

*This notice is an English translation of the Japanese original dated April 21, 2022 issued by Daio Paper Corporation, and is for reference purpose only. In the event of any discrepancy between this translated document and the Japanese original, the Japanese original shall prevail.*

April 21, 2022

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  
Prime Market of the Tokyo Stock Exchange  
Contact Person: Shuhei Shinagawa  
Senior Executive Officer,  
General Manager of Corporate Planning Division, Corporate Unit  
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## **Announcement of Acquisition of Shares of Yoshizawa Industry Co., Ltd. by Our Subsidiary**

Daio Paper Corporation (hereinafter “Daio Paper,” “we” or “our”) hereby announces that at the Board of Directors meeting held today (April 21, 2022), it was resolved that our subsidiary Daio Package Corporation (hereinafter “Daio Package”) would acquire all shares (hereinafter the “Share Acquisition”) of Yoshizawa Industry Co., Ltd. (hereinafter “Yoshizawa Industry”), a manufacturer of corrugated cardboard sheets and container boxes in Niigata Prefecture and that Yoshizawa Industry would become a subsidiary of Daio Package. The details are as follows.

### 1. Reason for the Share Acquisition

In the paper and paperboard (P&P) business, we have been reinforcing our system of stable supply of base paper in Japan and strengthening the total earnings power across the entire business through the cooperation of the upstream industrial paper business and the downstream corrugated container business. In the corrugated container business, Daio Package, with its 13 domestic plants, provides high-quality and high value-added corrugated container products in line with the needs of the customer nationwide, the end-users. In addition, by securing new production bases through the utilization of M&As, Daio Package has been enhancing the convenience of users over a wide area while strengthening and expanding its production and distribution systems and fine-tuning its responses to local customers, thereby further expanding its business and reinforcing its earnings power.

Yoshizawa Industry, established in 1950, is engaged in the manufacture and sales of corrugated cardboard sheets and container boxes and possesses the know-how to quickly deliver corrugated cardboard products to prime customers in the Hokuriku region, including rice cracker and food manufacturers. Daio Package has no

existing production base in the Hokuriku region, which remains an area with no representation by the Group. Therefore, expectations are high for Yoshizawa Industry, as a corrugated cardboard sheet production base and Daio Package's 14th domestic base, to engage in collaborations and the expansion of sales channels, as well as strengthen its earnings power, through the utilization of Daio Package's sales capabilities and production know-how, among others.

By welcoming Yoshizawa Industry to the Group, we intend to not only expand the sales channels of competitive container board and contribute to improved productivity but also further accelerate the growth of our corrugated container business by expanding the types of customers for corrugated container products and our product line-up, and enhance our corporate value, while aiming for further business expansion going forward.

## 2. Overview of our subsidiary to acquire the shares (As of March 31, 2022)

(1) Company name	Daio Package Corporation
(2) Head office	2-5-2 Kandasuda-cho, Chiyoda-ku, Tokyo
(3) Name and title of Representative	Akio Nagaoka President and Representative Director
(4) Business description	Manufacture and sales of corrugated containers and display stand products
(5) Capital	310 million yen
(6) Established	September 4, 1982
(7) Major shareholders and percentage of shares held	Daio Paper Corporation 100%
(8) Net sales	42,620 million yen (FYE 3/2021)

## 3. Overview of the transferring company (as of March 31, 2022)

(1) Company name	Yoshizawa Industry Co., Ltd.
(2) Head office	318-8 Ogi, Izumozaki-machi, Santo-gun, Niigata Prefecture
(3) Name and title of Representative	Hiroyuki Sato President and Representative Director
(4) Business description	Manufacture and sales of corrugated container products and wrapping materials
(5) Capital	60 million yen
(6) Established	December 1, 1950

(7) Major shareholders and percentage of shares held	Disclosure is omitted as the major shareholder is an individual.		
(8) Relationships between the listed company and the company concerned	Capital relationship	Not applicable.	
	Personnel relationship	Not applicable.	
	Business relationship	The company has business transactions with the listed company.	
(9) Operating results and financial position of the company concerned over the past three years			
Fiscal year-end	FYE 8/2019	FYE 8/2020	FYE 8/2021
Net assets	579 million yen	659 million yen	722 million yen
Total assets	1,837 million yen	1,768 million yen	1,689 million yen
Net sales	1,605 million yen	1,618 million yen	1,594 million yen

#### 4. Overview of the counterparty of the Share Acquisition

(1) Name and address	Disclosure is omitted as the counterparty of the Share Acquisition is an individual.	
(2) Relationships between the listed company and the individual concerned	Capital relationship	Not applicable.
	Personnel relationship	Not applicable.
	Business relationship	Not applicable.

#### 5. Number of shares to be acquired and the status of shares held before and after the acquisition

(1) Number of shares held before the change	0 shares (Number of voting rights: 0, Ratio of voting rights held: 0%)
(2) Number of shares acquired	15,000 shares (Number of voting rights: 15,000)
(3) Acquisition cost	Disclosure is omitted due to a confidentiality agreement among the parties concerned.
(4) Number of shares held after the change	15,000 shares (Number of voting rights: 15,000, Ratio of voting rights held: 100%)

#### 6. Schedule

(1) Date of resolution by the Board of Directors	April 21, 2022 (today)
(2) Execution date of the share transfer agreement	April 21, 2022 (today)

(3) Execution date of the share transfer	May 10, 2022 (scheduled)
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#### 7. Future outlook

Although Yoshizawa Industry is scheduled to become a subsidiary of Daio Package through the Share Acquisition, effective May 10, 2022, due to the changes to be made to the fiscal year-end of Yoshizawa Industry (from August 31 to March 31) and the development of the governance/accounting framework, the financial results of Yoshizawa Industry will only be included in our consolidated financial results, as a result of becoming a subsidiary, from the third quarter of the fiscal year ending March 31, 2023. Daio Paper intends to disclose the impact of the Share Acquisition in the Financial Results Forecast scheduled to be announced on May 13, 2022, but its impact is expected to be minimal.

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