

This notice is an English translation of the original Japanese text of the timely disclosure statement dated February 10, 2023 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.

February 10, 2023

To whom it may concern:

Name of Company: Daio Paper Corporation
 Name of Representative: Yorifusa Wakabayashi
 President and Representative Director
 Chief Executive Officer
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 (Prime Market, Tokyo Stock Exchange)
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Revisions to the Full-Year Financial Results Forecast for the Fiscal Year Ending March 31, 2023

Daio Paper Corporation (hereinafter, the “Company”) hereby announces the revisions to the consolidated financial results forecast for the full year of the fiscal year ending March 31, 2023 (hereinafter, “FY2023/3”) released on November 11, 2022. The details are as follows.

I. Revisions to the Consolidated Financial Results Forecast for FY2023/3 (April 1, 2022–March 31, 2023)

	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)	660,000	(14,000)	(18,000)	(30,000)	(180.71)
Revised forecast (B)	660,000	(20,000)	(25,000)	(40,000)	(240.91)
Change (B – A)	0	(6,000)	(7,000)	(10,000)	
Change (%)	0	–	–	–	
(Reference) Consolidated financial results for the fiscal year ended March 31, 2022	612,314	37,569	37,696	23,721	142.91

II. Reasons for the Differences and the Revisions

As for the full-year consolidated financial results forecast for FY2023/3, net sales are generally expected to grow as planned reflecting, among other factors, the gradual penetration of our recent price revisions for mainstay products in the Paper and Paperboard Business (hereinafter, the “P&P Business”).

Conversely, however, with regard to operating profit and ordinary profit, we have factored in deterioration in profits in the full-year consolidated financial results forecast. The deterioration is mainly attributable to a delay in the penetration of our recent price revisions for household paper and other mainstay products in the Home and Personal Care (hereinafter, “H&PC”) Domestic Business and a decline in sales in the H&PC Overseas Business driven by a rapid spread of COVID-19 cases in China following the relaxing of the government’s zero-COVID policy, as well as a higher-than-expected increase in energy costs in the P&P Business resulting from a boiler explosion accident occurred at a consolidated subsidiary in September 2022.

Furthermore, as for profit attributable to owners of parent, we have incorporated additional costs required for structural reforms, including the restructuring of production system, into the forecast as extraordinary losses, in addition to the aforementioned deterioration in profits.

Meanwhile, we are not planning to revise the latest fiscal year-end dividend forecast of 9.00 yen per share.

<Reference: Segment Sales and Operating Profit for FY2023/3>

	P&P Business		H&PC Business		Other		Total	
	Millions of yen		Millions of yen		Millions of yen		Millions of yen	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Previous forecast (A)	340,000	(11,000)	290,000	(5,500)	30,000	2,500	660,000	(14,000)
Revised forecast (B)	350,000	(12,000)	280,000	(11,500)	30,000	3,500	660,000	(20,000)
Change (B – A)	10,000	(1,000)	(10,000)	(6,000)	0	1,000	0	(6,000)

Please note that the above financial results and dividend 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 going forward.

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