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(Stock Exchange Code: 3880)
June 11, 2021

To Our Shareholders:

Yorifusa Wakabayashi
President and Representative Director
Daio Paper Corporation
2-60, Mishimakamiya-cho,
Shikokuchuo City, Ehime Prefecture

NOTICE OF THE 110TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

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

We hereby announce that the 110th Annual General Meeting of Shareholders of Daio Paper Corporation (the “Company”) will be held for the purposes as described below.

If you are unable to attend the meeting, you can exercise your voting rights in writing or via the Internet. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights no later than 5:30 p.m. on Monday, June 28, 2021, Japan time.

- 1. Date and Time:** Tuesday, June 29, 2021 at 10:00 a.m. Japan time
(Reception starts and doors open at 9:10 a.m.)
- 2. Place:** Convention Hall on the 8th floor of Shikoku Headquarters & Production Center of the Company
628 Mishimakamiya-cho, Shikokuchuo City, Ehime Prefecture, Japan
- 3. Meeting Agenda:**
 - Matters to be Reported:**
 1. Business Report, Consolidated Financial Statements, and Results of the Audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board for the Company’s 110th Fiscal Year (April 1, 2020 - March 31, 2021)
 2. Non-Consolidated Financial Statements for the Company’s 110th Fiscal Year (April 1, 2020 - March 31, 2021)
 - Proposals to be Resolved:**
 - Proposal 1:** Appropriation of Surplus
 - Proposal 2:** Partial Amendments to the Articles of Incorporation
 - Proposal 3:** Election of Twelve (12) Directors
 - Proposal 4:** Election of One (1) Audit & Supervisory Board Member
 - Proposal 5:** Revision to the Amount of Remuneration for Directors

- If the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements are amended, the amended items will be announced on the Company's website (<https://www.daio-paper.co.jp/>).
- Of the documents to be provided along with this Notice, the Company's Systems and Policies, which is part of the Business Report, the Consolidated Statement of Changes in Equity and the Notes to Consolidated Financial Statements of the Consolidated Financial Statements and the Non-Consolidated Statement of Changes in Equity and the Notes to Non-Consolidated Financial Statements of the Non-Consolidated Financial Statements are made available to shareholders through the Company's website (<https://www.daio-paper.co.jp/>) pursuant to the provisions of laws, regulations and Article 14 of the Company's Articles of Incorporation, and therefore are not included in this Notice.

The Non-Consolidated Financial Statements and the Consolidated Financial Statements attached to this Notice are a subset of the documents that were audited by Audit & Supervisory Board Members and the Audit & Supervisory Board for the preparation of the Audit Report, as well as the Accounting Auditor for the preparation of the Accounting Audit Report.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The Company regards the return of profits to all of its shareholders as one of its top management priorities, and its basic dividend policy is to continue making stable dividend payments, while taking into consideration factors such as the state of its business and the sufficiency of internal reserves.

For the fiscal year ended March 31, 2021, taking into consideration the business performance and financial condition for the year, among other factors, we propose an increase of ¥1.50 per common share of the Company to ¥10.00 (annual dividend of ¥17.00) as described below.

Matters relating to year-end dividends

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|---|--|
| [1] Dividend type | Cash |
| [2] Dividend allocation and total dividend payment | We propose a year-end dividend of ¥10.00 per common share of the Company.
The total amount of dividends will be ¥1,676,297,360. |
| [3] Effective date of distributing dividends from surplus | We propose that the effective date of distributing dividends from surplus be June 30, 2021. |

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

- (1) Additions will be made to Article 3 (Purpose) of the current Articles of Incorporation to prepare for the diversification of businesses and future business development of the Group.
- (2) For the purpose of expediting the management decision-making process and strengthening the oversight function of the Board of Directors, the Company changed the senior management structure and revised the executive officer system as of April 1, 2021. Accordingly, in order to invigorate Board meetings and expedite the decision-making process and thereby improve management efficiency, Article 18 (Number of Directors) of the current Articles of Incorporation will be amended so as to change the maximum number of directors from 20 to 15. Moreover, in order to clarify the accountability of management and thereby provide a sense of urgency to the management, as well as to have more opportunities to seek the confidence of shareholders, Article 20 (Term of Office) of the current Articles of Incorporation will be amended so as to reduce the duration of the terms of office of Directors from two (2) years to one (1) year. Furthermore, Article 21 (Representative Directors, etc.) of the current Articles of Incorporation will be amended to revise provisions for Directors with titles, and a new Article 26 (Executive Officers) will be established to add provisions regarding Executive Officers.
- (3) In order to enable flexible payment of dividends of surplus without the need for a resolution of the Annual General Meeting of Shareholders if it is impracticable to hold the Annual General Meeting of Shareholders owing to an unexpected eventuality, establishment of Article 36 (Decision Making Body of Dividends of Surplus) and Article 37 (Reference Date of Dividends of Surplus) will be established so that it will be possible to pay dividends of surplus and take other relevant actions based on a resolution of the Board of Directors pursuant to the provisions of Article 459, Paragraph 1 of the Companies Act. Accordingly, Article 7 (Acquisition of Treasury Shares), Article 36 (Year-end Dividend), and Article 37 (Interim Dividend) of the current Articles of Incorporation) will be deleted as their content duplicates those of articles to be newly established.
Even after the amendments of the Articles of Incorporation, the Company intends to pay year-end dividends by a resolution of a General Meeting of Shareholders.
- (4) Other than those above, the numbering of items will be modified in line with the establishment of new provisions and the deletion of provisions.

2. Description of the amendments

Details of the amendments are as follows.

(Underlined portions indicate amendments.)	
Current Articles of Incorporation	Proposed Amendments
Articles 1. – 2. (Provisions omitted) (Purposes) Article 3. The purpose of the Company shall be to conduct the following business activities: (1) Manufacturing, converting and buying/selling of paper, pulp products, and by-products thereof. (2) – (22) (Provisions omitted)	Articles 1. – 2. (Unchanged) (Purposes) Article 3. The purpose of the Company shall be to conduct the following business activities: (1) Manufacturing, converting and buying/selling of paper, pulp, <u>non-woven fabric products</u> , and by-products thereof. (2) – (22) (Unchanged)
Articles 4. – 6. (Provisions omitted)	Articles 4. – 6. (Unchanged)
<u>(Acquisition of Treasury Shares)</u> <u>Article 7. The Company may acquire its own shares through market purchases and other methods in accordance with Article 165, Paragraph 2 of the Companies Act by the resolution of the Board of Directors..</u>	(Deleted)
Articles <u>8.</u> – <u>17.</u> (Provisions omitted)	Articles <u>7.</u> – <u>16.</u> (Unchanged)

Chapter IV. <u>Directors and Board of Directors</u>	Chapter IV. <u>Directors, Board of Directors, and Executive Officers</u>
(Number of Directors)	(Number of Directors)
Article <u>18</u> . The Company shall have no more than <u>20</u> directors.	Article <u>17</u> . The Company shall have no more than <u>15</u> directors.
Articles <u>19</u> . (Provisions omitted)	Articles <u>18</u> . (Unchanged)
(Term of Office)	(Term of Office)
Article <u>20</u> . The term of office of each director shall expire at the conclusion of the Annual General Meeting of Shareholders for the last fiscal year ending within <u>two years</u> following their election.	Article <u>19</u> . The term of office of each director shall expire at the conclusion of the Annual General Meeting of Shareholders for the last fiscal year ending within <u>one year</u> following their election .
2. (Omitted)	2. (Unchanged)
3. (Omitted)	3. (Unchanged)
(Representative Director and Others)	(Representative Director and Others)
Article 21. The Board of Directors may elect, by its resolution, the Chairperson of the Board of Directors, President and Director, Executive Vice Presidents and Directors, <u>Directors and Senior Managing Executive Officers, and Directors and Managing Executive Officers.</u>	Article <u>20</u> . The Board of Directors may elect, by its resolution, the Chairperson of the Board of Directors, President and Director, <u>and</u> Executive Vice Presidents and Directors.
2. (Omitted)	2. (Unchanged)
3. <u>The Chairperson of the Board of Directors shall provide comprehensive supervision over the Company's overall business. President and Director shall supervise the Company's overall business. Executive Vice President and Director, Directors and Senior Managing Executive Officers, and Directors and Managing Executive Officers shall support President and Director and be responsible for execution of day-to-day business operations of the Company.</u>	3. (Deleted)
Articles <u>22</u> . – <u>26</u> . (Provisions omitted)	Articles <u>21</u> . – <u>25</u> . (Unchanged)
(New)	(Executive Officers)
	Article 26. The Board of Directors may appoint, by its resolution, executive officers and have them execute the Company's business.
Articles 27. – 35. (Provisions omitted)	Articles 27. – 35. (Unchanged)
(New)	(Decision Making Body of Dividends of Surplus, etc.)
	Article 36. The Company may determine the matters provided in each item under Article 459, Paragraph 1 of the Companies Act, including dividends of surplus, by the resolution of the Board of Directors, unless otherwise provided in laws and regulations.
(New)	(Reference Date of Dividends of Surplus)
	Article 37. The reference date of the Company's year-end dividend shall be March 31 of each year.

<p>(Year-end dividends) <u>Article 36. Year-end dividends shall be paid to shareholders or registered pledgees of shares stated or registered in the shareholder registry as of March 31 of each year.</u></p> <p>(Interim dividends) <u>Article 37. The Company may pay interim dividend as distribution of monies to shareholders or pledgees of shares stated or registered in the shareholder registry as of September 30 of each year by the resolution of the Board of Directors.</u></p> <p>Articles 38. (Provisions omitted)</p>	<p><u>2. The reference date of the Company's interim dividend shall be September 30 of each year.</u> <u>3. The Company may pay dividends of surplus by determining a reference date in addition to the provisions of the two preceding paragraphs.</u></p> <p>(Deleted)</p> <p>(Deleted)</p> <p>Articles 38. (Unchanged)</p>
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Proposal 3: Election of Twelve (12) Directors

The terms of office of all sixteen (16) Directors will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, we propose the election of twelve (12) Directors, decreasing the number of Directors by four (4) with a view to enhancing management efficiency through vitalization of the Board of Directors and faster decision-making.

The candidates for Director are as follows:

Candidate No.	Name			Current position, etc. at the Company
1	Re-appointment	Masayoshi Sako		Chairperson and Representative Director
2	Re-appointment	Yorifusa Wakabayashi		President and Representative Director Chief Executive Officer
3	Re-appointment	Toshihiro Adachi		Executive Vice President and Representative Director Executive Vice President
4	Re-appointment	Kunihiro Okazaki		Executive Vice President and Representative Director Executive Vice President
5	Re-appointment	Hiroshi Yamasaki		Director Managing Executive Officer
6	Re-appointment	Yukihiro Tanaka		Director Managing Executive Officer
7	New appointment	Atsushi Ishida		Managing Executive Officer
8	New appointment	Hiroyuki Shidara		Managing Executive Officer
9	Re-appointment	Nobuhiko Yoshida	Outside Director Independent Director	Outside Director
10	Re-appointment	Yoichi Takei	Outside Director Independent Director	Outside Director
11	New appointment	Yoshinobu Hiraishi	Outside Director Independent Director	
12	New appointment	Haruko Ozeki	Outside Director Independent Director	

Candidate No.	Name, Date of birth, etc.	Career summary, positions and responsibilities at the Company		Number of shares of the Company held
1	<p>Masayoshi Sako</p> <p>October 28, 1955 (Age 65)</p> <p>Attendance record at the Board of Directors meeting: 100% (15/15)</p> <p>Period of service as Director: 16 years</p> <p><Re-appointment></p>	<p>April 1978 Joined the Company</p> <p>January 2005 General Manager of Sales Promotion Division, Home & Personal Care Business Group of the Company</p> <p>June 2005 Director and Managing Executive Officer of the Company</p> <p>June 2006 Director and Senior Managing Executive Officer of the Company</p> <p>June 2008 Executive Vice President and Director of the Company</p> <p>June 2011 President and Representative Director of the Company</p> <p>April 2021 Chairperson and Representative Director of the Company (current position)</p> <p>[Significant concurrent positions]</p> <p>—</p> <p>[Reason for nomination as a candidate for Director]</p> <p>Mr. Masayoshi Sako has engaged in the paper and paperboard business and household paper products business. After holding the positions of Director and Managing Executive Officer, Director and Senior Managing Executive Officer, Executive Vice President and Director, and President and Representative Director, he currently serves as Chairperson and Representative Director of the Company. The Company nominates him again as a candidate for Director, because it expects him to contribute to the sustainable growth of the Group, considering that he has a wealth of business experience and achievements in the Company and its Group companies.</p>		19,300 shares
2	<p>Yorifusa Wakabayashi</p> <p>August 13, 1961 (Age 59)</p> <p>Attendance record at the Board of Directors meeting: 100% (15/15)</p> <p>Period of service as Director: 4 years</p> <p><Re-appointment></p>	<p>April 1984 Joined the Company</p> <p>January 2012 Executive Officer, General Manager of Newsprint Sales Division, the Company</p> <p>April 2016 Executive Officer, General Manager of Paper Sales Division, the Company</p> <p>June 2017 Director, General Manager of Home & Personal Care Domestic Business Group, the Company</p> <p>July 2018 Director and Managing Executive Officer, General Manager of Home & Personal Care Domestic Business Group, the Company</p> <p>April 2019 Director and Managing Executive Officer, General Manager of Domestic Business Group, Home & Personal Care Unit, the Company</p> <p>April 2021 President and Representative Director, Chief Executive Officer, the Company (current position)</p> <p>[Significant concurrent positions]</p> <p>—</p> <p>[Reason for nomination as a candidate for Director]</p> <p>Mr. Yorifusa Wakabayashi has engaged in the paper business, the finance division, household paper products business, etc. After serving as Director, and Director and Managing Executive Officer, he currently serves as President and Representative Director, Chief Executive Officer. The Company nominates him again as a candidate for Director, because it expects him to contribute to the sustainable growth of the Group, considering that he has a wealth of business experience and achievements in the Company and its Group companies.</p>		8,400 shares

Candi- date No.	Name, Date of birth, etc.	Career summary, positions and responsibilities at the Company	Number of shares of the Company held
3	<p>Toshihiro Adachi</p> <p>September 19, 1955 (Age 65)</p> <p>Attendance record at the Board of Directors meeting: 100% (15/15)</p> <p>Period of service as Director: 15 years</p> <p><Re-appointment></p>	<p>April 1979 Joined the Company</p> <p>June 2004 Executive Vice President and Representative Director of Suehiro Printing Co., Ltd. (current Daio Printing Corporation)</p> <p>June 2006 Director of the Company</p> <p>January 2007 Director and Managing Executive Officer of the Company</p> <p>June 2012 Director and Senior Managing Executive Officer of the Company</p> <p>April 2016 Representative Director and Senior Managing Executive Officer of the Company</p> <p>April 2019 Executive Vice President and Representative Director of the Company</p> <p>April 2021 Executive Vice President and Representative Director, Executive Vice President of the Company (current position)</p> <p>[Significant concurrent positions] —</p> <p>[Reason for nomination as a candidate for Director] Mr. Toshihiro Adachi has mainly engaged in the household paper products business. After holding the positions of Director, Director and Managing Executive Officer, Director and Senior Managing Executive Officer, Representative Director and Senior Managing Executive Officer, and Executive Vice President and Representative Director, he currently serves as Executive Vice President and Representative Director, Executive Vice President. The Company nominates him again as a candidate for Director, because it expects him to contribute to the sustainable growth of the Group, considering that he has a wealth of business experience and achievements in the Company and its Group companies.</p>	17,100 shares
4	<p>Kunihiro Okazaki</p> <p>December 21, 1954 (Age 66)</p> <p>Attendance record at the Board of Directors meeting: 100% (15/15)</p> <p>Period of service as Director: 9 years</p> <p><Re-appointment></p>	<p>April 1977 Joined the Company</p> <p>June 2000 Director of the Company</p> <p>June 2008 Director and Managing Executive Officer of the Company</p> <p>June 2011 Representative Director and Senior Managing Executive Officer of Daiken Paper Co., Ltd. (current Daio Pulp & Paper Co., Ltd.)</p> <p>March 2012 Executive Officer and Deputy General Manager of Home & Personal Care Business Group, the Company</p> <p>June 2012 Director and Managing Executive Officer of the Company</p> <p>June 2015 Director and Senior Managing Executive Officer of the Company</p> <p>April 2016 Representative Director and Senior Managing Executive Officer of the Company</p> <p>April 2019 Executive Vice President and Representative Director of the Company</p> <p>April 2021 Executive Vice President and Representative Director, Executive Vice President of the Company (current position)</p> <p>[Significant concurrent positions] —</p> <p>[Reason for nomination as a candidate for Director] Mr. Kunihiro Okazaki has engaged in the paper and paperboard business and household paper products business, etc. After holding the positions of Director, Director and Managing Executive Officer, Director and Senior Managing Executive Officer, Representative Director and Senior Managing Executive Officer, and Executive Vice President and Representative Director, he currently serves as Executive Vice President and Representative Director, Executive Vice President. The Company nominates him again as a candidate for Director, because it expects him to contribute to the sustainable growth of the Group, considering that he has a wealth of business experience and achievements in the Company and its Group companies.</p>	13,500 shares

Candidate No.	Name, Date of birth, etc.	Career summary, positions and responsibilities at the Company		Number of shares of the Company held
5	<p>Hiroshi Yamasaki</p> <p>March 10, 1962 (Age 59)</p> <p>Attendance record at the Board of Directors meeting: 100% (15/15)</p> <p>Period of service as Director: 8 years</p> <p><Re-appointment></p>	<p>April 1984</p> <p>June 2012</p> <p>June 2013</p> <p>July 2016</p> <p>May 2017</p> <p>April 2019</p> <p>April 2021</p> <p>[Significant concurrent positions]</p> <p>—</p> <p>[Reason for nomination as a candidate for Director]</p>	<p>Joined the Company</p> <p>Executive Officer, Acting General Manager of Mishima Mill, Production Division, the Company</p> <p>Director, General Manager of Resource and Material Division, the Company</p> <p>Director, General Manager of Resource and Material Procurement Division, the Company</p> <p>Director, Deputy General Manager of Production Division and General Manager of Mishima Mill, the Company</p> <p>Director, Deputy General Manager of Production Division, Production Unit and General Manager of Mishima Mill, the Company</p> <p>Director, Managing Executive Officer Responsible for Production Unit; General Manager of Production Division, the Company (current position)</p> <p>Mr. Hiroshi Yamasaki has engaged mainly in the Production Division. He currently serves as Director, Managing Executive Officer Responsible for Production Unit; General Manager of Production Division. The Company nominates him again as a candidate for Director, because it expects him to contribute to the sustainable growth of the Group, considering that he has a wealth of business experience and achievements in the Company and its Group companies.</p>	5,400 shares
6	<p>Yukihiro Tanaka</p> <p>May 15, 1957 (Age 64)</p> <p>Attendance record at the Board of Directors meeting: 100% (15/15)</p> <p>Period of service as Director: 4 years</p> <p><Re-appointment></p>	<p>April 1980</p> <p>June 2006</p> <p>April 2010</p> <p>April 2013</p> <p>June 2015</p> <p>May 2017</p> <p>June 2017</p> <p>April 2019</p> <p>April 2021</p> <p>[Significant concurrent positions]</p> <p>—</p> <p>[Reason for nomination as a candidate for Director]</p>	<p>Joined the Company</p> <p>Director, General Manager of Personnel Department and in charge of General Affairs Department, Tokyo Headquarters, the Company</p> <p>Director, General Manager of Publication Paper Sales Division, the Company</p> <p>General Manager of Kyushu Branch Office, the Company</p> <p>Executive Officer, General Manager of General Affairs Division, the Company</p> <p>Executive Officer, General Manager of Corporate Planning Division, the Company</p> <p>Director, General Manager of Corporate Planning Division and in charge of Safety & Environment Control Department, the Company</p> <p>Director, General Manager of Corporate Planning Division, Corporate Unit, the Company</p> <p>Director, Managing Executive Officer; General Manager of Corporate Planning Division, Corporate Unit, the Company (current position)</p> <p>Mr. Yukihiro Tanaka has engaged in the paper business, the administration division, etc., and currently serves as Director, Managing Executive Officer and General Manager of Corporate Planning Division, Corporate Unit. The Company nominates him again as a candidate for Director, because it expects him to contribute to the sustainable growth of the Group, considering that he has a wealth of business experience and achievements in the Company and its Group companies.</p>	5,900 shares

Candidate No.	Name, Date of birth, etc.	Career summary, positions and responsibilities at the Company		Number of shares of the Company held
7	<p>Atsushi Ishida</p> <p>March 6, 1967 (Age 54)</p> <p>Attendance record at the Board of Directors meeting: —</p> <p>Period of service as Director: —</p> <p><New appointment></p>	<p>April 1991 July 2018</p> <p>June 2019</p> <p>April 2021</p> <p>[Significant concurrent positions]</p> <p>—</p> <p>[Reason for nomination as a candidate for Director]</p> <p>Mr. Atsushi Ishida has mainly engaged in the paper and paperboard business, and currently serves as Managing Executive Officer, General Manager of Industrial Paper and Containerboard Business Group, Paper & Paperboard Unit. The Company newly nominates him as a candidate for Director, because it expects him to contribute to the sustainable growth of the Group, considering that he has a wealth of business experience and achievements in the Company and its Group companies.</p>	<p>Joined the Company</p> <p>Executive Officer, General Manager of Containerboard and Corrugated Container Business Group, the Company</p> <p>Senior Executive Officer, General Manager of Industrial Paper and Containerboard Business Group, Paper & Paperboard Unit, the Company</p> <p>Managing Executive Officer, General Manager of Industrial Paper and Containerboard Business Group, Paper & Paperboard Unit, the Company (current position)</p>	2,500 shares
8	<p>Hiroyuki Shidara</p> <p>January 18, 1969 (Age 52)</p> <p>Attendance record at the Board of Directors meeting: —</p> <p>Period of service as Director: —</p> <p><New appointment></p>	<p>April 1992 June 2017</p> <p>April 2018</p> <p>July 2020</p> <p>April 2021</p> <p>[Significant concurrent positions]</p> <p>—</p> <p>[Reason for nomination as a candidate for Director]</p> <p>Mr. Hiroyuki Shidara has mainly engaged in the paper and paperboard business, household paper products business, etc., and currently serves as Managing Executive Officer, General Manager of Domestic Business Group, Home & Personal Care Unit. The Company newly nominates him as a candidate for Director, because it expects him to contribute to the sustainable growth of the Group, considering that he has a wealth of business experience and achievements in the Company and its Group companies.</p>	<p>Joined the Company</p> <p>Executive Officer, General Manager of Baby & Feminine Care Products Sales Division, Home & Personal Care Domestic Business Group, the Company</p> <p>President and Representative Director, Elleair International (Thailand) Co., Ltd.</p> <p>Executive Officer, General Manager of Human & Family Care Sales Division, Domestic Business Group, Home & Personal Care Unit, the Company</p> <p>Managing Executive Officer, General Manager of Domestic Business Group, Home & Personal Care Unit, the Company (current position)</p>	2,200 shares

Candidate No.	Name, Date of birth, etc.	Career summary, positions and responsibilities at the Company		Number of shares of the Company held
9	<p>Nobuhiko Yoshida</p> <p>February 8, 1946 (Age 75)</p> <p>Period of service as Director: 9 years</p> <p>Attendance record at the Board of Directors meeting: 100% (15/15)</p> <p><Re-appointment> <Outside> <Independent></p>	<p>July 1969</p> <p>July 1993</p> <p>July 1995</p> <p>June 1999</p> <p>April 2001</p> <p>June 2003</p> <p>May 2007</p> <p>June 2011</p> <p>June 2012</p> <p>May 2014</p>	<p>Joined Yawata Iron & Steel Co., Ltd. (current NIPPON STEEL CORPORATION)</p> <p>General Manager of Logistics Planning Division, Nippon Steel Corporation (current NIPPON STEEL CORPORATION)</p> <p>General Manager of Automotive Steel Sheet Sales Division, Nippon Steel Corporation (current NIPPON STEEL CORPORATION)</p> <p>Director, General Manager of Sales Management Division, Nippon Steel Corporation (current NIPPON STEEL CORPORATION)</p> <p>Director, General Manager of Management Planning Division, Nippon Steel Corporation</p> <p>Representative Director and President of Sanko Metal Industrial Co., Ltd.</p> <p>Chairperson of Incorporated Association of Japan Metal Roofing Association (current General Incorporated Association of Japan Metal Roofing Association)</p> <p>Director and Advisor of Sanko Metal Industrial Co., Ltd.</p> <p>Outside Director of the Company (current position)</p> <p>Director and Advisor of General Incorporated Association of Japan Metal Roofing Association (current position)</p> <p>[Significant concurrent positions] Director and Advisor of General Incorporated Association of Japan Metal Roofing Association</p> <p>[Reason for nomination as a candidate for Outside Director and expected role] The Company nominates Mr. Nobuhiko Yoshida again as a candidate for Outside Director because it has judged that he will execute his duties appropriately as Outside Director from an independent standpoint by leveraging his wealth of experience and extensive insight gained through his career as Representative Director and President and in other executive positions of other companies. The Company expects him to supervise management from an independent standpoint based on his wealth of experience and knowledge of management.</p>	0 shares
10	<p>Yoichi Takei</p> <p>June 10, 1961 (Age 60)</p> <p>Period of service as Director: 1 year</p> <p>Attendance record at the Board of Directors meeting: 92% (11/12)</p> <p><Re-appointment> <Outside> <Independent></p>	<p>April 1993</p> <p>April 2000</p> <p>June 2003</p> <p>June 2006</p> <p>June 2013</p> <p>June 2020</p>	<p>Registered as an attorney at law (Dai-Ichi Tokyo Bar Association) Joined Iwata Godo</p> <p>Partner of Meitetsu Law Offices (current position)</p> <p>Outside Audit & Supervisory Board Member of NIPPON THOMPSON CO., LTD.</p> <p>Outside Audit & Supervisory Board Member of YAMAKIN (JAPAN) CO., LTD. (current position)</p> <p>Outside Director of NIPPON THOMPSON CO., LTD. (current position)</p> <p>Outside Director of the Company (current position)</p> <p>[Significant concurrent positions] Partner of Meitetsu Law Offices Outside Audit & Supervisory Board Member of YAMAKIN (JAPAN) CO., LTD. Outside Director of NIPPON THOMPSON CO., LTD.</p> <p>[Reason for nomination as a candidate for Outside Director and expected role] The Company nominates Mr. Yoichi Takei again as a candidate for Outside Director because it has judged that he will execute his duties appropriately as Outside Director from an independent standpoint by leveraging his expertise as an attorney at law, and high perspective and extensive experience gained through his career as an officer of other companies. The Company expects him to provide advice to management and appropriately supervise execution of operations based on his expertise. Although he has not been involved in the management of a company other than as an outside officer, for the reasons stated above, the Company has judged that he will execute his duties appropriately as Outside Director.</p>	0 shares

Candidate No.	Name, Date of birth, etc.	Career summary, positions and responsibilities at the Company	Number of shares of the Company held
11	<p>Yoshinobu Hiraishi</p> <p>July 5, 1956 (Age 64)</p> <p>Attendance record at the Board of Directors meeting: —</p> <p>Period of service as Director: —</p> <p><New-appointment> <Outside> <Independent></p>	<p>April 1980 Joined the Ministry of Foreign Affairs</p> <p>August 2002 Minister, Embassy of Japan in Thailand</p> <p>July 2006 Minister, Delegation of Japan to the Conference on Disarmament</p> <p>August 2009 Counsellor, Deputy General Manager, International Division, House of Councillors, The National Diet of Japan</p> <p>April 2012 Standing Inspector of Federation of National Public Personnel Mutual Aid Associations</p> <p>May 2014 Ambassador Extraordinary and Plenipotentiary, Embassy of Japan in Zimbabwe</p> <p>April 2017 Ambassador Extraordinary and Plenipotentiary, Embassy of Japan in Chile</p> <p>October 2020 Retired from the Ministry of Foreign Affairs</p> <p>April 2021 Advisor, Asociacion Nippo Chilena (current position)</p> <p>[Significant concurrent positions] Advisor, Asociacion Nippo Chilena</p> <p>[Reason for nomination as a candidate for Outside Director and expected role] The Company newly nominates Mr. Yoshinobu Hiraishi as a candidate for Outside Director because it has judged that he will execute his duties appropriately as Outside Director from an independent standpoint by leveraging his wealth of experience, advanced expertise, and extensive insight gained through his career as a diplomat and an ambassador. The Company expects him to provide advice and suggestions on enhancement of corporate value and global development based on his wealth of overseas experience and knowledge. Although he has not been directly involved in the management of a company, for the reasons stated above, the Company has judged that he will execute his duties appropriately as Outside Director.</p>	0 shares
12	<p>Haruko Ozeki</p> <p>March 5, 1963 (Age 58)</p> <p>Attendance record at the Board of Directors meeting: —</p> <p>Period of service as Director: —</p> <p><New-appointment> <Outside> <Independent></p>	<p>April 1985 Joined Nippon Kogaku K.K. (current Nikon Corporation)</p> <p>August 1997 Legal Counsel, Coca-Cola (Japan) Co, Ltd</p> <p>August 2003 Legal Director, Amazon Japan K.K. (current Amazon Japan G.K.)</p> <p>January 2008 Executive Officer, Senior Legal Director at Bristol-Myers K.K. (current Bristol-Myers Squibb Company)</p> <p>December 2011 Executive Operation Officer, General Counsel, Siemens Japan K.K. (current Siemens K.K., Siemens Healthcare K.K.)</p> <p>September 2013 Senior Executive Officer, Chief Legal Officer, Coca-Cola East Japan Co., Ltd. (current Coca-Cola Bottlers Japan Inc.)</p> <p>March 2015 Director, Senior Executive Officer, Chief Legal Officer, Coca-Cola East Japan Co., Ltd. (current Coca-Cola Bottlers Japan Inc.)</p> <p>April 2017 Senior Executive Officer, Chief Legal Officer, Coca-Cola East Japan Co., Ltd. (current Coca-Cola Bottlers Japan Inc.); Executive Officer, Head of Legal, Coca-Cola Bottlers Japan Inc. (current Coca-Cola Bottlers Japan Holdings Inc.)</p> <p>February 2019 Executive Officer, Chief Legal Officer, Coca-Cola East Japan Co., Ltd. (current Coca-Cola Bottlers Japan Inc.)</p> <p>April 2020 Retired from Coca-Cola East Japan Co., Ltd. (current Coca-Cola Bottlers Japan Inc.)</p> <p>[Significant concurrent positions] —</p> <p>[Reason for nomination as a candidate for Outside Director and expected role] The Company newly nominates Ms. Haruko Ozeki as a candidate for Outside Director because it has judged that she will execute her duties appropriately as Outside Director from an independent standpoint by leveraging her wealth of experience, advanced expertise, and extensive insight gained through her career as the head of a legal division and as an officer at other companies. The Company expects her to provide advice and suggestions on strengthening of corporate governance and enhancement of corporate value based on her wealth of expertise at global companies.</p>	0 shares

(Notes)

1. There are no conflicts of interests between each candidate and the Company.
2. Messrs. Nobuhiko Yoshida, Yoichi Takei, and Yoshinobu Hiraishi and Ms. Haruko Ozeki are candidates for Outside Director.
3. Article 26, Paragraph 2 of the Articles of Incorporation of the Company prescribes that the Company may enter into a liability limitation agreement with each Outside Director that limits their liability for damages to the Company within a certain extent, pursuant to Article 427, Paragraph 1 of the Companies Act.
The limit of liability for damages set out under such agreement is ¥10 million or the minimum liability amount of liability for damages set out under Article 425, Paragraph 1 of the Companies Act, whichever is higher.
The Company has entered into a liability limitation agreement with each of Messrs. Nobuhiko Yoshida and Yoichi Takei.
Such agreement with each of Messrs. Nobuhiko Yoshida and Yoichi Takei shall be renewed once their appointments are approved at this year's Annual General Meeting of Shareholders.
The Company will enter into the same liability limitation agreement with each of Mr. Yoshinobu Hiraishi and Ms. Haruko Ozeki once their appointments are approved.
4. The Company has entered into a directors and officers liability insurance contract, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with an insurance company.
The overview of the said insurance contract is as described on page 47 of the Business Report (available only in Japanese).
The Company intends to renew the said contract in August 2021. Each of the candidates will become the insured under the said insurance contract, once they are reappointed or appointed.
5. The Company has registered Messrs. Nobuhiko Yoshida and Yoichi Takei as independent directors with the Tokyo Stock Exchange pursuant to the rules of the Exchange. The Company shall keep them registered as independent directors upon the approval of their appointments at this year's Annual General Meeting of Shareholders.
Mr. Yoshinobu Hiraishi and Ms. Haruko Ozeki satisfy the requirements for independent directors pursuant to the rules of the Tokyo Stock Exchange. The Company will register them as independent directors with the Exchange upon the approval of their appointments.

<Reference>

Based on Directors' specialized knowledge and experience, areas regarding which the Company has particularly high expectations of its Directors are indicated below.

	Name	Position	Independence	Areas regarding which the Company has particularly high expectations (two to three areas for each)							
				1) Corporate management	2) Corporate planning / M&A	3) Sales & marketing	4) Manufacturing / R&D	5) Finance / accounting	6) Human resources / HR development	7) Legal affairs / risk management	8) Overseas business / international experience
Directors	Masayoshi Sako	Chairperson and Representative Director		•	•						•
	Yorifusa Wakabayashi	President and Representative Director, Chief Executive Officer		•	•	•					
	Toshihiro Adachi	Executive Vice President and Representative Director, Executive Vice President		•				•		•	
	Kunihiro Okazaki	Executive Vice President and Representative Director, Executive Vice President		•		•			•		
	Hiroshi Yamasaki	Director and Managing Executive Officer					•			•	•
	Yukihiro Tanaka	Director and Managing Executive Officer			•				•	•	
	Atsushi Ishida	Managing Executive Officer		•	•	•					
	Hiroyuki Shidara	Managing Executive Officer		•		•					•
	Nobuhiko Yoshida	Outside Director	•	•	•				•		
	Yoichi Takei	Outside Director	•		•					•	
	Yoshinobu Hiraishi	Outside Director	•							•	•
	Haruko Ozeki	Outside Director	•	•						•	•

Proposal 4: Election of One (1) Audit & Supervisory Board Member

Mr. Masashi Yano will resign at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the election of one (1) Audit & Supervisory Board Member is proposed.

The Audit & Supervisory Board has provided its consent to this proposal.

The candidate for Audit & Supervisory Board Member is as follows:

Name, Date of birth, etc.	Career summary	Number of shares of the Company held
Hiromitsu Fujii October 5, 1950 (Age 60) <New appointment>	<p>April 1984 Joined the Company</p> <p>June 2015 Executive Officer, General Manager of Secretary Office, Tokyo Headquarters, the Company</p> <p>July 2016 Executive Officer, General Manager of Shikoku Branch Office, the Company</p> <p>June 2019 Director, General Manager of General Affairs and Personnel Division, Corporate Unit, the Company</p> <p>April 2021 Director, Managing Executive Officer; General Manager of General Affairs and Personnel Division, Corporate Unit, the Company (current position)</p> <p>[Significant concurrent positions]</p> <p>—</p> <p>[Reason for nomination as a candidate for Audit & Supervisory Board Member] Mr. Hiromitsu Fujii has engaged in the paper business and the administrative division, etc., and currently serves as Director, Managing Executive Officer; General Manager of General Affairs and Personnel Division, Corporate Unit. The Company newly nominates him as a candidate for Audit & Supervisory Board Member, because it has judged that he will execute his duties appropriately as Audit & Supervisory Board Member, considering that he has a wealth of experience and deep insight across administration divisions of the Company and its Group companies.</p>	7,800 shares

(Notes)

- There are no conflicts of interests between the candidate and the Company.
- Article 34, Paragraph 2 of the Articles of Incorporation of the Company prescribes that the Company may enter into a liability limitation agreement with each Audit & Supervisory Board Member to limit their liability for damages to the Company within a certain extent, pursuant to Article 427, Paragraph 1 of the Companies Act.
The limit of liability for damages set out under such agreement is ¥10 million or the minimum amount of liability for damages set out under Article 425, Paragraph 1 of the Companies Act, whichever is higher.
The Company will enter into a liability limitation agreement with Mr. Hiromitsu Fujii once his appointment is approved at this year's Annual General Meeting of Shareholder.
- The Company has entered into a directors and officers liability insurance contract, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with an insurance company.
The overview of the said insurance contract is as described on page 47 of the Business Report (available only in Japanese).
The Company intends to renew the said contract in August 2021. Mr. Hiromitsu Fujii will become the insured under the said insurance contract, once he is appointed.

<Reference>

Election Policy for Director of the Company

Candidates for Director of the Company shall be determined from among a wide diversity of human resources, in accordance with the following nomination policy, by a resolution of the Board of Directors. In determining the candidates for Director, the Board of Directors shall consult and receive a report of the Nomination Committee, which is chaired by an Independent Outside Director and of which Independent Outside Directors constitute a majority:

- i) Those who have a wealth of knowledge and experience concerning business management and business operations of the Daio Paper Group; and
- ii) Those who understand the social responsibility and the mission of operations and are capable of executing business management and business operations fairly and accurately based on high ethical standards.

Election Policy for Independent Outside Director of the Company

Candidates for Independent Outside Director shall be determined from among a wide diversity of human resources, in accordance with the following nomination policy, by a resolution of the Board of Directors:

- i) Those who meet the independence criteria* of the Company and are deemed to have no potential conflict of interest with general shareholders;
- ii) Those who understand the management philosophy of the Company and fully understand the social responsibilities and roles of the Daio Paper Group; and
- iii) Those who fully recognize the role of an Outside Director and are able to leverage their knowledge and activities in such fields as corporate management, economics, law, accounting, tax and audit to supervise execution of duties by Directors and management of the Company, and provide opinion and advice in an accurate and appropriate manner.

Election Policy for Audit & Supervisory Board Member of the Company

Candidates for Audit & Supervisory Board Member of the Company shall be determined from among a wide diversity of human resources, in accordance with the following nomination policy, with the consent of the Audit & Supervisory Board and by a resolution of the Board of Directors:

- i) Those who have a wealth of knowledge and experience concerning business management and business operations of the Daio Paper Group; and
- ii) Those who are able to audit the status of execution of duties by Directors from a fair and objective standpoint and contribute to the improvement of soundness and transparency of management.

*The independence criteria for Independent Outside Director specified by the Corporate Governance Guidelines of the Company are as follows.

In selecting candidates for Independent Outside Director, the Company assesses independence taking into consideration the following requirements.

1. There are no significant conflicts of interest with the Daio Paper Group, and substantial independence can be ensured. Specifically, the candidates shall not fall under any of the following items:
 - 1) A person whose principal business partner is the Company or a business executor of such person, or a person who is the Company's principal business partner or a business executor of such person;
 - 2) A consultant, accounting specialist or legal specialist who receives a large amount of cash and other financial assets other than directors' remuneration from the Company (in the event that the person who receives such financial assets is a corporation, association or some other organization, a person who belongs to such organization);
 - 3) A business executor of a major shareholder of the Company (including Director who is not a business executor);
 - 4) A person who recently fell under 1) to 3) above; or
 - 5) A close relative of the person mentioned in a. to c. below (excluding those who are not important):
 - a. Person mentioned in 1) to 4) above;
 - b. A business executor of a subsidiary of the Company; or
 - c. A person who recently fell under b. above or a business executor of the Company.

Proposal 5: Revision to the Amount of Remuneration for Directors

The maximum amount of remuneration for Directors of the Company was approved at the 100th Annual General Meeting of Shareholders held on June 29, 2011 to be 340 million yen per year and has been unchanged to date.

Meanwhile, the responsibilities of Directors have increased in line with the expansion of the Company's scale of business and change in the business environment. In addition, the portion of employee salaries for Directors who are also employees, which was not included in the remuneration for Directors, has been abolished. Taking these circumstances into consideration, it is proposed to revise the maximum amount of remuneration for Directors to 500 million yen per year (including remuneration for Outside Directors up to 72 million yen).

This proposal was determined by the Board of Directors following deliberation by the Remuneration Committee of which Independent Outside Directors constitute the majority, while taking into consideration the Company's scale of business, the senior management remuneration system and its payment criteria, the current number of senior management, future trends, and other factors in a comprehensive manner, and the Company deems this proposal to be appropriate.

The Company's policy on determination of remuneration for individual Directors is as described on pages 47-51 of the Business Report (available only in Japanese).

The current number of Directors is sixteen (16), including three (3) Outside Directors. If Proposal 3 is approved and resolved as originally proposed, the number of Directors will be twelve (12), including four (4) Outside Directors.