

ENGLISH TRANSLATION FOR REFERENCE PURPOSE ONLY

This notice is an English translation of the original Japanese text of the timely disclosure statement dated September 22, 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.

September 22, 2021

To Whom It May Concern:

Name of Company: Daio Paper Corporation
Name of Representative: Yorifusa Wakabayashi
President and Representative Director
Chief Executive Officer
Securities Code: 3880
(First Section, Tokyo Stock Exchange)
Contact Person: Yasumitsu Matsubara
General Manager, Sales Promotion Department,
Newsprint and Paper Business Group
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Notice on Merger of Consolidated Subsidiaries

It was resolved at the Board of Directors meeting held on September 22, 2021 that the Company will have the following consolidated subsidiaries merged together effective April 1, 2022.

1. Purpose of Merger

Based on the Fourth Medium-term Business Plan published on May 27, 2021, the Group has been promoting structural reforms and reinforcing the management base. In this context, by merging the following printing-related subsidiaries: Daio Printing Corporation; Miura Printing Corporation; Daio Postal Chemical Corporation; Daiwa Shiko Co., Ltd.; and Senmeisha Corporation; we plan to strengthen the sales structure for increased sales and profit, reform the organizational structure, and curtail fixed expenses.

2. Overview of Merger

1) Timetable

Resolution of Board of Directors of the Company Concerning Merger of Subsidiaries (the Company)	September 22, 2021
Resolution of Board of Directors of Subsidiaries (Conclusion of Merger Agreement)	January 31, 2022 (planned)
Resolution of Stockholders' General Meeting of Subsidiaries	March 3, 2022 (planned)
Effective Date of Merger	April 1, 2022 (planned)

2) Type of Merger

An absorption-type merger with Daio Printing Corporation as surviving company. The other four subsidiaries will be absorbed and dissolved.

<Surviving Company>	Daio Printing Corporation	(Consolidated Subsidiary)
<Dissolving Company>	Miura Printing Corporation	(Consolidated Subsidiary)
<Dissolving Company>	Daio Postal Chemical Corporation	(Consolidated Subsidiary)
<Dissolving Company>	Daiwa Shiko Co., Ltd.	(Consolidated Subsidiary)
<Dissolving Company>	Senmeisha Corporation	(Consolidated Subsidiary)

Daio Printing Corporation, which will be the surviving company, will be renamed as Daio Miura Corporation (tentative) after the merger (consolidated subsidiary).

3) Allocation in Relation to Merger

No new shares will be issued and no money, etc., will be distributed in relation to the merger.

4) Handling of Share Acquisition Rights and Bonds with Share Acquisition Rights of Companies to be Absorbed
Not applicable.

3. Overview of Companies to be Merged (as of March 31, 2021)

	Company to Survive Absorption-type Merger	Company to be Absorbed in Absorption-type Merger
1) Name of Company	Daio Printing Corporation	Miura Printing Corporation
2) Address	13-4, Kita-Otsuka 1 chome, Toshima-ku, Tokyo	3-9, Chitose 2 chome, Sumida-ku, Tokyo
3) Name and Title of Representative	Masaki Matsuoka, President and Representative Director	Mitsuru Ogawa, President and Representative Director
4) Description of Business	Printing	Printing, real estate leasing
5) Capital Stock	100 mil. yen	310 mil. yen
6) Date of Foundation	April 1, 1952	November 29, 1950
7) No. of Outstanding Shares	200,000	31,990,585
8) Fiscal Year End	March 31	March 31
9) Major Shareholders and Shareholding Ratio	Daio Paper Corporation, 100%	Daio Paper Corporation, 100%
10) No. of Employees	889	45
11) Sales in Immediately Preceding Fiscal Year	24,075 mil. yen	9,355 mil. yen

	Company to be Absorbed in Absorption-type Merger	Company to be Absorbed in Absorption-type Merger
1) Name of Company	Daio Postal Chemical Corporation	Daiwa Shiko Co., Ltd.
2) Address	13-4, Kita-Otsuka 1 chome, Toshima-ku, Tokyo	13-10, Kyobashi 3 chome, Chuo-ku, Tokyo
3) Name and Title of Representative	Koichiro Onishi, President and Representative Director	Makoto Kyuwa, President and Representative Director
4) Description of Business	Printing, sale of industrial equipment	Manufacturing and sale of paper articles, logistics
5) Capital Stock	310 mil. yen	100 mil. yen
6) Date of Foundation	February 8, 1949	September 23, 1959
7) No. of Outstanding Shares	3,100,000	110,000
8) Fiscal Year End	March 31	March 31
9) Major Shareholders and Shareholding Ratio	Daio Printing Corporation, 100%	Daio Printing Corporation, 100%
10) No. of Employees	95	184
11) Sales in Immediately Preceding Fiscal Year	3,704 mil. yen	2,521 mil. yen

	Company to be Absorbed in Absorption-type Merger
1) Name of Company	Senmeisha Corporation
2) Address	3-9, Chitose 2 chome, Sumida-ku, Tokyo
3) Name and Title of Representative	Taku Kimoto, President and Representative Director
4) Description of Business	Printing

5) Capital Stock	30 mil. yen
6) Date of Foundation	December 5, 2019
7) No. of Outstanding Shares	60,000
8) Fiscal Year End	March 31
9) Major Shareholders and Shareholding Ratio	Daio Printing Corporation, 100%
10) No. of Employees	18
11) Sales in Immediately Preceding Fiscal Year	3,030 mil. yen

(Overview of New Company after Merger)

	Company Surviving Absorption-type Merger
1) Name of Company	Daio Miura Corporation (tentative)
2) Address	3-9, Chitose 2-chome, Sumida-ku, Tokyo
3) Name and Title of Representative	Mitsuru Ogawa, President and Representative Director
4) Description of Business	Printing, manufacturing and sale of paper articles, sale of industrial equipment, logistics, real estate leasing
5) Capital Stock	310 mil. yen
6) Date of Merger	April 1, 2022 (planned)

4. Expected Impact of Merger on Consolidate Business Performance

The impact of the merger on the consolidated business performance of the Company is expected to be minor as this is a merger of consolidated subsidiaries.