

Corporate Report 2021



Editorial Policy

Mitsubishi Paper Mills publishes the Mitsubishi Paper Mills Corporate Report, which summarizes financial and non-financial 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 which seek to bring about a more sustainable society.

Scope

The companies included are Mitsubishi Paper Mills Limited and its consolidated subsidiaries (18 companies in Japan and 6 companies overseas), as well as its equity-method affiliates (2 companies in Japan and 1 company overseas).

Reporting Period

The reporting period is fiscal 2021 (April 1, 2020 to March 31, 2021), with some content included from outside this period.

Guidelines Referenced

- ISO26000
- GRI's Sustainability Reporting Standards
- Environmental Reporting Guidelines (2018 Edition), Ministry of the Environment

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Next Report

Late August 2022

Our Website

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

CSR / Environment

Corporate reports, CSR reports
<https://www.mpm.co.jp/eng/env/report-index.html>

Investor Relations

Annual Business Report
<https://www.mpm.co.jp/eng/ir/library/index.html>

Products & Services

<https://www.mpm.co.jp/eng/products/index.html>

Research & Development

<https://www.mpm.co.jp/eng/rd/index.html>



<Cover photo>
 "FSC®-Certified Pandaruma," which was developed through the collaboration among WWF Japan, Ichise Co., Ltd., Shirakawa Daruma Sohonpo, and Mitsubishi Paper Mills Ltd.

Table of Contents

To Our Stakeholders

- Editorial Policy 1
- Our Website 1
- Table of Contents 2
- Message from the President 3
- Management Policies 5
- Consolidated Financial and Non-Financial Highlights 7

Special Feature

- Business Development from a Long-Term Point of View 9

Business Activities of the Mitsubishi Paper Mills Group

- Overview of Business Segments 15
 - Printing Paper Business 15
 - Imaging Media Business 17
 - Speciality Materials Business 19

- Research and Development 21

Initiatives Toward Sustainability

- Initiatives Toward Sustainability 23
 - The Way We See Sustainability 23
 - Sustainability Promotion Structure 23
 - ESG/ISO 26000 and Initiative of MPM Group 24
 - Key Issues (Material Issues) Concerning CSR Activities 25

- Corporate Governance 26

- Basic Policy on Corporate Governance 26
- Corporate Governance Framework 26
- Board of Directors and Audit & Supervisory Board Members 27
- Outside Directors 28

- Assessments of the Board of Directors Effectiveness 29

- Information Disclosure 30

- Compliance 31

- Risk Management 32

- Fair Operating Practices 33

- Ensuring Fair Trade 33
- Preventing Corruption 33
- Disavowal of Anti-Social Elements 33
- Promoting Social Responsibility in the Value Chain 33
- Responsible Raw Material Procurement 33

- Relationship with the Environment 35

- Environmental Management System 35
- Chemical Substance Management 35
- Preventing Global Warming 36
- Preserving Biodiversity 37
- Effective Use of Materials 38
- Material Balance 39
- Environmental Indicators 40

- Relationship with Employees 41

- Occupational Safety and Health Initiatives 41
- Promoting Good Mental and Physical Health 41
- Efforts to Create Comfortable Work Environments 42

- Relationship with Customers 43

- Quality Control System 43
- Product Safety Control System 43
- Communication with Customers 44
- Encouraging the Worry-Free Use of Our Products 44

- Relationship with Communities 45

- Communication with Community Members 45
- Philanthropic Expenditures 46

- Fiscal 2021 CSR Activities 47

- Fiscal 2022 CSR Action Plan 49

- Financial Section** 51

- Company Profile and Corporate Data** 58

- History and Main Offices and Mills of the Mitsubishi Paper Mills Group 59

Message from the President



Yukihiro Tachifuji
President and
Chief Executive Officer
立藤 幸博

Aims of the Mitsubishi Paper Mills Group

Since its founding in 1898, Mitsubishi Paper Mills has, as “technological Mitsubishi,” contributed to the development of information media such as printing, publishing, and photography by developing and providing high value-added products.

In the information society, we are witnessing a rapid shift to a structure that does not require paper media through digitization. Amidst these drastic changes in the management environment, we entered into a capital and business alliance agreement with Oji Holdings Corporation with the aim of achieving sustainable growth and increasing the corporate value of the Mitsubishi Paper Mills Group and, in March 2019, we became an equity method affiliate of Oji Holdings.

Presently, the Mitsubishi Paper Mills Group has upheld and is vigorously engaging in 3 key strategies as part of its New Mid-Term Management Plan (April 2019 to March 2022) whose basic principle is “Strengthening and diversifying the business base for a new stage.”

In fiscal 2021, as part of our first key strategy “Establish a robust management base through the alliance with the Oji Group,” we integrated the production systems for carbonless paper and determined the transfer of the pressboard business. As part of our second key strategy “Make structural reforms and enrich existing businesses,” the control of the printing photosensitive material tasks was transferred to a subsidiary and the subsidiaries for the inkjet business were integrated. Finally, as part of our third key strategy “Diversify the business base by fostering new profit pillars,” in addition to the household and consumer paper business and biomass power generation business, which are operated in cooperation with the Oji Group, we set up equipment for manufacturing melt-blown non-woven fabric, determined the addition of wet non-woven fabric papermaking machine to respond to the healthy demand for base materials for water treatment membrane and the production increase for battery separators, manufactured and sold special-purpose release/casting paper, promoted sales of barricote® and barrisherpa®, which contribute to the reduction of plastics and started the sale of water-repellent, oil-proof paperboard. Additionally, while coping with the spread of the novel coronavirus with anti-virus functional filters and alcohol disinfectants, we earnestly engaged in the transformation of our business portfolio and sowed the seeds towards its next pillar, such as films with added functionality for the electronics field and medical-related products.

Going forward, we will proceed with strengthening and diversifying our business base, and while aiming to further develop the Mitsubishi Paper Mills Group, we will improve corporate value and contribute to society.

We hope for your continued support and encouragement in the future.

Mitsubishi Paper Mills Group Corporate Philosophy



We aim to contribute to society by pursuing the world market, technological capabilities, and the global environment.

Contribution to SDGs

Through the trust and empathy of all our stakeholders, the Mitsubishi Paper Mills Group is aiming to increase its corporate value and contribute to the solutions to social issues, and is conducting unique activities for various challenges by utilizing the Group’s business domains and management resources.

In recent years, there have been demands to apply the sustainable development goals (SDGs) to management in corporate activities. We were one of the first to produce and sell FSC®-certified paper, which contributes to the attainment of SDGs. Furthermore, we are also marketing packaging paper for a variety of food products as well as paper straws in order to reduce or eliminate plastic usage. Additionally, we established the “Mitsubishi Paper Mills Group Environment Vision 2050” in March 2021 in order to contribute to the realization of a decarbonized or carbon-neutral society. We will continue to make efforts to realize a sustainable society through our businesses.

In fiscal 2020, we worked on “Enhancing activities to ensure safety and health” and “Product development centered on harmony with society” as the two top priority issues. For fiscal 2021, considering the Mitsubishi Paper Mills Group’s business environment, conditions and performance evaluation results of the previous fiscal year, we have established “Product development centered on harmony with society,” “Enhancing activities to ensure safety and health” and “Ensuring product quality” as the three top priority issues. “Product development centered on harmony with society” is based on the idea of the SDGs, and aligns with “Diversifying the business base by fostering new profit pillars,” which is one of the key strategies of the current New Mid-Term Management Plan. We will continue to work to develop new products that will pave the way to realizing a sustainable society. At the same time, with a renewed appreciation of the fact that “Enhancing activities to ensure safety and health” and “Ensuring product quality” undergird the Group’s business, we go back to our corporate philosophy and step up our efforts.

Management Policies

New Mid-Term Management Plan (FY2020 - FY2022)

Since April 2019, with “Strengthening and diversifying the business base for a new stage” as our basic principle, we have been taking initiatives under a New Mid-Term Management Plan, which aims to achieve sound and sustainable growth and maximize corporate value over the medium- to long-term. There was a sudden change in the business environment in the second year, that is fiscal 2020, due to the spread of the novel coronavirus, and it significantly impacted our businesses in the printing and communication paper field and the imaging field. In a New Mid-Term Management Plan, the following three key strategies are established:

- (1) Establish a robust management base through the alliance with the Oji Group;
- (2) Make structural reforms and enrich existing business; and
- (3) Diversify the business base by fostering new profit pillars.

We are aiming for a shift away from the conventional business structure based on printing and communication paper and the strengthening and diversification of our business foundation. We believe there is a need to further accelerate this change.

Status of initiatives for priority strategies

■ Establish a robust management base through the alliance with the Oji Group

◇ Centralization of the Carbonless Paper Business

In November 2019, it was agreed to transfer the carbonless paper production and sales business of Oji Imaging Media Co., Ltd. to Mitsubishi Paper Mills, and the business was officially transferred in July 2020 after adjustment of the sales network. We will expand market share and improve profitability through enhanced productivity. We will aim for at least a 35% share of the domestic market going forward.

◇ Transfer of the Pressboard Business

In August 2020, we integrated our production systems for electrical insulation paper pressboard in Oji F-Tex Co., Ltd. and determined the transfer of the right of business (excluding the heat insulated pressboard business) to it. By integrating production systems in the Nakatsu factory of Oji F-Tex, which is superior in production capacity, we will increase earnings (scheduled to be implemented in October 2021).

◇ Household and Consumer Paper Joint Venture

MPM Oji Home Products Co., Ltd., which engages in the household and consumer paper business, began commercial operation in April 2019. Amid robust demand for household and consumer paper, MPM Oji Home Products is using the Tohoku region where the brand is already established as a foundation to expand into Tokyo and other areas of the Kanto region. In fiscal 2021, we enhanced our product lineup by releasing twice volume toilet paper, kitchen towels, hand towels, an alcohol-free version of anti-bacterial wet wipes in addition to the alcohol-added version.



Twice volume toilet paper



Kitchen towel



Hand towel
(Above: Pillow type)
(Below: Box type)



Anti-bacterial wet wipes
(Alcoholic type)



Anti-bacterial wet wipes
(Non-alcoholic type)

FSC® C021528

■ Restructuring and enhancing existing businesses

◇ Merger of Group Companies (Reorganization of the Printing Photosensitive Material Business)

In June 2020, Diamic Co., Ltd. (surviving company) and Pictorico Co., Ltd. were integrated and the printing photosensitive material business of Mitsubishi Paper Mills was transferred to Diamic Co., Ltd. Overlapping and common operations will be optimized for the printing photosensitive material business and efforts will be made toward comprehensive business stability based on the maintenance of domestic business and business expansion in the Asian region. In the inkjet business, we will enhance the Pictorico brand, which was cultivated in the high-quality photography paper and photography output business aimed at professionals and advanced amateurs, and mutually cooperate in the fields of proofs, plate making and posters, thus expanding overall sales.

◇ Reorganization of the Research and Development Base

In January 2020, we established the Research and Development Division, which oversees all the R&D divisions that had previously been under the umbrella of the business departments, creating an environment in which we can flexibly develop new products, provide technical support, and optimize human resources across all businesses. Under this system, we achieved results by formulating key research themes based on management challenges and by optimizing the allocation of research resources. Additionally, we are also focusing on the creation of future-oriented research themes.

Further, in order to accelerate development and ensure contribution to earnings, we reformed the development implementation system and closed the Tsukuba R&D Laboratory, which was located far away from the manufacturing site, and established the Takasago R&D Laboratory inside the Takasago Mill, which is related to major research themes. We also transferred some of the research themes related to the Kyoto Mill to the Kyoto R&D Laboratory. At the same time, analysis operations, which existed in both Tsukuba and Kyoto, will be integrated into the Kyoto R&D Laboratory and strategically operated as an organization under the direct control of the Research and Development Division.

■ Diversify the business base by fostering new profit pillars

◇ Expand in Non-woven Fabric Growth Sectors

At the Takasago Mill, we will install new melt-blown non-woven fabric manufacturing equipment and add more wet non-woven fabric papermaking machines. In the field of speciality materials, we will develop high-performance functional filter materials and aim to expand its business, while taking steps to expand businesses with healthy demand, such as the businesses of water treatment membrane support substrates and battery separators.

We also relocated our filter business base from Yashio City, Saitama Prefecture to the Takasago Mill and transferred our R&D functions to the newly established Takasago R&D Laboratory in the same mill. The Takasago site was established as the base for comprehensive development and production of the Speciality Materials Business, and we continue to expand this business.

◇ Environmentally Friendly Products

We are enhancing the lineup of environment-friendly products. In addition to barricote® and barrisherpa®, which are the plasticless packaging papers with high biodegradability and recyclability released in May 2020, we launched water-repellent, oil-proof paperboard with greatly improved water and oil resistance and anti-bacterial kraft paper with anti-bacterial properties.

◇ Special-purpose Release/Casting Paper

At Kitakami HiTec Paper Corporation, manufacturing equipment for special-purpose release/casting paper, which has been remodeled from existing equipment, has begun operation and new businesses other than the photographic base paper business have started.

◇ Electronic Industrial Materials

With the full-scale operation of the new coater at the Kyoto Mill, we are expanding the profitability of functional films, such as photosensitive resists for electronic industrial materials.

Consolidated Financial and Non-Financial Highlights

The fiscal year runs from April 1 to March 31.

Fiscal Year	2017	2018	2019	2020	2021
Profit and loss situation (millions of yen):					
Net Sales	201,955	201,492	203,997	194,575	162,325
Operating Income	4,313	1,790	△40	1,976	△1,770
Ordinary Income	2,703	652	△914	2,696	△636
Profit Attributable to Owners of Parent	1,152	3,198	351	801	△2,532
Capital Investment	5,995	7,438	12,481	5,524	6,422
Cash flow situation (millions of yen):					
Cash Flows from Operating Activities	19,839	12,809	19,066	9,976	13,014
Cash Flows from Investing Activities	△7,070	△5,994	△8,979	△6,571	△2,098
Financial Position (100 millions of yen):					
Total Assets	2,349	2,374	2,328	2,122	2,094
Outstanding Interest-bearing Debt	1,257	1,193	1,046	1,019	979
Equity Capital	544	597	664	605	629
Per Share Information *1 (yen):					
Earnings per Share (EPS)	33.72	93.57	10.04	17.96	△56.72
Book Value per Share (BPS)	1,591.00	1,747.54	1,485.64	1,355.27	1,408.45
Management Indicators:					
Operating Income Margin (%)	2.1	0.9	△0.0	1.0	△1.1
Overseas Sales Ratio (%)	30	32	35	33	29
Equity Ratio (%)	23.2	25.2	28.5	28.5	30.0
Return on Equity (ROE) (%)**2	2.2	5.6	0.6	1.3	△4.1
Debt-Equity Ratio (D/E Ratio)**3	2.3	2.0	1.6	1.7	1.6
EBITDA (millions of yen)	14,768	12,264	10,076	11,801	7,261
Non-financial information :					
Number of employees**4 (persons)	3,734	3,723	3,668	3,676	3,579
Number of intellectual property rights (cases)	1,639	1,655	1,691	1,588**6	1,521
Industrial Waste Effective Utilization Ratio**5(%)	94	96	96	95	95
Greenhouse Gas Emissions (1,000 tons)	1,065	1,095	1,037	958	897
Greenhouse Gas Emissions Emission Intensity (tons / product tons)	1.155	1.160	1.155	1.185	1.423

*1 As of October 1, 2016, we conducted a reverse stock split at a ratio of 1 share for every 10 shares of common stock. The calculation is based on the assumption that the reverse stock split was carried out at the beginning of FY2017.

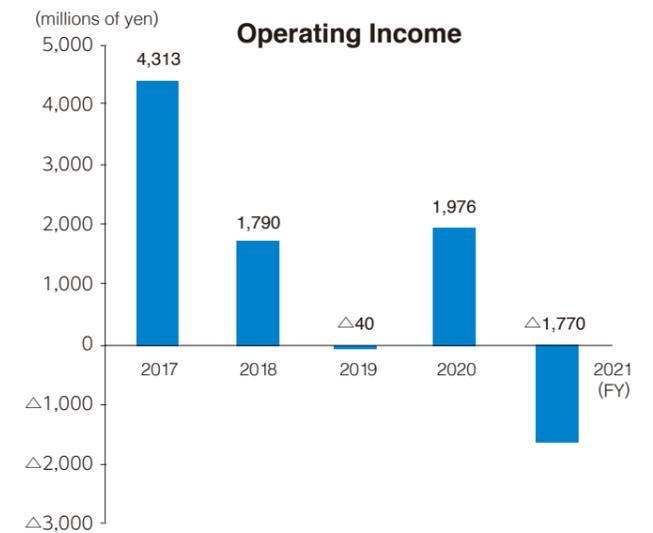
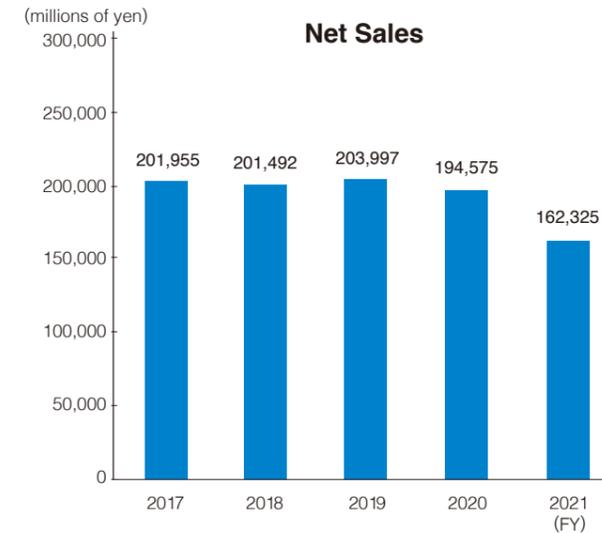
*2 Return on equity (ROE) = Profit attributable to owners of parent/(net assets - non-controlling interest)

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

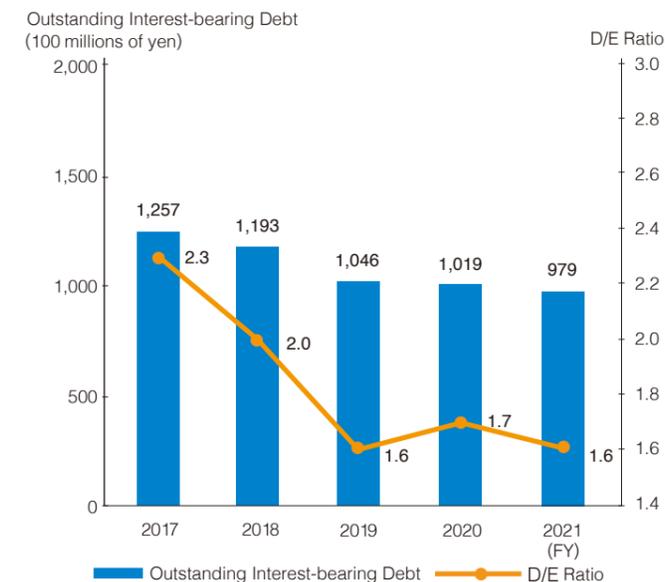
*4 The number of employees is working personnel and does not include the number of temporary employees.

*5 Effective utilization rate of industrial waste = (amount generated-final disposal amount) / amount generated

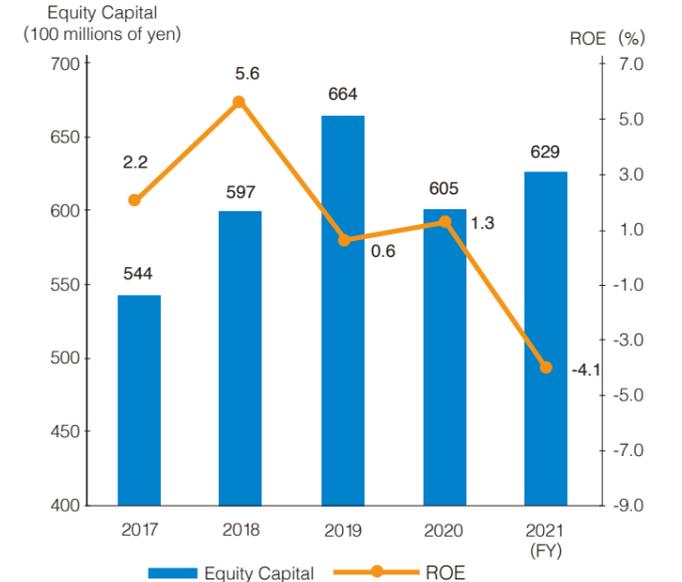
*6 In the continuous maintenance of intellectual property, we have been intensively taking inventory of patents since 2019. As a result, the number of holdings has decreased.



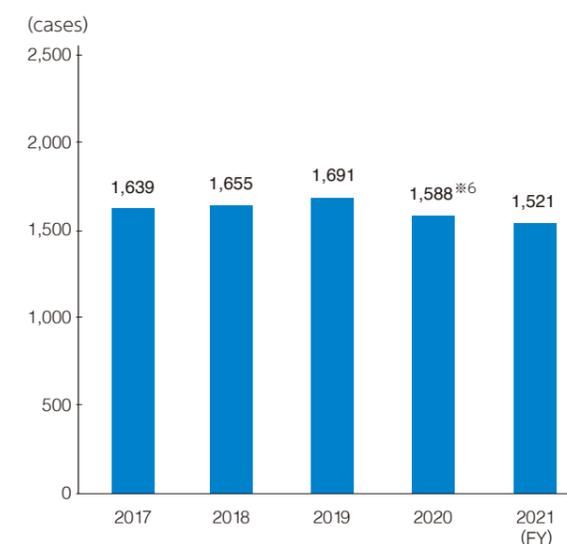
Outstanding Interest-bearing Debt and D/E Ratio



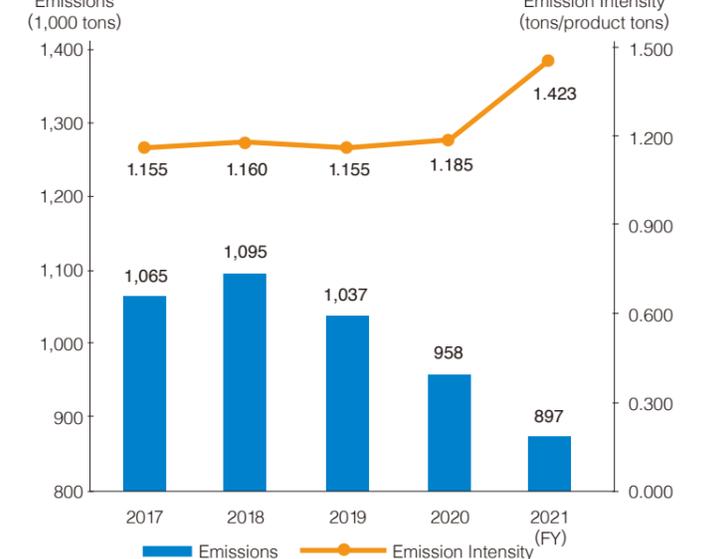
Equity Capital & ROE



Number of intellectual property rights



Greenhouse Gas Emissions and Emissions Intensity



Special Feature: Business development from a long-term perspective

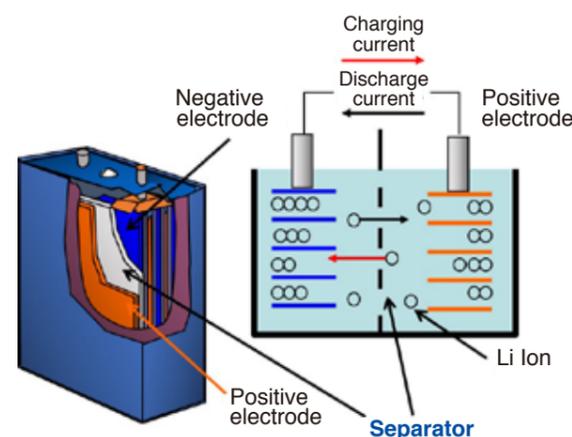
Next-generation products that will transform the business portfolio

In order to shift away from the conventional business structure of printing and communication paper, we are developing businesses from a long-term perspective and aiming to diversify the business base by fostering new profit pillars. In this special feature, we will introduce major next-generation products that will transform our business portfolio in the fields of high-performance products, home and healthcare products, and packaging-related products.

Highly functional products

■ Battery separator

The battery separator is one of the important components that make up a battery, and it is necessary to ensure ionic conductivity while separating the positive and negative electrodes of the battery. For this reason, it is required to have a porous structure in which fine pores are evenly distributed in the separator, and our ultra-thin non-woven fabric manufacturing technology using fine fibers is utilized there.



Structure of the lithium-ion battery

Among our separator products, the product supply for high-capacity capacitor applications has increased significantly, particularly in Japan, China, and South Korea. Especially, the global spread of COVID-19 has boosted demand for network infrastructure, including that for telecommuting, and has increased demand for renewable energy-related facilities along with the electrification of automobiles. Demand for EDLC and solid capacitors, which use our separators, is also growing, and this trend is expected to continue.

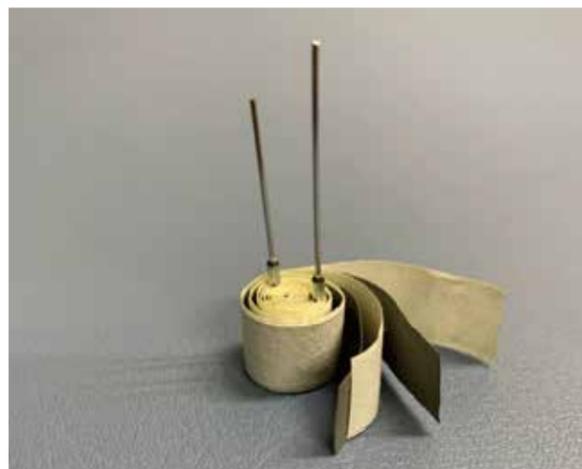


Photo of capacitor disassembly (the yellow sheet is a separator.)



Examples of products that include capacitors (such as servers)

(This image is unrelated to the actual projects in which our products were adopted.)

At present, battery separators are produced by one wet non-woven fabric papermaking machine at the Takasago Mill. However, in addition to battery separators, this papermaking machine produces water treatment membrane support substrates such as reverse osmosis membranes (RO membranes), and an insufficiency of production capacity due to increased demand in each business has become an issue.

In order to increase the production output of battery separators, we started to increase the wet non-woven fabric papermaking machine at the Takasago Mill. By specializing in the production of thin wet non-woven fabrics such as battery separators that require more thinness and higher precision, this new manufacturing equipment will improve productivity and stabilize quality in each product group and will be able to respond to future demand growth.

■ Dry Film Resist

The development of information and communication technologies, such as 5G and IoT, and the accompanying evolution of display devices as well as the trend toward electrification and automation in the automobile industry are expected to lead to an increase in the number and functionality of various electronic devices. In such an environment, in order to improve the functionality of component materials, it is necessary to develop processes with a high degree of manufacturing difficulty, such as miniaturization, complexity, and thinning of components, along with high heat dissipation and high heat resistance required for automotive components, as well as resist materials used in such processes.

Our photosensitive resist film is suitable for manufacturing and processing applications of high-performance materials such as special grades specialized for microblasting (fine sandblasting) applications and highly chemical resistant grades suitable for difficult-to-etch metals and glass processing applications. We will continue to promote product development and sales expansion that meet the needs of our customers.



Dry film resist roll

■ Special-purpose Release/Casting Paper

We have started the production of special-purpose release/casting paper for industrial materials by utilizing quality control, advanced technology and production equipment cultivated during the production of photographic base paper.

We have developed base paper for synthetic leather as release/casting paper, utilizing technology and equipment to achieve high levels of flatness and a uniform surface quality required in photographic base paper.

In addition, the Mitsubishi Paper Mills Group is proactively promoting the launch of new product groups by remodeling existing equipment to produce release/casting paper, utilizing the laminating technology along with technology and equipment that can achieve a fine coated layer.

Special Feature: Business development from a long-term perspective

Home and Healthcare Products

■ Melt blow dry non-woven fabric, non-woven fabric mask

We have newly established a manufacturing facility for non-woven fabric masks and melt blow dry non-woven fabrics, which are the materials for them, at the Takasago Mill. This project has been adopted by the Ministry of Economy, Trade and Industry as a "domestic investment promotion project cost subsidy project for supply chain measures". The non-woven fabric mask manufacturing equipment began commercial operation in January 2021, and the melt-blow dry non-woven fabric manufacturing equipment began commercial operation in June 2021.



Melt-blown equipment

The melt-blown dry non-woven fabric is a dry non-woven fabric with intertwined fine fibers that combine high collection efficiency and low-pressure loss and is a key material that gives non-woven masks high collectivity for fine contaminants such as viruses and pollen.

We believe that the establishment of a new melt blow dry non-woven fabric manufacturing facility is an important measure that will provide a foothold for our company, which has focused on wet non-woven fabrics, to enter the dry non-woven fabric field. We will start by supplying melt-blown dry non-woven fabrics for masks, but by combining them with our wet non-woven fabric technology, we will increase added value and expand into the fields of liquid and gas filters and new applications other than filters.



High-performance non-woven fabric mask

As for mask manufacturing equipment, we started operation of melt-blown dry non-woven fabric manufacturing equipment, and in January 2021, we launched a high-performance non-woven fabric mask while procuring raw materials and manufacturing the products all in Japan. The "Mitsubishi Paper Mills Rakuten Ichiba Store" was newly opened in March 2021, making it available to individual customers. Furthermore, we are developing highly functional non-woven fabric masks using functional filter materials, such as "Allersweep®," which has been developed in the air filter field, with the effect of controlling harmful substances through plant-based components.

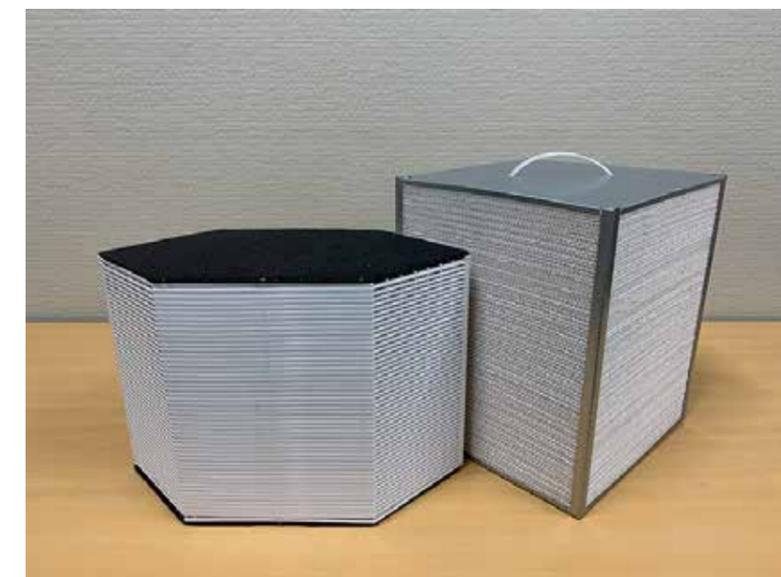
■ Air filter (anti-virus functional filter, total heat exchange element)

Mitsubishi Paper Mills produces and sells air filters with diverse functions, such as deodorizing, dust collecting, anti-bacterial, anti-viral, anti-allergen, humidifying (transpiration) and total heat exchanging properties. Since the coronavirus outbreak, especially, sales of filters with anti-virus functionality and energy recovery ventilator cores have increased.



Antiviral functional filter

With widespread awareness of the importance of air purification and ventilation to create safe and comfortable spaces, global demand for air purifiers and total enthalpy heat exchangers has grown significantly over the past year. This trend is likely to continue. In order to meet such global demand, we are required to enhance the lineup of antiviral functional filters and total heat exchange elements, and to achieve both energy saving and safety / comfort through more vigorous new product development. We will contribute to the realization of a safe and comfortable space for the post-corona society.



Enthalpy exchanger core
Paper element (right) and polymer element (left)

Special Feature: Business development from a long-term perspective

Packaging-related Products

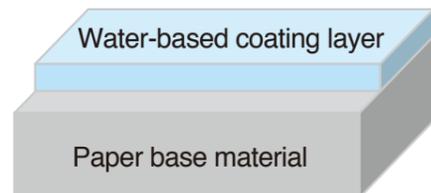
■ Coated paper for packaging with barrier properties and heat seal suitability
barricote® • barrisherpa®



“barricote®” is an alternative material that can contribute to the reduction of waste plastics, as measures against marine plastic waste and global warming are strongly desired due to the consumption of plastics for containers and packaging, which is rapidly increasing worldwide.

Main features

- Sustainable wrapping coated paper that responds to the realization of a carbon-neutral society and the reduction of marine plastic waste.
- A mono material product that has the original excellent biodegradability and full recyclability of paper materials.
- It has excellent barrier function and heat sealing properties, and covers a wide range of needs in the flexible packaging market.
- FSC®-certified bleached kraft paper is used as the base material.
- Developed at a domestic factory for the domestic market based on the usage record of the EU market where paper packaging is ahead.
- A lineup of optimal grades and thicknesses for various packaging formats for primary/secondary packaging, including food and daily hygiene products.



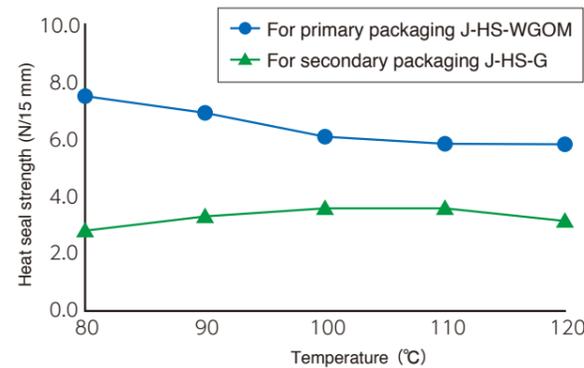
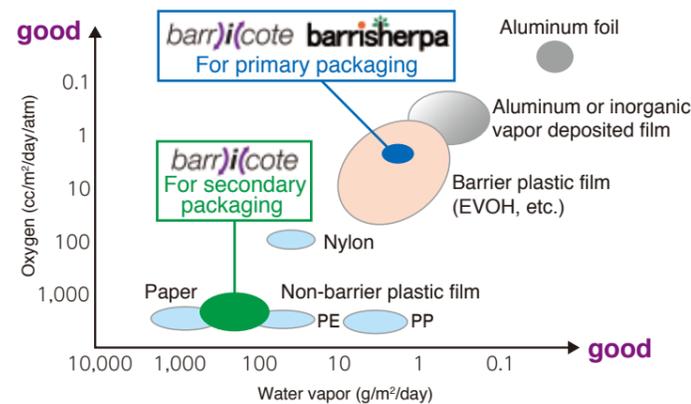
Features for primary packaging

- Water vapor/Oxygen/Food oils and fats/Flavor barrier property
- Heat seal suitability/Compliance with the Food Sanitation Act

Features for secondary packaging

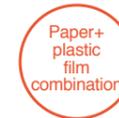
- Heat seal suitability (no barrier property)

Barrier performance/Seal strength



※The values shown are measured by us and are not guaranteed values.

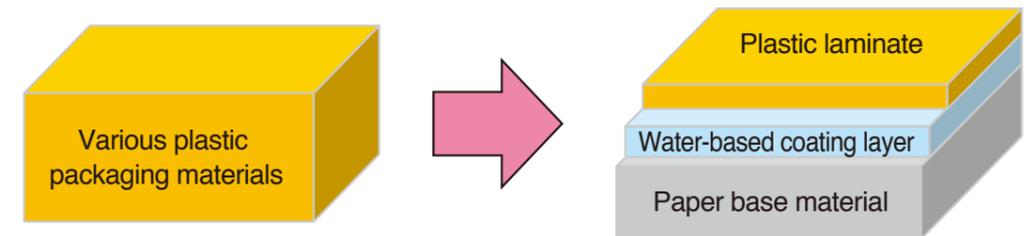
FSC® C021528



barrisherpa® is a laminated hybrid product of barricote® and plastic film. While maintaining the heat sealability and strength of plastic film, it contributes to reducing the amount of plastic use, and can also be combined with plant-derived, biodegradable plastic film. For the logo design, we created a design based on the concept of a tree growing in the sunlight.

Main features

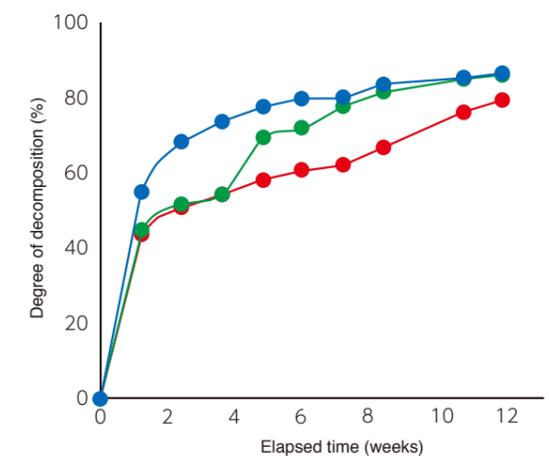
- A brand that combines barricote® and plastic film to meet high quality requirements.
- Contributes to the reduction of plastic while using the minimum amount of plastic film with excellent strength, water resistance and heat seal suitability.
- Achieves excellent barrier function without impairing total biodegradability by combining with biodegradable plastic.
- Bio-PBS/PBSA (manufactured by Mitsubishi Chemical Corporation) can be used as bio- and biodegradable plastics.



Disintegration test (up to 10 weeks)

	Photo 60°C	starting point	2w	4w	7w	10w
① barricote® J WGOM 73 //PBS 20 μ						
② barricote® J WGOM 73 //PBSA 20 μ						
③ barricote® J WGOM 73						

※The values shown are measured by us and are not guaranteed values.



Test conditions: Compost/Culture soil = 50/50, Temperature 60°C
Test cooperation: Mitsubishi Chemical Corporation

Overview of Business Segments



Printing Paper Business

Business Results

In the domestic market, although the product price level was maintained, the demand declined significantly mainly in the first half due to the impact of the Corona disaster, and both the sales volume and the amount decreased. Regarding exports, both sales volume and amount decreased. Under these circumstances, we have continued to reduce production in order to tighten supply and demand, and have been working to establish a production system in anticipation of future declines in demand.

As for our European subsidiaries, the supply-demand relationship for each main product deteriorated due to COVID-19, and sales revenue decreased following a decline in sales volume, lower prices, and impact of exchange rates.

As a result, net sales for all paper and pulp businesses was ¥125,340 million, down 14.4 % year over year. Operating income decreased ¥2,440 million from ¥1,140 million in the previous fiscal year to a loss of ¥1,299 million. Although there were effects of lower raw material and fuel prices and cost reductions, they were not enough to offset the negative impact of the decrease in production and sales volume.

Business Strategies

Under the three key strategies of the “New Mid-Term Management Plan” (April 2019 to March 2022), which is now in its second year, we are working to “strengthening and diversifying the business base for a new stage.”

(1) Establish a robust management base through the alliance with the Oji Group

We are promoting shared inter-regional OEM with the Oji Group and reducing logistics expenses, including mutual use of warehouses and distribution. Also, we are implementing shared OEM in printing and communication paper, joint storage at warehouses in consumption areas, and transportation of products by Oji Logistics dedicated ships.

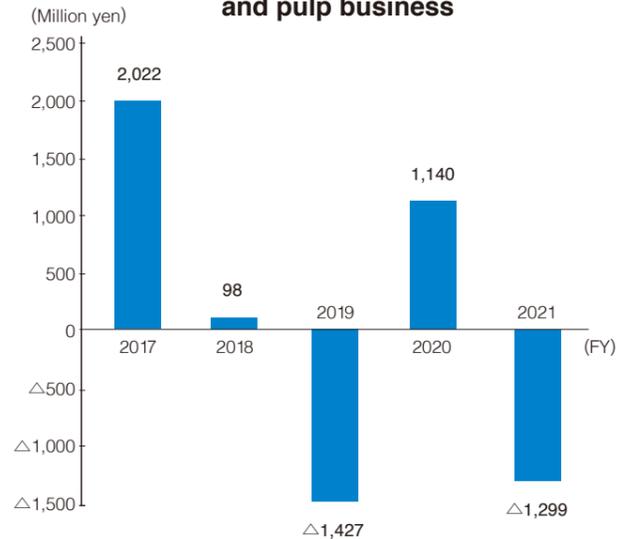
(2) Make structural reforms and enrich existing business

We will optimize the production system according to demand trends, organize production brands and optimize inventories, and maintain prices.

(3) Diversify the business base by fostering new profit pillars

We are working to shift its product portfolio by expanding sales of bleached kraft paper and functional paperboard, and expanding the lineup of barrier coated paper, which contributes to the elimination of plastics.

Trends in operating income of the paper and pulp business



Business Topics

《Launch of water-repellent and oil-resistant paperboard》

As we are transforming our product portfolio, we have launched water- and oil-resistant paperboard as a new product in the packaging field, which will increase the product ratio in the future.

This paperboard has a special aqueous coating that gives it the ability to withstand take-away containers without plastic film, which used to be laminated with plastic film. This material has begun to be used in various take-away containers as a material that can contribute to the reduction of plastic.



Product introduction

Printing Paper



Used for catalogs, books, copy paper, copy slips, etc.

Communication Paper



Used for copy paper, copy slips, receipts, etc.

Household and Consumer Paper



It has a reputation as a household paper with a high-class texture.

Heat-resistant Pressboard



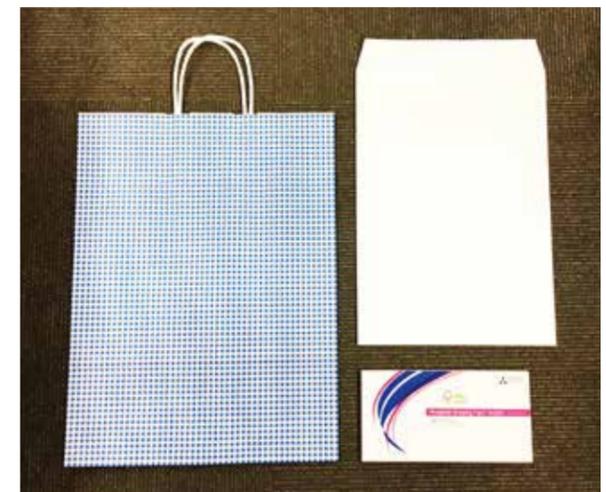
Used as an insulator for transformers.

barricote® and barrisherpa®



Barrier paper that can contribute to reducing the amount of plastic used

Bleached Kraft Paper



Used for paper bags, shopping bags, etc.

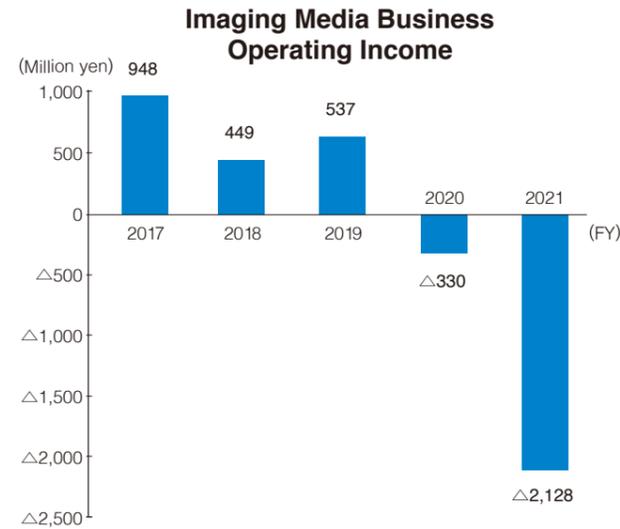
Overview of Business Segments

Imaging Media Business

Business Results

Demand for photographic photosensitive materials and inkjet paper, mainly for image output, was sluggish in both domestic and overseas markets due to the effects of refraining from traveling and events due to the Corona disaster, and the sales amount decreased.

As a result, total net sales for the Imaging Media Business were ¥25,182 million, a 25.1% decrease year-over-year. Operating loss increased ¥1,798 million from ¥330 million in the previous fiscal year to ¥2,128 million. Negative factors such as a decline in sales volume and higher costs due to lower utilization rates of production facilities were significant, which were not offset by efforts to expand new inkjet paper products for business use, sales of alcohol sterilizing solution and other infection prevention products, and reduction of fixed costs.



Business Strategies

The Imaging Media Business is working on the following initiatives as strategies under the New Mid-Term Management Plan.

As a restructuring of the existing business, the business of the print sensitive material business was transferred to the subsidiary Diamic Co., Ltd., and in the inkjet business, Diamic Co., Ltd. and Pictorico Co., Ltd. were merged in order to improve business efficiency and strengthen the sales system.

While strengthening our business foundation by reorganizing our production system in Japan and overseas and improving the efficiency of our sales system, we will aggressively expand into overseas markets to enhance sales of existing products that are maturing. We are expanding new products for inkjet paper, and we are working to expand sales by launching antibacterial and antiviral inkjet paper.

In printing-related products, we will work to expand our business to the Asian region, where corrugated board and package printing are growing rapidly, centered on chemical-free thermal plate-making films, and secure the profitability of our existing businesses.

In new businesses, the Kyoto Mill's No. 10 coater is now in full operation, and we are working to expand the profitability of functional films for the electronics field, such as photosensitive resists for electronic industrial materials, and to develop and launch new products. Kitakami HiTec Paper Corporation commenced the commercial operation of a new facility for the manufacture of special-purpose release/casting paper and other products, which was converted from existing facilities, and a new business other than photographic base paper was launched. We are also making efforts to cultivate new customers for digital transfer inkjet paper in various textile fields ranging from fast fashion which is suited to inkjet printing. In the medical and healthcare fields, we will develop new products and expand sales, and take other measures to expand our business in growing fields and establish various new businesses.

Business Topics

《Bank Paper Takasago Premium exclusive for fountain pens launched》

The "Three Diamond" watermarked bank paper made for bank books in 1960 is used by many fountain pen enthusiasts because of its writing characteristics.

In response to the demand for the ultimate fountain pen characteristics, we have developed and launched "Bank Paper Takasago Premium" for fountain pen paper, based on users' feedback. You can enjoy the silky touch and the wonderful color and shade expression of the ink.

We were also interviewed by the staff of Shumi No Bungu Bako, a high-end stationery magazine, and were featured in the January 2021 issue, vol.56.



Product introduction

Inkjet paper related

- Antibacterial and antiviral inkjet paper
- Highly weatherproof inkjet synthetic paper
- Inkjet paper for sublimation transfer



Antibacterial and antiviral inkjet paper

Photography related

- Mitsubishi Grace Color Paper MG-1000
- Color paper processing chemicals



Printing related

- CTF (Computer to Film)
 - T-GAF completely chemical-free thermal-sensitive film
- CTP (Computer to Plate) printing plate systems
 - Thermal DigiPlates (TDP) Completely chemical-free thermal printing plate
 - Silver DigiPlates (SDP) Liquid-saving processor system
- CTP printing plates for newspaper printing
 - PD-News RECTA Ver.2 Completely chemical-free
- Digital screen mask make systems
 - MDS-360 (Mitsubishi on Demand Silkscreen) Emulsion application, no washing required



T-GAF



MDS-360

Resin coat base paper related

- Resin coat base paper
 - For photographic paper
 - For inkjet paper
 - For sublimation thermal transfer paper
- Speciality paper
 - Processing base paper (release/casting paper)
 - Stacked board (Sheet pallet/ partition)



Partition



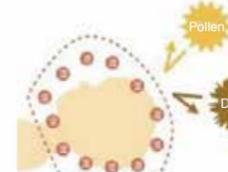
Pureleaf (Sterilization liquid)

New Businesses

- Electronic industrial materials
 - Photosensitive resists
 - Resin etching system
 - Silver nanoparticle ink
- Medical/healthcare
 - Diamour, a cryopreservation device for fertilized eggs
 - Pureleaf (sterilization solution)
 - My Dome, a cover that warms, moisturizes, and provides restful sleep
- Digital signage
 - SaiVis (projection screen films)
- Textile digital printing
 - Digital transfer inkjet paper



Glass art created using photosensitive resist



My Dome



Digital transfer inkjet paper

Overview of Business Segments

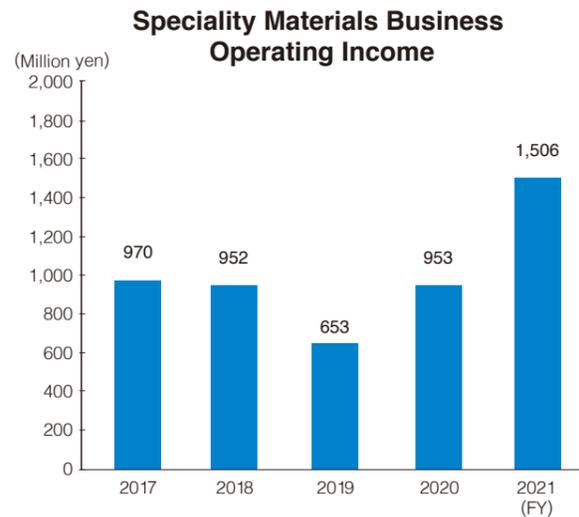
Speciality Materials Business

Business Results

In the area of speciality materials, sales revenue increased as the decrease in sales volume of rewritable media and non-woven fabrics for construction materials was offset by the increase in sales of water treatment membrane support substrates, battery separators and air filters.

The sales amount of chemical paper decreased due to the large impact of corona damage on construction purposes, etc., and the quantity of mainstay decorative board base paper and backing paper for wallpaper fell.

As a result, total net sales for the Speciality Materials Business decreased 6.4% year-over-year to ¥15,144 million. Operating income increased by ¥553 million year-over-year to ¥1,506 million thanks to the effect of cost reduction and lower raw material and fuel prices as well as sales increase in water treatment membrane support substrates, battery separators, etc.



Business Strategies

In the Speciality Materials Business, we continue to focus on increasing new users for water treatment membrane support substrates and expanding sales of membrane bioreactor (MBR) membrane support substrates, battery separators, decorative laminate base paper, and tape base paper.

For water treatment membrane supports, we are expanding our sales channels by capturing increasing demand in Asia and Europe, mainly in China. Demand for battery separators for capacitors, condensers and lithium-ion batteries is increasing, and we plan to start commercial operation of a new non-woven fabric manufacturing facility in April 2022.

As for air filters, the demand for air purification and ventilation is increasing due to the corona virus, and sales for air purifiers and total heat exchange ventilation fans are increasing. Regarding total heat exchange, in addition to expanding the current product lineup of paper devices, we are developing polymer devices, which are the mainstream in Europe and the United States and show signs of growing demand in China, with the aim of expanding sales channels globally.

In chemical paper, we are developing products and cultivating markets with the aim of creating high value-added products that match market requirements. We aim to expand sales of new products such as tape base paper, for which demand is growing in Japan and overseas, Heat & Fire Resistant Bio-soluble Ceramic Fiber Sheet, and carbon nanotube dispersions.

In addition to the above, we are aiming to strengthen our business foundation and expand our business portfolio by continuously expanding into new fields, such as by introducing production equipment for non-woven fabric masks and melt blow dry non-woven fabrics that are the materials for them at the Takasago Mill.

Business Topics

《Super heat-resistant glass fiber non-woven fabric》

We have developed a super heat-resistant glass fiber non-woven fabric with non-flammability and heat resistance that could not be realized with conventional wet non-woven fabrics. It can withstand the conditions of 750 °C for 20 minutes in a heating furnace, and will not be punctured by a flame of 1000 °C. Consideration is being given to using it for building materials that can obtain non-combustible certification by itself and for non-combustible sheets that prevent the spread of fire when a lithium-ion battery for electric vehicles (EV) ignites.



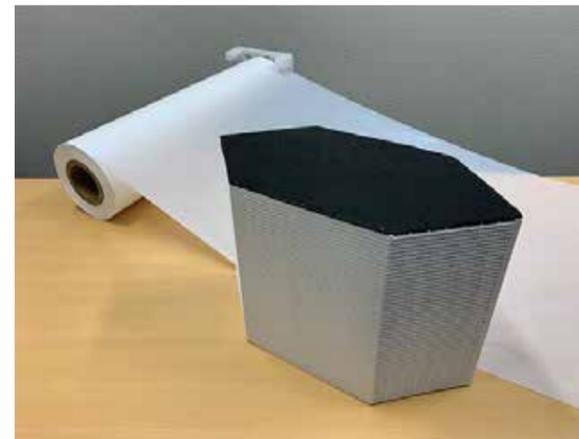
Product introduction

■ Battery separator



It has high heat resistance and contributes to improving the safety of batteries.

■ Enthalpy exchanger core (Polymer type: developed product)



It has excellent total heat exchange efficiency, gas barrier properties, condensation resistance, and water resistance.

■ Sterilized paper



Base paper for sterilization packaging that ensures the safety of medical devices.

■ Water Treatment Membrane Support Substrate

(Photo: Element with built-in support substrate)



It is used as a support for water treatment membranes and contributes to the supply of safe water.

■ Thermal Rewrite Cards



It is a resource-saving and economical information recording medium that can be reused by repeatedly rewriting the display.

■ Paper straws



We use FSC®-certified paper, which is friendly to the environment and local communities.

FSC® C021528

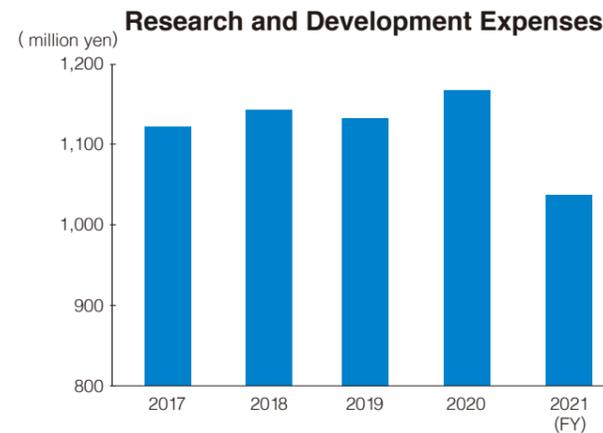
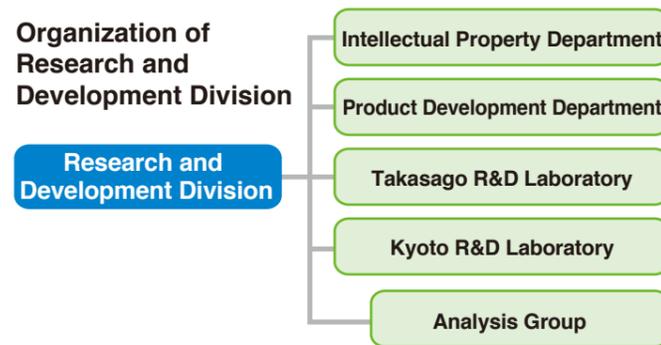
Research and Development

In line with our “Mitsubishi Paper Mills for High Grade and Information Media” philosophy, Mitsubishi Paper Mills develops and manufactures products in a wide variety of fields that include not only printing and communication paper but also imaging-related materials and speciality materials. At each of our R&D laboratories, along with researching our existing field of paper and peripheral basic technologies, we are combining the paper technologies we have developed over the years with silver halide photosensitive material technologies developed in our photo and printing fields to develop advanced products for our digital society. We are also mobilizing technical capabilities honed through the development of photosensitive materials, special materials, and other materials to develop new speciality materials (electronic industrial materials and amenities fields).

In January 2020, we established a new Research and Development Division to consolidate our research departments, and are working to enrich existing businesses and diversify the business base by fostering new profit pillars. In fiscal 2021, we reorganized our R&D laboratories to further streamline development.

Building a sustainable society is the most important goal for the papermaking industry, whose business base relies on an abundance of forest resources. Combining concern for the environment and dedication to enriching cultural life is the starting point of all our product development efforts.

Organization of Research and Development Division



Intellectual Property

Intellectual property is an important asset in developing our business and reinforcing our competitiveness. We submit applications for patents, utility models, and designs in Japan and overseas, not only to protect existing products, but also to raise our competitiveness in new fields. In particular, we are submitting more applications overseas in areas such as the U.S., Europe, China, South Korea, and Taiwan to back up our cultivation of new markets. We have also been actively applying for trademarks to improve brand power in our products.

As of March 31, 2021	Domestic	Overseas
Patent	505	289
Utility model right	18	34
Design	7	6
Trademark	105	77

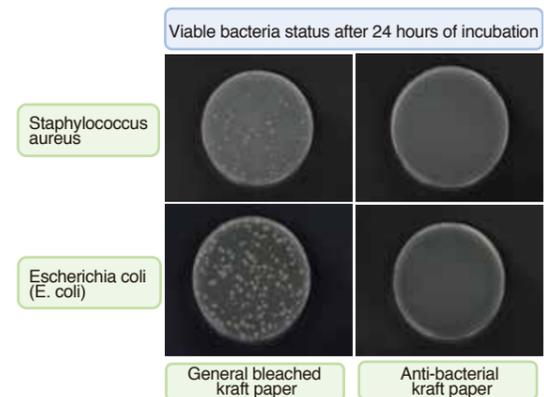
Number of rights held

Bases for Product and Technology Development

Product Development Department

The Product Development Department is responsible for the development of paper products, which are our mainstay products. In particular, in response to the recent marine plastic issues and other demands for products that contribute to the reduction of plastic in containers and packaging, we are developing distinctive packaging and industrial paper using the papermaking and coating technologies we have cultivated in printing and communication paper. We have commercialized “barricote®,” a barrier paper with excellent oxygen and water vapor barrier properties, “water-repellent, oil-proof paperboard” with superior water and oil resistance compared to conventional paperboard, and “anti-bacterial kraft paper” with antibacterial properties.

We will continue to develop unique paper products in the future.



Evaluation results of the antibacterial properties of anti-bacterial kraft paper

Takasago R&D Laboratory

Takasago R&D Laboratory, inaugurated on June 21, 2021, is developing speciality materials such as support substrates for various separation membranes, separators for secondary batteries and capacitors, paper products as substitutes for plastic containers and packaging, and nonflammable boards and sheets, based on the manufacturing technologies for non-woven fabrics and paper that we have developed over the years.

We plan to establish an integrated development system, including labs and actual devices.



Takasago R&D Laboratory

Kyoto R&D Laboratory

Using core technologies consisting of the Group’s extensive photosensitive resin, inkjet media, and silver halide photography technologies, this laboratory is developing and commercializing a range of products including various resist films, which enjoy unique properties in the electronics industry; micro-structure fabrication systems, which involve wet processing of difficult-to-process insulating materials to support 5G; and antibacterial inkjet media and a variety of sterilization solutions to meet the needs amid the COVID-19 pandemic.

In the new field of medical and health care, we are also working on the development of new device systems for cryopreservation of fertilized embryos for fertility treatment.



Cryopreservation device system for embryo (enclosed type)

Analysis Group

In order to develop new products and improve the quality of existing products, it is essential to have advanced analytical technologies to support them.

The Analysis Group of the Research & Development Division, which was established in April 2021 as a result of organizational restructuring within the Research & Development Division, assists the entire Mitsubishi Paper Mills Group in its research and development and product quality improvement efforts by quickly responding to the constantly evolving analytical technologies of the world.



Gas chromatograph time-of-flight mass spectrometer

Coating Flow Analysis Business

MPM CAE Center Co., Ltd. (established in April 2011) conducts contracted research and provides consulting services using numerical analysis techniques. It provides services that meet users’ needs through the use of coupled analysis techniques and high-speed analysis systems.

With its high level of technical expertise, the company has long been engaged in scientifically analyzing coatings (specifically, application of liquid to base substrates), and has created numerical analysis (computer simulation) technology for optimizing them. Leveraging this technology, we ran droplet prevention simulations on the collapsible desktop partitions and ventilation simulations of indoor air conditioners as a countermeasure to COVID-19.

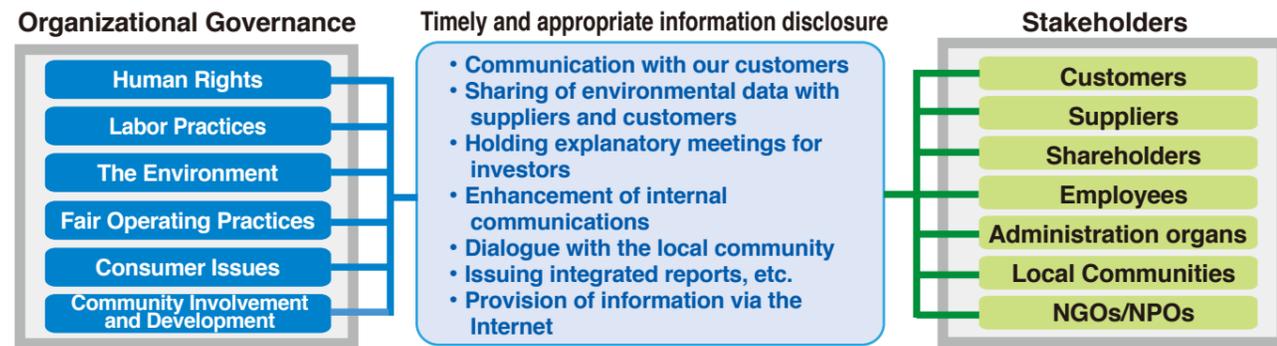
Initiatives Toward Sustainability

The Way We See Sustainability

The Mitsubishi Paper Mills Group aims to enhance its corporate value by earning the trust and appreciation of all stakeholders, while contributing to the realization of a sustainable society by providing solutions to various social issues. To this end, we have positioned CSR activities as one of the important management issues to be addressed in our business.

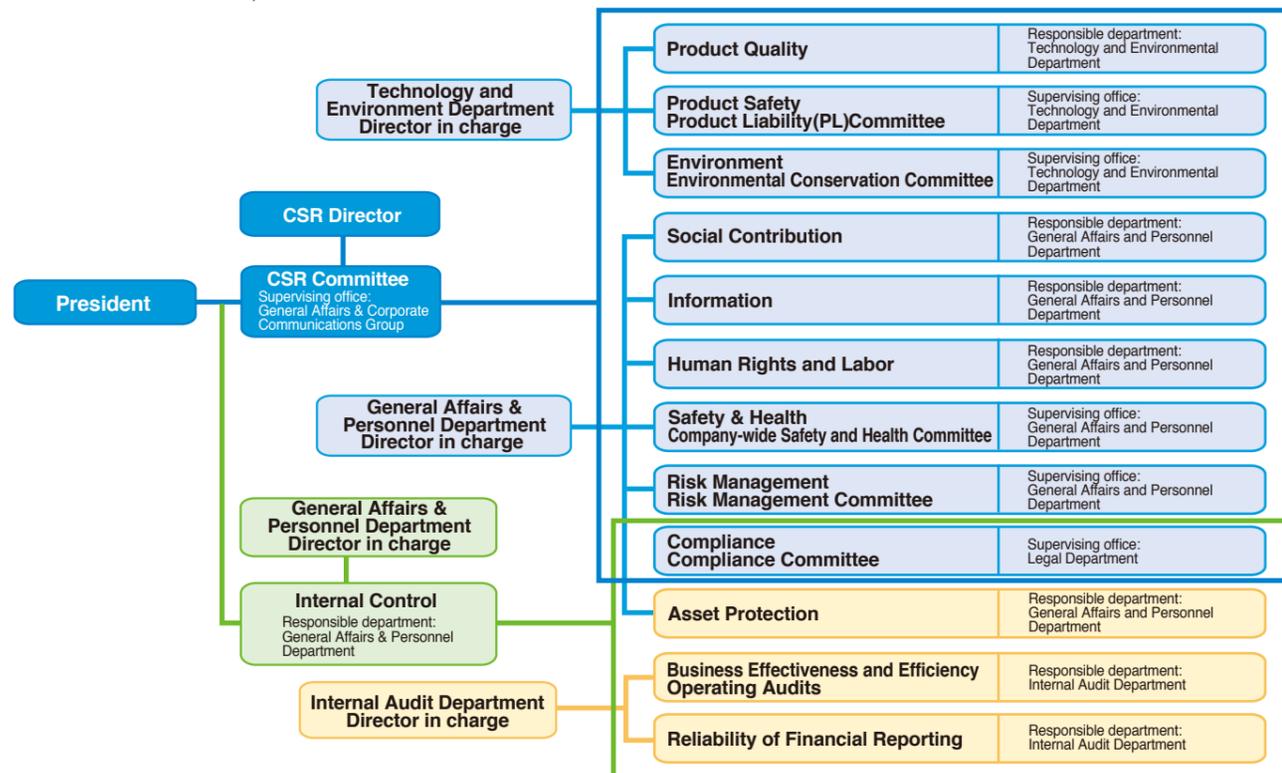
We established the Code of Conduct of the Mitsubishi Paper Mills Group as a materialization of this philosophy. Since then, we have respected the spirit of the code and dedicated ourselves to putting it into practice.

⇒ Reference link: Code of Conduct of the Mitsubishi Paper Mills Group
<https://www.mpm.co.jp/eng/company/kensyou.html>



Sustainability Promotion Structure

To contribute to the realization of a sustainable society and carry out the business of the Mitsubishi Paper Mills Group with an emphasis on CSR, we have nominated a CSR director and have established a CSR Committee, which is chaired by the president. The CSR Committee oversees all nine areas of the Group's CSR activities (compliance, risk management, safety and health, the environment, product safety, product quality, human rights and labor, information, and social contribution).



ESG/ISO 26000 and Initiatives of MPM Group

The Mitsubishi Paper Mills Group views ISO 26000, an international standard for organizational social responsibility, as a common indicator for promoting sustainability and promotes activities in each field. In this corporate report, we note the following as activities being done for the "seven core subjects" and "issues" of ISO 26000.

ESG	Core subjects	Issues	Page mentioned	
G	Organizational Governance	Organizational Governance	Initiatives Toward Sustainability Pgs. 23-25 Corporate Governance Pgs. 26-32	
		Human Rights	1. Due diligence 2. Human rights risk situations 3. Avoidance of complicity 4. Resolving grievances 5. Discrimination and vulnerable groups 6. Civil and political rights 7. Economic, social, and cultural rights 8. Fundamental principles and rights at work Compliance Pg. 31 Risk Management Pg. 32 Promoting Social Responsibility in the Value Chain Pg. 33 Responsible Raw Material Procurement Pgs. 33-34 Relationship with Employees Pgs. 41-42 Relationship with Communities Pgs. 45-46	
	Labor Practices	1. Employment and employment relationships 2. Conditions of work and social protection 3. Social dialogue 4. Health and safety at work 5. Human development and training in the workplace	Compliance Pg. 31 Risk Management Pg. 32 Relationship with Employees Pgs. 41-42	
		Fair Operating Practice	1. Preventing corruption 2. Responsible political involvement 3. Fair competition 4. Promoting social responsibility in the value chain 5. Respect for property rights Compliance Pg. 31 Fair Operating Practices Pgs. 33-34	
	S	Consumer Issues	1. Fair marketing, factual and unbiased information, and fair contractual practices 2. Protecting consumers' health and safety 3. Sustainable consumption 4. Consumer service, support, and complaint and dispute resolution 5. Consumer data protection and privacy 6. Access to essential services 7. Education and awareness	Special Feature Pgs. 9-14 Information Disclosure Pg. 30 Fair Operating Practices Pgs. 33-34 Relationship with the Environment Pgs. 35-40 Relationship with Customers Pgs. 43-44
			Community Involvement and Development	1. Community involvement 2. Education and culture 3. Employment creation and skills development 4. Technology development and access 5. Wealth and income creation 6. Health 7. Social investment Preserving Biodiversity Pg. 37 Relationship with Communities Pgs. 45-46
E	The Environment	1. Prevention of pollution 2. Sustainable resource use 3. Climate change mitigation and adaptation 4. Protection of the environment, biodiversity, and restoration of natural habitats	Responsible Raw Material Procurement Pgs. 33-34 Relationship with the Environment Pgs. 35-40	

Initiatives Toward Sustainability

Key Issues (Material Issues) Concerning CSR Activities

With the goal of contributing to the realization of a sustainable society through its business activities, the Mitsubishi Paper Mills Group has established the following items to satisfy the needs of society.

Process for Defining Issues

■ Process 1: Ascertain the circumstances surrounding the Mitsubishi Paper Mills Group

We analyzed the circumstances surrounding the Mitsubishi Paper Mills Group from environmental, social, and governance viewpoints. We then identified issues referencing ISO 26000, GRI, the SDGs and other guidelines, and assessed efforts that are being made with respect to these issues.

■ Process 2: Establish key issues and top priority issues to satisfy the needs of society

We assigned priority to each issue based on how they impact our business and on feedback from stakeholders. We then extracted key issues that address social needs and from among them established top priority issues based on a comprehensive consideration of our business environment and progress made in addressing key issues.

■ Process 3: Verify the appropriateness of the process

The CSR Committee, a cross-organizational body, verified the appropriateness of our process for determining issues and established key issues and top priority issues through discussions held at meetings of the Board of Directors.

Key Issues and Top Priority Issues in FY 2021

ESG/ISO 26000 core subjects	Key issues (items with an asterisk (*) represent top priority issues)
G/Organizational Governance S/Fair Operating Practices 	Ensuring the effectiveness of corporate governance Establishing a risk management structure Thoroughly familiarizing employees with our Corporate Code of Conduct and the Compliance Conduct Standards Ensuring strict legal compliance Promoting communication with stakeholders Expanding initiatives out to affiliated Group companies
S/Human Rights/Labor Practices 	◎Enhancing activities to ensure safety and health Promoting various measures to improve human resource performance
E/The Environment 	Promoting activities to prevent global warming Promoting activities to preserve biodiversity Improving and enlarging our environmentally conscious product lineup Reducing environmental risk and impact
S/Consumer Issues 	Ensuring product safety ◎Ensuring product quality ◎Product development centered on harmony with society
S/Community Involvement and Development 	Promoting community support activities Promoting cultural contribution activities Promoting activities of the Ecosystem Academy

⇒ The action plan for each key issue is shown in the Fiscal 2021 CSR Action Plan on page 48.

Corporate Governance

Basic Policies on Corporate Governance

Mitsubishi Paper Mills' corporate activities are based on its corporate philosophy: Live up to the trust of its customers in the world market; Always be on the leading edge of technology; and Contribute to preserving the global environment and creating a recycling society. Under this philosophy, the Group pursues corporate group management that values CSR, enhances management transparency, and augments corporate governance, all to achieve the sustainable growth of the Group and the medium- to long-term improvement of its corporate value. We have established the the Mitsubishi Paper Mills Limited Basic Policy on Corporate Governance so that we can take concrete steps toward achieving the above, and make it available on our website.

⇒ Reference link: Corporate Governance
<https://www.mpm.co.jp/eng/company/governance.html>

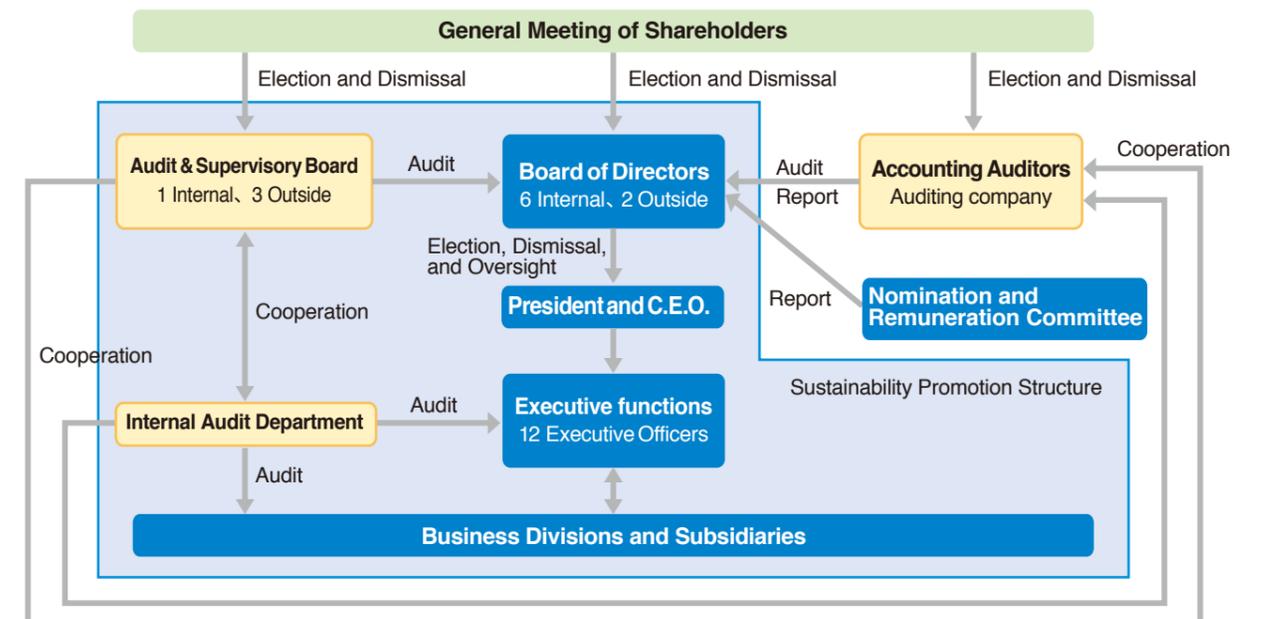
Corporate Governance Framework (as of August 31, 2021)

Mitsubishi Paper Mills has chosen to structure itself as a company with a board of corporate auditors and assigned two independent outside directors, thereby creating a structure fulfilling the role required by the Board of Directors. We also 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.

At special meetings of the Board of Directors which are held as needed in addition to the regular monthly meetings, decisions are made about and oversight provided concerning matters prescribed in laws, regulations and the Articles of Incorporation, as well as the execution of significant business. Moreover, in principle, the Management Committee, which is comprised of main executive officers, is held once a week to deliberate on important matters related to the management of the Mitsubishi Paper Mills Group and to ensure thorough Group governance and the sharing of Group strategies and important information. Our Audit & Supervisory Board, which also includes outside Audit & Supervisory Board members, holds meetings periodically and as needed.

For business execution, we have adopted a system of business divisions. To strengthen our business execution structure, we have given these divisions the responsibility for revenue generation and authority to make decisions.

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 that acts as an advisory body to the Board of Directors.



Corporate Governance

Board of Directors and Audit & Supervisory Board Members

(as of August 31, 2021)

Directors



Representative Director, Chairman
Yoshiaki Takeda
In charge of Accounting Department



Representative Director, President & CEO
Yukihiro Tachifuji
In charge of Management Planning Department, Research & Development Division, Energy Business Office and Technology and Environment Department



Director, Managing Executive Officer
Nobuhiro Sato
In charge of Printing Paper Business
General Manager of Printing Paper Business
Director and President of Mitsubishi Oji Paper Sales Co., Ltd.



Director, Managing Executive Officer
Shinpei Yamada
In charge of Functional Materials Division and Kitakami Business Division
Assistant manager in charge of the business in Germany
General Manager of Functional Materials Division



Director, Managing Executive Officer
Shigeharu Sanada
In charge of General Affairs & Personnel Department, Legal Department, Raw Material Department, Internal Audit Department, and Shirakawa Site Executive in charge of CSR



Director, Senior Corporate Adviser
Kunio Suzuki



Outside Director
Soumitsu Takehara
Director and Chairman of ZECOO Partners Inc.
Certified public accountant



Outside Director
Yoshihiro Kataoka
Partner Chief of Kataoka & Kobayashi LPC
Attorney-at-law

Audit & Supervisory Board Members



Standing Audit & Supervisory Board Member
Koichi Nakayama



Outside Audit & Supervisory Board Member
Hiroaki Tonooka
The Kitasato Institute Director



Outside Audit & Supervisory Board Member
Takeshi Kobayashi
DBJ Capital Co., Ltd. Chairman



Outside Audit & Supervisory Board Member
Satoshi Takizawa
Representative Director and President of Mitsubishi UFJ Trust Business Co., Ltd.

Outside Directors

■ Somitsu Takehara, Director (Born on April 1, 1952)

Number of MPM shares held: 0

Career Summary

January 1977 Joined Peat Marwick Mitchell & Co.
December 1981 Joined Coopers & Lybrand
July 2000 General Manager, Transaction Service Division, Chuo Aoyama
April 2005 Representative Director, ZECOO Partners Inc.
November 2017 Director & Chairman, ZECOO Partners Inc. (to present)

Reason for election

Expertise in finance and accounting, extensive knowledge of corporate management

Important positions concurrently held at other companies, etc.

Director & Chairman, ZECOO Partners Inc.
Outside Audit & Supervisory Board Member, EDION Corporation (since June 2014)
Outside Director, Genki Sushi Co., Ltd. (since June 2015)
Outside Audit & Supervisory Board Member, TBS Holdings, Inc. (since June 2020)

Board of Directors meeting attendance (FY 2021)

Board of Directors meetings: 15 of 15

■ Yoshihiro Kataoka, Director (Born on July 30, 1954)

Number of MPM shares held: 0

Career Summary

April 1980 Registered as an attorney-at-law (Tokyo Bar Association)
April 1983 Hosoda and Kataoka Law Office
September 1984 Chief, Yoshihiro Kataoka Law Office
June 1990 Partner Chief, Kataoka & Kobayashi LPC (to present)

Reason for election

Expertise in law and many years of experience in corporate legal affairs

Important positions concurrently held at other companies, etc.

Partner Chief, Kataoka & Kobayashi LPC
Visiting Professor, Chuo Law School (since April 2007)
Outside Director, The Higo Bank Ltd. (Audit Committee member) (since June 2021)

Board of Directors meeting attendance (FY 2021)

Board of Directors meetings: 15 of 15

■ Hiroaki Tonooka, Audit & Supervisory Board Member (Born on January 23, 1953)

Number of MPM shares held: 0

Career Summary

April 1976 Joined Meiji Life Insurance Company (currently Meiji Yasuda Life Insurance Company) (hereinafter "MY")
July 2005 Director, General Manager; Group Market Planning & Research Department, MY
December 2005 Director, MY
April 2006 Director, Managing Executive Officer, MY
July 2006 Managing Executive Officer, MY
April 2008 Senior Managing Executive Officer, MY
July 2012 Director, Deputy President, MY
April 2016 Director, MY
June 2016 Adviser, MY
July 2016 Director, The Kitasato Institute (to present)

Reason for election

Expertise in finance and accounting, extensive experience in corporate management

Important positions concurrently held at other companies, etc.

Director, The Kitasato Institute

Board of Directors and Audit & Supervisory Board meeting attendance (FY 2021)

Board of Directors meetings: 15 of 15,
Audit & Supervisory Board meetings: 15 of 15

■ Takeshi Kobayashi, Audit & Supervisory Board Member (Born on April 11, 1955)

Number of MPM shares held: 0

Career Summary

April 1979 Joined Japan Development Bank (currently Development Bank of Japan Inc.) (hereinafter "DBJ")
June 2009 Executive Officer and General Manager of Human Resources Management Department, DBJ
June 2011 Managing Executive Officer, DBJ
Standing Audit & Supervisory Board Member, DBJ
June 2014 Member of the Board, Managing Executive Director, Japan Nuclear Fuel Limited (hereinafter "JNFL")
June 2016 Managing Executive Officer, JNFL
June 2018 Adviser, Research Institute of Capital Formation, DBJ
June 2019 Chairman, DBJ Capital Co., Ltd. (to present)

Reason for election

Expertise in finance and accounting, great discernment of corporate management

Important positions concurrently held at other companies, etc.

Outside Corporate Auditor, Takagi Seiko Corporation (since June 2018)
Chairman, DBJ Capital Co., Ltd.
Outside Corporate Auditor, Keisei Electric Railway Co., Ltd. (since June 2019)

Board of Directors and Audit & Supervisory Board meeting attendance (FY 2021)

Board of Directors meetings: 14 of 15
Audit & Supervisory Board meetings: 14 of 15

■ Satoshi Takizawa, Audit & Supervisory Board Member (Born on June 21, 1961)

Number of MPM shares held: 0

Career Summary

April 1984 Joined Mitsubishi Trust and Banking Corporation (currently Mitsubishi UFJ Trust and Banking Corporation) (hereinafter "MUFJ TBC")
June 2010 Executive Officer and head of Financial Planning Section of Mitsubishi UFJ Financial Group, Inc. and an Executive Officer of MUFJ TBC
June 2012 Executive Officer and head of Management Planning Section of MUFJ TBC
June 2013 Managing Executive Officer, MUFJ TBC
June 2016 Director, Senior Managing Executive Officer, MUFJ TBC
June 2019 Representative Director and President of Mitsubishi UFJ Trust Business Co., Ltd. (to present)

Reason for election

Expertise in finance and accounting, great discernment of corporate management

Important positions concurrently held at other companies, etc.

Representative Director and President of Mitsubishi UFJ Trust Business Co., Ltd.

Board of Directors meeting attendance (FY 2021)

(Assumed his position in June 2021)

Corporate Governance

Assessments of the Board of Directors Effectiveness

The Board of Directors conducts a questionnaire for Directors and Audit & Supervisory Board members to analyze and evaluate the effectiveness of the Board of Directors as a whole. The results of the questionnaire are then discussed at the Board of Directors. An outline of the questionnaire and results is provided below. In addition to sharing the current understanding, the Board of Directors will identify and discuss issues to make future improvements and continually work to improve its effectiveness.

(1) Date of Analysis and Evaluation of the Board of Directors' Effectiveness in FY2021

December 24, 2020 - January 8, 2021: Questionnaire conducted
February 10, 2021: Discussions held at Board of Directors meeting

(2) Questionnaire Topics

- a. Composition of the Board of Directors
- b. Operation of the Board of Directors
- c. Functions of the Board of Directors
- d. Other proposals for Improvements

(3) Analysis and Evaluation of FY2021 Board of Directors' Effectiveness —Summary of Results

a. Composition of the Board of Directors

It can be considered that an appropriate system has been maintained for fulfilling the functions of the Board of Directors, from the viewpoints of the number, knowledge, experience, and balance of directors, but it is still necessary to increase the ratio of independent outside directors to one-third or higher, recruit female executives in a planned manner, for example, by inviting them from outside the Company, optimize the balance of expertise of directors for improving effectiveness, and acquire broad cross-sectoral knowledge.

b. Operation of the Board of Directors

It can be considered that the frequency, duration, operation, and review of the meeting of the Board of Directors, and the system for providing outside executives with material in advance are appropriate as a whole. It is still necessary to operate the meetings of the Board of Directors so efficiently that sufficient time can be allocated to the discussions on important items, such as mid/long-term management strategies and investment strategies, and increase opportunities to share information through discussions outside the Board of Directors, involving outside directors, to promote freewheeling strategic discussions.

c. Functions of the Board of Director

It can be recognized that the Board of Directors functions appropriately as a whole, but it is necessary to respond to significant changes in the business environment more swiftly under the mid/long-term management strategies, for example, by reforming the business portfolio. In addition, it is necessary to address sustainability issues, meet the expectations from stakeholders, including investors, employees, and customers, and adopt share-based compensation as medium- to long-term incentives while considering social demand and responding flexibly.

d. Other Proposals for Improvements

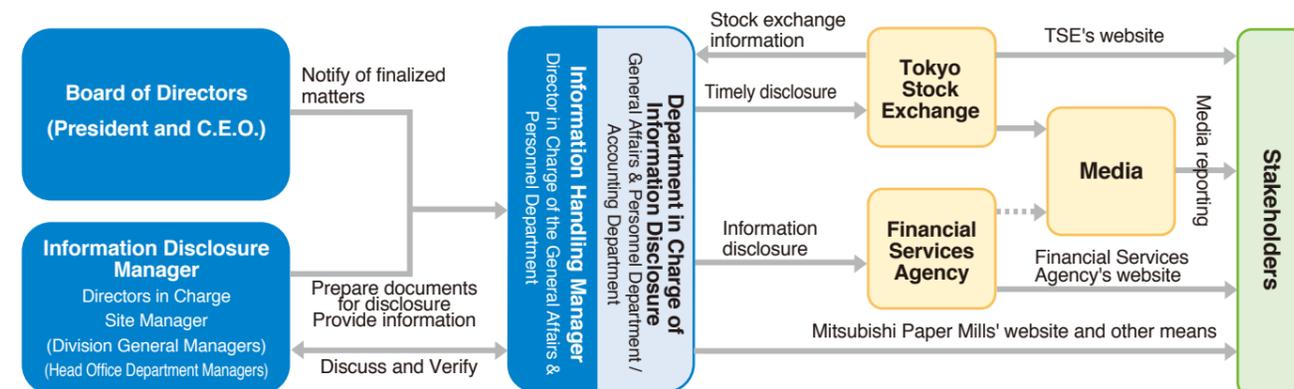
In addition to the above discussion items, the active promotion of IR and SR activities taking into account the change in the composition of end users, etc. was proposed.

Information Disclosure

The Mitsubishi Paper Mills Group expresses its commitment to transparency in its business activities in the Code of Conduct of the Mitsubishi Paper Mills Group. The Group has established and publicized its Disclosure Policy based on this code and has declared that it will practice the timely and proper disclosure of corporate information. We have also established the Information Disclosure Regulations for ensuring that stakeholders receive an accurate, timely, and fair disclosure of information on a continuous basis, with our General Affairs & Corporate Communications Group in charge of managing these efforts. It also regularly holds public relations sessions and manages the disclosure of information about the Group. Furthermore, in the interest of fair disclosure, materials from financial result briefings are also disclosed at the time meetings are held.

⇒ Reference link: Disclosure Policy
https://www.mpm.co.jp/eng/ir/disclosure/disclosure_policy.html

Information Disclosure System



Communication

IR Information Website

An investor relations page can be found on the Mitsubishi Paper Mills website. Information is disseminated in a timely manner on this page, which provides primarily earnings highlights, an IR calendar, an IR library (with access to annual business reports and mid-term management plan materials), General Meeting of Shareholders presentation materials, stock information, etc.

⇒ Reference link: Investor Relations
<https://www.mpm.co.jp/eng/ir/index.html>



Head Office Gallery: Paper Design Square

We have built a gallery at the head office displaying our principal products to engender a stronger affinity with the Mitsubishi Paper Mills Group products in addition to regularly held planned exhibitions.

Location: Ryogoku City Core, 2-10-14, Ryogoku, Sumida-ku, Tokyo, Japan
Mitsubishi Paper Mills Head Office, 11F, next to general reception

Hours: 9:00-17:00 (closed on Saturdays, Sundays, public holidays, and designated holidays)

*We provide alcohol-based sanitizer and masks and regularly disinfect tables, etc. at the gallery as measures against COVID-19.



Corporate Governance

Compliance

In order to remain a corporate group that can earn the trust of society and live up to its expectations, the Mitsubishi Paper Mills Group makes efforts to foster a corporate culture focused on compliance and enhance the awareness of executives and employees.

Code of Conduct of the Mitsubishi Paper Mills Group

Our basic concept for compliance has been formulated and upheld as “the Code of Conduct of the Mitsubishi Paper Mills Group.” In order to realize the philosophy of the code, we gave shape to each item and formulated “the Mitsubishi Paper Mills Group Compliance Conduct Standards.” This applies to all executives and employees of the Mitsubishi Paper Mills Group, and serves as a guideline for daily activities.

⇒Reference link: Code of Conduct
<https://www.mpm.co.jp/eng/company/gaiyo.html>



Code of Conduct of the Mitsubishi Paper Mills Group pocket card

Training on Compliance

If training is conducted repeatedly rather than only once, executives and employees are expected to become more aware of compliance. In the Mitsubishi Paper Mills Group, line managers first undergo training every year, and then hold training for their respective staff, including temporary workers and part-time employees, following the cascade method. The effectiveness of training is improved, if they gather and have discussions face-to-face, but there was the lingering coronavirus pandemic also in this fiscal year. To cope with it, we planned and conducted training tailored for each workplace so that opinions can be exchanged while keeping social distance or remotely by using the Internet. The number of trainees was 3,059.

Training Regarding Laws, Regulations, Etc. Related to Business Operations

In order to foster the knowledge of laws and regulations on business operations and legal mind, we regularly hold in-company seminars on legal affairs while inviting experts, including lawyers. In fiscal 2021, as we revise business operations amid the rapidly changing environment during the coronavirus pandemic, the seminars were focused on subcontracting and antimonopoly laws, so that our staff will not commit improper acts in relationships with outsourcees and competitors. To cope with the situation of the coronavirus pandemic, we held video seminars by uploading videos to the intranet of our corporate group.



Title: “Incidents occur on site! Methods for dealing with cases that nearly violate a subcontracting or antimonopoly law”
 Lecturers: The lawyer Dai Iwasaki and the lawyer Yojiro Arai of Tokyo International Law Office

Corporate Ethics Hotline, an Internal Whistleblowing System

Mitsubishi Paper Mills has an internal whistleblowing system that is available to all employees working in the Mitsubishi Paper Mills Group in Japan. In fiscal 2021, we adopted a system in which whistle-blowers can notify anonymously in addition to the conventional system. The whistle-blowing status is checked at the regularly held meeting of the Compliance Committee, and reported to the Board of Directors.

Risk Management

To maintain and improve corporate value, it is important to properly manage a range of risks that arise in the course of business activities. In our Group, the Risk Management Committee, which is supervised by the General Affairs & Personnel Department, oversees Group-wide risk management efforts based on the sustainability promotion structure. Divisions at company headquarters, committees, and business sites are working on a variety of measures to strengthen risk management, including the establishment of various rules and manuals for responding to relevant risks, development of prevention systems and drills, and formulation of recurrence prevention measures when problems occur.



Improving Our Risk Map

The Risk Management Committee is currently monitoring more than 200 risks Group-wide. We analyze the impact of these risks and the frequency with which they occur to build our risk map, and we regularly identify and analyze risks to improve the effectiveness of our risk management.

Building a Crisis Management System

The Mitsubishi Paper Mills Group formulated “the Mitsubishi Paper Mills Group’s Crisis Management Manual” to respond quickly in fulfilling its corporate social responsibility and maintaining social credibility in the event of an accident or disaster that brings serious harm to people or equipment, or impacts surrounding communities. In addition, to construct an effective risk management system, we regularly conduct various drills and operation tests at every business site and on a scale that involves the entire company, and work to identify and resolve issues. We have run drills using the safety check system installed at the Company’s headquarters in 2018 at business sites and Group companies in Japan to build a Group-wide crisis management system. We have also been working to prevent the spread of COVID-19 by combining working from home and staggered working hours.



Fire drill (Kitakami HiTec Paper Corporation)

Enhancing Information Management

The Group practices efficient and integrated use of information and works to manage it properly. Along with establishing “the Information Management Regulations” that set forth our measures for managing and protecting information handled in our business activities, we have codified a guideline for upholding these regulations in the form of “the Information Handling Guidelines.”

Creation of a Business Continuity Plan (BCP)

The Mitsubishi Paper Mills Group’s experience with the Hanshin-Awaji Earthquake and Great East Japan Earthquake has impressed on it the need for strengthening emergency preparedness. We are building an effective business continuity plan informed by our experience in recovering from profound devastation.

Fair Operating Practices

Ensuring Fair Trade

Believing that the Mitsubishi Paper Mills Group will be able to win really valuable trust, create valuable technologies, and make a valuable contribution through fair and friendly competition, we carry out business activities while putting importance on the compliance with laws and regulations. In order to deepen the understanding of the purposes and provisions of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Antimonopoly Act), the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors that complements the Anti-Monopoly Act, and the Act against Unjustifiable Premiums and Misleading Representations, we have updated “the Antimonopoly Act Compliance Manual.”

The education on legal affairs in 2020, which was conducted in the form of a video seminar amid the coronavirus pandemic, was focused on the Antimonopoly Act and the subcontracting law. (See page 31).



Preventing Corruption

The Mitsubishi Paper Mills Group Compliance Conduct Standards prohibit business activities that may result in social decay: entertaining or giving gifts to civil servants and giving benefits to officials in foreign governments and public organizations.

We also produced new “guidelines for business entertainment and gift-giving” to tighten the regulations regarding the provision and receipt of benefits, so that there will be no murky relationships among individuals.

Disavowal of Anti-Social Elements

The Mitsubishi Paper Mills Group maintains a resolute stance against anti-social elements that threaten social order and safety. This stance is set forth in the Mitsubishi Paper Mills Group Compliance Conduct Standards, and executives, employees, and other company-related people are made fully aware of the content of the standards via compliance training. We have also implemented a search system that uses an external database and that enables us to mitigate the risk of inadvertently entering into relationships with anti-social elements.

Promoting Social Responsibility in the Value Chain

We aim to forge business relationships of mutual prosperity based on the belief that all suppliers involved in procuring raw material and similar operations are partners in order to provide competitive products. In order to ensure that we as the Mitsubishi Paper Mills Group conduct ourselves responsibly and ethically, and that suppliers practice fair trade with a similar business posture, we have established a Basic Policy for Procurement and a Policy on Forest Resource Preservation and Nurturing, and on Wood Procurement and Products, which lay out our basic approach to raw material procurement. We work to promote social responsibility by periodically having our suppliers, too, complete questionnaires.

⇒ Reference link: Procurement of Raw Materials
<https://www.mpm.co.jp/eng/env/timber.html>

Responsible Raw Material Procurement

The Mitsubishi Paper Mills Group conducts business with wood as a principal raw material. In the interest of sustainable wood procurement, we were one of the first organizations to acquire FSC® certification*, and procure timber from forests being properly managed in accordance with FSC® certification.

※FSC: Forest Stewardship Council®

FSC® C021528



FSC® Certification

FSC® certification was established in 1993 with the goal of auditing and certifying responsible forest management from the 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 these forests. There are two types of FSC® certification: forest management (FM) certification and chain of custody (CoC) (processing and distribution process management) certification. In August 2001, the Mitsubishi Paper Mills Group became the first paper mill in Japan to acquire CoC certification. The Vancouver Declaration for the UN SDGs and FSC® Certification was announced at the Forest Stewardship Council 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.



⇒ Reference link: FSC®-Certified Paper
<https://www.mpm.co.jp/eng/env/fsc.html>

Method for Verifying Legal Compliance and Sound Management

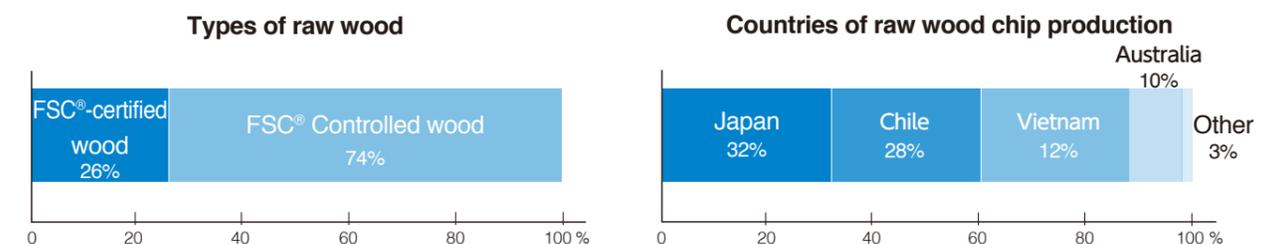
- Evidence of use of the forestry certification and CoC certification schemes (FSC®-certified wood, FSC® controlled wood)
- Evidence of methods of individual companies or organizations (controlled wood)

In 2. above, we verify that wood is controlled in accordance with Requirements for Sourcing Controlled Wood (FSC®-STD-40-005). The verification method in conformance with these requirements is described below.

 - ◎ **Collection of information concerning wood chips and pulp**
 - Confirmation of the place of origin, wood type, forest management methods, etc. from traceability reports
 - Confirmation of documentation certifying the place of origin (e.g. documents related to transport and sales)
 - Regularly auditing suppliers and verifying document reliability
 - ◎ **Assessing risk (taking measures to mitigate risk when necessary)**
 - Assessing and verifying that place of origin of wood possesses a low risk with respect to A) through E) below.
 - Illegally harvested wood
 - Wood harvested in violation of traditional and human rights
 - Wood from forests in which high conservation values are threatened by management activities
 - Conversion of natural forests to forests and non-forest uses
 - Wood from forests in which genetically modified trees are planted
 - Receiving audits of risk assessment results by an FSC® certifying body

Raw Wood Procurement in Fiscal 2021

We have verified that all wood chips and wood pulp procured in fiscal 2021 came from forests that were legally and appropriately managed.



Relationship with the Environment

The Mitsubishi Paper Mills Group intends to make an active contribution to the creation of a sustainable society. To this end, the Group will not only strive to prevent global warming and preserve biodiversity, but also to earn the trust of all its stakeholders through the sustainable use of forest resources and through efforts to develop environmentally friendly production technologies and products. This commitment is set forth in our Environmental Charter, formulated in April 1993 to guide our distinctive business activities, which leverage the Group's lines of business.

⇒ Reference link: Environmental Charter
<https://www.mpm.co.jp/eng/env/timber.html>

Environmental Charter

1. Fundamental Principles

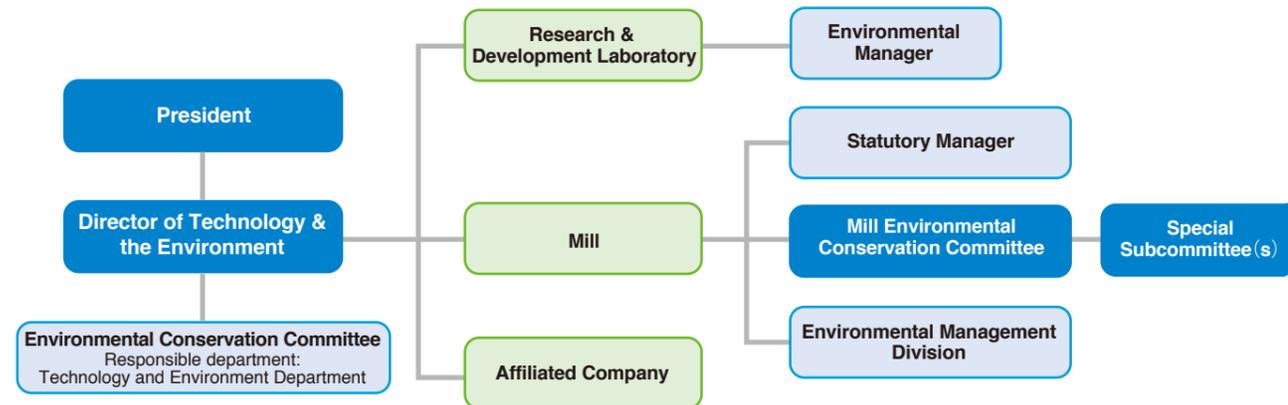
The Mitsubishi Paper Mills Group intends to make an active contribution to the protection of the global environment and the creation of a recycling society. To this end, the Group will not only strive to help prevent global warming and preserve biodiversity, but also to earn the trust of all its stakeholders through the sustainable use of forest resources.

2. Basic Policies

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

Environmental Management System

To realize the fundamental principles of the Environmental Charter, the Mitsubishi Paper Mills Group has acquired ISO 14001 certification for its major production facilities and is working to continuously improve the Group's environmental performance. We have a company-wide system for ensuring the effectiveness of these efforts. The Technology and Environment Department is in charge of these initiatives and conducts environmental audits once a year to check environmental performance.



Chemical Substance Management

With the aim of protecting the environment and ensuring product safety with respect to chemical substances throughout our entire supply chain, the Mitsubishi Paper Mills Group has formulated its own Chemical Substance Management Guidelines and Rules for Administration of the Chemical Substance Management Guidelines in conformance with various laws and regulations. All our mills, offices, and affiliated production companies control and handle chemical substances according to these guidelines, with central oversight by the Technology and Environment Department at the head office. We also formulated the Mitsubishi Paper Mills Group Green Procurement Standards and Procedures based on these guidelines, promote green procurement and make efforts to mitigate environmental risks posed by chemical substances.



Preventing Global Warming

Environment Vision 2050

The Mitsubishi Paper Mills Group formulated "the Mitsubishi Paper Mills Group Environment Vision 2050" for the purpose of contributing to the long-term Japanese government's goal: "Realization of carbon neutrality by 2050."

⇒ Reference link: Mitsubishi Paper Mills Group Environment Vision 2050
<https://www.mpm.co.jp/eng/env/timber.html>

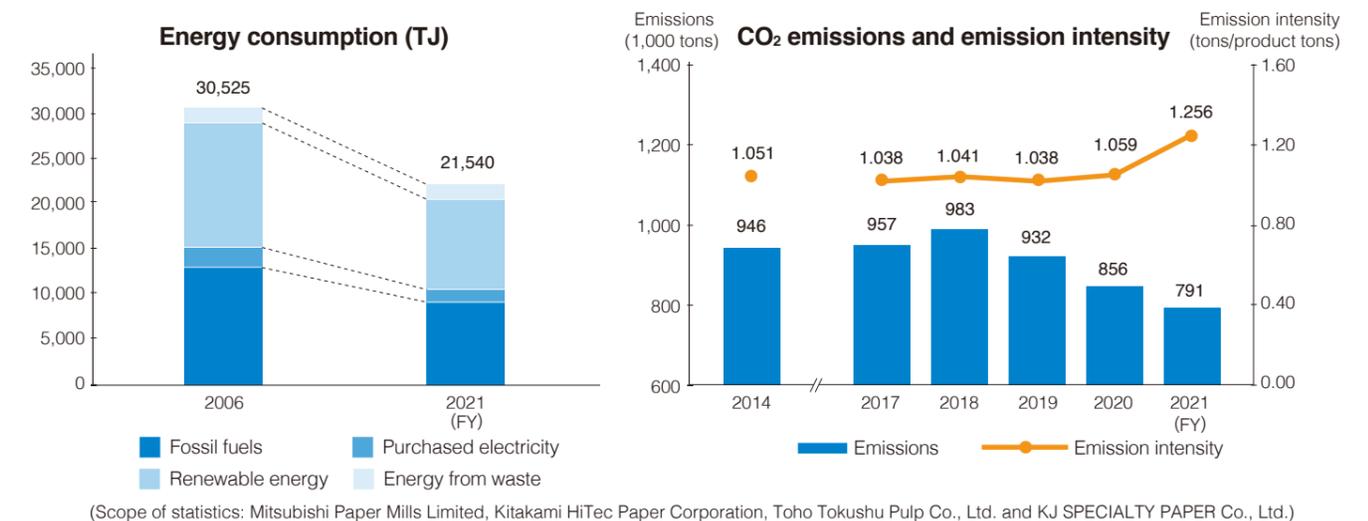
The Mitsubishi Paper Mills Group will endeavor to realize carbon neutrality by:

- Using renewable energy and energy generated from waste to the maximum degree,
- Utilizing carbon fixation technologies, and
- Developing environmentally friendly products.

We will contribute to the long-term Japanese government's goal: "To actualize a decarbonized society or carbon neutrality by reducing greenhouse gas emissions to zero by 2050."

Manufacturing Segment Initiatives

The Mitsubishi Paper Mills Group has the target of bringing CO₂ emissions down to 770 thousand tons or less by fiscal 2025 and is working on reducing its fossil fuel-based energy and overall energy consumption.



Logistics Segment Initiatives

Eco Rail Mark Certification

Mitsubishi Paper Mills acquired Eco Rail Mark certification in October 2010, becoming the first to do so in the paper industry. Since then, we have contributed to global environmental preservation through the dissemination of the Eco Rail Mark. Under the Eco Rail Mark system, companies or products are certified and allowed to use the Eco Rail Mark if they use a certain volume of eco-friendly rail freight transport. Usage of the mark offers consumers a standard for making decisions.



Green Management Certification

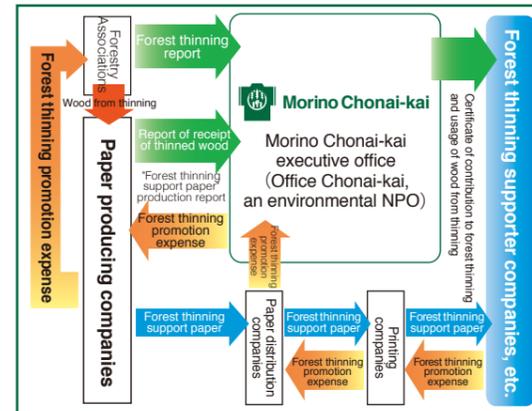
Namitsu Co., Ltd., a distribution company affiliated with the Mitsubishi Paper Mills Group, has Green Management Certification at its main facilities and is reducing the level of CO₂ emitted by its trucks during transport. Ongoing efforts that include the use of start-stop systems improve fuel efficiency and reduce fuel consumption. Aimed at reducing the environmental impact of the transport industry, Green Management Certification is given to business entities that have been audited and certified by the Foundation for Promoting Personal Mobility and Ecological Transportation for having reduced the environmental impact of their operations by a certain degree in accordance with the Green Management Promotion Manual.

Relationship with the Environment

Preserving Biodiversity

Forest Preservation Activities

In conformance with FSC® certification scheme standards, the Mitsubishi Paper Mills Group makes careful use of wood feedstock produced under proper forest management, and also works to popularize the FSC® certification system. At the same time, we are engaged in a number of efforts to help forest preservation and support more prosperous local forestry and logging industries. This includes promoting forest thinning through Morino Chonai-kai, a forest neighborhood association, which is a collaborative project done in conjunction with Office Chonai-kai, an environmental NPO, as well as promoting the sustainable use of second growth hardwood produced in Iwate Prefecture.



Ecosystem Academy

As one member of the industry that benefits from the “gifts of the forest,” the Ecosystem Academy provides a place for experiential forest environment education to contribute to developing a sustainable society that will connect people and community through experiential environmental education, forest surveys and research, and information dissemination. In fiscal 2021, we held a study session on the forest environment in cooperation with Nishigo Village, Fukushima Prefecture and Sumida City, Tokyo, promoting participation in the community and contributing to the development of sustainable regions.



Contribution to the achievement of SDGs



Children exploring the forest (company-owned forests in Murabi, Nishigo Village, Fukushima Prefecture)

⇒ Reference link: Ecosystem Academy <https://www.mpm.co.jp/eng/env/timber.html>

Experiential Environmental Education

The program combines lectures, observations, measurements, tree planting and growing using company-owned forests, and papermaking and paper crafts as a means to experience the art of manufacturing. Consideration is given to forest preservation, prevention of global warming, and biodiversity with circulation as the keyword, thus contributing to the achievement of SDGs. In fiscal 2021, our activities were affected by the coronavirus pandemic, but we held 18 events, including study sessions on the forest environment and nature observation tours in Tokyo and Fukushima Prefecture, and the total number of participants was 552.

Forest Surveys and Research

We continuously engage in surveys of forest ecosystem and biodiversity, including surveys on tree growth, surveys on animals using trail cameras, surveys on soil animals and bird surveys in cooperation with the Wild Bird Society of Japan’s Shirakawa Chapter in company-owned forests.

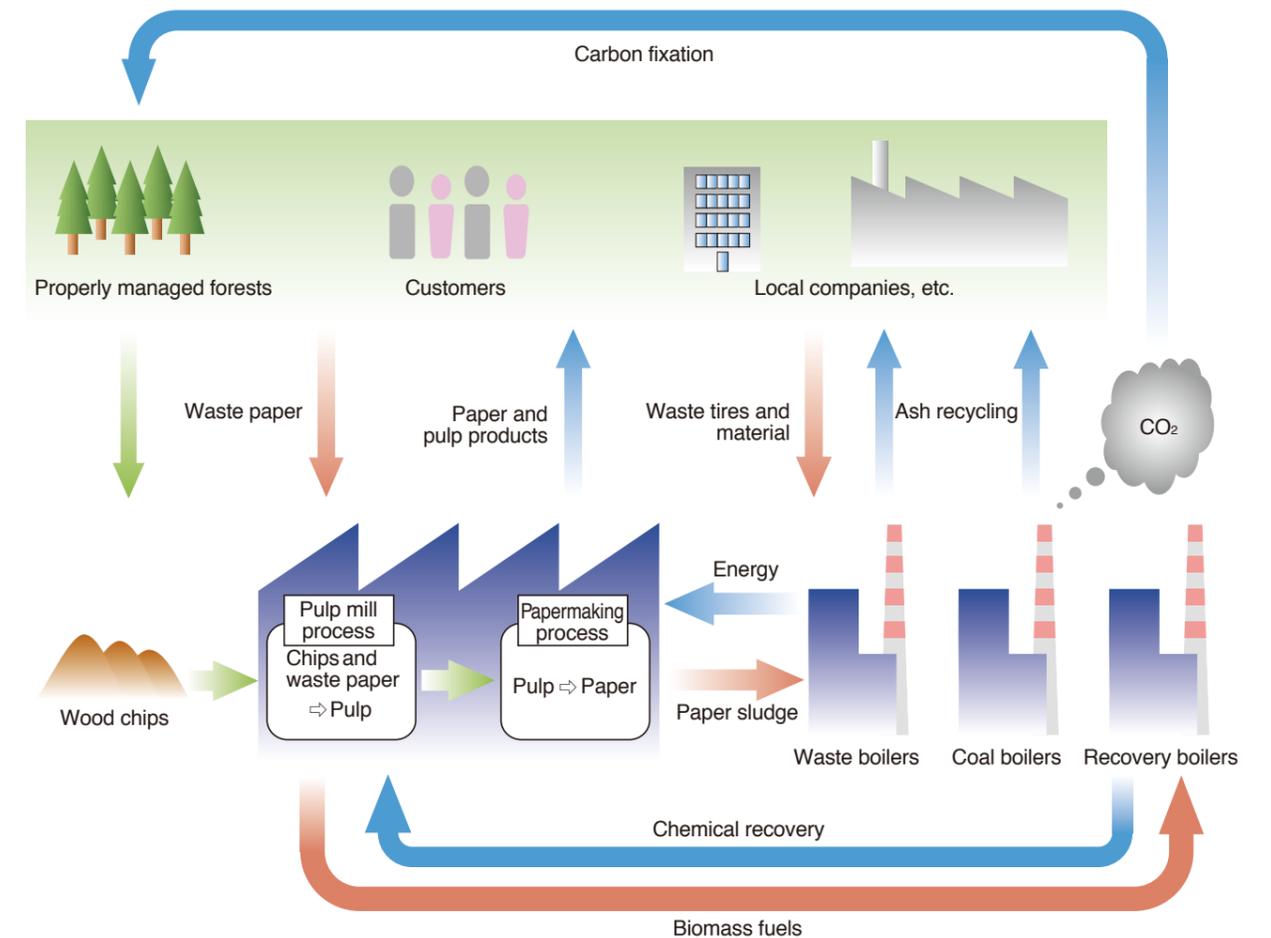
Information Dissemination

We hold regular environmental seminars led by instructors from diverse fields including people involved in the forestry, paper manufacturing, finance industries, and environmental preservation, and people teaching at universities. In 2020, Mr. Takehiko Ohta, who is a professor emeritus of the University of Tokyo, gave a lecture under the theme of “natural disaster, the pandemic, and the environment” as a special lecture commemorating the 10th anniversary of establishment of the Ecosystem Academy in an online seminar, providing a good opportunity to ponder over the effects of the change in the global environment on our daily lives.

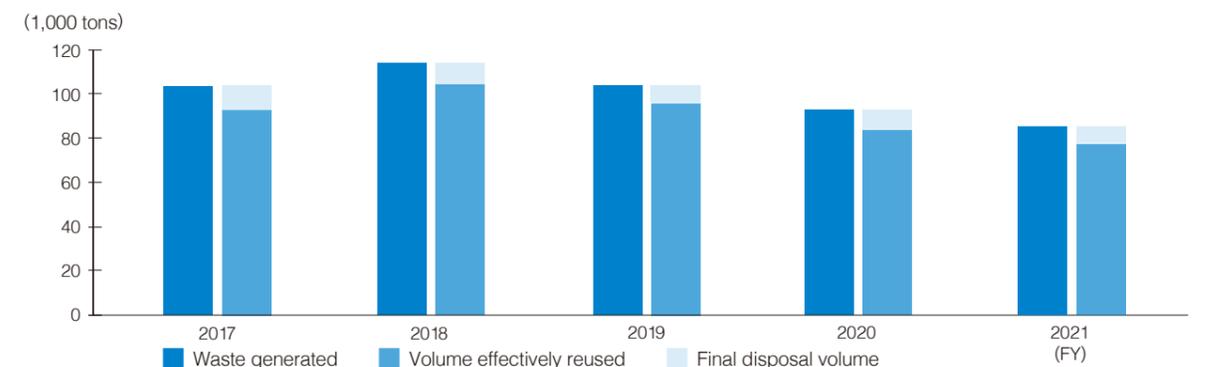
FSC® C021528

Effective Use of Materials

The Mitsubishi Paper Mills Group’s main mill, the Hachinohe Mill, gets energy from the black liquor produced in the pulp production process as well as from the waste (paper sludge) generated in the use of wastepaper and the papermaking process. The black liquor is burned in recovery boilers, where heat energy and chemicals used to manufacture pulp are recovered. The paper sludge, along with cut up tires, waste wood, and other waste materials, is used as fuel for a waste boiler. The incinerator bottom ash produced by the waste boiler and the ash produced by a coal boiler are used to make a recycled construction material named Reglobe and are also recycled into cement material and raw steelmaking material. These efforts to effectively use waste reduce final disposal volume while at the same time reducing fossil fuel usage.



Waste Generated and Volume Effectively Reused



(Scope of statistics: Hachinohe Mill, Kyoto Mill, Takasago Mill, Shirakawa Site, Kitakami HiTec Paper Corporation, Toho Tokushu Pulp Co., Ltd. and KJ SPECIALTY PAPER Co., Ltd.)

Relationship with the Environment

Material Balance

Input

Main raw materials	(1,000t)
Imported wood chips	558
Domestic wood chips	268
Purchased pulp	24
Waste paper	22
Inorganic pigments	33
Energy	(Crude oil equivalent, 1,000 kl)
Fossil fuels	222
Purchased electricity	36
Biomass	256
Refuse-derived fuel	42
Service water	(Million tons)
Industrial water	123

Mitsubishi Paper Mills Group (Domestic)



Output

Atmospheric release	
CO ₂ emissions	(1,000 t) 791
NO _x emissions	(1,000 Nm ³) 753
SO _x emissions	(1,000 Nm ³) 205
Soot and dust	(t) 200
Released into water systems	
Wastewater	(Million tons) 123
COD	(t) 5,748
SS	(t) 3,106
Waste	(1,000 t *after drying)
Waste generated	88
Volume effectively used	82
Final disposal amount	6
Product sales amount	
Paper	(1,000 t) 601
Photosensitive materials	(Million m ²) 17
Pulp	(1,000 t) 24

Reference: 2 mills in Germany

Purchased pulp	(1,000 t)	104	CO ₂ emissions	(1,000 t)	36
Waste paper	(1,000 t)	0	Wastewater	(1,000 t)	1,812
Service water usage	(1,000 t)	2,511			

Scope of statistics: Hachinohe Mill, Kyoto Mill, Takasago Mill, Shirakawa Site, Tsukuba R&D Laboratory, Kitakami HiTec Paper Corporation, Toho Tokushu Pulp Co., Ltd., and KJ SPECIALTY PAPER Co., Ltd.

Figures from Mitsubishi HiTec Paper Europe GmbH (two mills in Germany: the Bielefeld Mill and the Flensburg Mill) are also provided as a reference, but are not included in the total for the Mitsubishi Paper Mills Group as environmental regulations differ in Germany.

Emission transfer amount of PRTR target substances

Scope of statistics: Hachinohe Mill, Kyoto Mill, Takasago Mill, Shirakawa Site, Kitakami HiTec Paper Corporation, Toho Tokushu Pulp Co., Ltd. and KJ SPECIALTY PAPER Co., Ltd.

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

No.	PRTR Class 1 Designated Chemical Substances	Cabinet order No.	Emissions		Amount transferred	
			Atmosphere	Water	Sewerage	Off-site
1	Chloroform	127	14,600	3,400	0	0
2	Cyclohexylamine	154	0	0	0	0
3	2,2-Dibromo-2-cyanoacetamide	210	0	725	0	30
4	Dioxins	243	0.00	36.50	0.00	0.00
5	Toluene	300	6,650	0	0	1,980
6	Hydroquinone	336	0	0	27	0
7	Boron and its compounds	405	0	0	140	75
8	Formaldehyde	411	28	1	0	922
9	Methylnaphthalene	438	1,150	0	0	0

PCBs

Scope of statistics: Hachinohe Mill, Kyoto Mill, Takasago Mill, Shirakawa Site, Tsukuba R&D Laboratory, Kitakami HiTec Paper Corporation, Toho Tokushu Pulp Co., Ltd. and KJ SPECIALTY PAPER Co., Ltd.

Efforts are underway to detoxify hardware (stabilizers) containing high concentrations of PCBs and we expect to be able to detoxify all stabilizers by the legally mandated deadline. We also plan to gradually detoxify hardware containing low concentrations of PCBs.

Environmental Indicators

Environmental Impact Data

Scope of statistics: Hachinohe Mill, Kyoto Mill, Takasago Mill, Shirakawa Site, Tsukuba R&D Laboratory, Kitakami HiTec Paper Corporation, Toho Tokushu Pulp Co., Ltd. and KJ SPECIALTY PAPER Co., Ltd.

		FY 2006	FY 2019	FY 2020	FY 2021	Target (FY)
Natural resources						
Fossil fuel-based energy consumption	TJ	15,131	11,886	11,036	10,822	
Fossil fuel energy intensity	GJ/product-tons	13.6	13.2	13.6	15.9	
Service water usage	Million tons	125	126	126	123	
Wastewater	Million tons	-	127	127	123	
Atmosphere						
CO ₂ emissions*1	1,000 t	1,164	932	856	791	770 (FY2026)
NO _x	1,000 Nm ³	1,076	826	835	753	
SO _x	1,000 Nm ³	247	260	187	205	
Soot and dust	t	-	392	376	200	
Water quality						
COD	t	7,717	7,504	7,045	5,748	
SS	t	3,417	3,621	3,719	3,106	
Waste						
Waste generated	1,000 t	-	182	166	150	
Final disposal amount	1,000 t	-	8	9	8	
Final disposal rate*2	%	-	95.9%	94.9%	94.6%	98.4% (FY2026)

*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

Scope of statistics: Head Office, Hachinohe Mill, Kyoto Mill, Takasago Mill, Shirakawa Site, Tsukuba R&D Laboratory, Kitakami HiTec Paper Corporation and KJ SPECIALTY PAPER Co., Ltd.

Statistical method: Conforms with the Environmental Accounting Guidelines 2005 issued by the Ministry of the Environment

Environmental Conservation Costs

Unit: Million yen

Classification	Principal Initiatives	Investments	Expenditures
(1) Costs within business areas		228	1,827
1. Pollution control costs	Includes air pollution, water pollution, foul odor, noise, and vibration measures	101	1,027
2. Global environmental conservation cost	Includes domestic afforestation, energy conservation measures, etc.	56	3
3. Resource recycling costs	Includes waste measures and waste paper and other product recycling	71	797
(2) Upstream/downstream costs	Includes container and packaging recovery and recycling	257	257
(3) Management activity costs	Includes environmental education, environmental management systems, and certification acquisition	2	51
(4) R&D costs	Environmentally friendly product development, etc.	0	145
(5) Social activity costs	Includes greening, environmental beautification, and environmental data disclosure	28	28
(6) Environmental damage costs	Fees for pollution-related health damage	0	55
Total		515	2,363

Economic Benefit of Environmental Conservation Measures

Unit: Million yen

Classification	Benefit	Amount
Earnings	Effect of reuse of recovered pallet	331
	Profit from sales of materials effectively recycled	24
Cost reduction	Cost reduction from decreased energy usage	12
	Cost reduction from improved material yield	232
Total		599

Relationship with Employees

Based on our Principles and Guidelines Concerning Human Rights and Labor Practices, the Mitsubishi Paper Mills Group makes a number of efforts to continue to create comfortable and fulfilling work environments where each and every employee can fully display his/her abilities.

⇒ Reference link: Together with Our Employees
<https://www.mpm.co.jp/eng/env/timber.html>

Occupational Safety and Health Initiatives

In accordance with “the Group-wide Safety and Health Management Guideline,” which includes the basic principles for safety and health, all of our group companies work on our activities from the viewpoint of CSR and we established a system for management of safety and health, for the purpose of realizing a safer and more comfortable working environment.

Group-wide Safety and Health Management Guideline

[Basic principles]

While giving top priority to the safety and health of all people engaged in business activities of the Mitsubishi Paper Mills Group, we foster a corporate culture in which employees can work without worry and actualize a disaster-free, healthy working environment.

As an organization for leading the practice of the basic principles, the Group-wide Safety and Health Committee was established. This committee is chaired by the president, controls and evaluates activities for safety and health, and approves group-wide plans for managing safety and health.

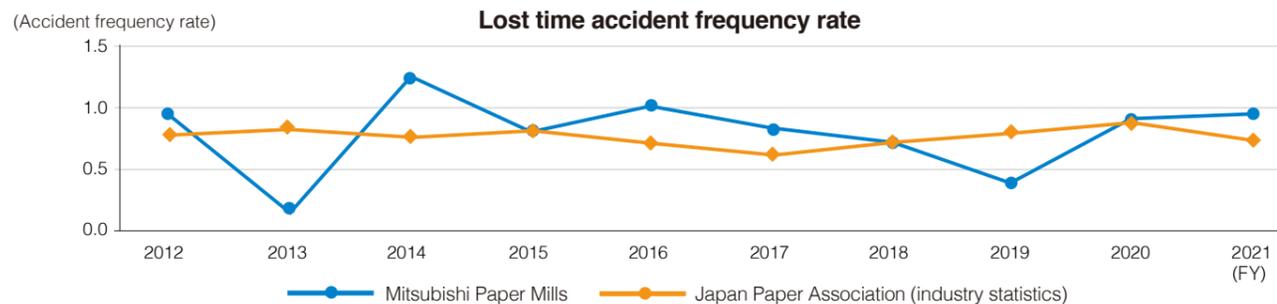


Training for experiencing danger (Takasago Mill)

Fiscal 2021 Activities

In order to improve the level of safety awareness of employees of the Mitsubishi Paper Mills Group, we focused on the following two measures:

- (1) Thorough danger prediction
- (2) Enhancement of collaborative activities with partner companies, affiliates, etc.



※ Scope of statistics: Takasago Mill, Kyoto Mill, Shirakawa Site, MPM Operation Co., Ltd., Kitakami HiTec Paper Corporation, KJ SPECIALTY PAPER Co., Ltd., and each site's Collaboration Committee

Promoting Good Mental and Physical Health

For promoting the good mental and physical health, we are promoting the Employees Assistance Program. This assistance program is composed of mainly consultation about health and mental health counselling, which are available 24 hours a day.

In addition, we have the collaborative health promotion committee for health-oriented business administration, for the purpose of preventing lifestyle diseases. This committee is headed by an executive in charge of the General Affairs & Personnel Department, and carries out collaborative health promotion for our employees, including specific health guidance, with the Mitsubishi Paper Mills Health Insurance Society.



Efforts to Create Comfortable Work Environments

We believe that pursuing a good work-life balance not only contributes to healthier, more prosperous lives for employees but also makes the Company more competitive. We are implementing a number of initiatives to create comfortable work environments, with the desire to make the Group a vibrant and fulfilling place to work.

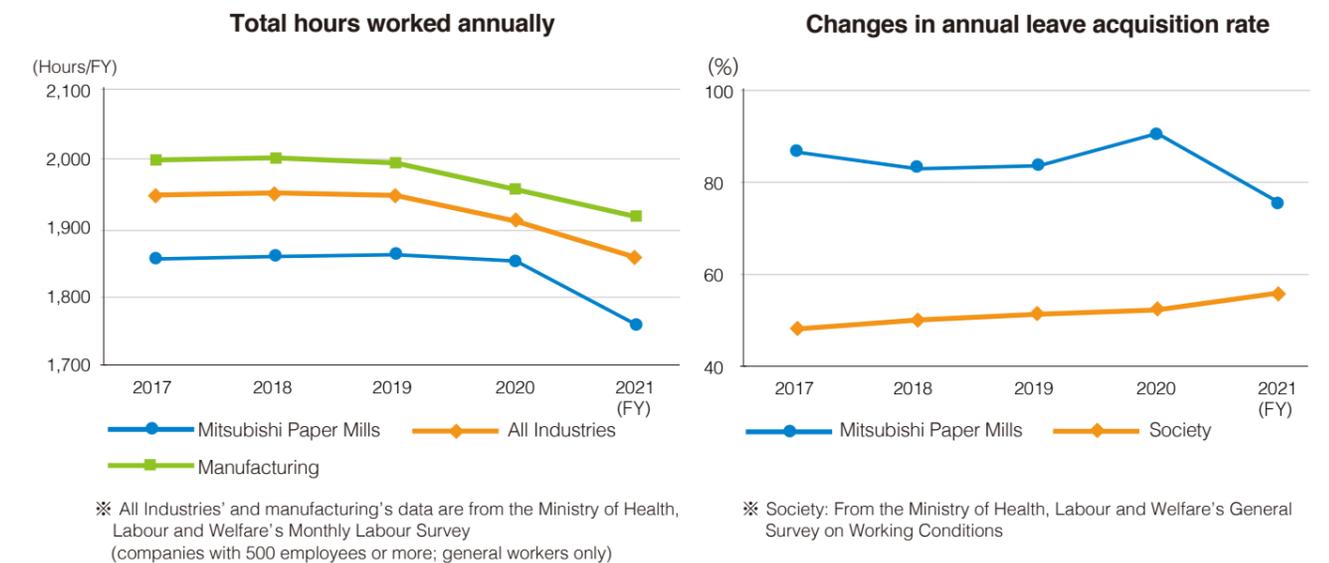
Measures for Flexible Workstyles

We introduced a work-from-home system as a flexible way of working to match the lifestyles of each individual employee. We commenced implementation of the system gradually, starting with our headquarters. Together with the already adopted staggered working hours system, these systems aim to improve work-life balance and alleviate stress from commuting congestion, and are thereby expected to also increase productivity.

In the work-from-home system, employees who are rearing a child or giving care to a family member can also use a flexible work schedule without core working hours (they can get off work anytime), so that they are able to develop their careers while rearing a child or giving care to a family member.

Regular Program Reviews Done in Conjunction with Our Labor Union

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



Measures for Empowering Women

Mitsubishi Paper Mills has a number of programs to help employees balance work, parenting, and caregiving. For example, in light of the “first-grade wall” problem, which refers to the difficulty of putting children in childcare until nighttime once they enter elementary school, employees can take advantage of shortened working hours to provide childcare until their children reach the end of first grade.

In accordance with the Act on the Promotion of Female Participation and Career Advancement in the Workplace (the act for empowering women), an action plan for empowering women was formulated, and we engage in some activities for increasing female employees.

Relationship with Customers

To provide customers with products they can feel good about using, we have established our own Product Safety Code, and are making efforts to maintain and improve product safety. Along with maintaining legal compliance and conducting fair marketing practices, we will continue to actively communicate with our customers and provide products that benefit society.

⇒ Reference link: Product Safety Code
<https://www.mpm.co.jp/eng/env/timber.html>

Product Safety Code

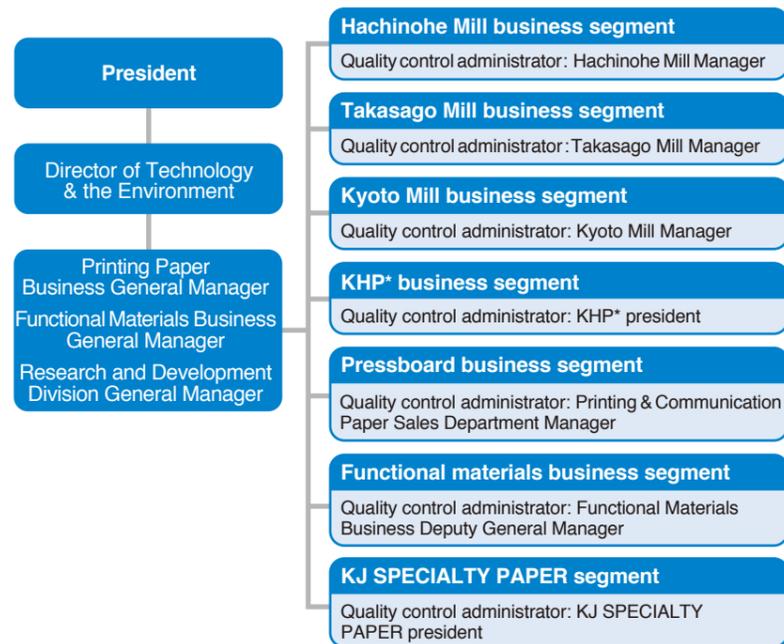
Mitsubishi Paper Mills believes that the role of a company in society is to provide satisfying services along with safe and useful products to customers, and we have utilized our excellent technologies to provide safe products to society. From here on, too, we will steadily implement the following actions throughout the entire company to maintain sound management and continue providing society with safe products and satisfying services that meet the needs of the times.

- (1) We will strengthen our quality control systems and product safety control systems, and will provide products confirmed to be safe using state-of-the-art science and technology.
- (2) We will work to stabilize the manufacturing process and always provide products of uniform quality.
- (3) We will provide accurate and reliable information on the correct way to use products and the safety of products.

Quality Control System

To be able to quickly respond to customer feedback and quality issues, the Group's businesses are divided into seven segments, and have built a quality control system overseen by the president.

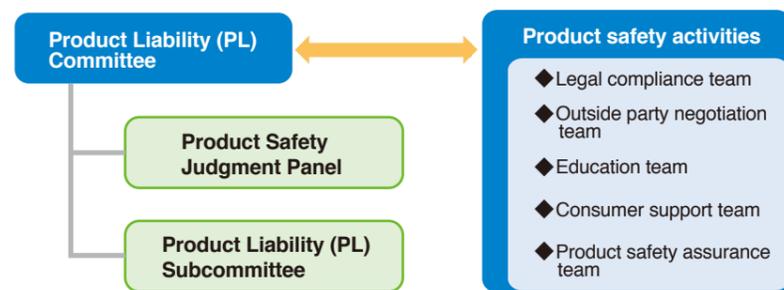
The key production facilities in each business segment have acquired ISO 9001 certification. In addition, quality control administrators, who have responsibility for and authority over quality in the business segment, share information with the relevant business division general managers while working to maintain and improve the quality control system. Furthermore, to guarantee quality control system effectiveness, the Technology and Environment Department at the head office regularly audits quality control efforts for each business segment and issues reports to the officer in charge.



*KHP: Kitakami Hitec Paper Corporation (as of August 31, 2021)

Product Safety Control System

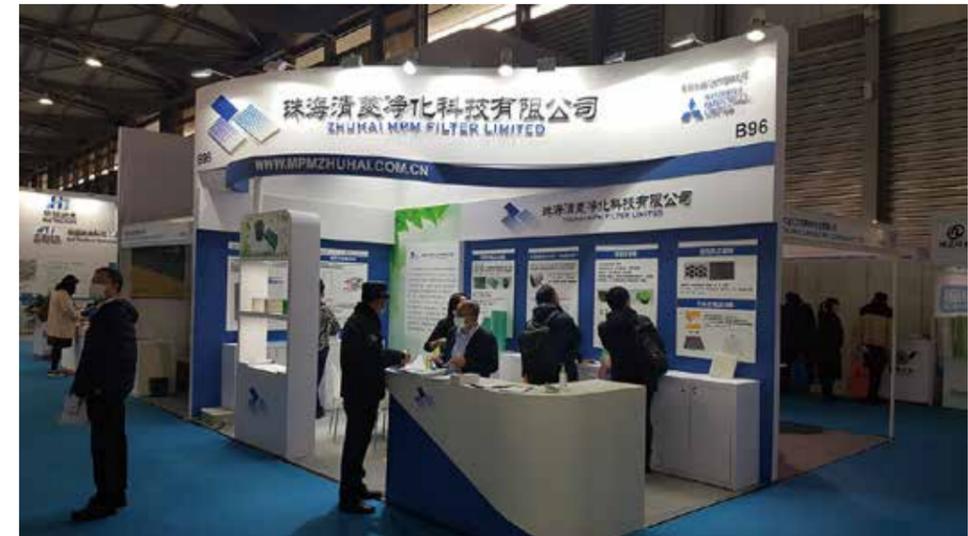
With the goal of actively promoting specific product safety initiatives, we have established a Product Liability (PL) Subcommittee and a Product Safety Judgment Panel under the Product Liability (PL) Committee, whose membership is composed of individuals appointed from every head office division, every mill, and affiliated companies. This committee supports every division in their product safety management activities.



Communication with Customers

In the Mitsubishi Paper Mills Group, the sales, R&D, production, and technology departments work as one to provide products that satisfy customers' needs. Our technology and production personnel accompany sales staff and gather feedback from customers as we, a corporate group that is consistently on the cutting edge of technology, make efforts to create products that benefit the world at large.

In order to facilitate the communication with customers, we actively participate in exhibitions. In fiscal 2021, a lot of exhibitions were postponed or cancelled due to the coronavirus pandemic, but we participated in online exhibitions, too.



The 8th Filtration & Separation Asia (Shanghai, December 2020)



Online exhibition of printing and media related to industrial inkjet "JIVM2020" (June 2020 ; Web : <https://jivm.net/>)

Encouraging the Worry-Free Use of Our Products

The products the Mitsubishi Paper Mills Group provides are made from raw materials proven to be safe. Along with swiftly obtaining toxicological data and information about new regulations, all departments involved, including affiliated companies, share information with each other and conduct thorough safety inspections of the raw materials used. With respect to chemical substance control, we have established the Chemical Substance Management Guidelines and the Green Procurement Guidelines and strictly control everything from the raw materials we use to our products' constituent substances. Also, not only do we ensure compliance with laws and regulations, we also meet voluntary standards set by the industry according to product application and satisfy the demands of individual customers. We will contribute to the betterment of society by continuing to provide eco-friendly, safe products that customers can feel safe and comfortable about using.

Relationship with Communities

The Mitsubishi Paper Mills Group aims to grow together with communities and has formulated its Social Contribution - Direction of Activities to proactively interact with communities through its business activities. Through activities such as those conducted by the Ecosystem Academy (see page 37), 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.

⇒ Reference link: Social Contribution - Direction of Activities <https://www.mpm.co.jp/eng/env/timber.html>

Social Contribution - Direction of Activities

- Environmental protection: We will contribute to the creation of a recycling society to maintain our precious global environment.
 - ⇒ We will work to protect the global environment by making the most of our business activities, such as supporting the "FSC® Certified Forest" and supporting thinning in collaboration with NPOs.
- Living alongside local communities: We are strengthening our social contributions rooted in local communities.
 - ⇒ Mills and offices play key roles by actively engaging in local community activities and contributing to the development of those communities.
- Supporting volunteer activities: We support the volunteer activities of our employees.

Communication with Community Members

As members of their communities, every business site in the Group proactively participates in local activities and furthers communication with every community member in a variety of ways. In fiscal 2021, major local activities were cancelled or postponed due to the coronavirus pandemic, but we implemented measures for preventing infection and the following measures for avoiding the risk of infection.

Contributing to Local Communities



Scene of use of large-sized partitions

Large-sized partitions

The Shirakawa Site donated large-sized partitions, which were produced by Hakuryo Paper Technology Co., Ltd. by processing the photographic base paper of Kitakami HiTec Paper Corporation, to local elementary schools.

Braille Calendars

We began producing braille calendars in 1997, and the 2021 edition marked the 25th year of this effort. We donate them to local social welfare groups and braille libraries mainly via our business footholds.

Braille calendars were produced under the theme of a cooking recipe with the hope of sharing "pleasure of cooking," "pleasure of eating," and "pleasure of serving" with visually impaired people. The braille calendar for fiscal 2021 introduces the recipes of healthy dishes so that they can spend time at home more healthily with delicious food.



Braille Calendar (2021 edition)

FSC® C021528



Community Cleanup Activities

Every one of our business sites regularly undertakes activities to beautify and clean up the surrounding areas and promotes initiatives to develop comfortable urban environments together with local communities.

For example, Hachinohe Head Office of Mitsubishi Paper Engineering Co., Ltd. was certified as "a supporter for conserving the waterfront of the hometown in Aomori Prefecture" and registered as a "Hachinohe cleaning partner" in October 2020. We carried out cleaning activities on the target area of Gonohe River (on both shores of 1,800m) in November. In addition, the Oyama Mill of Toho Tokushu Pulp Co., Ltd. takes part in Oyama City's Green and Light Adopt-a-Road Campaign and makes efforts every month to maintain and improve the environment around roads.



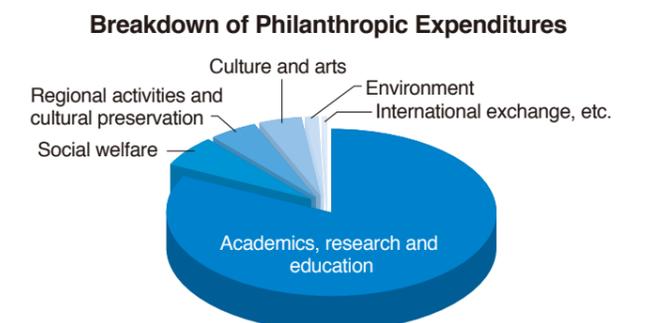
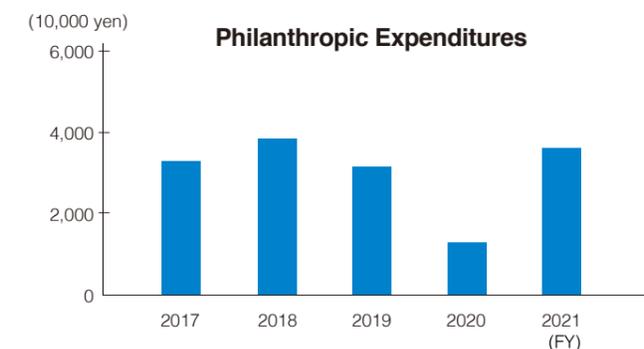
Cleaning activities around Gonohe River (Hachinohe Head Office of Mitsubishi Paper Engineering Co., Ltd.)



Green and Light Adopt-a-Road Campaign (Oyama Mill of Toho Tokushu Pulp Co., Ltd.)

Philanthropic Expenditures

Mitsubishi Paper Mills is a member of the Keidanren 1% Club and is a company which continually contributes to improving social sustainability. Whether it's in academics, research, or education, our aim is to be of benefit to society in many fields.



Fiscal 2021 CSR Activities

In fiscal 2021, we established “enhancing activities to ensure safety and health” and “product development centered on harmony with society” as our two top priority issues, and undertook activities aimed at improving corporate value. In terms of initiatives to reduce greenhouse gas emissions and products, we worked to expand environmentally conscious products to contribute to the UN Sustainable Development Goals (SDGs).

ISO 26000 Core Subjects 1. Organizational Governance 2. Fair Operating Practices

Key Issues	Action Plan	Activity Results	Evaluation
Ensuring the effectiveness of corporate governance	<ul style="list-style-type: none"> Ensure good governance based on the Basic Policies on Corporate Governance Review governance functions 	<ul style="list-style-type: none"> Implemented initiatives based on the Basic Policies on Corporate Governance and held meetings of the Nomination and Remuneration Committee Evaluated the effectiveness of the Board of Directors, to generate a positive spiral for enhancing the effectiveness 	○
Establishing a risk management structure	<ul style="list-style-type: none"> Enhance structural preparations and our risk map in the interest of Group management Discuss ways of improving simulation and training 	<ul style="list-style-type: none"> Conducted semiannual risk map reviews and updated risk assessments and evaluations Conducted training on backing up information disclosure during emergencies Conducted training on safety check system notification 	○
Thoroughly familiarizing employees with our Corporate Code of Conduct and the Compliance Conduct Standards	<ul style="list-style-type: none"> Improve employees' understanding of the Corporate Code of Conduct, the Compliance Conduct Standards, and related laws and regulations through more robust compliance education 	<ul style="list-style-type: none"> Education that broadly confirms the fields related to corporate compliance is carried out in a way that suits the situation of coronavirus pandemic. 	○
Ensuring strict legal compliance	<ul style="list-style-type: none"> Build effective legal functions Promote a better understanding of laws applicable to our operations, and enforce compliance (includes responses to updated changes in laws and regulations, such as the revision of the Civil Code) 	<ul style="list-style-type: none"> Screened contracts and handled legal consultations Conducted the education on legal affairs focused on the subcontracting law and general Antimonopoly Act Regularly published Compliance News newsletter to raise awareness of compliance 	○
Promoting communication with stakeholders	<ul style="list-style-type: none"> Further improve the IR information we provide on our website, etc. Disseminate information about new products, etc. (sharing information about affiliated companies) Enhance and make use of the Head Office gallery Enhance our corporate reports 	<ul style="list-style-type: none"> Disseminated information on the financial results briefings, the General Meeting of Shareholders, the Corporate Report, the Annual Report, earnings briefings, and the dividend of surplus Sales of products related to the novel coronavirus infection (alcohol disinfectant, splash prevention partition, anti-virus functional filter, disposable mask case, melt blow non-woven fabric and new mask manufacturing equipment, etc. For coping with COVID-19, cancelled exhibitions, but improved our permanent displays Issued Corporate Report 2020 in August in an integrated report format 	○
Expanding initiatives out to affiliated Group companies	<ul style="list-style-type: none"> Step up efforts at continually promoting CSR activities 	<ul style="list-style-type: none"> Conducted awareness raising activities using corporate reports and better familiarized Group employees with CSR policy 	○

ISO 26000 Core Subjects 3. Human Rights 4. Labor Practices

Key Issues	Action Plan	Activity Results	Evaluation
Enhancing activities to ensure safety and health	<ul style="list-style-type: none"> Improve the level of safety awareness of Mitsubishi Paper Mills Group employees (1) Thorough danger prediction (2) Enhancement of collaborative activities with partner companies, affiliates, etc. 	<ul style="list-style-type: none"> (1) Promoted one-point danger prediction before work, specified the month for enhancing danger prediction, carried out experience-based education, and so on. (2) Made efforts suited for each business site (e.g., joint meetings and workplace patrols) 	△
Promoting various measures to improve human resource performance	<ul style="list-style-type: none"> Revise and consolidate HR systems based on workstyle reform Secure human resources by stepping up recruitment activities and develop human resources by revising training programs 	<ul style="list-style-type: none"> Introduced staggered commuting system and work-from-home system. Established “Welcome Back System” Utilized teleconference systems and increased opportunities to come into contact with students living far away Training system review postponed to next term due to the coronavirus pandemic. 	○

ISO 26000 Core Subjects 5. The Environment

Key Issues	Action Plan	Activity Results	Evaluation
Promoting activities to prevent global warming	<ul style="list-style-type: none"> Continue reducing CO₂ emissions in our business activities and investigate becoming low-carbon or carbon-free in the future Support and get involved in renewable energy projects 	<ul style="list-style-type: none"> Determined the target reduction amount of CO₂ emissions for the next term and long-term visions Discussed the potential of the new renewable energy business 	○
Promoting activities to preserve biodiversity	<ul style="list-style-type: none"> Increase the percentage of FSC®-certified wood we procure Conduct ecosystem studies in company-owned forests Take measures to address microplastic waste in the oceans Participate in the Japan Business Initiative For Biodiversity (JBIB) 	<ul style="list-style-type: none"> Strived to procure FSC®-certified chips Conducted a survey on the ecosystem (tree planting and growth, soil animals, wild birds, and animals) in the forest owned by Shirakawa Site Sold recyclable barrier paper for packaging (barricote®) Developed water-repellent, oil-proof paperboard as base paper for paper containers as alternatives to plastic containers Gathered information via regular meetings, etc. 	○
Improving and enlarging our environmentally conscious product lineup	<ul style="list-style-type: none"> Promote environmentally conscious products such as FSC®-certified paper Develop and roll out new environmentally conscious products 	<ul style="list-style-type: none"> Released bleached kraft paper and Margari Light, which are new FSC®-certified paper products Registered two new environmentally conscious products 	○
Reducing environmental risk and impact	<ul style="list-style-type: none"> Reduce industrial waste Expand environmental evaluation activities Improve environmental communication 	<ul style="list-style-type: none"> Apr.-Jan. final disposal volume: 4,883 t, final landfill waste percentage: 1.00% Gathered information on rating agencies Sluggish, because many events were cancelled due to the coronavirus pandemic 	△

ISO 26000 Core Subjects 6. Consumer Issues

Key Issues	Action Plan	Activity Results	Evaluation
Ensuring product safety	<ul style="list-style-type: none"> Enhance chemical substance management Enrich the activities of the Product Liability (PL) Subcommittee 	<ul style="list-style-type: none"> Updated chemical substance database as needed and shared the latest information Swiftly shared information on laws and regulations by holding meetings of the PL Subcommittee and distributing monthly reports 	○
Ensuring product quality	<ul style="list-style-type: none"> Promote thorough adherence to ISO 9001 management and improve customer satisfaction (reducing complaints, etc.); continue to conduct quality audits (1) Step up Monitoring of repeat complaints (2) Review efforts to prevent data falsification (manage contractors and control published data such as labels and SDS) 	<ul style="list-style-type: none"> Conducted extraordinary quality audit 	△
Product development centered on harmony with society	<ul style="list-style-type: none"> In product areas with high potential, aim to develop highly-useful products that reflect customer demands and that target end-users 	<ul style="list-style-type: none"> Developed barrier paper for packaging, which would enable us to reduce or do away with plastics Developed and commercialized water-repellent, oil-proof paperboard which is more water-resistant than conventional water- and oil-proof paperboard 	△

ISO 26000 Core Subjects 7. Community Involvement and Development

Key Issues	Action Plan	Activity Results	Evaluation
Promoting community support activities	<ul style="list-style-type: none"> Take part in local activities at each business site and continue good relations with communities 	<ul style="list-style-type: none"> Tried to blend in with local communities at each business site by cleaning, donating blood, providing products, distributing braille calendars, etc. 	○
Promoting cultural contribution activities	<ul style="list-style-type: none"> Implement ongoing support focusing on Mitsubishi and related industry groups 	<ul style="list-style-type: none"> Participated in the project for commemorating the 150th anniversary of establishment of Mitsubishi Made donations to and sponsored various related groups and their plans 	○
Promoting activities of the Ecosystem Academy	<ul style="list-style-type: none"> Ensure these activities become established and developed as ongoing collaborations with society 	<ul style="list-style-type: none"> Acquired accreditation of “the place of the opportunity of for experience in Fukushima” Conducted experiential forest environment education Carried out “the 5th forestation” in the forest owned by Shirakawa Site 	○

Top priority issues

(Evaluation) ○: Target met △: Target not met —: Not evaluated due to COVID-19

Fiscal 2022 CSR Action Plan

For fiscal 2022, we have chosen “enhancing activities to ensure safety and health,” “product development centered on harmony with society” and “ensuring product quality” as our three top priority issues. Implementing our action plans will see us carry out the PDCA cycle to improve the quality of our CSR activities, while at the same time faithfully incorporating feedback gained through dialogue with stakeholders as we undertake initiatives uniquely suited to the Mitsubishi Paper Mills Group.

ISO 26000 Core Subjects 1. Organizational Governance 2. Fair Operating Practices

Key Issues	Action Plan
· Ensuring the effectiveness of corporate governance	· Ensure good governance based on the Basic Policies on Corporate Governance · Review governance functions
· Establishing a risk management structure	· Enhance structural preparations and our risk map in the interest of Group management · Discuss ways of improving simulation and training
· Thoroughly familiarizing employees with our Corporate Code of Conduct and the Compliance Conduct Standards	· Improve employees' understanding of the Corporate Code of Conduct, the Compliance Conduct Standards, and related laws and regulations through more robust compliance education
· Ensuring strict legal compliance	· Build effective legal functions · Promote a better understanding of laws applicable to our operations, and enforce compliance
· Promoting communication with stakeholders	· Further improve the IR information we provide on our website, etc. · Disseminate information about new products, etc. (sharing information about affiliated companies) · Enhance and make use of the Head Office gallery · Enhance our corporate reports
· Expanding initiatives out to affiliated Group companies	· Step up efforts at continually promoting CSR activities

ISO 26000 Core Subjects 3. Human Rights 4. Labor Practices

Key Issues	Action Plan
· Enhancing activities to ensure safety and health	· (1)Strengthen KY (danger prediction) activities and thoroughly call attention to single-person work in case of trouble · (2)Give guidance on safety to temporary staff thoroughly
· Promoting various measures to improve human resource performance	· Inspect systems installed for reforming workstyles and improve operations · Promote and standardize updated training programs

ISO 26000 Core Subjects 5. The Environment

Key Issues	Action Plan
· Promoting activities to prevent global warming	· Continue reducing CO ₂ emissions in our business activities and investigate becoming low-carbon or carbon-free in the future · Support and get involved in renewable energy projects
· Promoting activities to preserve biodiversity	· Increase the percentage of FSC®-certified wood we procure · Conduct ecosystem studies in company-owned forests · Take measures to address microplastic waste in the oceans
· Improving and enlarging our environmentally conscious product lineup	· Promote environmentally conscious products such as FSC®-certified paper · Develop and roll out new environmentally conscious products
· Reducing environmental risk and impact	· Manage environmental management goals company-wide for improving performance · Expand environmental evaluation activities

ISO 26000 Core Subjects 6. Consumer Issues

Key Issues	Action Plan
· Ensuring product safety	· Enhance chemical substance management · Enrich the activities of the Product Liability (PL) · Subcommittee Acquire Product Safety Awards
· Ensuring product quality	· Promote thorough adherence to ISO 9001 management and improve customer satisfaction (reducing complaints, etc.); continue to conduct quality audits (1)Step up monitoring of repeat complaints (2)Review efforts to prevent data falsification (manage contractors and control published data such as labels and SDS)
· Product development centered on harmony with society	· While listening to customer requests, we will expand our unique products with Environmentally friendly characteristics

ISO 26000 Core Subjects 7. Community Involvement and Development

Key Issues	Action Plan
· Promotion of local contribution activities	· Participation in local activities in each place and continuation of smooth relationships with the community
· Promoting cultural contribution activities	· Implement ongoing support focusing on Mitsubishi and related industry groups
· Promoting activities of the Ecosystem Academy	· Ensure these activities become established and developed as ongoing collaborations with society

Top priority issues

FSC® C021528

Financial Section

Business results in fiscal 2021

(From April 1, 2020 to March 31, 2021)

In this term, the economic situations in both Japan and the world were harsh due to the impact of COVID-19. Although some economic activities showed signs of recovery, the future outlook remains uncertain as predictions cannot be made about how much longer it will take for the coronavirus crisis to subside. The paper and pulp industry was confronted with a structural decrease in the demand due to the digitization of information media, and the increase of telecommuting, cancellation of events, etc. accelerated decline in the demand for printing and communication paper.

Amid such situation, we have flexibly responded to the rapidly changing circumstances, for example, by developing a production system tailored for the demand trend.

In regard to the “New Mid-Term Management Plan” (from April 2019 to March 2022), which is now in its second year, we have actively engaged in the following three priority strategies:

- (1) Establish a robust management base through the alliance with the Oji Group;
- (2) Make structural reforms and enrich existing business; and
- (3) Diversify the business base by fostering new profit pillars,

and we are progressing with the basic principle: Strengthening and diversifying the business base for a new stage.

In the alliance with the Oji Group, we are progressing with the reform of the business portfolio and the reinforcement of the management base based on the effects of capital and business alliances brought about by measures such as “transferring the carbonless-copy paper business to our Takasago Mill in July 2020” and “business transfer of the pressboard business at our Shirakawa Site to Oji F-Tex Co., Ltd. in October 2021 (planned).”

In this term, all businesses were heavily affected by the decline in demand caused by the coronavirus crisis and consolidated net sales stood at 162,325 million yen (down 16.6% year on year).

While the reduction of costs, such as fixed costs of factories, and low prices of raw materials and fuel proved to be effective, profit and loss were heavily impacted by the decline in the production and sales volume. As a result, consolidated operating loss was 1,770 million yen (operating income was 1,976 million yen in the previous term) and consolidated ordinary loss was 636 million yen (ordinary income was 2,696 million yen in the previous term). Loss attributable to owners of parent stood at 2,532 million yen due to the recording of the impairment loss related to the closing of the Tsukuba R&D Laboratory, etc. (profit attributable to owners of parent was 801 million yen in the previous term).

Non-consolidated results are as follows: Net sales were 86,619 million yen, operating loss was 3,095 million yen, and ordinary loss was 735 million yen, while net loss was 5,818 million yen as loss on valuation of shares of subsidiaries and associates, loss on valuation of investments of subsidiaries and associates, etc. were recorded.

Financial condition in fiscal 2021

(From April 1, 2020 to March 31, 2021)

Statuses of assets, liabilities and net assets

Although there was some increase in assets related to investment securities and net defined benefit asset, etc., resulting from a rise in share price, the assets as of the end of this consolidated fiscal year stood at 209,438 million yen, down 2,779 million yen year on year, due to the reduction of inventories, etc.

As of the end of this consolidated fiscal year, liabilities decreased 5,153 million yen year on year to 146,535 million yen, as interest-bearing debt was cut down, notes and accounts payable - trade were reduced, and so on.

Despite the recording of loss attributable to owners of parent, net assets increased 2,374 million yen from the end of the previous consolidated fiscal year to 62,902 million yen owing to an increase in valuation difference on available-for-sale securities, remeasurements of defined benefit plans, etc. brought about by a rise in share price.

Cash flow situation

Cash and cash equivalents at the end of this consolidated fiscal year stood at 15,701 million yen, up 6,440 million yen from the end of the previous consolidated fiscal year.

■ Cash flows from operating activities

Cash provided by operating activities increased 3,037 million yen year on year to 13,014 million yen. The revenues are broken down mainly into depreciation of 9,031 million yen and decrease in inventories of 8,175 million yen, while the expenses mostly consist of decrease in notes and accounts payable - trade of 4,193 million yen.

■ Cash flows from investing activities

Cash expended in investing activities was 2,098 million yen, down 4,473 million yen year on year. The expenses were comprised mainly of purchase of property, plant and equipment and intangible assets amounting to 3,931 million yen.

■ Cash flows from financing activities

Cash expended in financing activities decreased 1,142 million yen year on year to 4,512 million yen. This was caused mainly by the reduction of interest-bearing debt.

Basic policy concerning distribution of profit and dividends

In regard to determination of dividends from retained earnings, etc., we view the return of profits to shareholders as an important management subject and make it our basic policy to keep paying dividends stably while taking into consideration the performance in respective fiscal years and internal reserves for allowing the implementation of future management measures.

We have decided to refrain from paying term-end dividends, after comprehensively considering recent performance trends.

※Basic policy concerning the selection of accounting standards

Taking into consideration the possibility of comparison between terms of the consolidated financial statements as well as the possibility of comparison between companies, the policy of our Group plans to produce consolidated financial statements using Japanese standards for the time being. Our policy is to take into account the trends of other companies in Japan adopting IFRS, etc., and go on to respond as appropriate.

Financial Section

Consolidated Balance Sheets

(Million yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	9,260	15,701
Notes and accounts receivable - trade	31,358	28,797
Merchandise and finished goods	30,138	23,433
Work in process	7,066	6,758
Raw materials and supplies	11,278	10,230
Other	3,629	4,123
Allowance for doubtful accounts	△ 157	△ 430
Total current assets	92,576	88,614
Non-current assets		
Property, plant and equipment		
Buildings and structures	97,214	97,850
Cumulative depreciation	△ 72,543	△ 74,452
Accumulated impairment loss	△ 211	△ 583
Buildings and structures, net	24,459	22,814
Machinery, equipment and vehicles	370,506	358,285
Cumulative depreciation	△ 324,980	△ 316,284
Accumulated impairment loss	△ 1,709	△ 863
Machinery, equipment and vehicles, net	43,816	41,137
Land	21,898	21,619
Leased assets	3,704	3,922
Cumulative depreciation	△ 2,136	△ 2,510
Leased assets, net	1,568	1,411
Construction in progress	467	465
Other	9,345	9,121
Cumulative depreciation	△ 7,821	△ 7,608
Accumulated impairment loss	△ 25	△ 27
Other, net	1,498	1,485
Total property, plant and equipment	93,708	88,934
Intangible assets		
Other	409	1,590
Total intangible assets	409	1,590
Investments and other assets		
Investment securities	15,763	20,231
Long-term loans receivable	2,115	1,665
Net defined benefit asset	962	4,687
Deferred tax assets	4,318	2,548
Other	2,437	1,240
Allowance for doubtful accounts	△ 74	△ 74
Total investments and other assets	25,523	30,298
Total non-current assets	119,641	120,823
Total assets	212,217	209,438

(Million yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	22,082	18,577
Electronically recorded obligations	3,934	3,137
Short-term loans payable	64,267	59,150
Commercial paper	4,000	7,000
Lease obligations	334	360
Accrued expenses	6,509	6,129
Income taxes payable	431	361
Other	3,960	5,825
Total current liabilities	105,519	100,542
Non-current liabilities		
Long-term loans payable	33,495	31,772
Lease obligations	901	794
Deferred tax liabilities	119	469
Provision for directors' retirement benefits	50	54
Net defined benefit liability	9,423	9,664
Asset retirement obligations	883	884
Other	1,293	2,352
Total non-current liabilities	46,169	45,993
Total liabilities	151,689	146,535
Net assets		
Shareholders' equity		
Capital stock	36,561	36,561
Capital surplus	8,555	8,555
Retained earnings	13,719	10,967
Treasury shares	△ 152	△ 152
Total shareholders' equity	58,684	55,932
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,206	3,942
Foreign currency translation adjustment	1,095	910
Remeasurements of defined benefit plans	△ 461	2,112
Total accumulated other comprehensive income	1,840	6,965
Non-controlling interests	2	4
Total net assets	60,527	62,902
Total liabilities and net assets	212,217	209,438

Financial Section

Consolidated Statements of Income

(Million yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales	194,575	162,325
Cost of sales	164,492	139,740
Gross profit	30,082	22,584
Selling, general and administrative expenses	28,105	24,355
Operating income (loss)	1,976	△1,770
Non-operating income		
Interest income	55	36
Dividend income	486	505
Share of profit of entities accounted for using equity method	1,196	1,196
Foreign exchange gains	—	263
Other	566	489
Total non-operating income	2,305	2,492
Non-operating expenses		
Interest expenses	991	733
Loss for ship lease	—	259
Foreign exchange losses	167	—
Other	426	365
Total non-operating expenses	1,585	1,359
Ordinary income (loss)	2,696	△636
Extraordinary income		
Gain on disposal of non-current assets	14	15
Gain on sales of investment securities	123	567
Insurance income	220	140
Subsidy income	1,740	—
Other	59	0
Total extraordinary income	2,158	723
Extraordinary losses		
Loss on disposal of non-current assets	629	489
Impairment loss	1,159	987
Provision of allowance for doubtful accounts for subsidiaries and associates	—	285
Loss on valuation of shares of subsidiaries and associates	—	222
Loss on tax purpose reduction entry of non-current assets	1,740	—
Loss on disaster	168	—
Other	155	79
Total extraordinary losses	3,854	2,065
Profit (loss) before income taxes	1,000	△1,977
Income taxes-current	503	357
Income taxes - deferred	△246	196
Income taxes	256	554
Profit (loss)	743	△2,532
Profit (loss) attributable to non-controlling interests	△58	0
Profit (loss) attributable to owners of parent	801	△2,532

Consolidated Statements of Comprehensive Income

(Million yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit (loss)	743	△2,532
Other comprehensive income		
Valuation difference on available-for-sale securities	△2,428	2,739
Foreign currency translation adjustment	△121	△146
Remeasurements of defined benefit plans, net of tax	△2,692	2,574
Share of other comprehensive income of entities accounted for using equity method	△11	△40
Total other comprehensive income	△5,254	5,126
Comprehensive income	△4,510	2,594
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	△4,467	2,592
Comprehensive income attributable to non-controlling interests	△42	1

Consolidated Statements of Changes in Net Assets

Fiscal year ended March 31, 2020

(Million yen)

	Shareholders' equity				Total shareholders' equity
	Capital stock	Capital surplus	Retained earnings	Treasury shares	
Balance at the beginning of the term	36,561	9,682	13,145	△150	59,240
Cumulative effects of changes in accounting policy			△4		△4
Balance at the beginning of the term, reflecting changes in accounting policy	36,561	9,682	13,140	△150	59,235
Changes during the term					
Dividends from surplus			△223		△223
Profit attributable to owners of parent			801		801
Liquidation of consolidated subsidiaries					—
Acquisition of treasury shares				△2	△2
Disposition of treasury shares			△0	0	0
Change in equity of the parent related to transactions with non-controlling shareholders		△1,127			△1,127
Changes in items other than shareholders' equity during the term, (net)					
Total amount of changes during the term	—	△1,127	578	△2	△550
Balance at the end of the term	36,561	8,555	13,719	△152	58,684

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of the term	3,635	1,209	2,265	7,110	654	67,004
Cumulative effects of changes in accounting policy					△1	△6
Balance at the beginning of the term, reflecting changes in accounting policy	3,635	1,209	2,265	7,110	653	66,998
Changes during the term						
Dividends from surplus						△223
Profit attributable to owners of parent						801
Liquidation of consolidated subsidiaries						—
Acquisition of treasury shares						△2
Disposition of treasury shares						0
Change in equity of the parent related to transactions with non-controlling shareholders						△1,127
Changes in items other than shareholders' equity during the term, (net)	△2,429	△113	△2,726	△5,269	△650	△5,920
Total amount of changes during the term	△2,429	△113	△2,726	△5,269	△650	△6,470
Balance at the end of the term	1,206	1,095	△461	1,840	2	60,527

Fiscal year ended March 31, 2021

(Million yen)

	Shareholders' equity				Total shareholders' equity
	Capital stock	Capital surplus	Retained earnings	Treasury shares	
Balance at the beginning of the term	36,561	8,555	13,719	△152	58,684
Cumulative effects of changes in accounting policy					—
Balance at the beginning of the term, reflecting changes in accounting policy	36,561	8,555	13,719	△152	58,684
Changes during the term					
Dividends from surplus			△223		△223
Loss attributable to owners of parent			△2,532		△2,532
Liquidation of consolidated subsidiaries			4		4
Acquisition of treasury shares				△0	△0
Disposition of treasury shares					—
Change in equity of the parent related to transactions with non-controlling shareholders					—
Changes in items other than shareholders' equity during the term, (net)					
Total amount of changes during the term	—	—	△2,751	△0	△2,752
Balance at the end of the term	36,561	8,555	10,967	△152	55,932

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of the term	1,206	1,095	△461	1,840	2	60,527
Cumulative effects of changes in accounting policy						—
Balance at the beginning of the term, reflecting changes in accounting policy	1,206	1,095	△461	1,840	2	60,527
Changes during the term						
Dividends from surplus						△223
Loss attributable to owners of parent						△2,532
Liquidation of consolidated subsidiaries						4
Acquisition of treasury shares						△0
Disposition of treasury shares						—
Change in equity of the parent related to transactions with non-controlling shareholders						—
Changes in items other than shareholders' equity during the term, (net)	2,736	△185	2,574	5,125	1	5,126
Total amount of changes during the term	2,736	△185	2,574	5,125	1	2,374
Balance at the end of the term	3,942	910	2,112	6,965	4	62,902

Consolidated Statements of Cash Flow

(Million yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit (loss) before income taxes	1,000	△ 1,977
Depreciation	9,824	9,031
Loss on disaster	168	—
Impairment loss	1,159	987
Decrease (increase) in net defined benefit asset	1,210	△ 625
Increase (decrease) in net defined benefit liability	340	519
Increase (decrease) in provision for directors' retirement benefits	△ 10	3
Interest and dividend income	△ 542	△ 542
Share of loss (profit) of entities accounted for using equity method	△ 1,196	△ 1,196
Interest expense	991	733
Loss (gain) on sales of short-term and long-term investment securities	△ 123	△ 551
Loss (gain) on disposal of non-current assets	615	473
Loss on tax purpose reduction entry of non-current assets	1,740	—
Subsidy income	△ 1,740	—
Decrease (increase) in notes and accounts receivable - trade	6,229	2,470
Decrease (increase) in inventories	△ 4,273	8,175
Increase (decrease) in notes and accounts payable - trade	△ 4,537	△ 4,193
Other, net	△ 1,018	323
Subtotal	9,837	13,631
Subsidies received	885	300
Payments for loss on disaster	△ 213	△ 8
Interest and dividend income received	552	771
Interest expenses paid	△ 998	△ 742
Income taxes paid	△ 87	△ 937
Net cash provided by (used in) operating activities	9,976	13,014
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	△ 7,243	△ 3,931
Proceeds from sales of property, plant and equipment and intangible assets	139	164
Purchase of investment securities	△ 33	△ 19
Proceeds from sales of investment securities	416	897
Payments of loans receivable	△ 450	△ 0
Collection of loans receivable	822	450
Other, net	△ 222	339
Cash flows from investing activities	△ 6,571	△ 2,098
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	△ 52	△ 3,853
Net increase (decrease) in commercial paper	△ 3,000	3,000
Proceeds from long-term loans payable	16,000	12,580
Repayments of long-term loans payable	△ 16,075	△ 15,663
Repayments of lease obligations	△ 570	△ 350
Dividends paid	△ 223	△ 223
Purchase of treasury shares	△ 0	△ 0
Proceeds from sales of treasury shares	0	—
Dividends paid to non-controlling interests	△ 58	△ 0
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	△ 1,673	—
Net cash provided by (used in) financing activities	△ 5,655	△ 4,512
Effect of exchange rate change on cash and cash equivalents	△ 106	37
Net increase (decrease) in cash and cash equivalents	△ 2,356	6,440
Cash and cash equivalents at beginning of period	11,617	9,260
Cash and cash equivalents at end of period	9,260	15,701

Company Name

Mitsubishi Paper Mills Limited

Address

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

Representative

Yukihiro Tachifuji, President & CEO

Founded

1898

Paid-in Capital

36,561 million yen

Consolidated Number of Employees

3,579

Shareholder Register Administrator

Mitsubishi UFJ Trust and Banking Corporation

Independent Auditor

Ernst & Young ShinNihon LLC

Main Business Activities

The Mitsubishi Paper Mills Group is primarily engaged in the manufacture, processing, and sale of paper, pulp, and photosensitive materials, and the main products and services of each division are provided below.

[Paper and Pulp Business]

Coated and uncoated graphic papers, magazine paper, speciality printing paper, communication paper, hygiene paper, electrical insulation pressboard, high-quality white paperboard, speciality white paperboard, other speciality paper, bleached kraft pulp, and speciality pulp

[Imaging Media Business]

Inkjet paper, products for photography, products for printing, resin coated base paper, release/casting paper, electronic industrial materials, and other new businesses

[Speciality Materials Business]

Water treatment membrane support substrate, battery separators, filters, rewritable media, functional paper, nonwoven fabrics, and speciality materials

[Warehouse and Transport Business]

Warehousing and transport-related business

[Other Businesses]

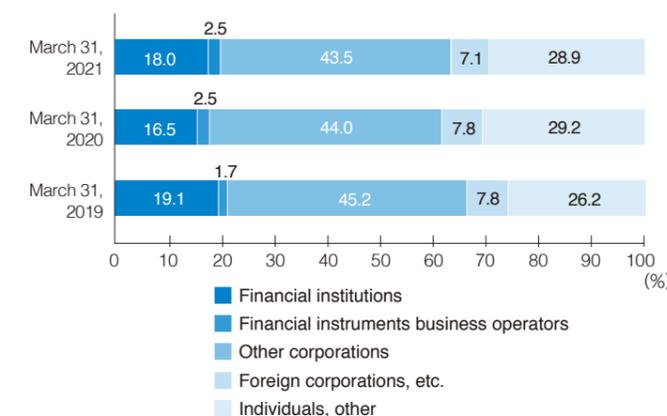
Engineering operations, sports facility management, insurance agency business, and real estate business

⇒Reference site: Corporate Profile/Business Fields
<https://www.mpm.co.jp/eng/company/gaiyo.html>

Main Group Companies

Mitsubishi Oji Paper Sales Co., Ltd.
Kitakami Hitec Paper Corp.
Mitsubishi Paper Engineering Co., Ltd.
Ryoshi Co., Ltd.
Diamic Co., Ltd.
NAMITSU Co., Ltd.
MPM Oji Home Products Co., Ltd.
Shin-Hokuryo Forest Products Co., Ltd.
Toho Tokushu Pulp Co., Ltd.
Hachinohe Paper Processing Co., Ltd.
KJ SPECIALTY PAPER Co., Ltd.
Takasago Paper Processing Co., Ltd.
Hachiryō Co., Ltd.
Ryoko Co., Ltd.
MPM Operation Co., Ltd.
Kyoryo Chemical Co., Ltd.
Hokuryo Co., Ltd.
Hakuryo Paper Technology Co., Ltd.
MPM Oji Eco-Energy Co., Ltd.
Mitsubishi Paper Holding (Europe) GmbH
Mitsubishi HiTec Paper Europe GmbH
Mitsubishi Imaging (MPM), Inc.
MPM Hong Kong Limited
Zhuhai MPM Filter, Ltd.

- Total number of authorized shares 90,000,000
- Total number of outstanding shares 44,741,433
- Shareholders 16,225
(330 year-over-year decrease)
- Composition of shareholders



⇒Reference site: Investor Relations
<https://www.mpm.co.jp/eng/ir/index.html>

History and Main Offices and Mills of the Mitsubishi Paper Mills Group

History

April 1898	Hisaya Iwasaki took over a paper mill operated by the Walsh Brothers in Sannomiya, Kobe, and established Kobe Paper Mill Company
June 1901	Moved the mill (currently Takasago Mill) to Takasago City in Hyogo Prefecture
February 1917	Constructed the Nakagawa Mill in Katsushika-ku, Tokyo (closed in March 2003)
November 1917	Incorporated and changed name to Mitsubishi Paper Mills, Ltd.
April 1944	Merged with Kyoto Photographic Industry Company, Ltd. and made it the Kyoto Trial Mill (currently Kyoto Mill), to produce photographic paper
November 1950	Acquired all stock of a manufacturer and seller of non-wood pulp (currently Toho Tokushu Pulp Co., Ltd.)
April 1966	Constructed the Hachinohe Mill in Hachinohe City, Aomori
April 1966	Merged with Shirakawa Pulp Industry Ltd. and acquired the Shirakawa Mill (currently Hakuryo Paper Technology Co., Ltd.) and the Kitakami Mill (currently Kitakami HiTec Paper Corporation)
April 1972	Formed Mitsubishi Paper Sales Co., Ltd. (currently Mitsubishi Oji Paper Sales Co., Ltd.) by merging Ryosan Shokai with CASIWA Co., Ltd.
April 1992	Formed Diamic Co., Ltd. by merging Yamamoto Shokai with Gekko Shokai
May 1994	Established the subsidiary Mitsubishi Imaging (MPM), Inc. in New York, U.S.A.
November 2007	Established Zhuhai MPM Filter Ltd. in China, and commenced filter product processing in China
April 2008	Established MP Juarez LLC in Mexico, and commenced inkjet paper processing in North America
October 2010	Formed Mitsubishi HiTec Paper Europe GmbH by integrating two German manufacturing subsidiaries
October 2011	Acquired shares of KJ SPECIALTY PAPER Co., Ltd., a chemical-based paper subsidiary of Kohjin Co., Ltd.
March 2016	Established joint venture with Oji Green Resources Co., Ltd. called MPM Oji Eco-Energy Co., Ltd.
April 2017	Established joint venture with Oji Nepia Co., Ltd. called MPM Oji Home Products Co., Ltd.
March 2019	Became an equity-method affiliated company of Oji Holdings Corporation

Main Offices and Mills

Head Office & Branches

Head Office

2-10-14 Ryogoku, Sumida-ku, Tokyo
(Ryogoku City Core)

Osaka Sales Branch

1-1, Fushimimachi 2-chome, Chuo-ku, Osaka-shi, Osaka
(Sumitomo Mitsui Bank Koraibashi Building)

Domestic Sales Locations

Mitsubishi Oji Paper Sales Co., Ltd.

2-10-14 Ryogoku, Sumida-ku, Tokyo
(Ryogoku City Core)
Offices: Osaka Office, Nagoya Office, Tohoku Office, and Kyushu Office
Principal business: Sale of paper, chemicals, etc.

Diamic Co., Ltd.

2-10-14 Ryogoku, Sumida-ku, Tokyo
(Ryogoku City Core)
Offices: Tokyo Branch, Osaka Branch, Sapporo Office, Sendai Office, Nagoya Office, Fukuoka Office, plus five other sales offices in Japan, and one office overseas
Principal business: Sale of printing plate materials, information materials and related equipment

Domestic R&D Facilities

Takasago R&D Laboratory

105 Sakaemachi, Takasagocho, Takasago-shi, Hyogo

Kyoto R&D Laboratory

1-6-6 Kaiden, Nagaokakyo-shi, Kyoto

Process Development Laboratory

3, Aza Maeyamanishi, Nishigo-mura, Nishi Shirakawa-gun, Fukushima

Domestic Production Facilities

Hakuryo Paper Technology Co., Ltd.

3, Aza Maeyamanishi, Nishigo-mura, Nishi Shirakawa-gun, Fukushima
Principal products: Pressboard

Kitakami HiTec Paper Corp

35, Sasanagane, Aisari-cho, Kitakami-shi, Iwate
Principal products: Photographic base paper and sanitary paper

Hachinohe Mill

Aza Aomoriyachi, O-aza Kawaragi, Hachinohe-shi, Aomori
Principal products: Printing paper, white paperboard, and copier paper

MPM Oji Home Products Co., Ltd.

Aza Aomoriyachi, O-aza Kawaragi, Hachinohe-shi, Aomori
Principal products: Sanitary paper

MPM Oji Eco-Energy Co., Ltd.

35-10 Aza Kaigan, O-aza Kawaragi, Hachinohe-shi, Aomori
Principal business: Biomass power generation

Toho Tokushu Pulp Co., Ltd.

(Oyama Mill) 340, O-aza Mamada, Oyama-shi, Tochigi
(Kitakami Mill) 35, Sasanagane, Aisari-cho, Kitakami-shi, Iwate
Principal products: Non-wood pulp

KJ SPECIALTY PAPER Co., Ltd.

7-1 Shimbashicho, Fuji-shi, Shizuoka
Principal products: Chemical paper (decorative laminate base paper, impregnated decorative sheets, base paper for wallpaper, masking tape backing, etc.)

Takasago Mill

105 Sakaemachi, Takasagocho, Takasago-shi, Hyogo
Principal products: Carbonless paper, thermal paper, inkjet paper, non-woven fabric products, and speciality paper

Kyoto Mill

1-6-6 Kaiden, Nagaokakyo-shi, Kyoto
Principal products: Printing plate materials and photo inkjet paper

Overseas Production and Sales Facilities

Mitsubishi HiTec Paper Europe GmbH

(Bielefeld Mill)
Niedernholz 23, D-33699 Bielefeld, Germany
(Flensburg Mill)
Husumer Strasse 12 D-24941 Flensburg, Germany
Principal products: Carbonless paper, thermal paper, and inkjet paper

Zhuhai MPM Filter Ltd.

17 Yijing Lane, Pingsha Town, Jinwan District, Zhuhai, Guangdong, China
Principal products: Various filters

Mitsubishi Imaging (MPM), Inc.

555 Theodore Fremd Avenue, Rye, NY 10580
Principal business: Sale of inkjet paper, thermal paper, and products for printing

