

ENGLISH TRANSLATION FOR REFERENCE PURPOSE ONLY

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

July 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, Tokyo Stock Exchange)
Inquiries: Kimio Wakabayashi
General Manager of Retail Support Division
Domestic Business Group, Home & Personal Care Unit
TEL: +81 3 6856-7589

Notice of Establishment of a Subsidiary

Daio Paper Corporation (hereinafter the “Company”) hereby announces that at the Board of Directors meeting held on July 21, 2022, it has resolved to establish a new subsidiary.

1. Purpose of Establishing a Subsidiary

Based on the Fourth Medium-Term Business Plan published on May 27, 2021, the Daio Paper Group (hereinafter the “Group”) has been promoting structural reforms and reinforcing the management base. To strengthen the storefront presentations and field marketing activities conducted on retailers' sales floors, the Group has decided to establish a new company. These activities, which were assumed by the Retail Support Division, Domestic Business Group, Home & Personal Care Unit until now, will be evolved to be more agile and have strong negotiating power through the establishment of the new company. The Company will also make proposals tailored to the characteristics and needs of each store and collaborate with the stores to produce more attractive storefronts.

2. Overview of the Subsidiary

(1) Name of Company	Elleair Field Partner Corporation
(2) Address	2-10-2 Fujimi, Chiyoda-ku, Tokyo
(3) Name and Title of Representative	Kimio Wakabayashi, President and Representative Director
(4) Description of Business*	Field marketing activities such as the revitalization of storefronts and sales support
(5) Capital Stock	10 million yen
(6) Date of Foundation	August 2022 (planned)
(7) Fiscal Year-end	March 31
(8) Major Shareholders and Shareholding Ratio	Daio Paper Corporation 100%
(9) No. of Employees	54

* In the future, the Company intends to receive business consignments from manufacturers outside of the Group.

3. Schedule

(1) Date of Resolution by the Board of Directors	July 21, 2022
(2) Date of Foundation	August 2022 (planned)
(3) Business Commencement Date	October 1, 2022 (planned)

4. Future Outlook

The impact of the establishment of this subsidiary on the consolidated business performance of the Group for the fiscal year ending on March 31, 2023 is expected to be minor. A prompt announcement will be made if it becomes clear that there will be a significant impact on the Company's business results in the future.

End