

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, 2022 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, 2022

To whom it may concern

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We would like to provide an update on the boiler explosion accident at our consolidated subsidiary, Iwaki Daio Paper Corporation (hereinafter “Iwaki Daio”) based in the Minamidai district of Iwaki City, Fukushima Prefecture, which was reported on our website on September 6, 2022. We sincerely apologize to residents near the relevant factory and many other parties concerned for any inconvenience and anxiety caused.

Notice of Boiler Explosion Accident.

1. Overview of explosion accident

(1) Developments

Explosion occurred at 6:49 a.m. on Tuesday, September 6, 2022.

Accident came to end at 7:17 a.m. on Tuesday, September 6, 2022.

(2) Place of accident

No. 4 boiler, inside Iwaki Daio’s factory

(3) Status of damage

1) Victim

One Iwaki Daio employee who was engaged in cleaning near the relevant equipment suffered a minor burn.

2) Environmental impact

The accident had zero effect on the environment outside the factory.

3) Property damage

The No. 4 boiler was completely destroyed.

2. Effect on production

The three paper machines (one for newsprint and two for paperboard production) installed at Iwaki Daio began to resume operations in sequence from September 7 (all three in operation by September 10), causing no impact on product supply to customers.

3. Prospect of equipment being restored

At present, we have no prospect of the equipment affected being restored soon.

4. Cause of accident

On-site police investigations are still under way, but we have not yet discovered any operational error. As no cause of the explosion is made known yet, we are currently discussing with our equipment manufacturer and other parties concerned how to proceed with investigations into any cause.

5. Impact on earnings performance

We anticipate losses from the totally destroyed No. 4 boiler and removal of the relevant equipment, the receipt of machinery insurance money and the like, and higher energy costs, among other factors, but none of them is clear at present. We will let you know of any possible effects on our earnings performance as soon as they become clear after our continued close examination.

END