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November 14, 2022

To whom it may concern,

Company name: Mitsubishi Paper Mills Limited
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(Code No.3864, TSE Prime)
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Notice of Group Organization Restructuring
(Absorption-type merger of wholly owned subsidiaries and merger between consolidated subsidiaries)

Mitsubishi Paper Mills Limited (hereinafter “MPM”) hereby announces that at our board of directors meeting held on November 14, 2022, MPM resolved to implement our group organization restructuring (hereinafter the “Organization Restructuring”) on April 1, 2023. As the Organization Restructuring is going to take place between MPM and its consolidated subsidiaries, and between its consolidated subsidiaries, certain disclosure items and details are omitted. It is noted that Kitakami HiTec Paper Corporation, which is going to be absorbed due to the Organization Restructuring, is classified as a specified subsidiary of MPM.

Details:

1. Purpose of the Organization Restructuring

The MPM group started our new medium-term management plan (FY2023/3-FY2025/3) this April and has been working on strengthening our business foundation and the creation of the new MPM group. As part of this commitment, MPM is going to integrate our following group subsidiaries, and reduce fixed costs by systematization, and strengthen our corporate governance. MPM is also considering the restructuring of the MPM group companies (including sub-subsidiaries etc.) other than those listed below, and we will make announcements promptly if any matters for disclosure arise.

2. Summary of the Organization Restructuring

① Merger between MPM and subsidiaries at Kitakami site

This is an absorption-type merger with MPM as the surviving company, and Kitakami HiTec Paper Corporation and Hokuryo Industry Corporation dissolved.

② Merger between sales subsidiaries

This is an absorption-type merger with Mitsubishi Oji Paper Sales Co., Ltd. as the surviving company and Diamic Co., Ltd. dissolved.

③ Merger between subsidiaries at Hachinohe site

This is an absorption-type merger with MPM Operation Co., Ltd. as the surviving company, and Hachinohe Paper Processing Co., Ltd. and Hachiryō Co., Ltd dissolved.

3. Outline of the Organization Restructuring

① Merger between MPM and subsidiaries at Kitakami site

(1) Schedule of the Merger

Date of resolution at the board of directors meeting	November 14, 2022
Date of conclusion of the merger agreement	November 14, 2022
Effective date of the Merger	April 1, 2023 (Scheduled)

※As the merger is qualified as a simplified absorption, it is carried out without our resolution of the board of directors.

(2) Method for merger

This is an absorption-type merger with MPM as the surviving company, and Kitakami HiTec Paper Corporation and Hokuryo Industry Corporation dissolved.

(3) Allocation due to merger

No issuance of new stocks and no payment of delivered money due to merger.

(4) Information on share acquisition rights and the bonds with stock acquisition rights due to merger

Not applicable.

(5) Summary of companies involved in the merger

	Surviving company		Absorbed company	
(1) Company name	Mitsubishi Paper Mills Limited		Kitakami HiTec Paper Corporation	Hokuryo Industry Corporation
(2) Location	2-10-14 Ryogoku, Sumida-ku, Tokyo		35, Sasanagane, Aisari-cho, Kitakami-shi, Iwate	35, Sasanagane, Aisari-cho, Kitakami-shi, Iwate
(3) Name and title of representative	President and CEO Ryuichi Kisaka		President and CEO Teiji Ota	President and CEO Toshiya Katagata
(4) Main business	Production, processing, and sale of paper, pulp, and photosensitive materials		Manufacturing, processing and sale of pulp, resin-coated paper and sanitary products	Contracted manufacture and finishing of paper, miscellaneous work
(5) Stated capital	36,561 million yen		450 million yen	10 million yen
(6) Date of establishment	April 1, 1898		April 8, 2005	July 1, 1985
(7) Issued shares	44,741,433 shares		1,000 shares	200 shares
(8) End of fiscal year	March 31		March 31	March 31
(9) Major shareholders and shareholdings ratio (As of September 30, 2022)	Oji Holdings Corporation	32.89%	Mitsubishi Paper Mills Limited 100%	Mitsubishi Paper Mills Limited 100%
	The Master Trust Bank of Japan, Ltd. (Trust account)	7.29%		
	Isao Nasu	4.77%		
	Mitsubishi Paper Mills Shareholder Association	2.18%		
	FUJIFILM Holdings Corporation	1.90%		
(10) Financial position and business performance for the last fiscal year				
End of fiscal year	FY2022.03 (consolidated)		FY2022.03 (Non-consolidated)	FY2022.03 (Non-consolidated)
Net Assets	69,613 million yen		1,607 million yen	27 million yen
Total Assets	215,879 million yen		8,446 million yen	159 million yen
Net assets per share	1,565.88 yen		1,607,908.79 yen	137,447.19 yen
Net sales	181,920 million yen		11,414 million yen	479 million yen
Operating Income	(248) million yen		74 million yen	9 million yen
Ordinary Income	1,964 million yen		115 million yen	8 million yen
Net profit attributable to owners of parent	1,096 million yen		413 million yen	9 million yen
Dividend per Share	24.62 yen		413,978.30 yen	45,693.40 yen

(6) Situation after merger

There is no change after the merger in our company name, location, name and title of representative, main business, stated capital and end of fiscal year.

② Merger between sales subsidiaries (Summary of companies involved in the merger)

	Surviving company	Absorbed company
(1) Company Name	Mitsubishi Oji Paper Sales Co., Ltd.	Diamic Co., Ltd.
(2) Location	2-10-14 Ryogoku, Sumida-ku, Tokyo	2-10-14 Ryogoku, Sumida-ku, Tokyo
(3) Name and title of representative	President and CEO Nobuhiro Sato	President and CEO Yuji Takagami
(4) Main business	Sale of paper and chemicals etc.	Sale of printing-plate materials, etc.
(5) Stated capital	600 million yen	100 million yen
(6) Date of establishment	August 1, 1956	April 1, 1992
(7) Issued shares	1,347,452 shares	17,510,000 shares
(8) End of fiscal year	March 31	March 31
(9) Major shareholders and shareholdings ratio (As of September 30, 2022)	Mitsubishi Paper Mills Limited 99.9%	Mitsubishi Paper Mills Limited 100%

③ Merger between subsidiaries at Hachinohe site (Summary of companies involved in the merger)

	Surviving company	Absorbed company	
(1) Company Name	MPM Operation Co., Ltd.	Hachinohe Paper Processing Co., Ltd.	Hachiryō Co., Ltd.
(2) Location	3 Aza Aomoriyachi, O-aza Kawaragi, Hachinohe-shi, Aomori	1-2 Aza Aomoriyachi, O-aza Kawaragi, Hachinohe-shi, Aomori	3 Aza Aomoriyachi, O-aza Kawaragi, Hachinohe-shi, Aomori
(3) Name and title of representative	President and CEO Keiichi Sato	President and CEO Takamichi Hiratsuka	President and CEO Takamichi Hiratsuka
(4) Main business	Entrustment with operation and management of production activities of Hachinohe Mill	Paper trimming, grading and packaging, storage and shipment of paper products	Premise transport, miscellaneous work and processing of packing paper
(5) Stated capital	20 million yen	50 million yen	20 million yen
(6) Date of establishment	April 1, 2015	April 1, 1966	September 28, 1983
(7) Issued shares	400 shares	280,000 shares	400 shares
(8) End of fiscal year	March 31	March 31	March 31
(9) Major shareholders and shareholdings ratio (As of September 30, 2022)	Mitsubishi Paper Mills Limited 100%	Mitsubishi Paper Mills Limited 100%	Mitsubishi Paper Mills Limited 100%

4. Future outlook

The impact that will be caused by this organizational restructuring on the consolidated performance is expected to be minor.