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February 14, 2025

To whom it may concern,

Company name: Mitsubishi Paper Mills Limited  
Representative: Ryuichi Kisaka, President and CEO  
(Code No.3864, TSE Prime)  
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## **Notice of Discontinuation of Operation of Machine and Recording of Extraordinary Loss (Impairment Loss)**

Mitsubishi Paper Mills Limited (the “Company”) hereby announces that, at the meeting on February 14, 2025, the Board of Directors passed a resolution to discontinue the operation of the N1 paper milling machine at the Kitakami Mill.

Details:

### 1. Purpose of discontinuation

The N1 paper milling machine at the Kitakami Mill began operating in 2001 for milling high-quality photographic base paper. It has since manufactured photographic base paper and photographic inkjet paper. However, its operation rate fell due to recent shrinking of demand for photographic printing. For the optimization of the production structure based on selection and concentration, one of the basic principles of the Company’s Medium-term Management Plan (FY2023/3-FY2025/3) the Company will concentrate its production on high efficiency machinery with a view toward reducing fixed costs and increasing production efficiency. This is expected to increase revenue by around 1.0 billion per year. The Company will send separate information to the users of the products that have been produced using this machine.

### 2. Outline of machine whose use is being discontinued

Machine whose use is being discontinued	N1 milling machine and other machinery at the Kitakami Mill
Main product type produced	Photographic base paper

### 3. Time for shutting down of machines (plan)

July 2025

### 4. Occurrence and details of extraordinary loss (impairment losses)

Some of the equipment at the Kitakami Mill will be idle assets. In accordance with the Accounting Standards for Impairment of Fixed Assets, the Company recorded 1,536 million yen in impairment loss of non-current assets as an extraordinary loss for the third quarter of the fiscal year ending March 31, 2025.