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May 11, 2023

To whom it may concern,

Company name: Mitsubishi Paper Mills Limited
Representative: Ryuichi Kisaka, President and CEO
(Code No.3864, TSE Prime)
Contact: Hiroyuki Ino,
General Manager, Accounting Department
(TEL. +81-3-5600-1407)

**Notice Regarding Posting of Extraordinary Loss (Non-consolidated) and
Income Taxes - Deferred (Consolidated·Profit)**

Mitsubishi Paper Mills Limited (the “Company”) hereby announces that it posted an extraordinary loss (non-consolidated) and income taxes - deferred in the fiscal year ended March 31, 2023. Details are as follows.

Details:

1. Extraordinary losses (Non-consolidated)

We posted a business transfer loss related to the sale of the German business Flensburg Mill. As a result, in the non-consolidated financial statements, we recorded an extraordinary loss of 1,667 million yen as a provision of allowance for doubtful accounts for affiliated companies Mitsubishi Paper Holding (Europe) GmbH, a consolidated subsidiary.

The loss has no impact on business performance on a consolidated basis, because the loss is fully eliminated in consolidated results.

2. Income taxes - deferred (Consolidated·Profit)

Under its retirement benefit plan, the Company has a retirement benefit trust in place, to which cash and shares are contributed. It had posted deferred tax liabilities due to unrealized gains of such shares in the fiscal year ended March 31, 2022. Now, reflecting a partial reversal of deferred tax liabilities due to the partial sale of such shares, among other factors, the Company posted income taxes - deferred (profit) amounting to 1,123 million yen.

3. Impact on financial results

The impact of the matter on financial results was reflected on the Summary of Consolidated Financial Results (Japanese GAAP) for the Fiscal Year Ended March 31, 2023 released today.