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November 13, 2024

To whom it may concern,

Company name: Mitsubishi Paper Mills Limited
Representative: Ryuichi Kisaka, President and CEO
(Code No.3864, TSE Prime)
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Notice of Recording of Extraordinary Income (Gain on Extinguishment of Tie-In Shares) from Merger of Subsidiary (Non-Consolidated Accounting)

Mitsubishi Paper Mills Limited (the “Company”) hereby announces that it recorded extraordinary income (gain on extinguishment of tie-in shares) from merger of a subsidiary in nonconsolidated accounting for the second quarter of the fiscal year ending March 31, 2025. The Company merged its wholly owned subsidiary, KJ SPECIALTY PAPER Co., Ltd., on July 1, 2024 after announcing its intention in “Notice of Organization Restructuring (merger of wholly owned subsidiaries and others)” on November 13, 2023.

Details:

1. Details of the extraordinary income

As of the effective date of the merger (July 1, 2024), the difference in book value of 2,642 million yen between net assets received from KJ SPECIALTY PAPER Co., Ltd. and equities in the subsidiary (tie-in shares) held by the Company was recorded as gain on extinguishment of tie-in shares under extraordinary income.

2. Impact on business performance

This gain on extinguishment of tie-in shares is eliminated in the consolidated settlement of accounts, and therefore has no impact on the consolidated results for the fiscal year ending March 31, 2025.