

August 5, 2022

Dear All,

Name of the Company: Mitsubishi Paper Mills Limited (MPM)
Representative: Ryuichi Kisaka, President and CEO
(Code No.3864, TSE Prime)
Person to contact: Koji Kobata,
General Manager of Corp. Planning Dept.
(TEL +81-3-5600-1481)

Notice of withdrawal from business at the Flensburg Mill

Our board meeting held on August 5, 2022, has resolved to withdraw from business at the Flensburg Mill of Mitsubishi HiTec Paper Europe GmbH (hereinafter "MPE"), which is a consolidated subsidiary in Germany.

1. Background and purpose of business withdrawal

MPE, which is our production site in Germany, has been manufacturing and selling products including thermal, carbonless and inkjet paper.

We have been proceeding with the reform of our profit-making structure to cope with dramatically changing cost situation such as energy price hike. In order to accelerate this and streamline MPE's production system as a measure to further improve profitability, we have resolved to withdraw from the business at the Flensburg Mill of MPE.

We are sorry for the inconvenience that this measure may cause to our valued customers and the parties involved. We appreciate your understanding.

2. Overview of Mitsubishi HiTec Paper Europe GmbH

Company name: Mitsubishi HiTec Paper Europe GmbH

Location:
Head office: Bielefeld, Germany
Mills: Bielefeld and Flensburg, Germany

Representatives: Koji Hayashi (Managing Director)
Dr. Jens Christian Lamprecht (Managing Director)

Common stock: 11,759 thousand EUR

Sales: 264 million EUR (FY2021)

Foundation: 1799

Shareholder: 100%, Mitsubishi Paper Holding Europe GmbH
(Head office: Dusseldorf, Germany. 100% owned by Mitsubishi Paper Mills Limited)

Production capacity: 185,000 tonnes per year

Workforce: Total 694 (Flensburg: 195)

Products: Thermal paper, carbonless paper, inkjet paper,
cast coated paper, barrier coated paper

3. Extraordinary losses arising from business withdrawal

It is possible that extraordinary losses (impairment loss and other losses) arising from this business withdrawal will be recorded in FY2022. They are still under careful evaluation.

4. Targeted date of completion of business withdrawal

The end of December 2022

5. Impact on Results

Regarding the forecast of the MPM's consolidated results for FY2022 including the extraordinary losses this time, we are still carefully evaluating. We will inform you once they have been fixed.