

ENGLISH TRANSLATION FOR REFERENCE PURPOSE ONLY

This notice is an English translation of the original Japanese text of the timely disclosure statement dated March 11, 2021 issued by Daio Paper Corporation, and is for reference purposes only. In the event of any discrepancy between the original Japanese text and this English translation, the Japanese text shall prevail.

March 11, 2021

To Whom It May Concern:

Name of Company: Daio Paper Corporation
Name of Representative: Masayoshi Sako
President and Representative Director
Securities Code: 3880
(First Section, Tokyo Stock Exchange)
Contact Person: Hiromitsu Fujii
Director
General Manager of General Affairs and Personnel Division
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Regarding the Sale of Shares in Parent Company Held by Subsidiaries

Daio Paper Corporation (hereinafter, “Daio” or “we”) hereby announces that our subsidiaries, Akabira Paper Corporation, Iwaki Daio Paper Corporation, Daio Engineering Co., Ltd., Elleair Texel Corporation, Daio Pulp & Paper Co., Ltd., Daio Mill Support, Co., Ltd. and Taisei Paper Corporation have resolved at the Board of Directors meeting held today at each company to sell all of the shares of the parent company held by each company (hereinafter referred to as “Daio's shares”).

As a result of this sale of shares, all of Daio's shares held by its subsidiaries will cease to exist.

Notes

1. Reason for the sale

In accordance with the provisions of Article 135 of the Companies Act (acquisition of shares of parent companies prohibited), the shares of the parent company (Daio's shares) will be disposed.

2. Details of the sale

(1) Type of shares: Common shares

(2) Total number of shares to be sold by each subsidiary:

Akabira Paper Corporation	186,700 shares
Iwaki Daio Paper Corporation	82,800 shares
Daio Engineering Co., Ltd.	82,400 shares
Elleair Texel Corporation	81,200 shares

Daio Pulp & Paper Co., Ltd.	75,000 shares
Daio Mill Support, Co., Ltd.	31,000 shares
Taisei Paper Corporation	13,200 shares
Total	552,300 shares

(3) Method of the sale

In order to avoid any impact on the market price, it is planned to sell the shares using the Tokyo Stock Exchange's off-floor trading system (ToSTNeT).

(4) Timing of the sale

From March 15, 2021 to March 26, 2021 (planned)

3. Impacts on financial results

When Daio's shares owned by a subsidiary (treasury shares in the consolidated financial statements) are sold, no gain or loss from the sale will be recorded in the consolidated statement of income, and in the consolidated balance sheet, treasury shares will decrease and consolidated net assets will increase.

Therefore, this disposal of Daio's shares by the subsidiaries will have no impact on Daio's consolidated profit and loss.

End