

This notice is an English translation of the original Japanese text of the timely disclosure statement dated November 12, 2021 issued by Daio Paper Corporation, and is for reference purpose only. In the event of any discrepancy between the original Japanese text and this English translation, the Japanese text shall prevail.

November 12, 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)  
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## Regarding the Differences between the Consolidated Financial Results Forecast and the Actual Results for the First Half of the Fiscal Year Ending March 31, 2022

Daio Paper Corporation (hereinafter, the “Company”) hereby announces that the actual financial results for the first half of the fiscal year ending March 31, 2022 (hereinafter “FY2022/3 H1”) released today differed from the forecast that was released on May 14, 2021.

### 1. Differences between the Consolidated Financial Results Forecast and the Actual Results for FY2022/3 H1 (April 1, 2021–September 30, 2021)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecast (A)	290,000	15,000	13,000	8,000	48.17
Actual results (B)	296,873	19,235	17,688	11,456	69.02
Change (B – A)	6,873	4,235	4,688	3,456	
Change (%)	2.4%	28.2%	36.1%	43.2%	
(Reference) Consolidated results for the first half of the fiscal year ended March 31, 2021	261,585	14,130	12,250	9,361	61.14

### 2. Reasons for the Differences

Net sales for FY2022/3 H1 were in line with the initial financial results forecast. Meanwhile, profits for FY2022/3 H1 exceeded the initial forecast, especially in the Paper and Paperboard Business (hereinafter the “P&P Business”) as a result of a production shift to higher value-added products using pulps produced at Mishima Mill and steady progress in cross-divisional structural reforms, despite being affected by rises in raw material and fuel prices. Profits in the Home and Personal Care Business (hereinafter, the “H&PC Business”) fell substantially below the initial forecast mainly due to movement restrictions affecting overseas subsidiaries in Southeast Asia and Brazil amid the COVID-19 pandemic

and a hike in shipping material prices. However, the profit decline in overseas business was partially offset by strong sales of COVID-19-related products and updated products in domestic business.

The Company has decided to leave the full-year financial results forecast for FY2022/3 unchanged as announced in May 14, 2021 because an additional impact of rising resource prices is expected in the second half of FY2022/3 and uncertainty still remains around the rebound of COVID-19 cases. If it is deemed necessary to revise the forecast in light of business performance trends or any other factor in the future, we will make an announcement immediately.

In addition, in order to reflect the progress in the actual results of the P&P Business for FY2022/3 H1 and the recent profit decline in the H&PC overseas business amid the COVID-19 pandemic, we have revised segment operating profit as follows:

**<Reference: Segment Sales and Profit for FY2022/3>**

	Paper and Paperboard		Home and Personal Care		Other*		Total	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Previous forecast (A)	305,000	20,000	265,000	15,000	30,000	3,000	600,000	38,000
Revised forecast (B)	305,000	21,000	265,000	13,500	30,000	3,500	600,000	38,000
Change (B – A)	—	1,000	—	-1,500	—	500	—	—

\* The “Other” category includes adjustments.

Please note that the above forecasts have been prepared based on the information available as of the date of this release. As such, actual results may differ from the forecast figures depending on various factors.

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