which Mitsubishi Paper Mills belongs is facing challenging business conditions. That is precisely why I believe that, although the shift to functional materials is a difficult path, it is necessary to proceed carefully and steadily. The validity of the choices regarding which areas to focus management resources on will greatly influence the company’s future. It is essential to calmly assess market growth potential and our own strengths, and to set a clear focus. It is important to take a long-term perspective, make bold decisions, and engage in open-minded communication and evaluation with shareholders for that purpose. I also hope to contribute to ensuring that such communication between shareholders and the company is always maintained and developed.

Discussion

02

Outside Audit & Supervisory Board Member

Satoshi Takizawa

Full-time Audit & Supervisory Board Member, Outside Audit & Supervisory Board Member

Nobuko Otsuka

Outside Audit & Supervisory Board Member

Toshiyuki Sumiyoshi

Auditing the transformation of Mitsubishi Paper Mills as it experiences “SHINKA”

The Audit & Supervisory Board watches over the company’s sustainable growth while looking ahead toward the 130th anniversary of our founding.

Outside Audit & Supervisory Board Members discuss building a strong governance system to support that transformation.

Reflections on FY2024 audit activities—Key themes during organizational transformation

Takizawa Last year marked my fourth year as an Outside Audit & Supervisory Board Member. Looking back on last year’s activities, I feel that I visited factories and subsidiaries very actively. After all, going to the front lines and hearing directly from those working there is extremely valuable. Of course, there are many challenges, but I see them as opportunities for future growth. I aim to foster open communication with frontline employees, emphasizing that constructive feedback leads to organizational improvement. A key strength of the Audit & Supervisory Board is that it consists of four members, two full-time and two part-time members, each with a different background. This enabled us to have organic discussions and gain valuable insights from each other. The main focus last year was on defensive measures, such as analyzing the causes of inappropriate incidents and implementing recurrence prevention measures, as there were such cases. At the same time, we also paid close attention to the process of formulating the Medium-Term Management Plan and checked whether future-oriented discussions were taking place. Last year, we broadened the audit scope to cover subsidiaries, which is a departure from previous practice. I would like to expand it even further in the future.

Otsuka In my first year after being appointed, I worked to understand the overall picture of the

company, and in my second year, which was last year, I conducted audits that delved deeper into areas of concern. Also, last year was the final year of the previous Medium-Term Management Plan and the period for formulating the new Medium-Term Management Plan. I had the opportunity to carefully observe the three-year summary by the executive team, the new vision and discussions regarding the Medium-Term Management Plan, and the decision-making process that led to its finalization. Being able to objectively monitor the entire process in real time was a strength of being full-time and became a very valuable experience. Another major theme was the quality inspection fraud issue that came to light last year. The Audit & Supervisory Board spent the year closely monitoring responses to stakeholders, internal reflection and recurrence prevention efforts, the progress of the special investigation committee’s investigation, and the points raised.

Takizawa Audit themes are determined according to conditions at the time. In addition to responding to cases of impropriety last year, we also included universal themes such as safety management, industrial accident countermeasures, governance, and compliance as audit subjects. On top of that, we select new themes each year based on the issues of the year. Audits by Audit & Supervisory Board Members cover not only financial audits but also whether the execution of duties by management is being carried out appropriately, including non-financial areas. I do not limit the scope of audits to “legality” but also broaden my perspective to include “appropriateness.”

I believe these two are inherently connected, and I frankly raise various issues and questions.

Otsuka The Audit & Supervisory Board is responsible for monitoring the governance of the entire corporate group. For that purpose, we supervise the overall execution of duties by the Board of Directors and look at the company’s issues from a broad perspective. On the other hand, it is also very important that ideas are shared bidirectionally between those working on the front lines and management. Therefore, I strive to gather information by listening directly to people in the same way as Mr. Takizawa does. Since each Audit & Supervisory Board Member has expertise in areas such as management, finance, HR/IR, manufacturing technology, tax accounting, and sustainability, and each brings and shares themes of interest, I believe that the strength of our Audit & Supervisory Board lies in setting well-balanced audit themes as a whole.

Sumiyoshi For a company, steadily strengthening its governance system is considered a prerequisite for earning the trust of stakeholders. As I take on the new role of outside Audit & Supervisory Board Member, I hope to fulfill this responsibility by drawing on my management experience in general business. In addition, I have a strong interest in our company’s revenue structure. I find myself genuinely questioning why the paper industry, despite its critical role in supporting everyday life and social infrastructure, continues to exhibit low profitability with few companies

trading at a PBR above 1. I have heard, thanks to the structural reforms in the previous Medium-Term Management Plan, that the company has become much leaner. Therefore, I would like to be actively involved from the perspective of an Audit & Supervisory Board Member in achieving the challenging goals set forth in the Medium-Term Management Plan.

Addressing quality concerns—Insights and oversight by Audit & Supervisory Board Members

Sumiyoshi To put it simply, regarding the quality impropriety case, the company lacked a firm internal compass. I believe that messages from top management did not fully permeate the organization. Although the situation was regrettable, it surfaced as a byproduct of structural reform efforts, which may have been a blessing in disguise. Nevertheless, it is clear that such incidents must never occur for a manufacturer supporting essential infrastructure. Of course, measures to prevent recurrence have been announced, but what is important is that these do not remain just a formal framework. Unless the awareness of employees is fundamentally improved and permeates each individual and the organization, I believe this type of problem will be repeated. If that happens, it could shake the very management of the company. We must not forget this lesson, and I believe we should continue



From left to Nobuko Otsuka, Toshiyuki Sumiyoshi, Satoshi Takizawa

to provide educational opportunities to repeatedly reinforce what is important for the company and what we should rely on.

Takizawa Inappropriate conduct leading to the quality-related impropriety had been ongoing for over 40 years, making it extremely difficult to ascertain the facts due to the long period involved. I believe the special investigation committee did everything possible in their investigation, including surveys of those involved, interviews with parties including retirees, and data forensics. As a result, the facts became much clearer. During the investigation, the executive side also had to explain the situation to business partners and confirm product safety in parallel, which must have been very challenging. However, they took this issue very seriously and addressed it sincerely with a customer-first attitude. The framework for preventing recurrence is now in place, but this is only the initial step. We will continue to assess whether the core elements of these initiatives are being translated into meaningful action. The root of this problem is also related to the company's corporate culture, an inherently open-ended domain with no definitive endpoint. Since last year, the entire company has been working on a “Credo (Code of Conduct) Creation Project,” something that I hope will foster a sense of unity and drive cultural reform.

Otsuka This issue came to light as part of the structural reforms that formed a core pillar of the previous Medium-Term Management Plan, and in a way, I see it as a “fruit” that those reforms have borne. Over the past year, I believe it was very positive that the Board of Directors, together with employees on front lines, were able to respond as one company while

listening to the advice of various experts. I also believe that timely information sharing with outside directors and Audit & Supervisory Board Members, and the ability to input advice from various perspectives, led to an appropriate response. I would be grateful if you could sense even a little of the company's sincere attitude.

This issue was not so much the result of malicious intent, but rather an example of how, within the organizational culture of hierarchy and work practices, things gradually went in the wrong direction without anyone noticing. This incident must serve as a good opportunity for everyone at Mitsubishi Paper Mills to change. I am once again reminded that it is the job of Audit & Supervisory Board Members to continue to watch over the company so that this reflection and momentum do not fade away.

Expectations for and monitoring of the Medium-Term Management Plan

Sumiyoshi If I had to choose just one thing to focus on in the upcoming Medium-Term Management Plan, I would focus on human resources. Strategies and tactics need to be flexibly changed in response to environmental changes, but ultimately, it is people who ensure this happens. I strongly feel that this Medium-Term Management Plan also places great emphasis on investment in Human Resources. I have heard that the company has a strong advantage in the area of research and development. In a red ocean market, it is undoubtedly human resources who will take the lead in creating blue ocean conditions. That is why I want to pay the most attention to how the awareness and actions of human resources will change and who will take on those roles for change. I also hope to hear many candid opinions through dialogue with everyone.

Takizawa This Medium-Term Management Plan was formulated looking toward the 130th anniversary of the company's founding in 2028. I see this plan as a product of constructive alignment between the top's strategic intent and the operational insights from the field. In particular, the keyword “SHINKA” has a positive ring to it, and I believe it has the power to lead the entire company forward. Research and development, which serves as a pillar of this plan, is truly an area where people are crucial. Unless we successfully integrate both product-out (company-driven) and market-in (customer-driven) approaches, research and development will not bear fruit. Solving customer issues swiftly begins with listening to their



issues out in the field. That is why research and development personnel must not isolate themselves in company labs but instead take initiative to connect with customers externally. This year, as an audit theme, I would also like to thoroughly examine the structure of research and development departments and the evaluation system for researchers.

Otsuka The paper and pulp industry has long sought to coexist in harmony with the global environment. Our company specializes in products that impart unique functions to paper materials, and we are committed to contributing to society by leveraging our strengths. In today's world, where environmental considerations are strongly demanded, it is truly an era in which Mitsubishi Paper Mills' manufacturing and philosophy can demonstrate their full potential, and I believe this is reflected in the Medium-Term Management Plan. Research and development leads the way, various workplaces receive the baton and make it a reality, and ultimately, it is people who use their minds and hands to get things done. It is important to build a solid foundation for these people to grow. In the Medium-Term Management Plan, as an Outside Audit & Supervisory Board member, I would like to both oversee the strategies and risk-taking promoted by management through both defensive and proactive audits, and remind everyone that it is essential for people to feel comfortable and truly undergo “SHINKA” together as partners contributing to society.

Future outlook of the company

Otsuka My background includes experience in government agencies, consulting, and business corporations, as well as the unique perspectives and diverse individuality that come with being a woman. I believe that all of these experiences have given me a

third-party perspective, which I am able to utilize in my current role as an expert in audit and investigation. I believe that there are two aspects to providing advice: assurance and consulting, and I consider both to be important. Each Audit & Supervisory Board member utilizes their own strengths, engages in discussions and consolidation at the Audit & Supervisory Board, and values organizing and making recommendations on what should be said to the company.

Takizawa Needless to say, Audit & Supervisory Board members are appointed by the shareholders. As an outside Audit & Supervisory Board member, I always strive to view the company objectively from an independent standpoint. I will also pay attention to whether the Corporate Department is functioning as it should and cooperating effectively with the front lines, and whether the company as a whole is operating smoothly and without hindrance. This fiscal year as well, I intend to continue audit activities from these two perspectives.

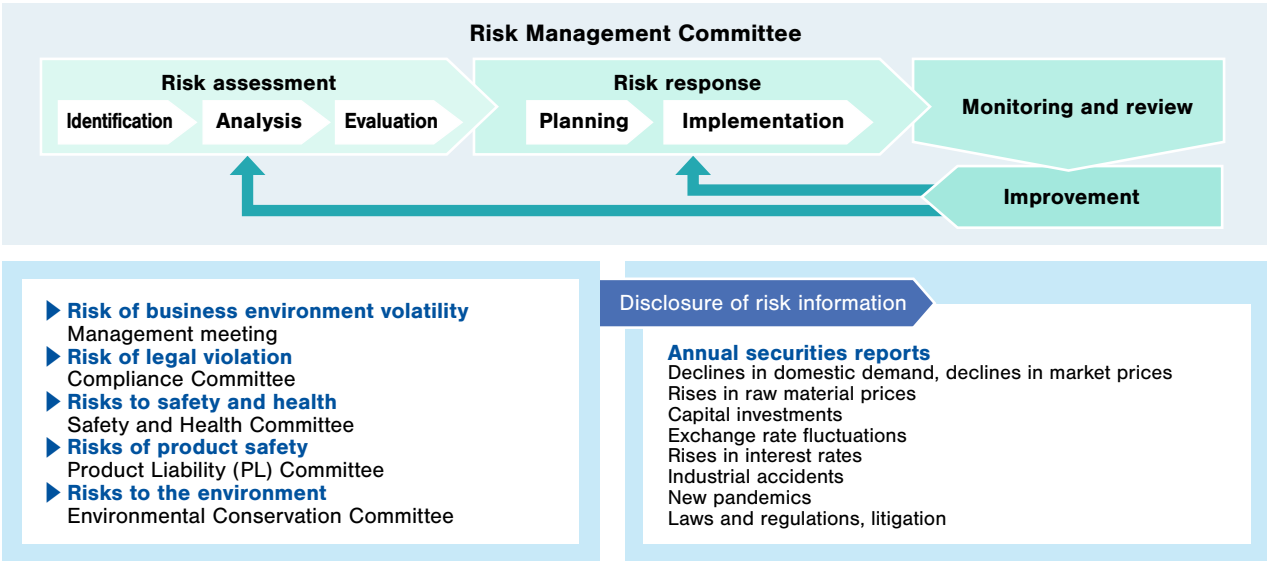
Sumiyoshi First of all, I would like to start by gaining an overall understanding of the company so that I can function effectively as an Outside Audit & Supervisory Board member of Mitsubishi Paper Mills. On top of that, what I value most is dialogue with employees. I have a strong desire to experience Mitsubishi Paper Mills' culture and values through dialogue. And now a highly challenging Medium-Term Management Plan has begun. Going forward, active discussions toward its implementation will likely take by the Board of Directors and through other forums. From my position as an Outside Audit & Supervisory Board member, I hope to contribute to the company's transformation by being fully involved in the decision-making process.



Risk Management

Under the sustainability promotion system, the Risk Management Committee and the Risk Management Department oversee risk management for the entire group. Each department is engaged in various risk management and strengthening measures, such as developing rules and manuals to address related risks, building and training for preventive systems, and formulating measures to prevent recurrence when problems arise.

Risk Management System



Risk management is carried out according to the following continuous process.

(1) Risk Assessment (identification, analysis, and evaluation)

① Identification: Identify risks associated with business activities from a broad perspective.

② Analysis: Examine and analyze the nature of identified risks, the degree of impact on our group, and the likelihood of occurrence.

③ Evaluation: Determine the importance and set priorities based on the results of the analysis.

(2) Risk response

Develop and implement countermeasures (avoidance, probability reduction, and response measures in case of occurrence) for risks subject to management.

(3) Monitoring and review

Confirm the status, progress, and effectiveness of risk response, and clarify the evaluation and issues of the initiatives.

(4) Improvement

The results of the review (including evaluations and identified issues) are fed back into the risk assessment and risk response phases to promote continuous improvement.

Risks and countermeasures identified by departments are compiled into a risk management table, deliberated by the Risk Management Committee, and put into practice. The committee regularly checks progress and reviews results to enhance the effectiveness of our company-wide risk management.

Risk Map

| | Risks due to external environmental factors | Risks in Business Operations | Risks due to unexpected events |
|------|---|---|--|
| High | ① Changes in demand structure ⑦ Tightening of the human resources market ② Changes and turmoil in the international situation ③ Changes in procurement environment due to suppliers' circumstances ④ Changes in financial situation (exchange rates, interest rates, etc.) ⑥ Impact of economic fluctuations | ⑩ Compliance violations ⑨ Operational troubles | ⑪ Pandemic of infectious diseases ⑫ Large-scale earthquakes, water damage, and other natural disasters ⑬ System failures due to cyberattacks |
| Low | ⑤ Changes in government stance | ⑧ Product liability | |

Initiatives for major risks

Through the risk management system and process described on the previous page, we extract, classify, and organize the risks assumed by our company as follows. Through various initiatives such as transforming our business portfolio, diversifying our supply chain, investing in environmental measures, investing in human resources, strengthening information security measures, and enhancing BCP scenarios, we aim to strengthen our ability to respond to risks and achieve sustainable business growth.

| Main category | Subcategories | Main risk details | Main risk response measures |
|---|---|--|--|
| Risks due to external environmental factors | ① Changes in demand structure | With the advancement of digitalization, paperless operations, and population decline, domestic demand for paper products is decreasing and the market size is shrinking. | • Business portfolio transformation • Diversification of products and services |
| | ② Changes and turmoil in the international situation | Impact on the supply chain and production/sales activities due to geopolitical risks and instability in international affairs | • Diversification and multi-streaming of the supply chain |
| | ③ Changes in procurement environment due to suppliers' circumstances | Increase in manufacturing costs due to soaring prices of raw materials and parts, and impact on procurement of raw materials in line with product demand | • Diversification of procurement sources • Strengthening efforts to develop and introduce alternative raw fuels |
| | ④ Changes in financial situation (exchange rates, interest rates, etc.) | Exchange rate fluctuations and rise in interest rates leading to deteriorating earnings and increased funding costs | • Export and sales strategies with consideration for exchange rates • Setting settlement currencies with consideration for currency balance • Reduction of interest-bearing debt and diversification of funding sources |
| | ⑤ Changes in government stance | Increase in environmental investment due to stricter environmental regulations and emission standards, and impact on business from changes in labor laws | • Analysis and response to information issued by national and local governments • Consideration of business opportunities through prompt and flexible regulatory response |
| | ⑥ Impact of economic fluctuations | Decline in demand due to economic recession, decrease in sales, and increased credit risk | • Strengthening relationships with customers and responding to changes in customer needs • Enhancing competitiveness through differentiation of products and services • Strengthening credit management using credit insurance and other means |
| | ⑦ Tightening of the human resources market | Difficulty in recruitment and increased turnover due to a tightening human resources market, and impact on the succession of know-how | • Expanding recruitment channels • Improving employee engagement and introducing diverse work styles • Strengthening human resource development |
| Risks in Business Operations | ⑧ Product liability | Risk of being held responsible for the quality of manufactured products | • Ensuring independence of the quality assurance department from the factory • Establishing a quality audit department independent from other lines |
| | ⑨ Operational troubles | Operational stoppages and impact on production activities due to equipment trouble, accidents, and industrial accidents | • Strengthening safety management systems • Strengthening disaster prevention education and fostering a safety culture • Strengthening equipment maintenance systems |
| | ⑩ Compliance violations | Loss of corporate image and social credibility due to violations of laws, ethics, or fraudulent acts | • Fostering compliance awareness through compliance training and other means • Thorough dissemination and promotion of the internal reporting system |
| Risks due to unexpected events | ⑪ Pandemic of infectious diseases | Stagnation of business activities, impact on employees, and impact on the supply chain due to the spread of infectious diseases | • Promoting flexible work styles such as remote work • Enhancing BCP scenarios |
| | ⑫ Large-scale earthquakes, water damage, and other natural disasters | Impact on business activities, equipment and human damage, and business interruption due to natural industrial accidents | • Strengthening disaster prevention measures and enhancing BCP scenarios • Decentralization of Head Office functions |
| | ⑬ System failures due to cyberattacks | Information leaks, system failures, business interruption, and loss of trust due to customer information leaks caused by cyberattacks | • Strengthening security measures • Formulating incident response plans |

Establishing a crisis management system and “Business Continuity Plan” (BCP)

The Mitsubishi Paper Mills Group recognizes the importance of emergency response capabilities as it has experience recovering from the extensive damage caused by the Great Hanshin-Awaji Earthquake and the Great East Japan Earthquake. Our experience is reflected in BCP measures including the Mitsubishi Paper Mills Group Basic Risk Management Regulations. Each department, affiliated company, and the entire group conduct various drills and operational tests, including safety confirmation and evacuation, to identify issues and strive for improvement.

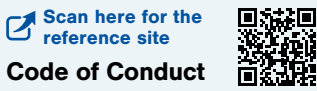
Additionally, as part of BCP, we are relocating some Head Office functions (mainly administrative departments) to the Kyoto Mill. We are preparing for industrial accidents by dispersing human resources between Tokyo and Kyoto. Furthermore, to ensure continued production at key factories as a manufacturer, we are building effective business continuity plans, such as understanding supply chain impacts and multiple sourcing.

Compliance

To remain a company that earns and lives up to the trust of society, we make efforts to foster a corporate culture that focuses on compliance, instills integrity, and enhances the awareness of executives and employees. In other words, we value not only compliance with laws and regulations but also conduct that upholds high ethical standards and integrity, as we aim to deepen the trust of stakeholders and achieve sustainable growth.

Code of Conduct

Our basic principles for the activities of the group has been formulated and upheld as “the Code of Conduct of the Mitsubishi Paper Mills Group”. This applies to all executives and employees of the Mitsubishi Paper Mills Group, and serves as a guideline for daily activities.



Ensuring Fair Trade

Based on the belief that only through fair competition and mutual improvement can our group truly earn valuable trust and create valuable technology and contributions to society, we promote business activities that emphasize compliance with laws and regulations. We have updated our “Antimonopoly Act Compliance Manual” to deepen the understanding of the purposes and provisions of the Antimonopoly Act and its complementary laws, such as the Subcontract Act and the Premiums and Representations Act.

In addition, we endorse the purpose of the “Declaration of Partnership Building” by the Cabinet Office, the Small and Medium Enterprise Agency, and other organizations, and have announced our participation in the “Declaration of Partnership Building” on a portal site.

As a company participating in the “Declaration of Partnership Building,” we aim for mutual prosperity and added value throughout the supply chain to strengthen cooperation with our business partners.

Endorsement of the Declaration of Partnership Building

Declaration of Partnership Building

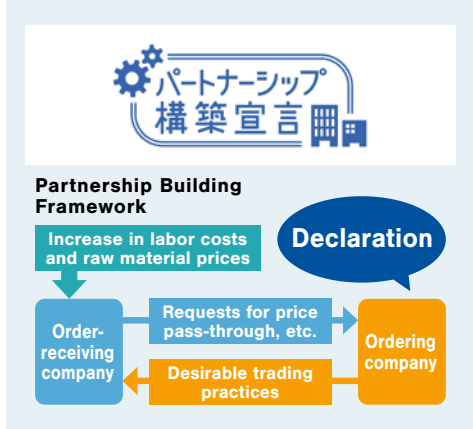
We hereby declare that we will focus on the following matters in order to build new partnerships by promoting cooperation, coexistence, and co-prosperity with our suppliers in the supply chain and businesses seeking to create value.

1 Coexistence and co-prosperity of the entire supply chain and new cooperation that transcends business scale and affiliation
We will strive to increase the value added throughout the supply chain by reaching out, through our direct suppliers, to their suppliers (from “Tier N” to “Tier N + 1”). We also aim to build coexistent and co-prosperous partnerships with our suppliers through cooperation that goes beyond the existing business relationships and company size. We will provide advice and other support, including helping our suppliers introduce teleworking and formulate their Business Continuity Plan (BCP), from the perspective of business continuity in the event of a disaster or other emergency and of work-style reforms.

Scan the QR code for the full text

Declaration of Partnership Building





Preventing Corruption

The Mitsubishi Paper Mills Group Compliance Conduct Standards prohibit the entertaining of or giving of gifts to civil servants and the provision of benefits to officials in foreign governments and public organizations, to avoid any business activities that could result in social corruption.

We also created guidelines for business entertainment and gift-giving to strengthen internal discipline regarding the provision and receipt of benefits, to prevent ambiguous relationships in dealings with other private sector parties

Disavowal of Organized Crime Groups

The Mitsubishi Paper Mills Group maintains a resolute stance against organized crime groups that threaten social order and safety. This stance is set forth in the Mitsubishi Paper Mills Group Compliance Conduct Standards. We also carry out compliance training and ensure that executives, employees, and other company personnel are fully aware of our policies.

We have also introduced a checking system that utilizes external databases to ensure that we do not unintentionally form relationships with antisocial forces.

Training Regarding Compliance

In FY2024, we conducted training for all officers and employees of domestic group companies on the theme of “organizational culture reform” through face-to-face meetings and video, and discussed the prevention of compliance violations at each workplace unit (2,659 participants).

We also conducted e-learning on the Antimonopoly Act for approximately 600 related business personnel and other employees that wanted to participate.

In FY2025, we will incorporate inappropriate cases such as falsification of quality inspection figures that occurred within our group into the training items as lessons learned.



Appointment of compliance promotion leaders and promotion committee members

Our group has appointed 14 Compliance promotion leaders (as of September 2025) in each department, who are responsible for compliance and regularly hold study sessions to raise compliance awareness.

In addition, under the promotion leader, new Compliance Promotion Committee members have been appointed, and efforts are being made to revitalize compliance activities in each department.

Internal Whistleblowing System

Our group has established internal and external whistleblowing hotlines, making them available to all officers and employees working in our domestic group, including part-time employees, temporary employees, and those who have retired (for up to a year after retirement). Specifically, we have established a system that allows direct reporting to our Compliance Management Office or an external specialist company, ensuring strict confidentiality and communication to top management. In addition, the whistle-blowing status is checked at the regularly held meeting of the Compliance Committee, and reported to the Board of Directors.

Conducting human rights due diligence

Based on our group's Human Rights Policy, the Mitsubishi Paper Mills Group implements human rights due diligence to check and advance our human rights situation. In FY2023, we began the first stage (identification and assessment of negative human rights impacts caused by our own business) and completed the first due diligence cycle in FY2024. This year, as part of a new cycle, we are conducting a survey on human rights in the supply chain with approximately 1,000 raw material suppliers. [▶ P86](#)



Responding to Cases of Impropriety

It was discovered that, regarding heat-resistant pressboard products manufactured by Mitsubishi Paper Engineering Co., Ltd. (formerly the Shirakawa Office), a member of our group, some measurement data had been falsified and some required inspections had not been conducted before shipment.

Our company established a special investigation committee consisting of external experts and has been working on investigation, cause analysis, and prevention of recurrence. The committee also investigated whether there were any quality improprieties in products other than the relevant products across the entire group.

Overview of the Special Investigation Committee

●Special Investigation Committee Members

| | |
|--|--|
| Investigation Committee Members Chair: Yoshihiro Kai (Partner, Attorney at Law, Anderson Mori & Tomotsune) Member: Keiko Kaneko (Partner, Attorney at Law, Anderson Mori & Tomotsune) Member: Atsushi Nishitani (Partner, Attorney at Law, Anderson Mori & Tomotsune) Member: Ryohei Onishi (Special Counsel, Attorney at Law, Anderson Mori & Tomotsune) | Investigation Assistants Anderson Mori & Tomotsune Foreign Law Joint Enterprise Masahiro Takada, Attorney at Law Aika Shimizu, Attorney at Law Yoshinao Nakagawa, Attorney at Law Takahito Amano, Attorney at Law Naho Ishii, Attorney at Law Reo Kakuta, Attorney at Law Takayuki Kitaizumi, Attorney at Law Kota Saito, Attorney at Law PwC Risk Advisory LLC Yuichi Ikeda, Shunsuke Ueno, Rimi Nakamura, and 9 others |
|--|--|

●Investigation period

May 10, 2024 to May 14, 2025

●Investigation methods

The investigation was conducted using the following methods.

Detailed review of relevant materials, interviews with related parties, on-site inspections, digital forensic investigations, and questionnaire surveys

Results of the Special Investigation Committee

The committee conducted a fact-finding investigation and made the following findings.

In addition, our company has confirmed that there are no safety issues with the products found to be non-compliant during the investigation, and we have not recognized any incidents or problems.

| Department of occurrence | Products investigated | Certified facts |
|---|---|---|
| Former Shirakawa Office | Heat-resistant pressboard products | Falsification of inspection values, partial omission of inspections, violation of measurement methods, shipment of products outside appearance inspection standards |
| | Kraft pressboard products | Falsification of inspection values, violation of measurement methods |
| Former Filter Business Office (now Takasago Mill) | Filters products in the development stage | Falsification of inspection result values |
| Hachinohe Mill | Copy paper | Falsification of inspection values |
| | Paperboard products | Falsification of inspection values, unauthorized shipment of nonconforming products |
| Former KJ Specialty Paper Co., Ltd. (now Fuji Mill) | Chemical paper | Falsification and fabrication of inspection values |

Causes and Recurrence Prevention Measures

Regarding the causes of this incident, we have identified the following four issues and have implemented recurrence prevention measures for each. These initiatives have already been implemented, but we will continue and strengthen them going forward.

| Classification | Causes | Recurrence Prevention Measures |
|--|---|---|
| 1.Management and business issues | <ul style="list-style-type: none">• In order to secure sales, we agreed to strict customer specifications that deviated from process capabilities.• In this context, a structure was created in which values were falsified to enable product shipment.• Fearing price reductions, we did not negotiate specification revisions with customers, and the effects of quality improvement mprovement were limited. | <ul style="list-style-type: none">• Review specifications with customers to ensure they are appropriate.• When agreeing on new specifications with customers, ensure that the specifications are appropriate by thoroughly verifying our process capabilities and the performance of products that can be manufactured.• Exclude test items unrelated to function or quality from specifications. |
| 2.Organizational and internal control issues | <ul style="list-style-type: none">• Various internal regulations were not observed.• The independence of the quality assurance department was lacking.• There were deficiencies in the monitoring and control system for quality.• Personnel in the quality assurance department remained fixed for long periods. | <ul style="list-style-type: none">• Review and establish internal regulations related to the incidents identified in this investigation.• Provide training to inspectors in the quality inspection department regarding the purpose of inspection items and related matters.• Reorganize so that the quality assurance departments of each plant belong to the Head Office, ensuring independence from the plants (April 2025).• To clarify the organization responsible for quality audits, an independent “Technology Audit Department” will be established within the Technology Division (April 2025).• Unannounced quality audits will be conducted, including members from factories not subject to audit.• Systematize unannounced audits• Promote more active personnel transfers by setting rules for the tenure of managers, etc. |
| 3.Compliance awareness issues | <ul style="list-style-type: none">• Compliance awareness regarding quality was weak.• Justifications for falsifying values, such as “there are no practical quality issues with the product,” were made. | <ul style="list-style-type: none">• The President will emphasize the importance of quality control through visits to all domestic factories and internal newsletters.• Compliance training by external instructors was conducted with participation from all officers and employees.• This case will be incorporated into future regular sessions as a lesson learned.• Organizational restructuring to strengthen the Head Office's compliance promotion function (April 2025). |
| 4.Corporate culture issues | <ul style="list-style-type: none">• Poor communication within the organization led to the normalization of bad practices such as falsification. | <ul style="list-style-type: none">• Launched the “Credo Creation Project,” where all employees participate to discuss what kind of company we want to build and what each person wants to achieve.• Promote communication across lines and generations to create an open and transparent company.• Issue messages both internally and externally to establish a corporate culture that prioritizes integrity.• Management and supervisors will demonstrate their commitment to creating a company where everyone can freely express their opinions, regardless of precedent or position. |

Future actions

We sincerely apologize to all stakeholders, including shareholders and business partners, for the inconvenience and concern caused. Going forward, the entire group will implement measures to prevent recurrence, work to restore trust, and strive to establish a corporate culture that prioritizes integrity as set forth in the Medium-Term Management Plan.

Quality Control System

In April 2023, the Safety, Environment and Quality Assurance Department was established under the Head Office's Technology Division, creating a unified management system between the company's mills and the Head Office. Based on the identification of cases of quality impropriety, we are further strengthening our quality control system from April 2025 as follows.

At overseas subsidiaries as well, the Technology

Division is taking the lead in raising awareness of quality control, inspecting and improving corrective measures, and working to build a system that prevents quality issues from occurring.

Through the quality assurance of our products and services, we aim to further improve customer satisfaction, and we will continue to strive to maintain and improve the quality of our products.

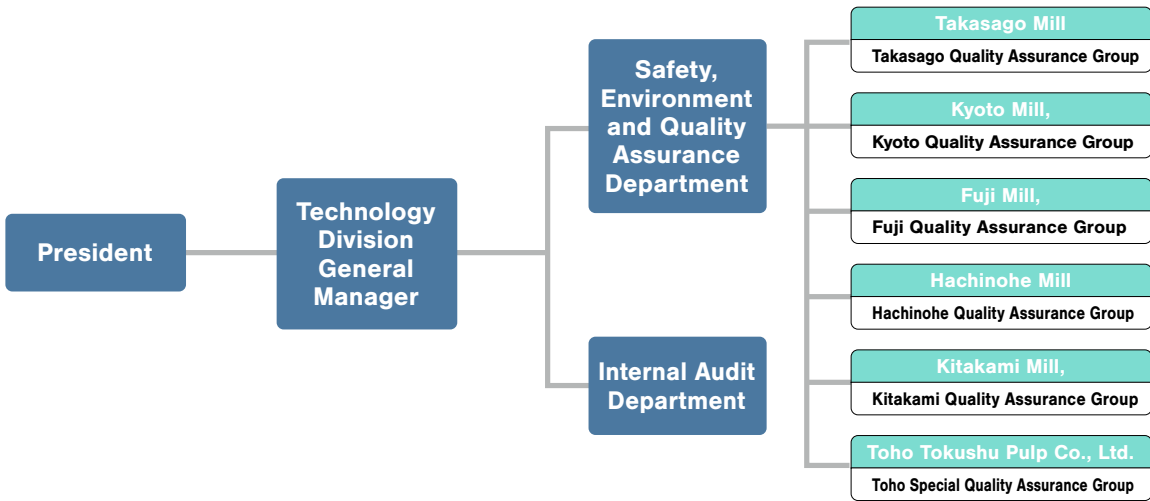
Strengthening the Quality Control System

Ensuring the independence of the quality control departments

From April 2025, the quality assurance departments of each factory have been reorganized to belong to the Head Office Technology Division's Safety, Environment and Quality Assurance Department, making them independent from the factories. This organizational change enables the quality assurance department to responsibly judge shipment inspection results without pressure from other departments

Strengthening the audit system

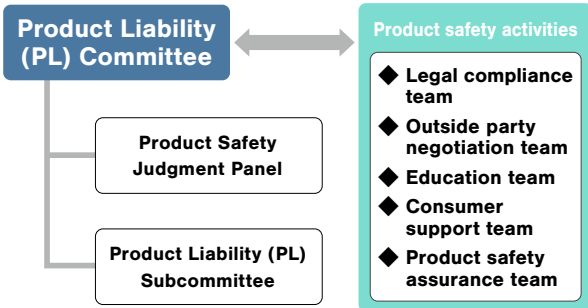
Until last fiscal year, the Technology Division's Safety, Environment and Quality Assurance Department audited the quality control status of the factories. From April 1, 2025, with the quality assurance implementation departments under its umbrella, a new Technology Audit Department has been established within the Technology Division to separate the implementation and audit organizations. Going forward, the Technology Audit Department will conduct both unannounced and regular quality audits at all production sites, further strengthening the compliance system.



Product Safety Control System

In order to actively promote specific product safety activities, we have established a Product Safety Judgment Panel and a Product Liability (PL) Subcommittee as specialized organizations within the Product Liability (PL) Committee. We exercise strict management in accordance with product safety regulations.

In addition, we promptly obtain information on new laws and regulations as well as toxicity information, and conduct constant safety inspections of chemical substances to ensure the safety of the raw materials we use.



“SHINKA” through Co-creation with Stakeholders

Stakeholder Engagement

Based on a multi-stakeholder approach, the Mitsubishi Paper Mills Group will contribute to the development of the market and society by quickly responding to changes in the business environment and by foreseeing future changes and taking bold action.

As a good corporate citizen, we strive to contribute to the advancement of local communities and to continue providing products that delight our customers.

Toward that end, we will always work to maintain and develop healthy relationships with stakeholders through open and fair communication with communities.



| Stakeholders | Involvement with stakeholders | Means of engagement |
|----------------------------------|---|--|
| Customers | We provide safe, secure, and high-quality products and services that meet the trust placed in us by our customers. Through communication with customers, we engage in the development of products and services that contribute to solving customers' issues. We will also undertake the creation of sustainable products together with customers to meet the diverse demands and expectations of global markets. | <ul style="list-style-type: none">Business activitiesExhibitionsWebsite (products information, consultation desk, service information) |
| Suppliers | Our company engages in responsible procurement based on our Basic Material Purchasing Policy, with the aim of realizing a sustainable society across the supply chain. We believe that building strong partnerships with suppliers is vital in achieving this. By striving to gain understanding of our approach to procurement and by checking on the status of our initiatives through sustainable procurement questionnaires, interviews, and other means, we work as one with suppliers in the pursuit of more sustainable procurement. | <ul style="list-style-type: none">Purchasing activitiesExplanation of the Basic Policy for Materials Procurement to suppliersSustainable procurement questionnaires for suppliers |
| Shareholders and other investors | We engage in fair, equitable, and transparent disclosure of information in a timely and appropriate manner. Through dialogues with shareholders and investors, we also will strive to ensure a deep understanding of our management policy and business. We sincerely consider feedback received, strive to reflect it in our management and improve our information disclosure, and aim to enhance our corporate value. | <ul style="list-style-type: none">Financial results briefingsMedium-term management plan briefing sessionsResearch and Development IR BriefingGeneral Meeting of ShareholdersWebsite (Investor relations, video gallery)Publication of Integrated ReportExchange of IR informationCreation of "Shareholders' Forest" (tree planting experience) |
| Local communities | As a member of our local communities, we want to engage in multifaceted corporate activities that meet the expectations of community members while conducting business normally and stably at all workplaces and contributing to the advancement of regions through our business. We actively create opportunities for communication as we seek to help create sustainable and prosperous local communities built on relationships of trust through mutual understanding. | <ul style="list-style-type: none">Workplace toursExperiential forest environmental learningCommunity event participation, sponsorship, and implementationLocal environmental conservation and other volunteer activities by employees |
| Employees | We are revising our personnel system and implementing various personnel policies so that each employee can demonstrate their diverse capabilities and work with a sense of security and enthusiasm. We place importance on opportunities for dialogue and make efforts to attentively hear out individuals' opinions. | <ul style="list-style-type: none">Dialogues with labor unions, in-house newsletterWork engagement surveysCompany management policy briefingsEstablishment of internal whistleblower line |

Social Contribution Activities/Initiatives in Local Communities

The Mitsubishi Paper Mills Group aims to grow together with communities and has formulated its Social Contribution Activities Policy to proactively interact with communities through its business activities. Through activities such as those conducted by the Ecosystem Academy, which uses forests owned by Mitsubishi Paper Mills, we undertake a number of social contribution activities that take advantage of the characteristics of each of our business sites.

Examples of community activities

●Traffic Safety Reader for Mothers and Children

The Hachinohe Mill donated 2150 copies of “Traffic Safety Reader for Mothers and Children” to the Hachinohe District Traffic Safety Association in 2025 to help prevent traffic accidents among new schoolchildren. They are distributed to new first graders at 58 elementary schools in six municipalities: Hachinohe, Hashikami, Gonohe, Oirase, Rokunohe, and Shingo.



Traffic Safety Reader for Mothers and Children

●Donation of Braille calendars

The Braille calendar, first produced in 1997, will mark its 29th year of production in 2025. It continues to receive positive feedback from recipient welfare organizations and is improved annually based on input from individuals with visual impairments. We use embossed braille that does not use plastics, and we use ecofriendly FSC®-certified paper that can be recycled after use. The 2025 edition introduces nutritious recipes using seasonal ingredients.



Donation of Braille calendars

Community Cleanup Activities

All of our business sites regularly undertake beautification and cleanup activities in their surrounding areas to promote efforts in developing comfortable urban environments together with local communities.



Kitakami Mill: “Kitakami River basin cleanup campaign”



Takasago Mill: Participation in “Operation Cleanup”



Toho Tokushu Pulp Co., Ltd. Oyama Mill: “Green and Light Fostering System”

Scene from cleanup campaign



Watch the video her



Supply Chain Management

Sustainable Procurement of Raw Materials

The Mitsubishi Paper Mills Group uses forest resources effectively and efficiently through the procurement of wood chips, the main raw material for paper, and practices responsible procurement by only purchasing raw materials produced from properly managed forests.

Scan here for the reference site

Basic Policy on Materials Procurement



FSC® forest certification system

FSC® Forest Certification assesses and certifies responsible forest management from economic, environmental and social perspectives. It aims to ensure that the world’s forests are kept healthy by labeling wood and wood products sourced from responsibly managed forests. In 2001, our Hachinohe Mill became the first paper mill in Japan to obtain COC certification (certification related to the management of processing and distribution processes) and began producing FSC®-certified paper. Since then, we have successively acquired COC certification at our domestic factories and have expanded the variety of certified products. We are also working to obtain FM certification for company-owned forests in Japan, and have obtained forest certification for company-owned forests in Iwazumi Town, Iwate Prefecture, Shichinohe Town, Aomori Prefecture, and Saigo Village, Fukushima Prefecture (FSC®C005216). The Vancouver Declaration for the UN SDGs and FSC® Certification was announced at the Forest Stewardship Council (FSC®) General Assembly in October 2017, which was held to drive greater support for the SDGs and FSC®. Mitsubishi Paper Mills stands in solidarity with the declaration, and signed it along with 57 other companies in Japan and other countries.



Label for certified products (sample)

Method for Verifying Legal Compliance and Sound Management

We have confirmed that all wood chips and wood pulp came from forests that were legally and appropriately managed, using one of the following methods:

- 1 Certification using the forest certification system and CoC certification system
- 2 Demonstration of proprietary initiatives by individual companies or organizations

Regarding ① above, FSC®-certified wood avoids and reduces risks from sources of forest products that are not acceptable.

To be FSC®-certified wood, the use of the following type of wood is prohibited and to be avoided:

- ▶ Illegally harvested wood
- ▶ Wood harvested in violation of traditional rights or human rights
- ▶ Wood from forests where high conservation values are threatened
- ▶ Wood harvested from forests planted with genetically modified trees
- ▶ Wood removed from natural forests converted to plantations or other land uses

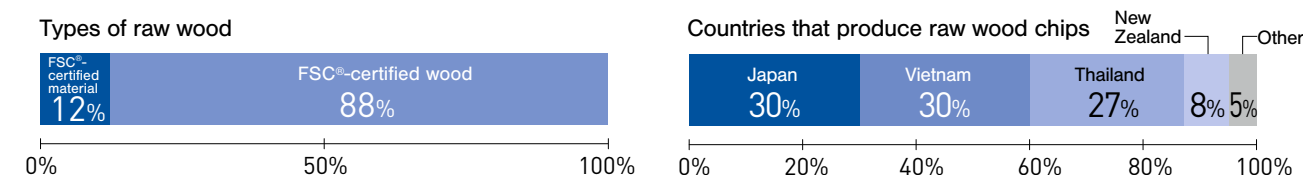
For more details, please scan the QR code.

FSC®-certified wood




Raw Wood Procurement in FY 2024

We verified that all wood chips and wood pulp procured in FY2024 came from forests that were legally and appropriately managed.



Promoting social responsibility in the value chain

Recognizing that all business partners involved in raw material procurement and related transactions are partners in providing competitive products, we aim to establish mutually prosperous business relationships. Furthermore, we practice responsible and ethical behavior toward society and ensure fair transactions with business partners who share similar business attitudes. We have established the Basic Policy on Materials Procurement and the Approach to the Protection and Cultivation of Forest Resources and Wood Procurement and Products as our basic principles for raw material procurement, and we strive to promote social responsibility among our business partners through regular surveys and other means.

[Scan here for the reference site](#)

Raw material procurement

Main initiatives for respecting human rights

The Mitsubishi Paper Mills Group recognizes that respecting the human rights of all people involved in all business activities, including the supply chain, is the foundation of sustainable procurement. Based on our Human Rights Policy, which supports the United Nations Guiding Principles on Business and Human Rights, we have established a human rights due diligence system.

In addition, for wood procurement, we promote the use of FSC® certifications and, in accordance with the Basic Policy on Materials Procurement, work with suppliers to identify, prevent, and mitigate negative impacts on human rights.

| Issues to address | 2024 results | 2025 goals |
|---|---|--|
| Conducting human rights due diligence in the supply chain | In addition to the Basic Policy on Materials Procurement and conducting FSC® risk assessments, we conducted a review of the human rights situation of internal and external stakeholders in FY2024 as part of human rights due diligence. | Based on the survey results, we will enhance the effectiveness of respect for human rights throughout the supply chain through local interviews and other means with each supplier, while continuously strengthening our responsible procurement system. |
| Strengthening and sustaining human rights due diligence in wood procurement | In the FSC® risk assessment process, we confirmed that the risk of “violation of traditional rights and human rights” at the place of origin was low, so we continued with procurement. | We will strengthen the collection of information on human rights risks at major wood chip suppliers and encourage consideration for local communities through dialogue with suppliers. |

Labor environment risk

The Mitsubishi Paper Mills Group is committed to ensuring a safe and healthy working environment throughout the supply chain as part of responsible corporate conduct toward realizing a sustainable society.

Our Basic Policy on Materials Procurement sets evaluation criteria for selecting procurement sources, including consideration for worker safety and health, prohibition of child labor and forced labor, and other international human rights and labor standards. We strive to identify and reduce labor environment risks throughout the supply chain by engaging in ongoing dialogue with suppliers and conducting local surveys and information gathering as necessary.

Through these initiatives, we promote highly transparent procurement activities and contribute to building a sound supply chain that supports sustainable growth.

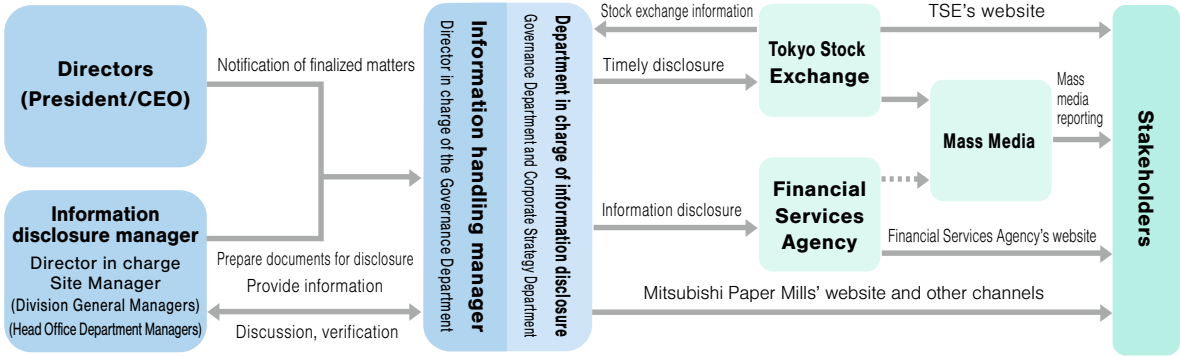
Information disclosure and public relations

The Mitsubishi Paper Mills Group expresses our commitment to transparency in business activities in the Mitsubishi Paper Mills Group Code of Conduct. We have prepared and released a Disclosure Policy based on the Code of Conduct, and have declared our intent to conduct appropriate and timely disclosure of corporate information. To ensure accurate, timely, fair, and continuous disclosure of information to stakeholders, we have established Information Disclosure Regulations, and the Governance Department Public Relations and IR Office is responsible for maintaining and operating them. In addition, regular public relations liaison meetings are held to manage information disclosure for our group. In the interest of fair disclosure, we also disclose financial result briefing materials concurrently with the briefings.

[Scan here for the reference site](#)

Disclosure Policy


Information Disclosure System




Communication

Establishment of the Mitsubishi Paper Mills Nissy-Kassy Forest Program

To thank our shareholders for their ongoing support, to deepen their understanding of our group’s sustainability promotion activities and business activities that produce high-quality paper material products from the bounty of the forest, and to gain their aid with these activities, in September 2023 we established the participatory Nissy-Kassy Forest Program for tree planting and other experiences.



Nissy Kassy

[Scan here for the reference site](#)

Notice of creation of the program

IR Information Website

Our website contains an investor relations information section. This section disseminates information in a timely manner, including earnings highlights, an IR calendar, General Meeting of Shareholders-related materials, stock information, and an IR library with annual business reports, medium-term management plans, earnings briefings, securities reports, historical financial data, and earnings reports.

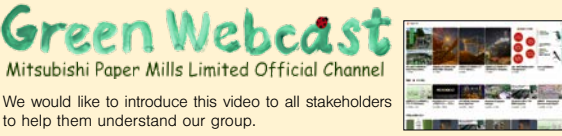
[Scan here for the reference site](#)

Investor Relations




Video Gallery

To help you understand the Mitsubishi Paper Mills Group’s products and our efforts to contribute to a green society, we have launched the “Mitsubishi Paper Mills Official Channel Green Webcast”. With the theme of “Green”, we introduce a wide range of information, including the state of our company-owned forests, our products, and events. Please be sure to subscribe to our channel.



Green Webcast
Mitsubishi Paper Mills Limited Official Channel

We would like to introduce this video to all stakeholders to help them understand our group.

[YouTube channel](#)

Mitsubishi Paper Mills Limited Official Channel

Financial and non-financial data

| | Unit | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|---|-----------------|-------------|-------------|-------------|-------------|--------------|-------------|-----------------|---------------|-----------------|-------------|-------------|
| Profitability | | | | | | | | | | | | |
| Sales | million yen | 214,944 | 216,340 | 201,955 | 201,492 | 203,997 | 194,575 | 162,325 | 181,920 | 209,542 | 193,462 | 175,942 |
| Functional Materials Business | million yen | - | - | - | - | - | - | - | - | 109,967 | 97,351 | 88,179 |
| Sustainable Fiber Materials Business | million yen | - | - | - | - | - | - | - | - | 101,668 | 97,511 | 89,238 |
| Operating income/Operating income margin | million yen / % | 1,038 / 0.5 | 3,872 / 1.8 | 4,313 / 2.1 | 1,790 / 0.9 | (40) / (0.0) | 1,976 / 1.0 | (1,770) / (1.1) | (248) / (0.1) | 968 / 0.5 | 5,410 / 2.8 | 4,567 / 2.6 |
| Functional Materials Business | million yen / % | - | - | - | - | - | - | - | - | 3,176 / 2.9 | 4,053 / 4.1 | 3,340 / 3.8 |
| Sustainable Fiber Materials Business | million yen / % | - | - | - | - | - | - | - | - | (2,423) / (2.4) | 1,177 / 1.2 | 1,347 / 1.5 |
| General Income | million yen | 135 | 2,216 | 2,703 | 652 | (914) | 2,696 | (636) | 1,964 | 3,089 | 7,098 | 4,548 |
| EBITDA | million yen | 11,993 | 14,535 | 14,768 | 12,264 | 10,076 | 11,801 | 7,261 | 8,240 | 9,255 | 13,138 | 10,950 |
| Efficiency and investment | | | | | | | | | | | | |
| ROE (Return on Equity) | % | (8.2) | 4.5 | 2.1 | 5.4 | 0.5 | 1.3 | (4.0) | 1.6 | (0.8) | 4.6 | 5.1 |
| ROIC (Return on Invested Capital) | % | 0.4 | 1.4 | 1.7 | 0.7 | (0.02) | 0.9 | (0.8) | (0.1) | 0.4 | 2.6 | 2.3 |
| Capital investments | million yen | 4,369 | 4,798 | 5,995 | 7,438 | 12,481 | 5,524 | 6,422 | 5,791 | 4,473 | 1,472 | 3,060 |
| Total asset turnover (Net sales/Total assets) | times | 0.9 | 0.9 | 0.9 | 0.8 | 0.9 | 0.9 | 0.8 | 0.8 | 0.9 | 0.8 | 0.8 |
| Operating cash flow | million yen | 3,907 | 12,626 | 19,839 | 12,809 | 19,066 | 9,976 | 13,014 | 1,698 | (2,721) | 13,487 | 4,854 |
| Investment cash flow | million yen | (1,168) | (2,145) | (7,070) | (5,994) | (8,979) | (6,571) | (2,098) | (2,557) | (3,565) | 3,827 | 4,797 |
| Free cash flow | million yen | 2,739 | 10,481 | 12,769 | 6,815 | 10,087 | 3,405 | 10,916 | (859) | (6,286) | 17,314 | 9,651 |
| Financial soundness | | | | | | | | | | | | |
| D/E ratio (Debt-to-equity ratio) | times | 2.8 | 2.8 | 2.3 | 2.0 | 1.6 | 1.7 | 1.6 | 1.3 | 1.4 | 0.9 | 0.8 |
| Equity Ratio | % | 20.6 | 20.5 | 23.2 | 25.2 | 28.5 | 28.5 | 30.0 | 32.2 | 31.7 | 38.6 | 40.9 |
| Interest-Bearing Debt | billion yen | 1,448 | 1,388 | 1,257 | 1,193 | 1,046 | 1,019 | 979 | 923 | 992 | 844 | 718 |
| Net Assets | billion yen | 551 | 515 | 566 | 611 | 670 | 605 | 629 | 696 | 720 | 910 | 853 |
| Total Assets | billion yen | 2,526 | 2,407 | 2,349 | 2,374 | 2,328 | 2,122 | 2,094 | 2,159 | 2,271 | 2,354 | 2,082 |
| Current assets | billion yen | 1,092 | 1,099 | 1,038 | 1,054 | 997 | 926 | 886 | 953 | 1,090 | 1,019 | 915 |
| Property, plant and equipment | billion yen | 1,167 | 1,099 | 1,041 | 997 | 1,012 | 937 | 889 | 846 | 783 | 713 | 667 |
| Shareholder returns | | | | | | | | | | | | |
| Dividend per share | yen | - | - | - | 5 | 5 | 5 | - | - | 5 | 10 | 15 |
| Market evaluation | | | | | | | | | | | | |
| PBR (Price-to-book ratio) | times | 0.6 | 0.6 | 0.5 | 0.4 | 0.4 | 0.3 | 0.3 | 0.2 | 0.2 | 0.3 | 0.3 |
| Stock price (Closing price at fiscal year-end adjustment) | yen | 860 | 800 | 732 | 655 | 556 | 353 | 378 | 313 | 349 | 613 | 653 |
| PER (Price-to-earnings ratio) | times | - | 12.3 | 21.7 | 7.0 | 55.4 | 19.7 | - | 12.7 | - | 6.4 | 6.6 |
| Environment (E) | | | | | | | | | | | | |
| CO ₂ emissions / emission intensity | 1,000 t | 950 / 1.060 | 963 / 1.043 | 959 / 1.040 | 984 / 1.043 | 934 / 1.040 | 858 / 1.060 | 793 / 1.258 | 797 / 1.162 | 706 / 1.051 | 694 / 1.152 | 738 / 1.218 |
| Service water usage / wastewater | million t | 126 / 124 | 127 / 126 | 121 / 122 | 127 / 127 | 126 / 127 | 126 / 127 | 123 / 123 | 122 / 120 | 119 / 119 | 117 / 117 | 115 / 115 |
| Society (S) | | | | | | | | | | | | |
| Ratio of female managers | % | 1.0 | 1.0 | 1.3 | 1.3 | 1.4 | 1.5 | 1.6 | 2.0 | 2.5 | 3.0 | 5.0 |
| Employee annual leave acquisition rate | % | 84.8 | 87.5 | 87.5 | 83.9 | 84.1 | 90.0 | 75.3 | 80.6 | 88.0 | 87.5 | 92.5 |
| Governance (G) | | | | | | | | | | | | |
| Ratio of female officers (Directors, Audit & Supervisory Board Members, Executive Officers) | % | - | - | - | - | - | - | - | - | - | 10.5 | 18.8 |

*Free cash flow = Cash flow from operating activities + Cash flow from investing activities

*EBITDA = Operating profit + Depreciation

*ROE (Return on Equity) = Net income attributable to owners of parent / (Net assets – Non-controlling interests)

*ROIC (Return on Invested Capital) = After-tax operating profit / Invested capital (Interest-bearing debt + Shareholders' equity)

*D/E ratio (Debt-to-equity ratio) = Interest-bearing debt / Equity

Consolidated Balance Sheets

| | (Million yen) | |
|---------------------------------------|------------------------|------------------------|
| | FY 2023 Mar 31,2024 | FY 2024 Mar 31,2025 |
| Assets | | |
| Current assets | | |
| Cash and deposits | 10,009 | 6,239 |
| Notes receivable - trade | 10,493 | 7,948 |
| Accounts receivable-trade | 37,642 | 31,724 |
| Merchandise and finished goods | 23,092 | 21,737 |
| Work in process | 6,744 | 6,736 |
| Raw materials and supplies | 12,007 | 13,547 |
| Other | 1,981 | 3,618 |
| Allowance for doubtful accounts | (40) | (40) |
| Total current assets | 101,930 | 91,512 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 17,327 | 16,443 |
| Machinery, equipment and vehicles,net | 30,866 | 27,589 |
| Land | 20,317 | 20,420 |
| Leased assets, net | 763 | 405 |
| Construction in progress | 1,018 | 840 |
| Other, net | 1,008 | 985 |
| Total property, plant and equipment | 71,301 | 66,684 |
| Intangible assets | | |
| Other | 1,954 | 1,338 |
| Total intangible assets | 1,954 | 1,338 |
| Investments and other assets | | |
| Investment securities | 26,376 | 24,813 |
| Long-term loans receivable | 315 | 3 |
| Net defined benefit asset | 31,680 | 22,379 |
| Deferred tax assets | 999 | 724 |
| Other | 901 | 830 |
| Allowance for doubtful accounts | (78) | (69) |
| Total investments and other assets | 60,194 | 48,681 |
| Total non-current assets | 133,450 | 116,704 |
| Total assets | 235,380 | 208,217 |

| | (Million yen) | |
|---|------------------------|------------------------|
| | FY 2023 Mar 31,2024 | FY 2024 Mar 31,2025 |
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 24,779 | 21,258 |
| Electronically recorded obligations- operating | 4,607 | 3,221 |
| Short-term borrowings | 62,026 | 42,014 |
| Commercial paper | - | 10,000 |
| Lease obligations | 408 | 229 |
| Accrued expenses | 7,149 | 6,619 |
| Income taxes payable | 1,261 | 2,026 |
| Contract liabilities | 461 | 308 |
| Other | 3,577 | 3,204 |
| Total current liabilities | 104,272 | 88,882 |
| Non-current liabilities | | |
| Long-term borrowings | 22,281 | 19,864 |
| Lease obligations | 348 | 227 |
| Deferred tax liabilities | 8,210 | 6,039 |
| Provision for share awards | 114 | 152 |
| Provision for directors' retirement benefits | 36 | 5 |
| Net defined benefit liability | 6,855 | 5,559 |
| Asset retirement obligations | 939 | 940 |
| Other | 1,367 | 1,262 |
| Total non-current liabilities | 40,153 | 34,052 |
| Total liabilities | 144,425 | 122,934 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 36,561 | 36,561 |
| Capital surplus | 6,523 | 6,524 |
| Retained earnings | 17,336 | 21,233 |
| Treasury shares | (416) | (405) |
| Total shareholders' equity | 60,005 | 63,914 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 9,399 | 8,039 |
| Foreign currency translation adjustment | 763 | 1,100 |
| Remeasurements of defined benefit plans | 20,763 | 12,201 |
| Total accumulated other comprehensive income | 30,926 | 21,341 |
| Non-controlling interests | 22 | 26 |
| Total net assets | 90,954 | 85,282 |
| Total liabilities and net assets | 235,380 | 208,217 |

Consolidated Statements of Income•Consolidated Statements of Comprehensive Income

| | (Million yen) | |
|---|------------------------------|------------------------------|
| | FY 2023 Apr '23 - Mar '24 | FY 2024 Apr '24 - Mar '25 |
| Net sales | 193,462 | 175,942 |
| Cost of sales | 165,315 | 150,779 |
| Gross profit | 28,146 | 25,162 |
| Selling, general and administrative expenses | 22,736 | 20,595 |
| Operating profit | 5,410 | 4,567 |
| Non-operating income | | |
| Interest income | 5 | 22 |
| Dividend income | 503 | 502 |
| Share of profit of entities accounted for using equity method | 658 | 706 |
| Foreign exchange gains | 1,249 | - |
| Other | 456 | 364 |
| Total non-operating income | 2,872 | 1,595 |
| Non-operating expenses | | |
| Interest expenses | 938 | 1,019 |
| Foreign exchange losses | - | 49 |
| Notes regarding loss on disaster | - | 237 |
| Other | 245 | 307 |
| Total non-operating expenses | 1,183 | 1,614 |
| Ordinary profit | 7,098 | 4,548 |
| Extraordinary income | | |
| Gain on disposal of non-current assets | 1,289 | 4,032 |
| Gain on sales of investment securities | 1,681 | 1,834 |
| Insurance claim income | 1,571 | - |
| Gain on sale of businesses | 230 | - |
| Other | - | 119 |
| Total extraordinary income | 4,772 | 5,985 |
| Extraordinary losses | | |
| Loss on disposal of non-current assets | 218 | 155 |
| Impairment losses | 546 | 1,660 |
| Expenses related to special investigation | - | 201 |
| Business restructuring costs | 859 | 59 |
| Accident related loss | 2,687 | - |
| Loss on cancellation of contracts | 449 | - |
| Loss on sale of businesses | 119 | - |
| Other | 86 | 253 |
| Total extraordinary losses | 4,968 | 2,330 |
| Profit before income taxes | 6,902 | 8,203 |
| Income taxes | 2,725 | 3,854 |
| Profit | 4,177 | 4,348 |
| Profit attributable to non-controlling interests | 6 | 5 |
| Profit attributable to owners of parent | 4,170 | 4,343 |

| | (Million yen) | |
|---|------------------------------|------------------------------|
| | FY 2023 Apr '23 - Mar '24 | FY 2024 Apr '24 - Mar '25 |
| Profit | 4,177 | 4,348 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 3,864 | (1,357) |
| Foreign currency translation adjustment | (348) | 334 |
| Remeasurements of defined benefit plans, net of tax | 11,390 | (8,561) |
| Share of other comprehensive income of entities accounted for using equity method | 5 | 1 |
| Total other comprehensive income | 14,912 | (9,584) |
| Comprehensive income | 19,089 | (5,235) |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 19,081 | (5,240) |
| Comprehensive income attributable to non-controlling interests | 8 | 5 |

Consolidated Statements of Changes in Net Assets

Previous fiscal year (from April 1, 2023 to March 31, 2024) (Million yen)

| | Shareholders' equity | | | | |
|---|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Capital stock | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at the beginning of the term | 36,561 | 6,524 | 13,357 | (430) | 56,012 |
| Changes during the term | | | | | |
| Dividend of surplus | | | (223) | | (223) |
| Profit attributable to owners of parent | | | 4,170 | | 4,170 |
| Disposition of treasury shares | | | (0) | 15 | 15 |
| Acquisition of treasury shares | | | | (0) | (0) |
| Increase due to merger | | (0) | 31 | | 31 |
| Changes in items other than shareholders' equity during the term, (net) | | | | | |
| Total amount of changes during the term | - | (0) | 3,978 | 14 | 3,993 |
| Balance at the end of the term | 36,561 | 6,523 | 17,336 | (416) | 60,005 |

| | Accumulated other comprehensive income | | | | Non-controlling interests | Total net assets |
|--|--|--|---------------------------------------|--|---------------------------|------------------|
| | Valuation difference on other securities | Adjustment for foreign currency exchange | Remeasurements of retirement benefits | Total accumulated other comprehensive income | | |
| Balance at the beginning of the term | 5,532 | 1,111 | 9,372 | 16,015 | 13 | 72,041 |
| Changes during the term | | | | | | |
| Dividend of surplus | | | | | | (223) |
| Profit attributable to owners of parent | | | | | | 4,170 |
| Disposition of treasury shares | | | | | | 15 |
| Acquisition of treasury shares | | | | | | (0) |
| Increase due to merger | | | | | | 31 |
| Changes in items other than shareholders' equity during the term (net) | 3,866 | (347) | 11,390 | 14,910 | 9 | 14,919 |
| Total amount of changes during the term | 3,866 | (347) | 11,390 | 14,910 | 9 | 18,912 |
| Balance at the end of the term | 9,399 | 763 | 20,763 | 30,926 | 22 | 90,954 |

Consolidated fiscal year (from April 1, 2024 to March 31, 2025) (Million yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Capital stock | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at the beginning of the term | 36,561 | 6,523 | 17,336 | (416) | 60,005 |
| Changes during the term | | | | | |
| Dividend of surplus | | | (446) | | (446) |
| Profit attributable to owners of parent | | | 4,343 | | 4,343 |
| Disposition of treasury shares | | | | 12 | 12 |
| Acquisition of treasury shares | | | | (0) | (0) |
| Changes in consolidation scope | | (0) | 0 | | 0 |
| Increase due to merger | | 0 | | | 0 |
| Changes in items other than shareholders' equity during the term (net) | | | | | |
| Total amount of changes during the term | - | 0 | 3,897 | 11 | 3,908 |
| Balance at the end of the term | 36,561 | 6,524 | 21,233 | (405) | 63,914 |

| | Accumulated other comprehensive income | | | | Non-controlling interests | Total net assets |
|--|--|--|---------------------------------------|--|---------------------------|------------------|
| | Valuation difference on other securities | Adjustment for foreign currency exchange | Remeasurements of retirement benefits | Total accumulated other comprehensive income | | |
| Balance at the beginning of the term | 9,399 | 763 | 20,763 | 30,926 | 22 | 90,954 |
| Changes during the term | | | | | | |
| Dividend of surplus | | | | | | (446) |
| Profit attributable to owners of parent | | | | | | 4,343 |
| Disposition of treasury shares | | | | | | 12 |
| Acquisition of treasury shares | | | | | | (0) |
| Changes in consolidation scope | | | | | | 0 |
| Increase due to merger | | | | | | 0 |
| Changes in items other than shareholders' equity during the term (net) | (1,359) | 336 | (8,561) | (9,584) | 3 | (9,580) |
| Total amount of changes during the term | (1,359) | 336 | (8,561) | (9,584) | 3 | (5,672) |
| Balance at the end of the term | 8,039 | 1,100 | 12,201 | 21,341 | 26 | 85,282 |

Consolidated Statements of Cash Flow

(Million yen)

| | FY 2023 Apr '23 - Mar '24 | FY 2024 Apr '24 - Mar '25 |
|--|------------------------------|------------------------------|
| Cash flows from operating activities | | |
| Profit before income taxes | 6,902 | 8,203 |
| Depreciation | 7,727 | 6,382 |
| Accident related loss | 2,687 | - |
| Impairment loss | 546 | 1,660 |
| Decrease (increase) in retirement benefit asset | (1,883) | (4,045) |
| Increase (decrease) in retirement benefit liability | (2,284) | (362) |
| Increase (decrease) in provision for retirement benefits for directors (and other officers) | (13) | (30) |
| Increase (decrease) in provision for share awards | 65 | 37 |
| Interest and dividend income | (508) | (524) |
| Share of loss (profit) of entities accounted for using equity method | (658) | (706) |
| Foreign exchange losses (gains) | (1,169) | 151 |
| Interest expenses | 938 | 1,019 |
| Loss (gain) on sales of investment securities | (1,681) | (1,827) |
| Loss (gain) on disposal of non-current assets | (1,070) | (3,876) |
| Loss (gain) on sale of businesses | (110) | - |
| Insurance claim income | (1,627) | - |
| Decrease (increase) in trade receivables | (925) | 8,869 |
| Decrease (increase) in inventories | 9,497 | 353 |
| Increase (decrease) in trade payables | (3,336) | (5,319) |
| Other, net | 1,699 | (3,077) |
| Subtotal | 14,794 | 6,908 |
| Subsidies received | 155 | - |
| Proceeds from insurance income | 1,590 | - |
| Payments for accident related loss | (2,687) | - |
| Interest and dividends received | 516 | 526 |
| Interest paid | (886) | (1,115) |
| Income taxes refund (paid) | 5 | (1,464) |
| Net cash provided by (used in) operating activities | 13,487 | 4,854 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment and intangible assets | (1,682) | (2,628) |
| Proceeds from sales of property, plant and equipment and intangible assets | 2,931 | 4,440 |
| Purchase of investment securities | (12) | (14) |
| Proceeds from sale of investment securities | 3,184 | 2,574 |
| Proceeds from liquidation of subsidiarie and associate | - | 46 |
| Loan advances | (0) | (5) |
| Proceeds from collection of loans receivable | 450 | 316 |
| Payment for transfer of business | (1,757) | - |
| Other, net | 714 | 68 |
| Net cash provided by (used in) investing activities | 3,827 | 4,797 |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | (5,807) | (11,385) |
| Net increase (decrease) in commercial papers | (5,000) | 10,000 |
| Proceeds from long-term borrowings | 7,150 | 5,850 |
| Repayments of long-term borrowings | (11,886) | (17,171) |
| Repayments of lease obligations | (496) | (246) |
| Purchase of treasury shares | (0) | (0) |
| Proceeds from sale of treasury shares | 0 | - |
| Dividends paid | (223) | (446) |
| Dividends paid to non-controlling interests | - | (1) |
| Net cash provided by (used in) financing activities | (16,264) | (13,402) |
| Effect of exchange rate change on cash and cash equivalents | 604 | (20) |
| Net increase (decrease) in cash and cash equivalents | 1,655 | (3,769) |
| Cash and cash equivalents at beginning of period | 8,325 | 10,009 |
| Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries | 28 | - |
| Cash and cash equivalents at end of period | 10,009 | 6,239 |

Company Profile/Company Data

Company Profile

Company Name Mitsubishi Paper Mills Limited
MITSUBISHI PAPER MILLS LIMITED

Address 2-10-14 Ryogoku, Sumida-ku,
Tokyo 130-0026, Japan

Representative Ryuichi Kisaka, President & CEO

Founded 1898 (Meiji 31)

Capital stoc 36.561 billion yen

Consolidated Number of Employees 2,720

Listed market Tokyo Stock Exchange Prime Market (3864)

Independent Auditor Ernst & Young ShinNihon LLC

Main Business Activities

The Mitsubishi Paper Mills Group is primarily engaged in the manufacturing, processing, and sale of paper, pulp, information and image media, and functional nonwoven fabric. The main products and services of its divisions are as shown below.

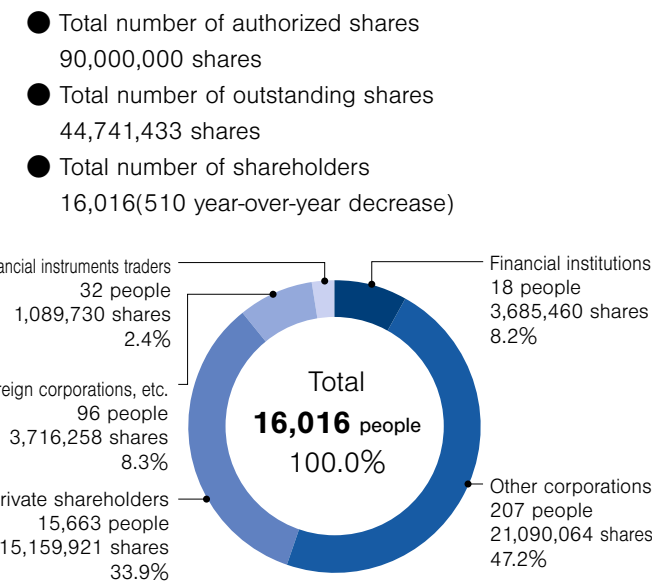
[Functional Materials Business]
Thermal paper, carbonless paper, copy paper, inkjet paper, printing plate material and printing devices, separators for energy storage devices, water treatment membrane support substrate, filters, decorative laminate base paper, tape base paper, sterilization paper

[Sustainable Fiber Materials Business]
Uncoated graphic paper, lightly coated graphic paper, coated graphic paper, specialty printing paper, sanitary paper, packing paper, white paperboard, other specialty paper, bleached kraft pulp, specialty pulp

[Other Businesses]
Engineering operations

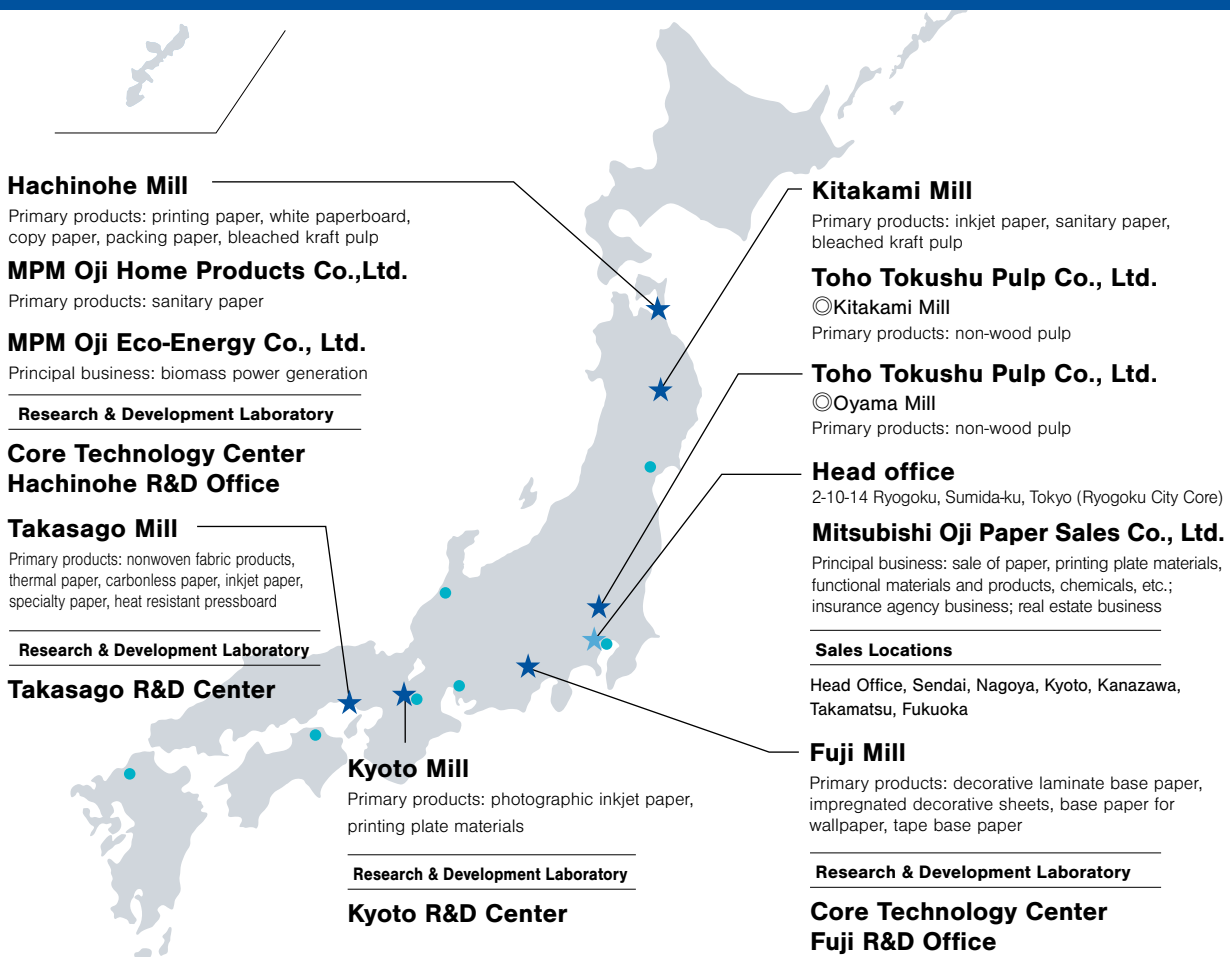
Main Group Companies

Mitsubishi Oji Paper Sales Co., Ltd.
MPM Operation Co., Ltd.
MPM Oji Home Products Co., Ltd.
Mitsubishi Paper Engineering Co., Ltd.
Toho Tokushu Pulp Co., Ltd.
NAMITSU Co., Ltd.
MPM Oji Eco-Energy Co., Ltd.*
* Equity method affiliate
Mitsubishi Paper Holding (Europe) GmbH
Mitsubishi HiTec Paper Europe GmbH
Mitsubishi Imaging (MPM), Inc.
Zhuhai MPM Filter, Ltd.



Our Domestic/Foreign Business Bases

Domestic Offices and Mills



Hachinohe Mill



Kitakami Mill



Toho Tokushu Pulp Co., Ltd.
(Kitakami Mill, Oyama Mill)



Takasago Mill



Kyoto Mill



Fuji Mill



Main overseas bases

Mitsubishi HiTec Paper Europe GmbH

◎ Bielefeld Mill
Bielefeld, Germany
Primary products: thermal paper, carbonless paper, and inkjet paper

Zhuhai MPM Filter, Ltd.

Zhuhai, Guangdong, China
Primary products: various filters

Mitsubishi Imaging (MPM), Inc.

New York, U.S.
Principle business: sale of paper and plate materials for photography and printing