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(Securities Code: 3864)  
June 3, 2021

To Our Shareholders with Voting Rights

Yukihiro Tachifuji  
President and Chief Executive Officer  
Mitsubishi Paper Mills Ltd.  
2-10-14 Ryogoku, Sumida-ku, Tokyo, Japan

## Notice of the 156th Ordinary General Meeting of Shareholders

We would like to express our appreciation for your continued support and patronage.

You are cordially invited to attend the 156th Ordinary General Meeting of Shareholders of Mitsubishi Paper Mills Ltd. (hereinafter “MPM”). The meeting will be held for the purposes as described below.

**In the event you are not able to attend the meeting, you can exercise your voting rights in writing. If exercising your voting right in writing, please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by 5:30 p.m. on Thursday, June 24, 2021.**

- 1. Date and Time:** Friday, June 25, 2021 at 10:00 a.m.  
**2. Place:** MPM Conference Room (11th Floor, Ryogoku City Core)  
2-10-14 Ryogoku, Sumida-ku, Tokyo

**3. Agenda of the Meeting:**

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements, and results of audits of the Consolidated Financial Statements by the Independent Auditor and the Audit & Supervisory Board for the 156th Business Term (from April 1, 2020 to March 31, 2021)
  2. Non-Consolidated Financial Statements for the 156th Business Term (from April 1, 2020 to March 31, 2021)

**Proposals to be resolved:**

- Proposal No. 1:** Election of Eight (8) Directors  
**Proposal No. 2:** Election of One (1) Substitute Director  
**Proposal No. 3:** Election of One (1) Audit & Supervisory Board Member  
**Proposal No. 4:** Election of One (1) Substitute Audit & Supervisory Board Member  
**Proposal No. 5:** Revision of the Amount of Remunerations for Directors  
**Proposal No. 6:** Determination of the Amount and Details of Performance-linked Stock-based Compensation to Directors and Officers

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- When attending the meeting, please submit the enclosed voting rights exercise form at the reception desk to register your attendance.
  - Please be advised that in the event the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-Consolidated Financial Statements, or the Consolidated Financial Statements require modifications, MPM will post such modifications on its website (<https://www.mpm.co.jp/ir>).

## Reference Documents for the General Meeting of Shareholders

### Proposal No. 1: Election of Eight (8) Directors

The terms of the offices of all ten (10) Directors will expire as of the close of this Ordinary General Meeting of Shareholders.

Consequently, we will propose that eight (8) Directors including two (2) Outside Directors be elected.

Regarding the selection of the candidates, in accordance with the Director Qualification listed in “MPM Basic Policies on Corporate Governance”(\*), the Board of Directors has decided after seeking and receiving advice from the Nomination and Remuneration Committee chaired by an independent outside director.

The candidates are as follows:

No.	Name		Current position in MPM
1	Yoshiaki Takeda	REAPPOINTMENT	Chairman of Board of Directors In charge of Finance & Accounting Dept. Nomination and Remuneration Committee Member
2	Yukihiro Tachifuji	REAPPOINTMENT	President & CEO In charge of R&D Div., Energy Business Dept., and Technology & Environmental Dept. Nomination and Remuneration Committee Member
3	Nobuhiro Sato	REAPPOINTMENT	Director and Managing Executive Officer In charge of Paper Div. General Manager, Paper Div.
4	Shimpei Yamada	REAPPOINTMENT	Director and Managing Executive Officer In charge of Functional Materials Div., German Operations and Kitakami Div. General Manager, Functional Materials Div.
5	Shigeharu Sanada	REAPPOINTMENT	Director and Managing Executive Officer In charge of Raw Materials & Purchasing Dept. and Internal Audit Dept.
6	Kunio Suzuki	REAPPOINTMENT	Director and Advisor
7	Somitsu Takehara	REAPPOINTMENT Outside Independent	Outside Director Nomination and Remuneration Committee Member
8	Yoshihiro Kataoka	REAPPOINTMENT Outside Independent	Outside Director Nomination and Remuneration Committee Member

(\*) For your reference, the relevant provisions of “MPM Corporate Governance Basic Policy” pertaining to Directors are listed below:

(Director Qualification and Nomination Procedures)


Article 18. The post of MPM’s director shall be filled by a person who has integrity, insights, abilities and a wealth of experience, etc. as well as an elevated sense of ethics.

2. When determining a director candidate, MPM shall pay attention to the diversity of those who compose the Board of Directors, weighing the balance between personnel who can play to their strengths in corporate management in a business area in which the group currently operates, or may operate in the future, personnel who are fit for business administration, personnel who can adequately fulfill supervising functions and others.
3. With respect to outside director candidates, MPM shall nominate personnel who can provide suggestions and advice aimed at frank and active, and constructive deliberations regarding corporate management based on their experience, knowledge, expertise, etc., and, from his/her independent standpoint, supervise corporate management and monitor any conflict of interest between the management team, etc. and MPM and have opinions of stakeholders reflected appropriately.
4. The independence of an outside director shall be judged based on the Independence Criteria in the Appendix.
5. A decision on any director candidate nomination shall be made by the Board of Director In light of the preceding four paragraphs after seeking and receiving advice from the Nomination and Remuneration Committee.
6. All directors shall be appointed to a one-year term of office and shall be subject to an election at an ordinary general meeting of shareholders.


(Establishment of a Voluntary Nomination and Remuneration Committee)


Article 23. MPM establishes a Nomination and Remuneration Committee as an advisory body for the Board of Directors.


2. Members of the Nomination and Remuneration Committee shall be elected from among representative directors and independent outside directors and be chaired by an independent outside director.
3. The Nomination and Remuneration Committee shall, in response to inquiry from the Board of Directors, examine the appropriateness of the contents of proposals to be presented to the Board of Directors, and give advice, with respect to each of the following items:
  - i) Director and Audit & Supervisory Board Member candidate nomination and CEO, executive director, operating officer and executive officer elections and dismissals; and
  - ii) Policy on remuneration of directors and executive officers and details of the remuneration for each individual.
4. Any inquiry on the contents of proposals to be presented to the Board of Directors set forth in the preceding paragraph shall as a general rule be made by the President and Representative Director. If the Board of Directors provides otherwise, however, such a procedure shall be followed.

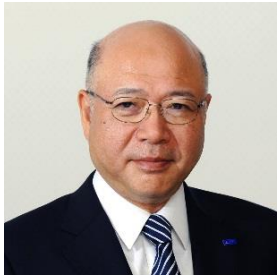
No. (Date of birth, etc.)	Name	Number of shares of MPM held..... 7,000 Attendance of Board of Directors meetings 100% (11/11)
1	<b>Yoshiaki Takeda</b>	
 (March 29, 1954) age 67  REAPPOINTMENT CANDIDATE	<b>Profile and position in MPM</b>	
	April 1977	Joined Oji Paper Co. Ltd. (current Oji Holdings Corporation)
	April 2011	Corporate Officer, Oji Paper Co. Ltd.
	October 2012	Corporate Officer, Oji Holdings Corporation (hereinafter “Oji”)
	June 2013	Executive Officer, Oji
	April 2018	Director of the Board and Executive Officer, Oji
	April 2020	Advisor, MPM
	June 2020	Director, Deputy President, MPM
	April 2021	Chairman of Board of Directors (Representative director), MPM (to present) [ In charge of Finance & Accounting Dept. ]
	<b>Reasons for nominating as a candidate for Director</b>	
	Mr. Yoshiaki Takeda has long been at the heart of management at Oji, and has extensive knowledge of the corporate, finance and accounting departments, as well as a proven track record in overall corporate management. In the pulp and paper industry, which is undergoing a structural transformation, MPM needs to build a strong corporate structure based on a cooperative framework with the Oji Group. MPM expects that he will demonstrate accurate management skills based on his high insight and extensive experience. He has thus been nominated as a candidate for Director.	


No. (Date of birth, etc.)	Name	Number of shares of MPM held..... 2,000 Attendance of Board of Directors meetings 100% (15/15)
2	<b>Yukihiro Tachifuji</b>	
 (October 12, 1960) age 60  REAPPOINTMENT CANDIDATE	<b>Profile and position in MPM</b>	
	April 1985	Joined MPM
	June 2013	Executive Officer, Head, Takasago Mill, Deputy General Manager, Paper Division, Deputy General Manager, Imaging Division, Deputy General Manager, Speciality Materials Division
	January 2016	Senior Executive Officer, Head, Takasago Mill, Deputy General Manager, Paper Division, Deputy General Manager, Imaging Division, Deputy General Manager, Speciality Materials Division
	January 2018	Director and Managing Executive Officer, Senior Executive Officer, Head, Takasago Mill, Deputy General Manager, Paper Division, Deputy General Manager, Imaging Division, Deputy General Manager, Speciality Materials Division
	June 2019	President & CEO (to present) [ In charge of R&D Div., Energy Business Dept., and Technology & Environmental Dept. ]
	<b>Reasons for nominating as a candidate for Director</b>	
	Mr. Yukihiro Tachifuji has been involved in Mill operation and has experience and knowledge about technology and manufacturing. After taking office as President & CEO June 2019, he is vigorously striving to build a business foundation for the next era under a capital and business alliance with Oji Holdings Corporation. MPM expects that he will lead MPM Group’s improvement of corporate value in a situation where the business environment changes rapidly. He has thus been nominated as a candidate for Director.	


No. (Date of birth, etc.)	Name	Number of shares of MPM held.....4,500 Attendance of Board of Directors meetings 100% (15/15)
3	<b>Nobuhiro Sato</b>	
 (September 7, 1957) age 63  REAPPOINTMENT CANDIDATE	<b>Profile and position in MPM</b>	
	April 1980	Joined MPM
	June 2013	Executive Officer, General Manager, Business Communication Paper Sales Dept. Paper Division
	June 2015	Executive Officer, Deputy General Manager, Paper Division
	January 2016	Senior Executive Officer, Deputy General Manager, Paper Division
January 2018	Senior Executive Officer, General Manager, Paper Division	
June 2018	Director and Senior Executive Officer, General Manager, Paper Division	
June 2019	Director and Managing Executive Officer, General Manager, Paper Division (to present) [ In charge of Paper Division General Manager, Paper Division ]	
<b>Reasons for nominating as a candidate for Director</b>		
<p>Mr. Nobuhiro Sato has been long involved in the sales section of the Paper Division, and has a wealth of market experience and knowledge. As General Manager of the Paper Division, he is overseeing the rationalization of distribution and structural reform of our paper business. In consideration of the future business development of MPM, he is expected to leverage his judgment and execution toward growth and improvement of corporate value over the mid- to long-term. He has thus been nominated as a candidate for Director.</p>		

No. (Date of birth, etc.)	Name	Number of shares of MPM held..... 1,400 Attendance of Board of Directors meetings 100% (11/11)
4	<b>Shimpei Yamada</b>	
 (May 16, 1959) age 62  REAPPOINTMENT CANDIDATE	<b>Profile and position in MPM</b>	
	April 1983	Joined Mitsubishi Corporation
	July 2003	Vice President & CFO, Mitsubishi Imaging (MPM), Inc.
	April 2009	Seconded to MPM
	June 2014	Executive Officer, General Manager, Ink Jet & Photo Sales Department
June 2015	Executive Officer, General Manager, Imaging Media Division and General Manager, Ink Jet & Photo Sales Department	
June 2017	Executive Officer, General Manager, President's Office	
June 2018	Senior Executive Officer, General Manager, President's Office	
June 2019	Managing Executive Officer, General Manager, Imaging Division	
June 2020	Director and Managing Executive Officer, General Manager, Functional Materials Division (to present) [ In charge of Functional Materials Division and , German Operations and Kitakami Division General Manager, Functional Materials Division ]	
<b>Reasons for nominating as a candidate for Director</b>		
<p>Originally from a major general trading company, he has extensive knowledge not only in Japan but also in overseas markets. With the expectation that he will demonstrate his skill in marketing functional materials, an area in which we should see growth in the future, he has thus been nominated as a candidate for Director.</p>		

No. (Date of birth, etc.)	Name	Number of shares of MPM held..... 1,100 Attendance of Board of Directors meetings 100% (11/11)
5	<b>Shigeharu Sanada</b>	
 (July 1, 1967) age 53  REAPPOINTMENT CANDIDATE	<b>Profile and position in MPM</b>	
	April 1990	Joined The Mitsubishi Bank Ltd. (current MUFG Bank Ltd. (hereinafter “MB”))
	May 2016	General Manager, General Affairs Department, Mitsubishi UFJ Financial Group Inc.(hereinafter “MUFG”)
	June 2016	General Manager, General Affairs Department, MB Executive Officer, General Manager, General Affairs Department, MUFG Executive Officer, General Manager, General Affairs Department, MB
	April 2020 June 2020	Executive Officer, Headquarters counselor, MB Director and Managing Executive Officer (to present) (In charge of Raw Materials & Purchasing Dept. and Internal Audit Dept.)
<b>Reasons for nominating as a candidate for Director</b>		
Mr. Shigeharu Sanada has experience in business execution at a mega-bank, and is familiar with management and finance. He also has a broad network of contacts and a great insight. In the expectation that he will strongly support the medium-term management plan and structural reforms from the corporate sector to enhance the medium- to long-term corporate value of MPM, and that he will demonstrate his excellent management skills in the appropriate supervision of management, he has thus been nominated as a candidate for Director.		

No. (Date of birth, etc.)	Name	Number of shares of MPM held..... 43,100 Attendance of Board of Directors meetings 100% (15/15)
6	<b>Kunio Suzuki</b>	
 (October 12, 1950) age 70  REAPPOINTMENT CANDIDATE	<b>Profile and position in MPM</b>	
	April 1974	Joined MPM
	June 2005	Executive Officer, Head, Hachinohe Mill
	June 2006	Senior Executive Officer, Head, Hachinohe Mill
	June 2007	Director, Managing Executive Officer, Head, Hachinohe Mill
June 2009	President & CEO	
June 2019	Chairman of the Board of Directors (Representative Director)	
April 2021	Director and Advisor (to present)	
<b>Reasons for nominating as a candidate for Director</b>		
Mr. Kunio Suzuki strongly led MPM’s recovery from the damage caused by the Great East Japan Earthquake, reconstruction of the business portfolio and the progress of alliances with Oji Holdings Corporation over the ten years since he became President & CEO in 2009, and has been promoting structural reforms. In order to use his experience and knowledge to properly oversee the management, he has thus been nominated as a candidate for Director.		

No. (Date of birth, etc.)	Name	Number of shares of MPM held..... 0
7	<b>Somitsu Takehara</b>	Attendance of Board of Directors meetings 100% (15/15)
<b>Profile and position in MPM</b>		
	January 1977	Joined Peat Marwick Mitchell & Company
	December 1981	Joined Coopers & Lybrand
	July 2000	General Manager, Transaction Service Division, ChuoAoyama
	April 2005	Representative Director, ZECOO Partners Inc.
	June 2005	Outside Director, CDG Co., Ltd.
	February 2007	Outside Director, S-Pool, Inc.
	June 2014	Outside Audit & Supervisory Board Member, EDION Corporation (to present)
	April 2015	Concurrently Appointed Lecturer, Graduate School of Professional Accountancy, Meiji University
	June 2015	Outside Director, GENKI SUSHI Co., Ltd. (to present)
	June 2016	Outside Director, MPM (to present)
November 2017	Director & Chairman, ZECOO Partners Inc. (to present)	
October 2018	Outside Director, Shinmei Holdings Co., Ltd	
June 2020	Outside Director, TOKYO BROADCASTING SYSTEM HOLDINGS, INC. (current TBS HOLDINGS, INC.) (to present)	
(April 1, 1952) age 69		
REAPPOINTMENT CANDIDATE		
OUTSIDE DIRECTOR CANDIDATE		
INDEPENDENT DIRECTOR CANDIDATE		
<b>Important positions concurrently held at other companies, etc.</b>		
Representative Director, ZECOO Partners Inc. Outside Audit & Supervisory Board Member, EDION Corporation Outside Director, GENKI SUSHI Co., Ltd. Outside Director, TBS HOLDINGS, INC.		
<b>Reasons for nominating as a candidate for Outside Director and expected roles, etc.</b>		
Mr. Somitsu Takehara has expertise in finance and accounting as a certified public accountant. He is a corporate manager of ZECOO Partners Inc., and has a wealth of experience of management consulting business and great insight into corporate management. He is expected to contribute to corporate governance reinforcement by making the most of his experience and providing advice over the overall management, MPM also has large expectations for his supervisory function for the determination of important business operations and execution from an independent viewpoint as an Outside Director. He has thus been nominated as a candidate for Director. If he is elected, he will be involved in the selection of candidates for the MPM's Board of Directors and decisions on executive compensation and other matters from an independent standpoint as a member of the Nomination and Remuneration Committee.		

No. (Date of birth, etc.)	Name	Number of shares of MPM held..... 0
8	Yoshihiro Kataoka	Attendance of Board of Directors meetings 100% (15/15)
 <p>(July 30, 1954) age 66</p> <p>REAPPOINTMENT CANDIDATE</p> <p><b>OUTSIDE DIRECTOR CANDIDATE</b></p> <p><b>INDEPENDENT DIRECTOR CANDIDATE</b></p>	<b>Profile and position in MPM</b>	
	April 1980	Registered as an attorney-at-law
	April 1983	Hosoda and Kataoka Low Office
	September 1984	Chief, Yoshihiro Kataoka Low Office
	June 1990	Partner Chief, Kataoka & Kobayashi Lpc. (to present)
	April 2007	Visiting Professor, Chuo Law School (to present)
June 2010	Supervisor, Comforia Residential REIT, Inc.	
June 2011	Outside Audit & Supervisory Board Member, The Higo Bank, Ltd. (to present)	
March 2013	Outside Audit & Supervisory Board Member, Silis Holdings Co., Ltd. (current Silis Co.)	
April 2014	Outside Audit & Supervisory Board Member, Casa Inc.	
June 2019	Outside Director, MPM (to present)	
<b>Important positions concurrently held at other companies, etc.</b>		
Partner Chief, Kataoka & Kobayashi Lpc.		
Outside Audit & Supervisory Board Member, The Higo Bank, Ltd.		
Visiting Professor, Chuo Law School		
<b>Reasons for nominating as a candidate for Outside Director and expected roles, etc.</b>		
Mr. Yoshihiro Kataoka has legal expertise as a lawyer and many years of experience in corporate legal affairs, and has sufficient insight to oversee corporate management. Corporate governance is expected to be strengthened through recommendations to the overall management of MPM. As an Outside Director, he is expected to play a role in determining important matters and supervising business execution from an independent position. He has thus been nominated as a candidate for Director. If he is elected, he will be involved in the selection of candidates for the MPM's Board of Directors and decisions on executive compensation and other matters from an independent standpoint as a member of the Nomination and Remuneration Committee.		

Notes:

1. No conflict of interests exists between MPM and each candidate.
2. Directors and Officers Liability Insurance (D&O Insurance) Agreement  
MPM has entered into a D&O Insurance Agreement with an insurance company, naming the MPM's Directors as the insured. The D&O insurance policy is designed to cover damages that may arise due to the insured assuming responsibility for the performance of their duties or receiving claims related to the pursuit of such responsibility. All of the candidates for the position of Director is scheduled to be insured under this D&O Insurance policy if they are all appointed as Directors. The contract is scheduled to be renewed in March 2022.
3. Mr. Somitsu Takehara and Mr. Yoshihiro Kataoka are candidates for Outside Director.
  - (1) Limitation of Liability Agreement  
MPM has entered into a Limitation of Liability Agreement with Mr. Somitsu Takehara and Mr. Yoshihiro Kataoka. The agreements set forth provisions on limiting their liability pursuant to Article 427 Paragraph 1 of the Companies Act. Based on these agreements, liability for compensation for damages under Article 423 Paragraph 1 shall be limited to 10 million yen or the minimum amount stipulated by law, whichever is greater.
  - (2) Independent Director  
MPM has notified the Tokyo Stock Exchange of Mr. Somitsu Takehara and Mr. Yoshihiro Kataoka as Independent Directors.  
(Reasons for notification as Independent Director)  
Mr. Somitsu Takehara and Mr. Yoshihiro Kataoka meet the Independence Criteria of the MPM's Independent Directors. In consideration of this and the expertise that they have, MPM has appointed them as Independent Directors.
  - (3) Terms as Outside Director  
Mr. Somitsu Takehara will have served as Outside Director for five (5) years, and Mr. Yoshihiro Kataoka, for two (2) years, at the close of this Ordinary General Meeting of Shareholders.



## Proposal No. 2: Election of One (1) Substitute Director

MPM proposes the election of one (1) substitute Director to fill the vacancy of Mr. Yoshihiro Kataoka in the event that Proposal No. 1 “Election of Eight (8) Directors” is approved as proposed, and the number of Independent Outside Directors falls below the two (2) Directors required by the Corporate Governance Code.

Date of birth, etc.	Name	
(November 29, 1959) age 61	<b>Akihiko Kobayashi</b>	Number of shares of MPM held..... 0
	<b>Profile and position in MPM</b>	
	April 1986	Registered as an attorney-at-law Yoshihiro Kataoka Law Office
	June 1990	Partner, Kataoka & Kobayashi Lpc. (to present)
	May 2015	Outside Director, TAKEUCHI MFG. CO., LTD. (to present)
	April 2016	Professor, Chuo Law School (to present)
	<b>Important positions concurrently held at other companies, etc.</b>	
	Partner, Kataoka & Kobayashi Lpc. Outside Director, TAKEUCHI MFG. CO., LTD. Professor, Chuo Law School	
<b>Reasons for nominating as a candidate for substitute Director</b>		
Mr. Akihiko Kobayashi has legal expertise as a lawyer and many years of experience in corporate legal affairs, and has sufficient insight to oversee corporate management. When he became an Outside Director, he is expected to play a role in determining important matters and supervising business execution from an independent position. He has thus been nominated as a candidate for substitute Director. If he is appointed as a substitute Director and assumes office as a Director, he will be involved in the selection of candidates for the MPM’s Board of Directors and decisions on executive compensation and other matters from an independent standpoint as a member of the Nomination and Remuneration Committee.		

### Notes:

1. No conflict of interests exists between MPM and Mr. Akihiko Kobayashi.
2. Directors and Officers Liability Insurance (D&O Insurance) Agreement  
MPM has entered into a D&O Insurance Agreement with an insurance company, naming the MPM’s Directors as the insured. The D&O insurance policy is designed to cover damages that may arise due to the insured assuming responsibility for the performance of their duties or receiving claims related to the pursuit of such responsibility. The candidate is scheduled to be insured under this D&O Insurance policy if he is appointed as a substitute Director and assumes office as a Director. The contract is scheduled to be renewed in March 2022.
3. Mr. Akihiko Kobayashi is a candidate for Outside Director
  - (1) Limitation of Liability Agreement  
If Mr. Akihiko Kobayashi is appointed as a substitute Director and assumes office as Director, MPM will conclude a Limitation of Liability Agreement with him, limiting his liability pursuant to Article 427 Paragraph 1 of the Companies Act. Based on this agreement, liability for compensation for damages under Article 423 Paragraph 1 shall be limited to 10 million yen or the minimum amount stipulated by law, whichever is greater.
  - (2) Independent Director  
MPM will notify the Tokyo Stock Exchange of Mr. Akihiko Kobayashi as an Independent Director.  
(Reasons for notification as Independent Director)  
Mr. Akihiko Kobayashi meets the Independence Criteria of MPM’s Independent Directors. In consideration of this and the expertise that he has, MPM will appoint him as an Independent Director.

**Proposal No. 3: Election of One (1) Audit & Supervisory Board Member**

The term of office of Audit & Supervisory Board Member Mr. Takayuki Nakasato will expire as of the close of this Ordinary General Meeting of Shareholders. Consequently, we hereby propose that one (1) Outside Audit Supervisory Board Member be elected.

The consent of the Audit & Supervisory Board has been obtained for this proposal.

The selection of the candidate is carried out according to the requirements and the nomination procedures listed in “MPM Basic Policies on Corporate Governance”(\*).


(\* ) For your reference, the relevant provisions of “MPM Basic Policies on Corporate Governance” pertaining to Audit & Supervisory Board Members are listed below:

(Audit & Supervisory Board Member Qualification and Nomination Procedures)

Article 20. The post of MPM’s Audit & Supervisory Board Member shall be filled by a person who has integrity, insights, abilities and a wealth of experience, etc., has an elevated sense of ethics and is able to adequately deliver audits of the group’s corporate management by ensuring their independence from executives and maintaining a fair and impartial attitude.

2. The post of at least one of MPM’s Audit & Supervisory Board Members shall be filled by a person who has appropriate knowledge in the areas of finances and accounting.
3. The independence of an outside Audit & Supervisory Board Member shall be judged based on the Independence Criteria in the Appendix.
4. A decision on any Audit & Supervisory Board Member candidate nomination, including any substitute Audit & Supervisory Board Member, shall be made by the Board of Directors in light of the preceding three paragraphs after seeking and receiving advice from the Nomination and Remuneration Committee.

The candidate is as follows:

Date of birth, etc.	Name	Number of shares of MPM held
	<b>Satoshi Takizawa</b>	..... 0
<b>Profile and position in MPM</b>		
	April 1984	Joined Mitsubishi Trust and Banking (current Mitsubishi UFJ Trust and Banking (hereinafter “MUTB”))
	June 2010	Executive Officer and General Manager of Financial Planning Department, Mitsubishi UFJ Financial Group, Inc. and Executive Officer, MUTB
	June 2012	Executive Officer, General Manager, Corporate Planning Dept., MUTB
	June 2013	Managing Executive Officer, MUTB
	June 2016	Senior Executive Officer, MUTB
	April 2019	President and Chief Executive Officer, Mitsubishi UFJ Trust Business Co., Ltd. (to present)
<b>Important positions concurrently held at other companies, etc.</b>		
President and Chief Executive Officer, Mitsubishi UFJ Trust Business Co., Ltd.		
<b>Reasons for nominating as a candidate for Audit &amp; Supervisory Board Member</b>		
Mr. Satoshi Takizawa served as Senior Executive Officer of a major trust bank and has expertise in finance and accounting as well as a wealth of experience in corporate management. He has thus been nominated as a candidate for Outside Audit & Supervisory Board Member in the expectation that he will utilize his experience and perform an appropriate and effective auditing function on the MPM’s management from an independent standpoint.		

Notes:

1. No conflict of interests exists between MPM and Mr. Satoshi Takizawa.
2. Directors and Officers Liability Insurance (D&O Insurance) Agreement  
MPM has entered into a D&O Insurance Agreement with an insurance company, naming the MPM’s Audit & Supervisory Board Members as the insured. The D&O insurance policy is designed to cover damages that may arise due to the insured assuming responsibility for the

performance of their duties or receiving claims related to the pursuit of such responsibility. The candidate for Audit & Supervisory Board Member is scheduled to be insured under this D&O Insurance policy if he is appointed as an Audit & Supervisory Board Member. The contract is scheduled to be renewed in March 2022.

3. Mr. Satoshi Takizawa is a candidate for Outside Audit & Supervisory Board Member.

(1) Limitation of Liability Agreement

MPM will conclude a Limitation of Liability Agreement with Mr. Satoshi Takizawa, limiting his liability pursuant to Article 427 Paragraph 1 of the Companies Act. Based on this agreement, liability for compensation for damages under Article 423 Paragraph 1 shall be limited to 10 million yen or the minimum amount stipulated by law, whichever is greater.

(2) Independent Audit & Supervisory Board Member

MPM has notified the Tokyo Stock Exchange of Mr. Satoshi Takizawa as an Independent Audit & Supervisory Board Member.

(Reasons for notification as Independent Audit & Supervisory Board Member)

Mr. Satoshi Takizawa meets the Independence Criteria of MPM's Independent Audit & Supervisory Board Members. In consideration of this and the expertise that he has, MPM has appointed him as an Independent Audit & Supervisory Board Member.

**Proposal No. 4: Election of One (1) Substitute Audit & Supervisory Board Member**

In case of the number of incumbent Audit & Supervisory Board Members becomes less than that required by laws and ordinances, pursuant to the provisions of Article 329, Paragraph 3 of the Companies Act, we propose that one (1) substitute Audit & Supervisory Board Member be elected.

Mr. Kenji Oka is to be elected as a substitute of Mr. Koichi Nakayama, Full-time Audit & Supervisory Board Member.

The consent of the Audit & Supervisory Board has been obtained for this proposal.

The candidate is as follows:

Date of birth, etc.	Name		
(June 6, 1955)  age 66	<b>Kenji Oka</b>	Number of shares of MPM held..... 1,900	
	<b>Profile and position in MPM</b>		
	April 1978	Joined MPM	
	January 2007	Head of Kitakami Business Unit	
	January 2009	General Manager, Photo & Base Paper Department, Digital Imaging Division	
	January 2010	Deputy General Manager, Kitakami Division, Imaging & Development Company	
	June 2011	Audit & Supervisory Board Member (Full-time)	
June 2019	Retired		
<b>Reasons for nominating as a candidate for substitute Audit &amp; Supervisory Board Member</b>			
Mr. Kenji Oka served as a full-time Audit & Supervisory Board Member of MPM for eight years from June 2011 to June 2019. In the event that an incumbent Audit & Supervisory Board Member should have an accident, Mr. Oka is expected to be able to quickly replace that person and take over the auditing duties. He has thus been nominated as a substitute Audit & Supervisory Board Member.			

Notes:

1. No conflict of interests exists between MPM and Mr. Kenji Oka.
2. Directors and Officers Liability Insurance (D&O Insurance) Agreement  
MPM has entered into a D&O Insurance Agreement with an insurance company, naming the MPM's Audit & Supervisory Board Members as the insured. The D&O insurance policy is designed to cover damages that may arise due to the insured assuming responsibility for the performance of their duties or receiving claims related to the pursuit of such responsibility. The candidate for substitute Audit & Supervisory Board Member is scheduled to be insured under this D&O Insurance policy if he is appointed as an Audit & Supervisory Board Member. The contract is scheduled to be renewed in March 2022.

### **Proposal No. 5: Revision of the Amount of Remunerations for Directors**

The current amount of remunerations for Directors was approved at the 123rd Ordinary General Meeting of Shareholders held on June 29, 1988 as “not exceeding 40 million yen per month,” excluding employee’s salary for Directors who also serve as employees. Taking into consideration the change in the number and composition of Directors, and the fact that performance-linked stock-based compensation will be introduced for Directors if Proposal No. 6 is approved at this Ordinary General Meeting of Shareholders, MPM proposes to revise the amount of remunerations, for Directors to “280 million yen or less per annum” by changing the total amount of remuneration from monthly to annual and reviewing the framework of the total amount of remuneration in order to ensure appropriate payment of remuneration.

The current number of Directors is ten (10) (including two (2) Outside Directors). If Proposal 1, "Election of Eight (8) Directors," is approved as proposed, the number of Directors will be eight (8) (including two (2) Outside Directors).

This revision of the amount of remuneration is to be reviewed in consideration of the circumstances described above, and the Nomination and Remuneration Committee of MPM has expressed the opinion that the revision is appropriate and in line with the policy for determining the content of remunerations for each individual Director resolved at the Board of Directors meeting. MPM believes that the content of this proposal is appropriate.

## Proposal No. 6: Determination of the Amount and Details of Performance-linked Stock-based Compensation to Directors and Officers

MPM is seeking the approval of its shareholders for the introduction of a new performance-linked stock compensation plan (the “Plan”) for Directors and Executive Officers (Excluding Outside Directors, Part-time Directors and non-residents in Japan) (Hereinafter collectively referred to as “Directors, etc.”).

MPM believes that the introduction of the Plan is appropriate because it aims to clarify the linkage between the remuneration of Directors, etc. and the value of MPM’s shares, to raise awareness of their contribution to the improvement of MPM’s medium- to long-term business performance and increase in corporate value, and to promote the sharing of interests with shareholders. MPM believes that the maximum amount of money to be contributed by MPM is reasonable in comparison with the economic environment, market trends, and the levels of other companies, and that it is necessary, appropriate, and adequate to secure and retain excellent human resources. MPM has also received a report to that effect from the Nomination and Remuneration Committee of MPM.

This proposal proposes that stock-based compensation be paid to Directors, etc., separately from the maximum amount of compensation for Directors (including Outside Directors, Part-time Directors and non-residents in Japan) that will be 280 million yen per year if Proposal No. 5, “Revision of the Amount of Remunerations for Directors,” is approved and adopted as proposed (however, this does not include the salary for employees of Directors who also serve as employees).

The number of Directors subject to the Plan will be five (5) if Proposal No. 1, “Election of Eight (8) Directors,” is approved and adopted as proposed. As mentioned above, the Plan also covers executive officers (at present, there are 10 executive officers who do not concurrently serve as directors subject to the Plan), and the compensation under the Plan includes compensation to executive officers. In light of the possibility that those executive officers may be newly appointed as directors during the subject period (as defined in (2) below), MPM proposes the amount and details of the overall compensation under the Plan as compensation for Directors, etc.

### Amount and details of remunerations under the Plan

#### (1) Outline of the Plan

The Plan is a stock-based compensation plan under which a trust established by MPM acquires shares of MPM using the amount of remuneration for Directors, etc. contributed by MPM as the source of funds, and delivers shares of MPM and cash equivalent to the amount of the conversion price of shares of MPM (hereinafter referred to as the “MPM’s shares, etc.”) to Directors, etc. through the trust. (For details, please refer to (2) and subsequent sections below.

(i) Eligible Directors to be provided MPM’s shares, etc. under the Plan	Directors and Executive Officers of MPM (excluding Outside Directors, Part-time Directors and non-residents in Japan)
(ii) Impact that share of MPM subject to the Plan have on the total issued shares	
Upper limit of contributions by MPM (as per(2) below)	<ul style="list-style-type: none"> <li>• Total of 450 million yen for the three fiscal years.</li> <li>• However, for the initial coverage period starting from this fiscal year, 150 million yen will be covered for one fiscal year.</li> </ul>
Upper limit of the number of shares of MPM to be delivered to Directors, etc. (as per (2) and (3) below)	<ul style="list-style-type: none"> <li>• The upper limit of number of points (number of shares) to be granted to Directors, etc. per year is 600,000 points.</li> <li>• The ratio of the number of the shares of MPM corresponding to the above upper limit number of points to be granted to Directors, etc. per year to the total number of the shares of MPM issued (after deducting</li> </ul>

	<p>treasury stock as of March 31, 2021) is approximately 1.3%.</p> <ul style="list-style-type: none"> <li>• The shares of MPM will be acquired from the stock market, so there will be no dilution.</li> </ul>
(iii) Detail of business performance condition (as per (3) below)	<ul style="list-style-type: none"> <li>• Varies between 0% and 150% depending on the degree of achievement of the company's performance target indicators (consolidated operating income, etc.) for each fiscal year.)</li> </ul>
(iv) Timing of delivering MPM's shares, etc. to Directors, etc. (as per (4) below)	<ul style="list-style-type: none"> <li>• In principle, at the time of retirement</li> <li>• However, hold for one year after retirement</li> </ul>

## (2) Upper limit of contributions by MPM

The Plan will cover the three fiscal years corresponding to the period covered by MPM's medium-term management plan (hereinafter referred to as the "Applicable Period").

However, the initial period covered by the Plan, which will be implemented from this fiscal year, will be one eventful fiscal year ending on March 31, 2022, which is the remaining period of the current medium-term management plan (the "Initial Covered Period").

MPM will contribute money up to a total of 450 million yen (150 million yen in total for the Initial Covered Period) for each Applicable Period as remuneration to Directors, etc. and establish a trust (the "Trust") with a trust period of three years (one year for the Initial Covered Period) with Directors, etc. who satisfy the requirements for beneficiaries as beneficiaries.

The Trust acquires the shares of MPM from the stock market using the money entrusted to it as the source of funds, in accordance with the instructions of the Trust Caretaker.

During the trust period, MPM will grant points (as set forth in (3) below) to the Directors, etc. and, in principle, the Trust will deliver MPM's shares, etc. equivalent to the accumulated value of the points granted to the Directors, etc. upon their retirement (in the event of the death of a Director, etc., the time of death. The same shall apply hereinafter).

At the expiration of the trust period of the Trust, the Trust may be continued by amending the trust agreement and conducting an additional trust instead of establishing a new Trust. In that case, the trust period of the Trust will be extended for three years, and the three fiscal years after the extension of the trust period will be the new Applicable Period. MPM will make an additional contribution within the total amount of 450 million yen for each extended trust period, and continue to grant points to Directors, etc. during the extended trust period. However, in the case of making such additional contributions, if there are shares of MPM (excluding MPM's shares, etc. equivalent to points granted to Directors, etc. for which delivery, etc. has not yet been completed) and money remaining in the trust assets at the end of the trust period before the extension, the total amount of the remaining shares, etc. and the additional trust funds to be contributed shall be within the range of 450 million yen.

If the trust agreement is not amended or additional trust is not established at the expiration of the trust period, no points will be granted to the Directors, etc. thereafter. However, if there are Directors, etc. in office at the time who may satisfy the requirements for beneficiaries, the trust period of the Trust may be extended for up to ten (10) years until such Directors, etc. retire and the delivery of MPM's shares, etc. is completed.

## (3) Calculation method and upper limit of the number of MPM's shares to be acquired by the Directors, etc. (including the shares to be disposed of in exchange)

The number of the shares of MPM, etc. to be delivered to the Directors, etc. shall be determined by the accumulated number of points, and one share of the MPM's stock shall be delivered for each accumulated point.

The accumulated points shall be the total of the fixed points according to the position and the performance-linked points that vary in the range of 0-150% based on the position and degree of achievement of targets such as consolidated operating income in each fiscal year during the applicable period.

Fractions less than one point will be rounded down. However, in the event of a stock split or reverse stock split of the shares of MPM during the trust period, maximum number of points and total number of points per year will be adjusted in accordance with the split ratio or reverse stock split ratio of the shares of MPM.

The upper limit of the total number of points per year that the Directors, etc. can receive through the Trust is 600,000 points. This upper limit on the total number of points per year is set based on the most recent share price and other factors, taking into account the upper limit of trust money as described in (2) above.

The upper limit of the number of shares of MPM to be acquired by the Trust for delivery to the Directors, etc. during the trust period is 1.8 million shares, which is equal to the upper limit of the total number of points per year (600,000 points) multiplied by the number of years of the trust period (3). However, for the Initial Covered Period, the upper limit of the number of shares of MPM (600,000 shares) will be the number obtained by multiplying the total number of points per year (600,000 points) by the number of years of the trust period (1).

(4) Time of delivery of MPM's shares, etc. to Directors, etc.

Directors, etc. who satisfy the requirements for beneficiaries shall, upon retirement from office, receive shares of MPM equivalent to a certain percentage of the cumulative number of points calculated in accordance with (3) above (shares less than one unit shall be rounded down), and shares of MPM equivalent to the remaining cumulative number of points shall be converted into cash within the Trust for the purpose of appropriation to tax payment funds. The Directors, etc. who received the shares of MPM shall hold such shares for one year after their retirement.

(5) Voting rights regarding the shares of MPM in the Trust

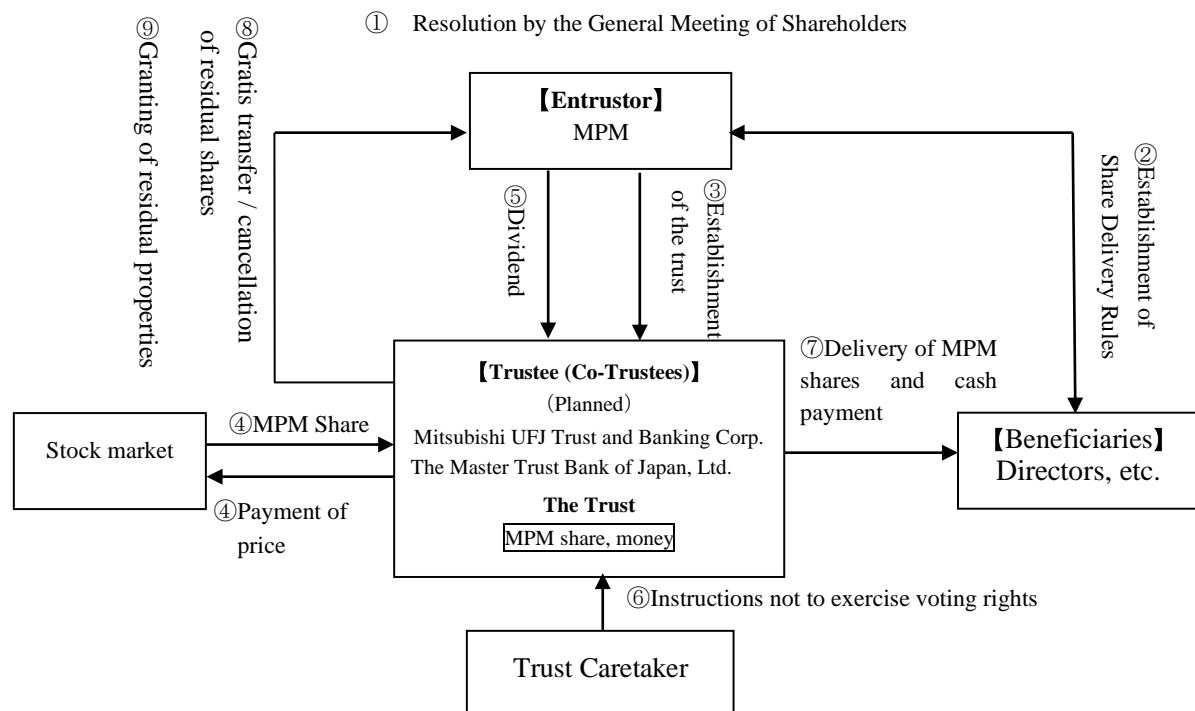
No voting rights shall be exercised for the shares of MPM in the Trust during the trust period in order to ensure neutrality to management.

(6) Other details of the Plan

Other details regarding the Plan will be determined by the Board of Directors each time the Trust is established, the Trust Agreement is amended, or additional contributions are made to the Trust.

(For reference)

(Outline of the Plan)





- ① The General Meeting of Shareholder will pass a resolution approving the introduction of the Plan.
- ② The Board of Directors of MPM will establish Share Delivery Rules that govern the Plan.
- ③ MPM will establish a Trust whose beneficiaries are directors satisfying certain beneficiary requirements by entrusting money to fund stock compensation to the Trustee (the “Trust”); provided, however, that the amount of such money will not exceed the limit approved by the resolution of the General Meeting of Shareholders referred to in ① above.
- ④ The Trust will acquire MPM shares in the stock market using the money contributed in ③ above in accordance with the instructions of the trust caretaker. The number of shares to be acquired by the Trust will not exceed the limit approved by the resolution of the General Meeting of Shareholders referred to in ① above.
- ⑤ Dividends on the MPM shares in the Trust will be paid in the same manner as those on other MPM shares.
- ⑥ The voting rights of MPM shares in the Trust will not be exercised during the trust period.
- ⑦ During the trust period, a certain number of points will be granted to Directors, etc. every year in accordance with their positions and the degree of achievement of performance targets. The MPM’s shares, etc. will be delivered to Directors, etc. who satisfy certain requirements for beneficiaries in accordance with the accumulated number of points at the time of retirement of said Directors, etc.
- ⑧ In case where there are residual shares at the expiration of the trust period due to, MPM plans to either continue to use the Trust as a same kind of compensation plan by way of the modification of the trust agreement and additional entrustment or acquire the residual shares without consideration through gratis transfer from the Trust and cancel them by a resolution of the Board of Directors.
- ⑨ At the time of termination of the Trust, the residual assets after distribution to the beneficiaries are planned to belong to MPM within the scope of the trust cost reserve, which is calculated by deducting the share acquisition fund from the trust fund. In addition, the portion in excess of the trust cost reserve is planned to be donated to organizations that have no interest in MPM or its Directors, etc.

End

## Appendix

### (1) Analysis and Evaluation of the Effectiveness of the Board of Directors, 2020

In order to analyze and evaluate the effectiveness of the Board of Directors as a whole, MPM's Board of Directors conducted questionnaires to the Directors and Audit & Supervisory Board Members, and conducted discussions at the Board of Directors meeting based on the results. The Board of Directors will continue to improve the effectiveness of the Board of Directors by sharing its awareness of the current situation and by identifying and examining issues to improve it in the future.

The summary is as follows.

- i) The date of the analysis and evaluation of the effectiveness of the Board of Directors
  - Questionnaire conducted: December 24, 2020 - January 8, 2021
  - Discussion at Board of Directors: February 10, 2021
- ii) Questionnaire items
  - a) Composition of the Board of Directors
  - b) Management of the Board of Directors
  - c) Functions of the Board of Directors
  - d) Other recommendations for improvement
- iii) Results of analysis and evaluation of the effectiveness of the Board of Directors, 2020
  - a) Composition of Board of Directors

In terms of the number of members, the knowledge and experience of each member, and the balance of members, the Board of Directors is generally considered to be maintaining an appropriate structure in fulfilling its functions. However, there are issues to be considered, such as the election of at least 1/3 of outside independent directors, the systematic appointment of female directors, including those invited from outside of MPM, and the optimization of the balance of the members' fields of expertise and the acquisition of broad knowledge across departments, in order to further improve their effectiveness.
  - b) Management of the Board of Directors

The frequency of meetings, the time required, the management of proceedings, the status of reviews, and the system for providing information to outside directors through the distribution of materials in advance, etc., are generally evaluated to be appropriate. One issue that needs to be addressed is the efficient operation of the Board of Directors so that sufficient time can be spent on important matters such as medium- and long-term management strategies and investment strategies. In addition, MPM needs to devise ways to promote vigorous strategic discussions, such as increasing opportunities for information sharing through discussions outside the board meetings, including with outside directors.
  - c) Functions of the Board of Directors

Overall, it is recognized that MPM is generally functioning appropriately, but the business environment is changing significantly, and more agile responses are required based on the management strategies that should be pursued in the medium to long term, such as reforming the business portfolio. It is also necessary to respond flexibly to social needs, such as addressing issues surrounding sustainability, meeting the expectations of investors, employees, customers, and other stakeholders, and introducing stock-based compensation as a medium- to long-term incentive.
  - d) Other recommendations for improvement

In addition to the above-mentioned issues to be discussed, proposals were made for the promotion of proactive IR and SR activities with end users in mind.

## (2) Basic Policies on Corporate Governance Independence Criteria

As a policy on the independence of MPM's outside directors and outside Audit & Supervisory Board Members, any party to which any of the following items applies shall be deemed not to be independent; provided, however, that Item ⑫ below should be applied only with respect to an outside Audit & Supervisory Board Member;

- ① A person who is an executive director, executive officer, or other employee of MPM or a subsidiary of MPM (hereinafter referred to as "executive"), or a person who has been an executive of MPM or a subsidiary of MPM in the past 10 years;
- ② A party that deals with MPM or a significant subsidiary (\*1) of MPM as a major business partner (hereinafter referred to as the "group") (\*2) (if such a party is an organization, such as a corporation, an executive thereof);
- ③ A major business partner of MPM (\*3) (if such a business partner is an organization, such as a corporation, an executive thereof);
- ④ An executive of any financial institution, etc. that is a major lender to MPM (\*4) or any other major creditor, or the parent company or a significant subsidiary (\*1) thereof;
- ⑤ A certified public accountant, or a member, partner, associate, staff or employee of an auditing firm which is the independent auditor of the group;
- ⑥ A consultant, accounting expert or legal expert who receives a large amount of money or other asset (\*5) other than officer remuneration from the group (if the party who receives such an asset is an organization, such as a corporation, a member, partner, associate, staff or employee thereof);
- ⑦ A party that receives any donation of a large amount of money or other asset (\*5) from the group (if the party that receives such an asset is an organization, such as a corporation, an officer, member or employee of that organization);
- ⑧ An executive of any company or the parent company or a significant subsidiary (\*1) thereof that is in an interlocking relationship of outside officers with the group;
- ⑨ A shareholder who holds shares representing 10% or more votes in MPM (if such a shareholder is an organization, such as a corporation, an executive thereof);
- ⑩ A person to which any of ② to ⑨ above has applied in the past three years;
- ⑪ A close relative (\*7) of any person to which any of ① to ⑩ above applies (limited to a person who is in a significant position (\*6)); or
- ⑫ A close relative (\*7) of any person to which any of (1) to (3) below applies;
  - (1) A person who is a non-executive director of any subsidiary of MPM;
  - (2) A certified public accountant, or a tax accountant, who is an accounting advisor to any subsidiary of MPM (if such an accounting advisor is a corporation, a certified public accountant or a tax accountant that belongs to that corporation); or
  - (3) A person to which either (1) or (2) above, or the position of MPM's non-executive director, has applied in the past one year.

(\*1) A significant subsidiary means a consolidated subsidiary, which, in the case of MPM, means a company stated in the business report as "MPM's significant subsidiary."

(\*2) A party that deals with the group as a major business partner means a party that receives the payment from the group in an amount that exceeds 5% of the consolidated net sales for the most recent business year of that party.

(\*3) A major business partner of MPM means a business partner that makes the payment to MPM in an amount that exceeds 5% of the consolidated net sales for MPM's most recent business year.

(\*4) A major lender to MPM means a lender that is necessary and essential for MPM's financing and on which MPM relies to an irreplaceable degree.

(\*5) A large amount of money or other asset means such an asset of which total value for the most recent business year of the party that receives such an asset is: (i) in the case of an individual

person, 10 million yen or more or; (ii) in the case of an organization, such as a corporation: (ii-1) in the case of a consultant, etc., 2% or more of the consolidated net sales of that organization (a law firm, etc.) or; (ii-2) in the case of donation, more than 30% of the gross annual expenses of that organization (a public-interest incorporated association, etc.).

(\*6) A person who is in a significant position means: an executive director, corporate officer, executive officer, or an employee in the position of general manager or a higher senior managerial position; a certified public accountant among those who belong to an auditing firm or accounting firm; a lawyer among those who belong to a law firm or; an officer, such as a councilor, trustee or auditor among those who belong to a foundation, association, educational institution or other corporation, or any other person who can objectively and reasonably be deemed to be of the level of significance equivalent thereto.

(\*7) A close relative means a spouse, or a relative within the second degree of kinship.