

ENGLISH TRANSLATION FOR REFERENCE PURPOSE ONLY

This notice is an English translation of the original Japanese text of the timely disclosure statement dated May 25, 2023, 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.

May 25, 2023

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)
Contact Person: Makoto Saito
Senior Executive Officer
General Manager of Overseas Business Group
+81 3 6856 7592

Regarding the Establishment of an Overseas Subsidiary

Daio Paper Corporation hereby announces that we have resolved at the Board of Directors meeting held on May 25, 2023, to establish an overseas subsidiary, details of which are stated below.

1. Purpose of establishment of the subsidiary

As part of efforts to expand our Home & Personal Care Business overseas, we have decided to establish a new company in the Socialist Republic of Vietnam (hereinafter, Vietnam) to increase sales in the ASEAN region. By establishing the company, we will reinforce our marketing activities that respond to the needs of local consumers, and accelerate the development of our distribution channels.

2. Overview of the subsidiary

(1) Name	ELLEAIR INTERNATIONAL VIETNAM CO., LTD.
(2) Location	Ho Chi Minh City, Vietnam
(3) Representative	Takayuki Michino
(4) Business	Import and sales of home & personal care products such as disposable diapers and sanitary papers
(5) Capital	3.5 million USD
(6) Establishment	August 2023 (scheduled)
(7) End of fiscal year	December
(8) Major shareholder and shareholding ratio	Daio Paper Corporation: 100%
(9) Number of employees	Approx. 40

3. Schedule of establishment of the subsidiary

(1) Resolution by the Board of Directors	May 25, 2023
(2) Establishment	August 2023 (scheduled)
(3) Start of business	October 2023 (scheduled)

4. Future outlook

The impact of establishment of the subsidiary on the consolidated financial results for the fiscal year ending March 2024 is expected to be minimal. If it is found to have a significant impact on the Company's consolidated financial results in the future, we will announce it promptly.

End