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For Immediate Release

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Notice of Receiving of Investigation Report from the Special Investigative Committee and Voluntary
Return of Executive Compensation

Mitsubishi Paper Mills Limited (the "Company") hereby announces that, as described in the Notice of Discovery of Improper Conduct at a Subsidiary and Establishment of a Special Investigative Committee that the Company published on May 10, 2024, a special investigative committee of outside experts (the "Committee") was established and has been conducting an investigation in response to the discovery of the falsification of inspection measurement data and a failure to perform some required inspections (the "Incident") regarding heat resistant electrically insulated pressboard products that were manufactured by Mitsubishi Paper Engineering Co., Ltd. (the "Subsidiary"), a wholly owned subsidiary located on the premises of the Company's Shirakawa Production Facility. The Committee not only investigated the Incident but also checked all Group companies for quality irregularities.

The Company hereby announces that it received the investigation report (the "Report") from the Committee today and provides the following information about management's responsibility, future initiatives and other matters.

The investigations also revealed that inspection data had been falsified for kraft pressboard manufactured by the Subsidiary until 2021. The pressboard, which used natural pulp as its raw material, was used as a component in transformers and other equipment. However, no problems affecting the basic functions of the transformers and other products that have been delivered have been identified. In addition, the Company examined the basic performance of the products in terms of insulation strength and product life and confirmed that their specifications permit them to be used in transformers, etc. without any problems.

Other quality misconduct incidents that were discovered did not involve safety-related products, and there are no problems that have been identified. The Company will continue to communicate thoroughly with customers and take appropriate measures.

The Company sincerely apologizes for causing shareholders, business partners and other stakeholders considerable anxiety and inconvenience.

Details:

1. Results of investigations by the Committee

The Committee conducted a fact-finding investigation. In conclusion, it identified the following:

- ① At the former Shirakawa Production Facility, the falsification of numerical inspection data, a failure to perform some inspections for metals and foreign substances, a violation of rules regarding measurement methods and the shipment of products deemed non-standard in visual inspections occurred for heat resistant electrically insulated pressboard. Additionally, the falsification of numerical inspection data and a violation of rules regarding measurement method occurred for kraft pressboard.
- ② At the former Filter Business Office (now transferred to the Company's Takasago Mill), the falsification of numerical data regarding the results of inspections of filter products, mainly those in the development phase, occurred.
- ③ At Hachinohe Mill, the falsification of numerical inspection data related to copier paper and paperboard products and the shipment of non-standard paperboard products without permission occurred.
- ④ At the former KJ Specialty Paper Co., Ltd. (now the Company's Fuji Mill), the falsification and fabrication of numerical inspection data for chemical-based paper occurred.

For detailed results of the Committee's inspections, please see the attached Report. In the Report, some names of individuals, companies, projects, etc. are redacted to protect privacy, confidential information, etc.

2. Causes

Based on the results of the Committee's investigation and the Company's examination of the matter, the following causes of the Incident were identified.

- (1) Management and business problems
 - Demanding customer specifications beyond the process capabilities were agreed upon with customers to secure sales.
 - This led to the creation of a structure in which numerical data was falsified to ship products.
 - Negotiations with customers to revise specifications were not conducted due to concerns about a decrease in the product price, and the effects of quality improvement were limited.
- (2) Organizational and internal control problems
 - Internal rules and regulations were not observed.
 - The quality assurance departments lacked independence.
 - There were defects in quality-related monitoring and inspection systems.
 - Personnel in the quality assurance departments had been in their positions for a long time.
- (3) Problems related to compliance awareness
 - Lack of awareness of quality-related compliance
 - The falsification of numerical data was wrongly justified for reasons such as there being no problems regarding quality for the actual use of the product
- (4) Problems related to the corporate culture
 - The organization has a closed atmosphere, and the falsification of data and other bad habits had become customary.

3. Recurrence prevention measures

Reflecting the discovery of the Incident and measures to prevent its recurrence proposed by the Committee, the Company has already implemented the following recurrence prevention measures and it will continue them and enhance them.

- (1) Recurrence prevention measures addressing management and business problems

- Appropriate revision of specifications in consultation with customers
- Ensuring that the content of new specifications agreed upon with customers is appropriate by fully examining the Company's process capabilities and the performance of the products it can manufacture
- Exclusion of test items which are unrelated to the functions and quality of products from the specifications

Note: The above measures have been implemented for products where it was determined that the specifications needed to be revised (heat resistant electrically insulated pressboard, etc.)

(2) Measures to prevent the recurrence of organizational and internal control problems

① Ensuring compliance with internal regulations and rules

- Internal rules and regulations related to the incidents that were discovered in the investigations have been revised or established
- Training related to the intent of the test items that have been set has been provided to inspectors in the quality inspection division.

② Ensuring the independence of quality assurance divisions

- In April 2025, an organizational reform was conducted that put the quality assurance division of each mill under the control of the Safety, Environment & Quality Assurance Department in the Technology Division of the headquarters, making them independent from the mills.

③ Enhancing quality-related monitoring and inspection systems

- An independent Technology Audit Department has been established in the Technology Division to clarify which organization conducts quality audits.
- Start of unannounced quality audits involving members from mills other than the subjects of the audits (The first audit was conducted at all mills in Japan ending in February 2025.) The efforts to make unannounced quality audits an established practice will continue.

④ Implementation of appropriate personnel management, such as the rotation of personnel

- Personnel transfers have begun to be made by setting rules on the length of time employees can hold managerial positions, etc.

(3) Recurrence prevention measures to address compliance awareness problems

- Immediately after the announcement of the Incident on May 10, 2024, the President & CEO visited all of the mills in Japan and gave instructions.
- Making employees fully aware of the importance of quality control through New Year messages from the President & CEO and the in-house newsletter
- Compliance training has been provided by an external instructor, and all officers and employees have participated in it (FY2024: "Reforming organizational culture (violations and their impact)") The training program will continue to be provided regularly, and the content of the program will include the Incident as a lesson.
- In April 2025, the organizational structure was changed to enhance compliance-promotion functions. Exercising leadership to accelerate the development of a compliance culture

(4) Measures to prevent the recurrence of problems connected to the corporate culture

- All employees participate in the newly established Credo Creation Project to think about and discuss what kind of company they want the Company to be and what they want to achieve. Increasing communication outside chains of command and age groups to help create an open atmosphere within the Company
- A message expressing the Company's determination to establish an integrity-oriented corporate culture has been published internally and externally. (It is also clearly stated in the outline

of the next Medium-Term Management Plan that was announced on December 23, 2024.)

- In the FY2025 company orientation program, the President & CEO directly encouraged new employees to communicate well, referring to the Incident.
- Moving forward, top executives and managerial employees will continue to show the determination to build a company that enables employees to more freely express their opinions regarding anything they have discovered, regardless of differences in position and without being constrained by precedent.

4 . Management responsibility

The Company takes the content of the final report from the Committee seriously, and in response, executives will voluntarily return their executive compensation as described below, to clarify the management responsibility of the active officers and the Company's determination to prevent any recurrence.

In addition, the investigations have revealed that the quality misconduct had continued for a long period. The improper conduct had continued even though an incident involving the falsification of data regarding the percentage use of waste paper pulp was discovered in 2008, and this incident was an opportunity to take corrective actions through strengthening compliance. Reflecting this, the Company requests that everyone who held a senior executive position after the discovery of the above incident to voluntarily return their executive compensation at the same rate as the active top executives.

(1) Details of Directors' return of executive compensation

- President and CEO: Ryuichi Kisaka
Returning 30% of basic monthly compensation for two months
- Representative Director and Senior Executive Vice President: Shigeharu Sanada
Returning 30% of basic monthly compensation for two months
- Director and Managing Executive Officer (in charge of business at the Hachinohe Mill and the former Shirakawa Production Facility): Yuji Takagami
Returning 10% of basic monthly compensation for two months
- Director and Managing Executive Officer (in charge of business at the former KJ Specialty Paper Co., Ltd. (now the Company's Fuji Mill)): Kunihiro Nakagawa
Returning 10% of basic monthly compensation for two months
- Director and Managing Executive Officer (in charge of quality control): Kazuhiro Nakauchi
Returning 10% of basic monthly compensation for two months

(2) Period

Two months from May 2025 to June 2025

5 . Impact on business results

As a result of the considerations made based on the investigations, the Company believes that the impact of the discovered incident on its consolidated business results is limited because in FY2024 sales of the brand regarding which the inappropriate conduct was committed were only 2% of the Company's consolidated net sales, no particular damage has been incurred by the parties to which the products were provided, and the quality issue has already been solved.

6 . Future action

Once again, the Company sincerely apologizes for causing its shareholders, business partners and other stakeholders considerable anxiety and inconvenience. In the future, the Company will

implement the recurrence prevention measures in a Group-wide manner and strive to restore stakeholders' trust in it.