Notice of the 154th 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 154th 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 Tuesday, June 25, 2019.

1. Date and Time: Wednesday, June 26, 2019 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:
   2. Non-Consolidated Financial Statements for the 154th Business Term (from April 1, 2018 to March 31, 2019)

Proposals to be resolved:
   Proposal No. 1: Election of Ten (10) Directors
   Proposal No. 2: Election of One (1) Audit & Supervisory Board Member
   Proposal No. 3: Election of One (1) Substitute Audit & Supervisory Board Member
   Proposal No. 4: Partial Amendments to the Response Policies on Large-Scale Purchases of MPM’s Shares (Takeover Defense Measures) and Continuance Thereof

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 Ten (10) Directors

The terms of the offices of all nine (9) Directors will expire as of the close of this Ordinary General Meeting of Shareholders. Consequently, we will increase the number of directors by one to strengthen corporate governance, and we will propose that Ten (10) 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.

(*) 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 Directors 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.
The candidates are as follows:

<table>
<thead>
<tr>
<th>No. (Date of birth, etc.)</th>
<th>Name</th>
<th>Number of shares of MPM held</th>
<th>Attendance of Board of Directors meetings</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Kunio Suzuki</td>
<td>36,900</td>
<td>100% (15/15)</td>
</tr>
</tbody>
</table>

Profile and position in MPM

- 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 and Chief Executive Officer (to present)

Reasons for nominating as a candidate for Director

Mr. Kunio Suzuki has been involved in the production of paper, and since he became President and Chief Executive Officer in 2009, he has led strongly MPM’s recovery from the damage caused by the Great East Japan Earthquake, reconstruction of the business portfolio and the progress of alliances. Once he is elected as a director at this General Meeting, he will be appointed as Chairman of the Board of Directors, and will operate the Board of Directors as Chairman. In order for him to use his experience and knowledge to properly lead the management, he has thus been nominated as a candidate for Director.

<table>
<thead>
<tr>
<th>No. (Date of birth, etc.)</th>
<th>Name</th>
<th>Number of shares of MPM held</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Yukihiro Tachifuji</td>
<td>1,400</td>
<td></td>
</tr>
</tbody>
</table>

Profile and position in MPM

- 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, 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 (to present), Takasago Mill, Deputy General Manager, Paper Division, Deputy General Manager, Imaging Division, Deputy General Manager, Speciality Materials Division

Reasons for nominating as a candidate for Director

Mr. Yukihiro Tachifuji has been involved in Mill operation and has experience and knowledge about technology and manufacturing. Once he is elected as a director at this General Meeting, he will be appointed as the new President and Chief Executive Officer. Under the capital and business alliance with Oji Holdings Corporation, MPM will rejuvenate the management team. Hoping that he will be the new leader of MPM Group’s next era, he has thus been nominated as a candidate for Director.
<table>
<thead>
<tr>
<th>No.</th>
<th>(Date of birth, etc.)</th>
<th>Name</th>
<th>Number of shares of MPM held</th>
<th>Attendance of Board of Directors meetings</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>(April 1, 1960)</td>
<td>Kanji Morioka</td>
<td>1,600</td>
<td>100% (15/15)</td>
</tr>
</tbody>
</table>

Profile and position in MPM

- **April 1982**: Joined The Mitsubishi Bank Ltd. (current MUFG Bank Ltd. (hereinafter “MB”))
- **June 2009**: Executive Officer (In charge of East Japan area branches), MB
- **May 2010**: Executive Officer, General Manager, General Affairs Department, MB
- **June 2011**: Audit & Supervisory Board Member (Full-Time), MB
- **June 2015**: Director and Senior Managing Executive Officer, MPM
- **June 2016**: Representative Director and Senior Managing Executive Officer, MPM (to present)
  - In charge of Raw Materials & Purchasing Dept. and Internal Audit Department
  - Director responsible for Corporate Social Responsibility

Reasons for nominating as a candidate for Director

Mr. Kanji Morioka 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. MPM believes that he should play a role as a supervisory function required of the Board of Directors, and also has large expectations for his superior management talent to tackle challenges such as the progress of alliances and the improvement of corporate structure. He has thus been nominated as a candidate for Director.

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>(October 30, 1956)</td>
<td>Junji Harada</td>
<td>8,385</td>
<td>100% (15/15)</td>
</tr>
</tbody>
</table>

Profile and position in MPM

- **April 1984**: Joined MPM
- **January 2011**: Executive Officer, Unit Manager, New Business Development Unit, Imaging and Development Company
- **January 2012**: Executive Officer, General Manager, Speciality Materials Division
- **June 2012**: Director and Executive Officer, General Manager, Speciality Materials Division
- **January 2015**: Director and Senior Executive Officer; General Manager, Speciality Materials Division
- **June 2015**: Director and Managing Executive Officer
- **January 2018**: Director and Senior Managing Executive Officer, General Manager, Speciality Materials Division (to present)
  - In charge of Speciality Materials Division and Intellectual Property Department and Technology & Environmental Department
  - General Manager, Speciality Materials Division

Reasons for nominating as a candidate for Director

Mr. Junji Harada has achieved satisfactory results as General Manager of the Speciality Materials Division, such as the development of new products and the establishment of a production system. He has essential expertise in the growth strategy of MPM. Toward future growth, MPM is promoting the conversion and construction of the business portfolio. MPM has large expectations for his direction related to appropriate management, and he has thus been nominated as a candidate for Director.
<table>
<thead>
<tr>
<th>No. (Date of birth, etc.)</th>
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<tbody>
<tr>
<td>5</td>
<td>Masaki Shuto</td>
<td>1,910</td>
<td>100% (15/15)</td>
</tr>
<tr>
<td>6</td>
<td>Naoki Okawa</td>
<td>1,400</td>
<td>100% (15/15)</td>
</tr>
</tbody>
</table>

### Profile and position in MPM

#### Masaki Shuto (May 4, 1956) age 63
- **REAPPOINTMENT CANDIDATE**
- **Profile and position in MPM**
  - April 1979: Joined MPM
  - June 2011: Executive Officer, General Manager, Finance & Accounting Department
  - January 2015: Senior Executive Officer, General Manager, Finance & Accounting Department
  - June 2015: Director and Managing Executive Officer (to present) (In charge of Finance & Accounting Department)

**Reasons for nominating as a candidate for Director**

Mr. Masaki Shuto has been long involved in the accounting department, and has a wealth of experience and great insight related to finance and accounting. He has played a strong leadership for financial strength improvement, which is MPM’s issue. In order to promote the Mid-Term Management Plan steadily, MPM has large expectations for his superior ability for a firm management base as well as for his appropriate supervision of management. He has thus been nominated as a candidate for Director.

#### Naoki Okawa (May 1, 1958) age 61
- **REAPPOINTMENT CANDIDATE**
- **Profile and position in MPM**
  - April 1982: Joined MPM
  - January 2015: Executive Officer, General Manager, General Affairs & Personnel Department
  - June 2015: Director and Executive Officer, General Manager, General Affairs & Personnel Department
  - January 2017: Director and Senior Executive Officer, General Manager, General Affairs & Personnel Department
  - June 2018: Director and Managing Executive Officer (to present) (In charge of General Affairs & Personnel Department and Legal Department)

**Reasons for nominating as a candidate for Director**

Mr. Naoki Okawa has been long involved in the Personnel and General Affairs Departments, and has a wealth of experience and great insight related to the corporate sector. He is in charge of the General Affairs & Personnel Department and the Legal Department, and working to strengthen corporate governance. In order to advance the Medium-term Management Plan strongly, MPM has large expectations for his ability to use management resources effectively and to fulfill the supervision of management appropriately. He has thus been nominated as a candidate for Director.
<table>
<thead>
<tr>
<th>No. (Date of birth, etc.)</th>
<th>Name</th>
<th>Number of shares of MPM held</th>
<th>Attendance of Board of Directors meetings</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Nobuhiro Sato</td>
<td>3,800</td>
<td>100% (15/15)</td>
</tr>
</tbody>
</table>

### Profile and position in MPM

- **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 (to present)
  - In charge of Paper Division and German Operations
  - General Manager, Paper Division

### Reasons for nominating as a candidate for Director

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, including German operations. 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.

<table>
<thead>
<tr>
<th>No. (Date of birth, etc.)</th>
<th>Name</th>
<th>Number of shares of MPM held</th>
<th>0</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Kazuyoshi Ando</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Profile and position in MPM

- **April 1986**: Joined Kanzaki Paper Manufacturing Co., Ltd. (current Oji Holdings Corporation)  
- **October 2012**: Director, Oji Imaging Media Co., Ltd.  
- **April 2014**: Vice President, Oji Papéis Especiais Ltda.  
- **April 2016**: Director, Oji Functional Materials Progressing Center Inc.  
- **April 2018**: Director, Oji Imaging Media Co., Ltd.  
- **May 2019**: Advisor, MPM (to present)

### Reasons for nominating as a candidate for Director

Mr. Kazuyoshi Ando has extensive experience in planning divisions and an overseas subsidiary, etc. in Oji Holdings Group, and has extensive global knowledge of the pulp and paper industry. He is expected to be an indispensable human resource to build a strong cooperative relationship with Oji Holdings Group and maximize the effects of the capital and business alliance and improve the corporate value of both companies. He has thus been nominated as a candidate for Director.
<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>9</td>
<td>Somitsu Takehara</td>
<td>⋅⋅⋅⋅⋅ 0</td>
<td>100% (15/15)</td>
</tr>
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</table>

**Profile and position in MPM**

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>January 1977</td>
<td>Joined Peat Marwick Mitchell &amp; Company</td>
</tr>
<tr>
<td>December 1981</td>
<td>Joined Coopers &amp; Lybrand</td>
</tr>
<tr>
<td>July 2000</td>
<td>General Manager, Transaction Service Division, ChuoAoyama</td>
</tr>
<tr>
<td>April 2005</td>
<td>Representative Director, ZECOO Partners Inc.</td>
</tr>
<tr>
<td>June 2005</td>
<td>Outside Director, CDG Co., Ltd. (to present)</td>
</tr>
<tr>
<td>February 2007</td>
<td>Outside Director, S-Pool, Inc.</td>
</tr>
<tr>
<td>June 2014</td>
<td>Outside Audit &amp; Supervisory Board Member, EDION Corporation</td>
</tr>
<tr>
<td>April 2015</td>
<td>Concurrently Appointed Lecturer, Graduate School of Professional Accountancy, Meiji University (to present)</td>
</tr>
<tr>
<td>June 2015</td>
<td>Outside Director, GENKI SUSHI Co., Ltd. (to present)</td>
</tr>
<tr>
<td>June 2016</td>
<td>Outside Director, MPM (to present)</td>
</tr>
<tr>
<td>November 2017</td>
<td>Director &amp; Chairman, ZECOO Partners Inc. (to present)</td>
</tr>
<tr>
<td>October 2018</td>
<td>Outside Director, Shinmei Holdings Co., Ltd. (to present)</td>
</tr>
</tbody>
</table>

**Important positions concurrently held at other companies, etc.**

- Representative Director, ZECOO Partners Inc.
- Outside Director, CDG Co., Ltd.
- Outside Audit & Supervisory Board Member, EDION Corporation
- Outside Director, GENKI SUSHI Co., Ltd.
- Outside Director, Shinmei Holdings Co., Ltd.
- Concurrently Appointed Lecturer, Graduate School of Professional Accountancy, Meiji University

**Reasons for nominating as a candidate for Director**

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.
<table>
<thead>
<tr>
<th>No. (Date of birth, etc.)</th>
<th>Name</th>
<th>Number of shares of MPM held</th>
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<tbody>
<tr>
<td></td>
<td>Yoshihiro Kataoka</td>
<td>0</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Profile and position in MPM</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 1980</td>
</tr>
<tr>
<td>April 1983</td>
</tr>
<tr>
<td>September 1984</td>
</tr>
<tr>
<td>June 1990</td>
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<tr>
<td>April 2007</td>
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<tr>
<td>June 2010</td>
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<tr>
<td>June 2011</td>
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<tr>
<td>March 2013</td>
</tr>
<tr>
<td>April 2014</td>
</tr>
</tbody>
</table>

(Profiles continued...)

**Important positions concurrently held at other companies, etc.**

- Partner Chief, Kataoka & Kobayashi Lpc.
- Outside Audit & Supervisory Board Member, The Higo Bank, Ltd.
- Supervisor, Comforia Residential REIT, Inc.
- Visiting Professor, Chuo Law School

**Reasons for nominating as a candidate for Director**

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 the Company. 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.

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**Notes:**

1. No conflict of interests exists between MPM and each candidate.
2. Mr. Somitsu Takehara and Mr. Yoshihiro Kataoka are candidates for Outside Director.
   (1) Limitation of Liability Agreements
   MPM has entered into execute a Limitation of Liability Agreement with Mr. Somitsu Takehara. Mr. Yoshihiro Kataoka will enter into the same agreement with the Company after his appointment. 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 Mr. Somitsu Takehara and Mr. Yoshihiro Kataoka as Independent Directors.
   (Reasons for notification as Independent Director)
   **Somitsu Takehara**
   Mr. Somitsu Takahara meets the Independence Criteria of the MPM’s Independent Directors. In consideration of this and the expertise that he has, MPM has appointed him as an Independent Director.

   **Yoshihiro Kataoka**
   Mr. Yoshihiro Kataoka meets the Independence Criteria of the MPM’s Independent Directors. In consideration of this and the expertise that he has, MPM has appointed him as an Independent Director.

(3) Terms as Outside Director
Mr. Somitsu Takehara will have served as Outside Director for three (3) year at the close of this Ordinary General Meeting of Shareholders.
Proposal No. 2: Election of One (1) Audit & Supervisory Board Members

Audit & Supervisory Board Members Mr. Kenji Oka will expire as of the close of this Ordinary General Meeting of Shareholders. Consequently, we hereby propose that one (1) Audit Supervisory Board Member be elected. The submission of this proposal has been approved by the Audit & Supervisory Board. 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 Directors 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:

<table>
<thead>
<tr>
<th>Date of birth, etc.</th>
<th>Name</th>
<th>Number of shares of MPM held</th>
</tr>
</thead>
<tbody>
<tr>
<td>(May 30, 1958)</td>
<td>Koichi Nakayama</td>
<td>2,900</td>
</tr>
</tbody>
</table>

Profile and position in MPM

- April 1981: Joined MPM
- June 2007: General Manager, Office Department, Hachinohe Mill
- June 2009: General Manager, Affiliated Company Management Department, President’s Office
- January 2014: General Manager, Legal Department
- January 2018: Counselor, General Manager, Legal Department (to present)

Reasons for nominating as a candidate for Audit & Supervisory Board Member

Mr. Koichi Nakayama has long worked in corporate sectors of MPM, including the Accounting, Corporate Planning and Legal Department. He is familiar with MPM’s business in general, and has knowledge of finance and legal affairs. He is expected to use these experience and insights to perform an appropriate and effective audit function on the management. He has thus been nominated as a candidate for Audit & Supervisory Board Member.

Note:
No conflict of interests exists between MPM and the candidate.
Proposal No. 3: Election of One (1) Substitute Audit & Supervisory Board Member

In case of the number of incumbent Audit & Supervisory Board Members becomes less than that is required by laws and ordinances, pursuant to the provisions of the Companies Act, Article 329, Paragraph 3, we propose that one (1) substitute Audit & Supervisory Board Member be elected. However, Mr. Kenji Oka does not meet the requirements of Outside Audit & Supervisory Board Members. Accordingly, he is to be elected as a substitute of Mr. Koichi Nakayama on the condition that Mr. Koichi Nakayama is elected as Audit & Supervisory Board Member at this General Meeting.

Selection of substitute Audit & Supervisory Board Members is subject to the MPM Basic Policies on Corporate Governance as well (Please refer to Proposal No. 2). The submission of this proposal has been approved by the Audit & Supervisory Board.

The candidate is as follows:

<table>
<thead>
<tr>
<th>Date of birth, etc.</th>
<th>Name</th>
<th>Number of shares of MPM held</th>
</tr>
</thead>
<tbody>
<tr>
<td>(June 6, 1955)</td>
<td>Kenji Oka</td>
<td>1,700</td>
</tr>
</tbody>
</table>

Profile and position in MPM

- April 1978: Joined MPM
- January 2007: Head of Kitakami Business Unit
- January 2009: Director, 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) (to present)

Reasons for nominating as a candidate for substitute Audit & Supervisory Board Member

Mr. Kenji Oka has properly served as a full-time Audit & Supervisory Board Member for 8 years until this Ordinary General Meeting of Shareholders. In case there is an accident to Audit & Supervisory Board Members, he will able to promptly carry out the duties of Audit & Supervisory Board Members. He has thus been nominated as a substitute candidate for Audit & Supervisory Board Member.

Notes:
1. No conflict of interests exists between MPM and the candidate.
2. He will retire as an Audit & Supervisory Board Member (Full-time Audit & Supervisory Board Member) at the end of this General Meeting of Shareholders due to expiration of his term.
Proposal 4: Partial Amendments to the Response Policies on Large-Scale Purchases of MPM’s Shares (Takeover Defense Measures) and Continuance Thereof

We request that our shareholders approve the response policies on large-scale purchases of MPM’s shares (takeover defense measures) (hereinafter, the plan after the amendments shall be referred to as the “Plan”), which include the contents stated below, that was decided by MPM’s Board of Directors, as of May 27, 2019, to continue after making necessary amendments (hereinafter the “Amendments”) to the previous response policies on large-scale purchases of MPM’s shares (takeover defense measures) (hereinafter the “Current Plan”) subject to the approval of the shareholders at the Annual General Meeting of Shareholders.

The Plan will be introduced, in light of the basic policy regarding the concept of persons who control the decisions on MPM’s financial and business policies (meaning the basic policy defined in the main paragraph of Article 118, item 3 of the Ordinance for Enforcement of the Companies Act; hereinafter the “Basic Policy”), in order to prevent the decision on MPM’s financial and business policies from being decided by inappropriate persons, as well as to maintain and improve MPM’s corporate value and the shareholders’ common interests. The Plan shall become effective if the approval of the shareholders is obtained.

1. The Basic Policy

   (1) Contents of the Basic Policy

   MPM considers that the concept of MPM’s shareholders should be decided through free trade in the market. Therefore, MPM also considers that whether or not to accept a proposal of a purchase which would accompany a transfer of control of MPM should be finally decided by the intention of the shareholders.

   However, the Large-Scale Purchase (defined in 2(2)(a) below; hereinafter the same shall apply) of MPM’s shares may be assumed to include (i) those which may damage the corporate value or shareholders’ common interests of MPM, in view of the purpose of the purchase, post-purchase management policy, and the like, (ii) those which may actually force MPM’s shareholders to sell their shares, (iii) those which are conducted without giving MPM a period reasonably necessary to present a business plan and the like (hereinafter, the “Alternative Proposal”) which is substituted for a purchase proposal, business proposal, and the like presented by the relevant Large-Scale Purchaser (defined in 2(1) below), (iv) those which are conducted without providing MPM’s shareholders with sufficient information reasonably necessary to consider the details of the purchase, (v) those whose purchase conditions and the like (including the value and kind of the consideration, timing of the purchase, lawfulness of the purchase method, and feasibility of the purchase) are insufficient or inappropriate in view of MPM’s intrinsic value, (vi) those which may damage or injure the relationship with interested parties, such as our employees, clients (including customers), and the local community in which our plants and production facilities are located, which are essential to the sustainable improvement of MPM’s corporate value, and which may have a material adverse effect on MPM’s corporate value or the shareholders’ common interests. In light of the view of maximizing MPM’s corporate value and the shareholders’ common interests, we consider that persons who conduct such large-scale purchases as described above are exceptionally inappropriate as a person who controls the decision on MPM’s financial and business policies.

   Accordingly, on one hand, we consider that it is our duty to maximize our corporate value and shareholders’ common interests by returning the profits generated by MPM to our shareholders, and that it is the principle to be supported by persons who become MPM’s shareholders through free trade in the market. However, on the other hand, it is our Basic Policy that, if there is a risk that MPM’s corporate value or our shareholders’ common interests as described above could be damaged due to the acquisition of MPM’s shares with voting rights accounting for 20% or more of the total voting rights of MPM (hereinafter, the “Controlling Shares”) by a person who aims to acquire the Controlling Shares and a person from the person’s group (hereinafter, the “Acquirer”), then to the extent permitted by laws and regulations as well as the Articles of Incorporation, we will take appropriate measures in order to maintain and improve MPM’s corporate value and the shareholders’ common interests, assuming that the Acquirer is inappropriate as a person who controls the decision on MPM’s financial and business policies.
(2) Background to the continuance with the basic policy

MPM considers that MPM’s corporate value is sourced from the provision of a group of products based on the relationship with the society, know-how, and high-level technological development capabilities, which have been cultivated throughout our 121-year history as a distinctive paper manufacturer, to the society. In other words, MPM’s business is grounded on our management resources, including our human resources, with experience and expert knowledge who have developed and evolved together with our customers since its foundation, the trust that MPM has built, and the close relationship with our clients and other various stakeholders based on that trust. Each of these management resources has know-how and brand image that have been cultivated for many years, and has generated additional values by functioning together. However, these days, with the development of new legal systems, and changes in capital market environment, economic structure, and corporate culture as a backdrop, there has been a trend of forcing acquisition of large quantities of shares unilaterally, without obtaining any consent of the management of a target company. In certain instances, the possibility of the occurrence of situations, such as maintenance and enhancement of MPM’s corporate value based on the management resources set forth above being hindered, cannot be ruled out.

Given that situation, it is necessary for MPM to always consider that an Acquirer may appear.

Originally, MPM does not have negative opinions about all types of acquisition of Controlling Shares.

On the back of the circumstances as described above, MPM decided to maintain the Basic Policy as described in (1) above.

2. Contents of the Plan (measures to prevent the decisions on MPM’s financial and business policies from being controlled by persons deemed inappropriate under the Basic Policy)

(1) Purposes of continuing with the takeover defense measures under the Plan

As mentioned in the above 1., MPM considers it necessary to take certain measures against the Acquirer, in some cases. However, MPM, as a listed company, believes that, in principle, a decision on whether or not to sell shares to the Acquirer, and the final decision on whether it is appropriate to entrust the management of MPM to the Acquirer, shall be left to each shareholder.

Nevertheless, for shareholders to make a proper decision, it is necessary that they have an accurate understanding of MPM’s corporate value and the sources generating such value, upon careful review of the characteristics of business inherent to MPM as outlined above, as well as the history of MPM and MPM’s subsidiaries and affiliates (hereinafter, the “Group”) as a prior condition. It is easy to make assumptions about cases where information provided by the Acquirer alone would not be sufficient to figure out what kind of potential effects the acquisition of Controlling Shares by the Acquirer would be exerted on MPM’s corporate value and the sources generating such value. MPM believes that information supplied by MPM’s Board of Directors, who have adequate understanding of the characteristics of business inherent to MPM, as well as its evaluation and opinions on an acquisition of Controlling Shares by such Acquirer, or a new proposal by MPM’s Board of Directors upon receipt of the evaluation and opinions in some cases, shall be reviewed by shareholders in order for them to make a proper decision.

Accordingly, MPM considers that securing sufficient time for shareholders to analyze and examine this multilateral information is critically important.

From these perspectives, on the basis of the Basic Policy stated above, MPM requests persons who intend to conduct a Large-Scale Purchase or who are currently conducting a Large-Scale Purchase (hereinafter, the “Large-Scale Purchaser”) to provide necessary information regarding such Large-Scale Purchase in advance, and to secure time for consideration and negotiation. In doing so, it enables shareholders to make an appropriate decision on whether or not to accept such Large-Scale Purchase. It also enables MPM’s Board of Directors to, upon receiving a recommendation from the Independent Committee (defined in (2)(e) below; hereinafter the same shall apply), present to shareholders its opinions on whether or not to accept such proposal, or an Alternative Proposal, or enables the Board of Directors to negotiate with the Large-Scale Purchaser for the benefit of the shareholders. Thereby, MPM concluded that it is necessary to make the Amendments to the Current Plan into the Plan, and to continue with the takeover defense measures under the
Plan as one of the measures to prevent decisions on MPM’s financial and business policies from being controlled by persons deemed inappropriate under the Basic Policy (specifically, certain Large-Scale Purchasers determined by MPM’s Board of Directors according to prescribed procedures (Large-Scale Purchasers who violate the Plan, and a Large-Scale Purchaser who is an Abusive Purchaser (defined in (2)(i)A(ii) below)), joint holders thereof, persons in special relationships, and persons deemed by MPM’s Board of Directors, upon receipt of advice from the Independent Committee, as being substantially controlled by such given persons and acting jointly or in concert with such given persons, or the like (hereinafter, the “Person(s) Who Falls Under Exceptional Reasons”).

Needless to say, regarding the continuation of the takeover defense measures under the Plan, it is desirable to confirm the shareholders’ will. Therefore, MPM will confirm the shareholders’ will regarding the continuation of the takeover defense measures under the Plan by submitting this agenda to the Annual General Meeting of Shareholders.

For the reasons mentioned above, MPM’s Board of Directors decided to submit an agenda to seek approval of the continuation of the takeover defense measures under the Plan, to the Annual General Meeting of Shareholders.

At present, MPM is not aware of any indications of a specific Large-Scale Purchase.

As of March 31, 2019, Oji Holdings Corporation, MPM’s largest shareholder, holds a 32.9% stake in MPM. As Oji Holdings Corporation has established a friendly relationship with MPM as a stable shareholder of MPM, based on a capital and business alliance, the Plan is not applicable to Oji Holdings Corporation at this time. On the other hand, the distribution of our shareholders is widespread, especially that of individual shareholders, and we are promoting the reduction of cross-shareholdings. Under these circumstances, we believe that a Large-Scale Purchase, against MPM's corporate value and against the common interests of shareholders, may be conducted.

(2) Contents of the Plan

Detailed contents of the Plan are as follows.

(a) Definition of the Large-Scale Purchase against which countermeasures shall be implemented

When an act that falls under or is likely to fall under any of the following cases (i) through (iii) (excluding acts that are approved in advance by the Board of Directors of MPM) (hereinafter, collectively referred to as “Large-Scale Purchase”) has been carried out or is about to be carried out, the countermeasures under the Plan may be implemented.

(i) Any purchase or other type of acquisition (Note 1) of share certificates, etc. issued by MPM (Note 2) where the holding ratio of share certificates, etc. of a specific shareholder of MPM (Note 3) accounts for 20% or more

(ii) Any purchase or other type of acquisition (Note 4) of share certificates, etc. issued by MPM (Note 5) where the combined total of a holding ratio of share certificates, etc. by a specific shareholder of MPM (Note 6) and that by persons in a special relationship with a specific shareholder of MPM (Note 7) accounts for 20% or more

(iii) Consent or other type of act, regardless of whether an act as stated in (i) or (ii) above has been implemented or not, between a specific shareholder of MPM and other shareholder(s) (including cases where the number of the other shareholders is plural; hereinafter the same shall apply to this (iii)) of MPM, which makes the said other shareholder(s) fall under the category of a joint holder of shares held by the said specific shareholder (Note 8), or any act (Note 9) which establishes a relationship between the said specific shareholder and the said other shareholder(s) in which either party substantially controls the other, or all parties act jointly or cooperatively (Note 10) (provided, however, it shall apply only when the total ratio of share certificates, etc. issued by MPM held by the said specific shareholder and the said other shareholder(s) accounts for 20% or more)

(Note 1) Includes cases of having a claim for delivery of share certificates, etc. in accordance with a purchase agreement or other agreements, and carrying out transactions as provided for in Article 14-6 of the Order for

(Note 2) Refers to share certificates, etc. as defined in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act. Hereinafter, the same shall apply, unless otherwise prescribed.

(Note 3) Refers to the share certificates, etc. holding ratio as defined in Article 27-23, Paragraph 4 of the Financial Instruments and Exchange Act. Hereinafter, the same shall apply. However, in the calculation of such holding ratio of share certificates, etc., (i) persons in a special relationship as defined in Article 27-2, Paragraph 7 of the said Act, and (ii) investment banks, securities companies, and other financial institutions which have entered into a financial advising agreement with MPM’s specific shareholder, and tender offer agents and lead managing underwriters for MPM’s specific shareholder (hereinafter, the “Contracted Financial Institutions, etc.”) are deemed to be a joint holder of shares of the said specific shareholder under the Plan (refers to a joint holder as defined in Article 27-23, Paragraph 5 of the Financial Instruments and Exchange Act; hereinafter, the same shall apply). For the total number of shares issued by MPM that is used in the calculation of such holding ratio of share certificates, etc., MPM may refer to the most recent information made public by MPM.

(Note 4) Includes purchase and other types of acceptance of transfers for value, and cases classified as similar to acceptance of transfer for value as provided for in Article 6, Paragraph 3 of the Order for Enforcement of the Financial Instruments and Exchange Act.

(Note 5) Refers to share certificates, etc. as defined in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act. Hereinafter, the same shall apply in (ii).

(Note 6) Refers to the holding ratio of share certificates, etc. as defined in Article 27-2, Paragraph 8 of the Financial Instruments and Exchange Act. Hereinafter, the same shall apply. For the total number of voting rights of MPM that is used in the calculation of such holding ratio of share certificates, etc., MPM may refer to the most recent information made public by MPM.

(Note 7) Refers to persons in a special relationship as defined in Article 27-2, Paragraph 7 of the Financial Instruments and Exchange Act. Provided, however, that with regard to persons listed in item 1 of the same Paragraph, parties specified in Article 3, Paragraph 2 of the Cabinet Office Ordinance on Disclosure Required for Tender Offer for Share Certificates, etc. by Person Other than Issuer are excluded. Furthermore, (i) joint holders, and (ii) Contracted Financial Institutions, etc. are deemed to be persons in a special relationship of the said specific shareholder under the Plan. Hereinafter, the same shall apply unless otherwise prescribed.

(Note 8) Refers to joint holders defined in Article 27-23, Paragraph 5 of the Financial Instruments and Exchange Act. Hereinafter, the same shall apply.

(Note 9) Whether or not an act prescribed in (iii) above has been conducted shall be reasonably determined by MPM’s Board of Directors by following recommendations of the Independent Committee. MPM’s Board of Directors may request that its shareholders provide necessary information to the extent deemed necessary for determining whether or not the act falls under the criteria described in (iii) above.

(Note 10) Criteria to determine whether or not “a relationship between the said specific shareholder and the said other shareholder(s) that one party substantially controls the other party or both parties act jointly or in a coordinated manner” has been established is based on the creation of any relationship in terms of new investment, business partnership, transaction or contractual agreement, concurrent positions served by Officers, funding, credit granting, substantive stake with regard to MPM’s share certificates, etc., through derivatives and lending shares and others, as well as direct or indirect impacts on MPM caused by the said specific shareholder and the said other shareholder(s), and others.
(b) Submission of “Statement of Intent”

Prior to the commencement or implementation of a Large-Scale Purchase, MPM will have the Large-Scale Purchaser submit to MPM’s Board of Directors a written form with the signature, or name and seal of the representative of the Large-Scale Purchaser, to the effect that the Large-Scale Purchaser will pledge to comply with the procedures prescribed in the Plan (hereinafter, the “Large-Scale Purchase Rules”) and a certificate of eligibility of the representative who signed or sealed (hereinafter, collectively referred to as “Statement of Intent”) in a format separately prescribed by MPM and addressed to the President and Representative Director of MPM. When the President and Representative Director of MPM receives such Statement of Intent, he or she should promptly submit it to MPM’s Board of Directors and the Independent Committee.

In addition to the pledge to comply with the Large-Scale Purchase Rules, a Statement of Intent must contain the name of the Large-Scale Purchaser, the address or location of its headquarters or office, etc., the governing law of incorporation, the name of the representative, the contact person in Japan, the number of MPM’s share certificates, etc. currently held by the Large-Scale Purchaser, the status of the Large-Scale Purchaser’s trading of MPM’s shares during 60 days prior to the submission of the Statement of Intent, and a summary of the Large-Scale Purchase plan. Only the Japanese language shall be used in a Statement of Intent.

When a Statement of Intent is submitted by a Large-Scale Purchaser, MPM will disclose such matters deemed appropriate by MPM’s Board of Directors or the Independent Committee in accordance with the applicable laws and regulations (hereinafter, collectively meaning the Companies Act and the Financial Instruments and Exchange Act, and the rules, cabinet orders, cabinet office ordinances, ministerial ordinances, and the like regarding those acts, and the rules of the financial instruments exchange on which MPM’s shares, etc. are listed; hereinafter the same shall apply) in a timely and appropriate manner.

(c) Requesting Large-Scale Purchaser to provide information

MPM will have a Large-Scale Purchaser provide information concerning the matters stated below from (i) to (xii) (hereinafter, collectively, the “Large-Scale Purchase Information”) to MPM’s Board of Directors within five business days (not counting the first day) of the day on which MPM’s Board of Directors receives a Statement of Intent. When MPM’s Board of Directors receives Large-Scale Purchase Information, it shall promptly submit it to the Independent Committee.

When MPM’s Board of Directors judges that because information initially provided by a Large-Scale Purchaser is not sufficient, it is difficult for shareholders to appropriately determine whether or not to accept the Large-Scale Purchase, and for MPM’s Board of Directors and the Independent Committee to form its opinions of approval or disapproval of such Large-Scale Purchase (hereinafter, “forming opinions”) or for the Board of Directors to develop Alternative Proposals (hereinafter, “developing alternative proposals”) and to present them to shareholders in an appropriate manner, MPM’s Board of Directors, after establishing a reasonable deadline for additional information submission, may request that the Large-Scale Purchaser at any time submit additional information necessary in order to enable shareholders to make a proper decision and to enable the Board of Directors of MPM and the Independent Committee to form opinions and develop alternative proposals upon disclosing to shareholders the established specific period and reasons for requiring such reasonable specific period. However, in that case, MPM’s Board of Directors shall respect the Independent Committee’s opinions as much as possible.

In addition, when MPM’s Board of Directors determines that the provision of Large-Scale Purchase Information is completed, MPM shall disclose such completion in accordance with the applicable laws and regulations in a timely and appropriate manner. Furthermore, pursuant to the decision made by MPM’s Board of Directors, MPM shall disclose information deemed necessary for shareholders to make an appropriate determination on whether or not to accept such Large-Scale Purchase among Large-Scale Purchase Information, when appropriate after the reception thereof, in accordance with the applicable laws and regulations in a timely and appropriate manner.
manner. Only the Japanese language shall be used when providing Large-Scale Purchase Information, or otherwise giving a notice to or contacting MPM pursuant to the Large-Scale Purchase Rules.

(i) The outline (including concrete name, capital structure, capital contribution ratio, financial position, and presence or absence of breaches of laws and regulations over the past ten years (outlines thereof, if present) as well as officers’ names, brief histories, and presence or absence of breaches of laws and regulations in the past (outlines thereof, if present)) of the Large-Scale Purchaser and its group companies, etc. (they include major shareholders or investors (regardless of direct or indirect: hereinafter the same shall apply) and substantial subsidiaries and affiliates of the Large-Scale Purchaser. In the case where the Large-Scale Purchaser is a fund or an entity in which it invests, they include major partners, investors, and other members, as well as executive partners and persons who continuously give investment advice to them; hereinafter, the same shall apply).

(ii) Status of holding MPM’s share certificates, etc., the status of holding and the status of contracts regarding derivatives or other financial derivative products, of which the underlying assets are MPM’s share certificates, etc. or assets relating to the business activities of MPM or the Group, as well as the status of stock lending and short sale of MPM’s share certificates, etc. by the Large-Scale Purchaser and its group companies, etc.

(iii) Specific descriptions of the internal control system of the Large-Scale Purchaser and its group companies, etc. (including the group internal control system), and the presence or absence of, or the status of the effectiveness of such system.

(iv) Objectives, method, and contents of the Large-Scale Purchase (including class and number of MPM’s share certificates, etc. that are the target of the Large-Scale Purchase, type and price of consideration for the Large-Scale Purchase, timing of the Large-Scale Purchase, structure of the related transactions, legality of the method used for the Large-Scale Purchase, feasibility of the Large-Scale Purchase and related transactions (if a certain condition is required for the Large-Scale Purchase, the contents of such condition). In a case where there is a possibility that MPM may be delisted after the completion of the Large-Scale Purchase, such possibility shall be notified along with reasons thereof. As for the legality of the method used for the Large-Scale Purchase, submission of a statement of opinions written by a certified lawyer may also be requested.)

(v) Whether there has been communication with third parties concerning a Large-Scale Purchase (including a communication in respect of making an important proposal, etc. to MPM (refers to the act of making an important proposal, etc. as defined in Article 27-26, Paragraph 1 of the Financial Instruments and Exchange Act); hereinafter, the same shall apply) and if such communication is present, specific conditions and contents thereof

(vi) Basis and process for calculating the consideration for the Large-Scale Purchase (including facts and assumptions which form the premise of the calculation, calculation method, name of and information regarding the calculation agencies, numerical information used in the calculation, and the amount of synergies and dis-synergies anticipated to be generated through a series of transactions related to the Large-Scale Purchase and bases for calculation thereof)

(vii) Financial support for the Large-Scale Purchase (including the specific names of funds providers (including substantive providers (regardless of direct or indirect)), financing methods, presence or absence of conditions for financing, and contents of, presence or absence of security interest after financing or covenants and contents thereof, and the specific contents of related specific transactions)

(viii) Management policies, business plans, financial plans, funding plans, investment plans, capital policies, and dividend policies, etc., which are intended for MPM and the Group after the completion of the Large-Scale Purchase (including plans with respect to sales, provision of security interests, and other disposal of MPM’s assets after the completion of the Large-Scale Purchase), and policies for dealing with and treating of officers, employees, business partners, clients of MPM and the Group, and local public bodies where plants and production facilities of MPM are located, and other stakeholders of MPM after the completion of the Large-Scale Purchase.

(ix) A document in which the Large-Scale Purchaser pledges that it does not fall under
the category of an Abusive Purchaser (defined in (f)A(ii) below)
(x) Restricted matters under the domestic or overseas laws and regulations, etc. that are possible to apply to the Large-Scale Purchase, and the possibility of the acquisition of approvals, licenses, or permissions, etc. under anti-trust laws or other laws and regulations, etc. to be acquired from domestic or overseas governments or third parties (submission of a statement of opinions written by a certified lawyer regarding these matters may also be requested)
(xi) Possibility of maintaining the licenses or permissions under domestic or overseas various laws and regulations, etc. necessary in order to conduct the business of the Group after the completion of the Large-Scale Purchase, and the possibility of the compliance with restrictions, including domestic and overseas various laws and regulations, etc.
(xii) Presence or absence of any relationship with anti-social forces or terrorism-related organization (regardless of direct or indirect), and details thereof, if present.
(xiii) Other information that a Large-Scale Purchaser is requested to submit in writing within five business days (not counting the first day) of the date on which MPM’s Board of Directors receives a complete and appropriately prepared Statement of Intent, which was reasonably deemed necessary by MPM’s Board of Directors or the Independent Committee.

d) Setting of the Board of Directors’ Evaluation Period, etc.

The Board of Directors of MPM will set the period, defined in (i) or (ii) below (in either case, the period shall start from the date on which MPM disclosed that the Board of Directors of MPM has determined that the provision of the Large-Scale Purchase Information has completed; not counting the first day), as the period for evaluation, examination, forming opinions, developing alternative proposals, and conducting negotiations with a Large-Scale Purchaser by the Board of Directors of MPM (hereinafter, the “Board of Directors Evaluation Period”), depending on the content of the Large-Scale Purchase disclosed by the Large-Scale Purchaser.

Unless otherwise provided in this Plan, the Large-Scale Purchase shall be commenced only after the elapse of the Board of Directors’ Evaluation Period. Note that the Board of Directors’ Evaluation Period has been set by taking into account factors such as the difficulties in evaluating or examining MPM’s business activities and the level of difficulty in forming opinions and developing alternative proposals.

(i) In the case of purchase of all MPM’s shares by tender offer in which the consideration will be paid entirely in cash (Japanese yen): maximum 60 days
(ii) In any other cases of the Large-Scale Purchase except for the case stated in (i): maximum 90 days

During the Board of Directors’ Evaluation Period, the Board of Directors of MPM shall evaluate and examine, form opinions, and develop alternative proposals on, and negotiate with the Large-Scale Purchaser regarding the contemplated Large-Scale Purchase, from the viewpoint of protecting and enhancing the corporate value of MPM and the common interests of its shareholders, based on the Large-Scale Purchase Information provided by the Large-Scale Purchaser. In performing such procedures, the Board of Directors of MPM shall seek advice, as needed, from third-party external specialists (financial advisors, lawyers, certified public accountants, and certified public tax accounts, etc.) who are independent from MPM’s Board of Directors. All the expenses incurred for such procedures shall be borne by MPM to the extent reasonable.

In cases where it is inevitable that the Board of Directors cannot reach a resolution determining whether or not to implement the countermeasures within the Board of Directors Evaluation Period due to reasons, including failure of the Independent Committee to make recommendations as stated in (f) below within the Board of Directors Evaluation Period, then the Board of Directors of MPM may extend the period up to 30 days (not counting the first day) to the extent necessary, based on the Independent Committee’s recommendations (the same shall apply to re-extensions; however, the period may be re-extended only up to twice). If the Board of Directors of MPM decides to extend the Board of Directors’ Evaluation Period, MPM will disclose the resolved specific period and the reason for the necessity of such specific period, in accordance with the applicable laws and regulations, in a timely and appropriate manner.
(e) Establishment of the Independent Committee

MPM has established the Independent Committee comprising three or more independent outside directors and independent outside corporate auditors (including substitutes for them) and outside experts who are independent from the executive management team of MPM (hereinafter, the “Independent Committee”), with the aim to prevent arbitrary decisions by the Board of Directors of MPM on the implementation, etc. of the Current Plan. MPM will maintain the Independent Committee in the Plan.

The Independent Committee may obtain advice and the like, as necessary, from outside experts (financial advisors, lawyers, certified public accountants, and certified public tax accountants, etc.) who are independent from the Board of Directors of MPM and the Independent Committee. All the expenses incurred for obtaining the advice shall be borne by MPM, to the extent reasonable.

The name and brief history of each member of the Independent Committee as of the beginning of the continued takeover defense measures are as described in Appendix 1.

Resolutions of the Independent Committee shall be passed by affirmative votes of a majority of all the members, where all the current members of the Independent Committee are present. However, if any members of the Independent Committee are unable to be present, or if there are any other unavoidable reasons, resolutions of the Independent Committee shall be passed by affirmative votes of a majority of all the members, where a majority of the members are present.

(f) Procedures for recommendations of the Independent Committee and resolutions by the Board of Directors of MPM

A. Recommendations of the Independent Committee

The Independent Committee shall make recommendations to the Board of Directors of MPM regarding the Large-Scale Purchase, in accordance with (i) through (iii) below, within the Board of Directors’ Evaluation Period (including any extended period, if any).

(i) When the Large-Scale Purchase Rules are not complied with

If the Large-Scale Purchaser violates the Large-Scale Purchase Rules in any material respect, and such violation is not corrected within five business days (not counting the first day) after the Board of Directors of MPM gives such Large-Scale Purchaser a written request to correct such violation, then the Independent Committee, in principle, will recommend that the Board of Directors of MPM implement a countermeasure against the Large-Scale Purchase, except where it is clearly necessary to refrain from implementing the countermeasure in order to protect and enhance the corporate value of MPM and the common interests of its shareholders, or when any other particular circumstances exist. If such recommendation is made, MPM shall disclose the Independent Committee’s opinion, reasons therefor, and such other information as deemed appropriate, in accordance with the applicable laws and regulations, in a timely and appropriate manner.

Even after the Independent Committee has recommended that the Board of Directors of MPM implement a countermeasure, if the Large-Scale Purchase is withdrawn, or if otherwise the facts and other circumstances that formed the basis for such recommendation are altered, then the Independent Committee may recommend that the Board of Directors of MPM discontinue implementing the countermeasures, or make other recommendations. If such further recommendation is made, MPM will disclose the Independent Committee’s opinion, the reasons therefor, and such other information as deemed appropriate in accordance with the applicable laws and regulations, in a timely and appropriate manner.

(ii) When the Large-Scale Acquisition Rules are complied with

When the Large-Scale Purchaser complies with the Large-Scale Purchase Rules, the Independent Committee shall, in principle, recommend that the
Board of Directors of MPM refrain from implementing the countermeasure against the Large-Scale Purchase.

However, even if the Large-Scale Purchase Rules are complied with, the Independent Committee will recommend that the Board of Directors of MPM implement the countermeasure against such Large-Scale Purchase if such Large-Scale Purchaser is recognized to be a person having any of the circumstances set out in (a) to (k) below (hereinafter, collectively referred to as the “Abusive Purchaser”) and if it deems it appropriate to implement the countermeasures against such Large-Scale Purchase:

(a) When the Large-Scale Purchaser does not have an intention of actually participating in the management of MPM, but attempts a takeover of MPM’s share certificates, etc., for the purpose of increasing the price of the shares and making parties related to MPM buy back the shares at an inflated stock price (a so-called “green mailer”), or when the main purpose of acquiring MPM’s share certificates, etc. is to acquire a short-term margin

(b) When the main purpose of participating in the management of MPM is to temporarily control the management of MPM, and cause it to transfer to the Large-Scale Purchaser or its group companies, etc., MPM’s intellectual property, know-how, trade secrets, or major business partners and clients, etc., which are essential to MPM’s business operations

(c) When the Large-Scale Purchaser is acquiring MPM’s share certificates, etc. with the intent of inappropriately utilizing MPM’s assets as collateral or funds for repayment of the obligations of such Large-Scale Purchaser or its group companies, etc., after taking control over the management of MPM

(d) When the main purpose of participating in the management of MPM is to temporarily control the management of MPM, and cause it to sell or otherwise dispose of its real estate properties, securities, and other high-priced assets which are irrelevant to MPM’s business for the time being, and then cause it to distribute high dividends temporarily from the profits of such disposals, or to sell the shares at a high price, taking advantage of the opportunity from the sudden rise in share price created by the temporarily high dividends

(e) When the Large-Scale Purchaser shows no particular interest in or gets involved in the management of MPM, and when, after it acquires MPM’s shares, by using a series of tricks, the Large-Scale Purchaser tries to acquire profits from sales of MPM’s shares to MPM itself or third parties, exclusively in a short or middle term, and when the Large-Scale Purchaser seeks its own profits earnestly, finally intending to dispose of MPM’s assets

(f) When the conditions proposed by the Large-Scale Purchaser for the acquisition of MPM’s share certificates, etc. (such conditions include, but are not limited to, the type and amount of and the calculation basis for the consideration of the purchase, the content, timing, method, the presence or absence of illegality, and feasibility) are determined to be insufficient or inadequate, on reasonable grounds, in view of MPM’s corporate value

(g) When the method of takeover proposed by the Large-Scale Purchaser is such an oppressive method that the shareholders’ opportunity or freedom for decision may be restricted due to the structure of such method, as exemplified by a two-stage purchase (purchase of share certificates, etc. in a manner wherein the terms of the second-stage purchase are set more disadvantageously or are unclear, or otherwise concerns of the future liquidity of MPM’s share certificates, etc. are raised by suggesting delisting, etc. in the event all of MPM’s share certificates, etc. are not purchased during the first-stage of purchase and the shareholders are thereby effectively coerced into accepting the purchase) and partial tender offer (a tender offer to purchase some, but not all, of the share certificates, etc. of MPM)

(h) When the Large-Scale Purchaser’s acquisition of control of MPM is expected to cause significant damage to the corporate value of MPM, as a
result of destruction or impairment of the relationships with not only shareholders but also clients and employees, and other stakeholders of MPM, which are the source of the corporate value, or there are reasonable grounds to determine that the protection and enhancement of MPM’s corporate value may be seriously hindered; or when MPM’s corporate value in the event of its control being acquired by the Large-Scale Purchaser, is determined to be clearly lesser than MPM’s corporate value in the event of its control not being acquired by the Large-Scale Purchaser, if comparing its medium to long-term corporate value of both assumed cases

(i) The fact of the Large-Scale Purchaser’s acquisition of control of MPM itself would cause significant damage to the corporate value of MPM, in such cases where MPM would lose an important business partner

(j) When there are reasonable grounds to determine that the Large-Scale Purchaser is inappropriate as the controlling shareholder of MPM, from the viewpoint of public order and morals, in such cases as where any of the management team members, major shareholders, or investors of the Large-Scale Purchaser has an association with antisocial forces, or terrorism-related organizations

(k) Other cases which are equivalent to cases stated in (a) through (j) above, and which are determined that the corporate value of MPM or the common interests of its shareholders would be significantly damaged

Note that the disclosure procedures relating to such recommendation, or the procedures relating to the subsequent further recommendation, shall be in accordance with (i) above.

(iii) Other recommendations, etc. by the Independent Committee

In addition to the above, the Independent Committee may recommend matters necessary from the viewpoint of maximizing MPM’s corporate value or the shareholders’ common interests, as necessary, to the Board of Directors of MPM, or may recommend discontinuation or suspension of implementation of countermeasures, where permitted by certain laws and regulations, etc.

Note that the disclosure procedures relating to such recommendation, or the procedures relating to the subsequent further recommendation, shall be in accordance with (i) above.

B. Resolution by the Board of Directors of MPM

The Board of Directors of MPM shall make a resolution, while giving maximum respect to the Independent Committee’s recommendation, whether or not to implement or discontinue the countermeasure, or other necessary resolutions if it determines that the Large-Scale Purchase meets certain requirements provided in the “Guidelines Regarding Large-Scale Purchase” (hereinafter, the “Guidelines”) during the Board of Directors Evaluation Period. If such resolutions are passed, MPM will disclose the opinion of the Board of Directors of MPM, the reasons therefor, and such other information as deemed appropriate in accordance with the applicable laws and regulations in a timely and appropriate manner.

(g) Modification of the Large-Scale Purchase Information

If the Board of Directors of MPM determines that any material modification has been made by the Large-Scale Purchaser to the Large-Scale Purchase Information after MPM disclosed its determination that the furnishing of the Large-Scale Purchase Information in accordance with the provision in (c) above has completed, then MPM will disclose to that effect, the reasons therefor, and such other information as deemed appropriate in accordance with the applicable laws and regulations in a timely and appropriate manner, and thereupon, the procedures under the Plan in connection with the Large-Scale Purchase based on the previous Large-Scale Purchase Information (hereinafter, the “Pre-modified Large-Scale Purchase”) shall be suspended, and the
Large-Scale Purchase based on the modified Large-Scale Purchase Information shall be treated as another Large-Scale Purchase, separate from the Pre-modified Large-Scale Purchase, and the procedures under the Plan shall apply anew. However, MPM’s Board of Directors shall respect the Independent Committee’s opinions as much as possible.

(h) Specific contents of the countermeasure

The countermeasure to be implemented by MPM against the Large-Scale Purchase under the Plan is assumed to be the countermeasure by way of allotment of share options without contribution provided in Article 277 and thereafter of the Companies Act (hereinafter, the stock options to be allotted shall be referred to as the “Share Options”), in principle. However, if it is determined that the implementation of other countermeasures permitted under the Companies Act, other laws and regulations, and the Articles of Incorporation of MPM is appropriate, such other countermeasures may be taken.

The outline of the allotment of Share Options without contribution as a countermeasure against the Large-Scale Purchase is as set out in Appendix 2, and when the Share Options are actually allotted without contribution, MPM may set the exercise period, conditions for exercise, terms of acquisition, etc. at its discretion, including (i) a condition for exercise that prohibits the Persons Who Fall Under Exceptional Reasons from exercising their Share Options, and (ii) terms of acquisition that, when acquiring part of the Share Options, allow MPM to only acquire the Share Options held by share option holders other than the Persons Who Fall Under Exceptional Reasons, in view of its effectiveness as a countermeasure against the Large-Scale Purchase and reasonableness as a countermeasure.

Even after the countermeasure is implemented, if the approval is obtained by an ordinary resolution regarding a proposal of a Large-Scale Purchase by a Large-Scale Purchaser at a general meeting of shareholders of MPM, if the Independent Committee unanimously recommends the abolishment of a countermeasure, or in other cases separately provided by MPM’s Board of Directors, then, in principle, MPM’s Board of Directors shall, while giving maximum respect to the Independent Committee’s opinions, make a resolution that is required in order to abolish the countermeasure.

3. Continuation of takeover defense measures under the Plan, and duration, continuance, and abolishment of, and amendment to the Plan, etc.

The duration of the Plan shall expire at the closing of the Annual General Meeting of Shareholders regarding the last business year which ends within three years after this Annual General Meeting of Shareholders. However, even if prior to the expiration of such duration, (i) if a general meeting of shareholders of MPM adopts a resolution to abolish the Plan, or (ii) if the Board of Directors of MPM adopts a resolution to abolish the Plan, then the Plan shall be abolished at the time. Therefore, the Plan may be abolished at any time according to the shareholders’ will.

From this year, MPM’s Board of Directors will consider whether to continue, abolish, or amend the Plan, if necessary, at the first meetings of the Board of Directors to be held after the conclusion of MPM’s Annual General Meeting of Shareholders. If necessary, the Board of Directors will make necessary resolutions.

Further, from the viewpoint of protecting and enhancing the corporate value of MPM and the common interests of its shareholders, MPM’s Board of Directors may also review or amend the Plan, if necessary, to the extent not running counter to the entire purpose of the Plan, as well as to the extent reasonably deemed necessary as a result of amendments to laws and regulations, etc., or their guidelines (including changes of laws and regulations, etc., and the establishment of new laws and regulations, etc., which succeed to the former laws and regulations, etc.), or changes of the interpretation or operation thereof, or changes of taxation systems, judicial precedents, or the like, after obtaining the approval of the Independent Committee, on an occasion other than the first meeting of the Board of Directors to be held after the conclusion of MPM’s Annual General Meeting of Shareholders.

In the event that a resolution is adopted for the abolishment, amendment, etc. of the Plan, MPM will disclose such matters as the Board of Directors of MPM or the Independent Committee finds appropriate in accordance with the applicable laws and regulations in a timely and appropriate manner.
4. Impact on shareholders and investors

(1) Impact on shareholders and investors when the Current Plan is revised into the Plan as a result of the Amendments

At the time when the Current Plan is revised into the Plan as a result of the Amendments, the allotment of Share Options without contribution itself will not be implemented. Therefore, the Plan or the Amendments will not have any direct, specific impact on the legal rights and economic interests of the shareholders and investors when they take effect.

(2) Impact on shareholders and investors at the time of allotment of the Share Options without contribution

The Board of Directors of MPM may implement the countermeasure against the Large-Scale Purchase under the Plan for the purpose of protecting and enhancing the corporate value and the common interests of its shareholders. However, given the structure of the countermeasure currently assumed, while the per share value of MPM’s shares held by the shareholders would be diluted at the time of the allotment of the Share Options without contribution, the value of the entire shares of MPM held by the shareholders will not be diluted. Therefore, the Board of Directors of MPM does not expect that the allotment of the Share Options will have any direct, specific impact on the legal rights and economic interests of the shareholders and investors.

However, with respect to the Persons Who Fall Under Exceptional Reasons, if the countermeasure is implemented, it may in the end have some impact on their legal rights or economic interests.

In addition, if the resolution of the allotment of the Share Options without contribution is adopted to serve as a countermeasure and after the shareholders who are eligible for the allotment of the Share Options without contribution are determined, and if MPM suspends the allotment of the Share Options without contribution, or acquires without contribution the Share Options once allotted without contribution, the per share value of MPM’s shares will not be diluted as a result, and hence the investors who have sold or purchased MPM’s shares on the assumption that the per share value of MPM’s shares would be diluted may suffer an unexpected loss due to stock price movement or the like.

The procedures relating to the shareholders for the exercise and acquisition of the Share Options allotted without contribution are as follows:

In the event that the Board of Directors of MPM adopts a resolution to make an allotment of the Share Options without contribution, MPM shall fix the record date for the allotment of the Share Options and publicly announce to that effect in accordance with the laws and regulations and the Articles of Incorporation of MPM. In that case, the Share Options will be allotted to the shareholders stated or registered on the last register of shareholders on the record date in proportion to the number of shares held by them respectively.

If the Share Options are to be allotted without contribution, the shareholders who are stated or registered on the last register of shareholders on the record date will become holders of the Share Options by rights on the effective date of the allotment of the Share Options without contribution.

MPM will send to the shareholders stated or registered on the last register of shareholders on the record date a request form for the exercise of the Share Options (such form shall be designated by MPM, and may include necessary matters, such as the contents and number of the Share Options to be exercised, and the date on which the Share Options will be exercised, a statement for shareholders declaring that they are not Persons Who Fall Under Exceptional Reasons, as well as information regarding an account for book-entry transfer of common shares of MPM), and other documents required for the exercise of the Share Options. When a shareholder pays the amount separately determined by the Board of Directors within the extent from the lower limit of one yen per Share Option up to the upper limit of one-half of the market price of one common share of MPM, to the place handling such payments, and submits the necessary documents within the exercise period for the Share Options separately designated by the Board of Directors of MPM, such shareholder will receive one common share of MPM for each Share Option. However, there are cases where Persons Who Fall Under Exceptional Reasons cannot exercise such Share Options.

On the other hand, if MPM acquires the Share Options pursuant to the terms of acquisition, the shareholders will receive one common share of MPM as consideration for
MPM’s acquisition of such Share Options, without paying the amount equivalent to the exercise price of the Share Options (in such event, the shareholders may be required to submit an identity verification document, documents containing information on the account for book-entry transfer of MPM’s common shares, and a document wherein the relevant shareholder declares that such shareholder is not a Person Who Falls Under Exceptional Reasons and that such shareholder will immediately return MPM’s common shares issued if such declaration is found to be false). However, as stated above, the Persons Who Fall Under Exceptional Reasons may be treated differently from the way other shareholders are treated. For example, Share Options that they hold are not subject to acquisition.

The details of these procedures will be disclosed in a timely and appropriate manner in accordance with the applicable laws and regulations when an actual situation that requires such procedures takes place. Please check such details of the procedures.

5. Rationality of the Plan

This Plan fulfills the three principles ((i) the principle of protection and enhancement of corporate value and the common interests of shareholders, (ii) the principle of prior disclosure and shareholder intent, and (iii) the principle of ensuring necessity and appropriateness) required by the “Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and the Common Interests of Shareholders” published by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005. In addition, this Plan is based on the “Takeover Defense Measures in Light of Recent Environment Changes” published by the Corporate Value Study Group of the Ministry of Economy, Trade and Industry on June 30, 2008, the “Principle 1.5 Anti-Takeover Measures” in “Japan’s Corporate Governance Code” which was introduced with the amendment of Securities Listing Regulations by the Tokyo Stock Exchange, has been applied since June 1, 2015, and was revised on June 1, 2018, and practice and arguments regarding Takeover Defense Measures. Therefore, this Plan has high rationality.

End
Appendix 1

Names and Brief Histories of the Independent Committee Members

(The names are stated according to the order of the Japanese syllabary.)

<Name> Yoshihiro Kataoka
<Brief History> Born on July 30, 1954
April 1980: Registered as an attorney-at-law
June 1990: Partner of Kataoka & Kobayashi (up to date)
June 2007: Member of the Independent Committee of MPM (up to date)
June 2019: Outside Director of MPM (scheduled to assume office on June 26)
(Note) MPM is scheduled to designate Mr. Yoshihiro Kataoka as an independent officer, as stipulated under the regulations of the Tokyo Stock Exchange, and will submit a notification of the designation to the same Exchange.

<Name> Tomohisa Shinagawa
<Brief History> Born on June 14, 1958
April 1985: Registered as an attorney-at-law
January 1993: Partner of Mori Hamada & Matsumoto
June 2006: Outside Director of MPM (scheduled to leave office on June 26)
June 2007: Member of the Independent Committee of MPM (up to date)
January 2013: Assumption of office as a Senior Counsel of Mori Hamada & Matsumoto (up to date)

<Name> Somitsu Takehara
<Brief History> Born on April 1, 1952
May 1982: Registered as a certified public accountant
April 2005: President of ZECOO Partners INC.
July 2006: Temporary Accounting Auditor of MPM
June 2007: Member of the Independent Committee of MPM (up to date)
June 2016: Outside Director of MPM (up to date)
November 2017: Chairman of the Board of ZECOO Partners INC.(up to date)
(Note) MPM has designated Mr. Somitsu Takehara as an independent officer, as stipulated under the regulations of the Tokyo Stock Exchange, and has submitted a notification of the designation to the same Exchange.
Outline of the Case for Implementing Allotment of Share Options Without Contribution

1. Shareholders entitled to allotment
   One share option shall be allotted without contribution for one share held by shareholders (excluding, however, the common shares of MPM held by MPM) stated or registered on the last register of shareholders as of the record date separately designated by the Board of Directors.

2. Class and number of shares to be delivered upon exercise of share options
   The class of the shares to be delivered upon exercise of the share options shall be common shares. One common share of MPM shall be delivered upon exercise of one unit of the share options.

3. Effective date of the allotment of share options without contribution
   To be separately designated by the Board of Directors

4. The amount of property to be contributed upon exercise of each share option
   Contributions upon exercise of the share options are to be made in cash, and the amount of property to be contributed upon exercise of each share option shall be the amount separately determined by the Board of Directors within the extent from the lower limit of one yen up to the upper limit of one-half of the market price of one common share of MPM.

5. Restriction on the transfer of share options
   Acquisition of share options by transfer shall be subject to the approval of the Board of Directors.

6. Conditions for exercise of share options
   Conditions for exercise of the share options shall be separately designated by the Board of Directors. (Further, conditions for exercise in consideration of the effectiveness as a countermeasure against Large-Scale Purchases may be added, such as the conditions for exercise which prohibit the Persons Who Fall Under Exceptional Reasons from exercising their share options)

7. Acquisition of share options by MPM
   (1) At a meeting of the Board of Directors, MPM may establish terms of acquisition which allow MPM to acquire, following the resolution of the Board of Directors, all of the share options, or only the share options held by share option holders other than the Persons Who Fall Under Exceptional Reasons, subject to certain events arising, such as the violation of the Large-Scale Purchase Rules by the Large-Scale Purchaser, or upon the arrival of a certain date designated by the Board of Directors.
   (2) When MPM adds the aforementioned terms of acquisition, MPM shall formulate the terms of acquisition with a view to establishing effective and adequate countermeasures against the Large-Scale Purchase.

8. Events that cause acquisition of share options without contribution (events that cause abolishment of countermeasures)
   MPM may acquire all of the share options without contribution, if either of the following events occurs:
   (1) If the approval is obtained by an ordinary resolution at the General Meeting of Shareholders of MPM regarding a proposal of a Large-Scale Purchase by a Large-Scale Purchaser;
   (2) If the Independent Committee unanimously recommends the abolishment of a countermeasure; or
   (3) If other events separately designated by the Board of Directors occur.

9. Cooperation regarding the disposal of share options
   If the Persons Who Fall Under Exceptional Reasons, who received an allotment of share options, are no longer considered, on reasonable grounds, to be a threat to the corporate value of MPM or the common interests of its shareholders, MPM shall, subject to consultation with the Independent Committee, cooperate to a reasonable extent with such Persons Who Fall Under Exceptional Reasons in the disposal of the share options, or share options granted as consideration for acquiring such share options, by such means as supporting the transfer thereof.
to a third party at a fair price as of the purchase date (as calculated excluding the effect of an inflated market price as a result of being a target of speculation). However, MPM shall have no obligation regarding such types of cooperation.

10. Exercise period of share options, etc.

Exercise period of, and other necessary matters regarding, the share options shall be separately determined by the Board of Directors in consideration of the effectiveness as a countermeasure against Large-Scale Purchases.

End
Appendix

Analysis and Evaluation of the effectiveness of the Board of Directors, 2018

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.

i) The date of the analysis and evaluation of the effectiveness of the Board of Directors
   Questionnaire conducted: December 27, 2018 - January 21, 2019
   Discussion at Board of Directors: January 31, 2019

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, 2018
   a) Composition of Board of Directors
      The current board of directors is composed of people with diverse careers and experience, and is generally regarded as appropriate in terms of the number of board members, balance of members, and knowledge and understanding of each member.
   b) Management of the Board of Directors
      The frequency of holding, the time required, the management of the agenda, the documents to be prepared, and the information provision system are generally evaluated to be appropriate. With regard to materials to be prepared and information provision system, important projects are currently sending materials in advance, but sending summaries in advance for other projects will lead to the activation of discussions, business prospects and responses, etc. In the future, we will consider information for further enhancement of discussions by the Board of Directors, such as enhancing information and increasing the number of study sessions for outside executives.
   c) Functions of the Board of Directors
      It is generally recognized that it works as an adaptation measure, but in the future it may be discussed how to implement the medium- and long-term strategy as a company after the capital and business alliance with the Oji group. We recognize it as important. In doing so, discussions from the perspective of ESG and external communication, discussions from the perspective of the corporate group, interviews with IR / SR situations and the voices of stakeholders such as employees, customers, sales agents, and medium- and long-term incentives. There are issues to be addressed by the board of directors, such as consideration of stock compensation.
   d) Other recommendations for improvement
      Although the points considered in the previous evaluation are evaluated to be generally improved, but it is recognized that it is important to find out the problems inherent in operation in effectiveness evaluation and to make it more effective by turning on PDCA. We need to move away from the paper-oriented business model, and the Board of Directors will discuss strategies after looking at the realization of the capital and business alliance with the Oji Group, and It is recognized that it is required to present the corporate vision.