

ENGLISH TRANSLATION FOR REFERENCE PURPOSE ONLY

This notice is an English translation of the original Japanese text of the timely disclosure statement dated October 19, 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.

October 19, 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 of Tokyo Stock Exchange)

Contact Person: Hiroyuki Kawano, General Manager Sales Promotion Unit Paper & Paperboard Business Group

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Notice of Merger between Consolidated Subsidiaries & Transfer of Specific Subsidiary

We herein announce that our Board of Directors, at its meeting on October 19, 2023, passed a resolution calling for a merger between the consolidated subsidiaries below, effective April 1, 2024.

1. Objective of merger

Based on the Fourth Medium-Term Business Plan published on May 27, 2021, the Daio Paper Group has been promoting structural reform and enhancement of its management foundation. As part of such efforts, we will merge our consolidated distribution subsidiaries, EBS Co., Ltd. and Tokyo Pulp & Paper International Co., Ltd., effective April 1, 2024. Through the merger, we will revamp our organizational structure and further strengthen the Daio Paper Group's marketing and sales system. Both EBS Co., Ltd. and Tokyo Pulp & Paper International Co., Ltd. which are set to merge correspond to specified subsidiaries.

2. Gist of merger

(1) Merger schedule

Date of Board voting on the subsidiary merger (our company)	October 19, 2023
Date of subsidiary board meetings (signing of merger contract)	October 19, 2023
Date of approval by subsidiaries' general shareholder meetings	November 10, 2023 (scheduled)
Date of merger (effective date)	April 1, 2024 (scheduled)

(2) Method of merger

This is an absorption-type merger in which EBS Co., Ltd. will be a surviving company and Tokyo Pulp & Paper International Co., Ltd. a dissolving company.

<Surviving company>	EBS Co., Ltd.	(Consolidated subsidiary)
<Dissolving company>	Tokyo Pulp & Paper International Co., Ltd.	(Consolidated subsidiary)

The surviving company, EBS Co., Ltd., is not scheduled to change its trade name following the merger (remaining a consolidated subsidiary).

(3) Details of share allocation related to the merger

There will be no new shares issued, no payment of money, etc.

(4) Treatment of dissolving company's stock options, bonds with stock options

Not applicable.

3. Overview of companies involved in the merger (as of March 31, 2023)

	Company surviving absorption-type merger	Company dissolving in absorption-type merger
(1) Trade name	EBS Co., Ltd.	Tokyo Pulp & Paper International Co., Ltd.
(2) Location	8F, Tsukamoto Building, 1-6-5 Nihonbashi-honcho, Chuo-ku, Tokyo	8F, Tsukamoto Building, 1-6-5 Nihonbashi-honcho, Chuo-ku, Tokyo
(3) Representative's name/post	Tetsuya Kawabata, President	Jun Sato, President
(4) Business details	Purchases & sales of paper/paperboard, pulp, and home paper for business use	Exports/imports & purchases/sales of paper/paperboard, pulp, papermaking materials, fuel coal, etc.
(5) Capital	98 million yen	30 million yen
(6) Established	May 18, 1954	August 21, 1972
(7) No. of shares issued	25,897 shares	60,000 shares
(8) Fiscal year-end	March 31	March 31
(9) Major shareholders & stake	Daio Paper 100%	Daio Paper 100%
(10) No. of employees	186 persons	22 persons
(11) Sales in latest business year (Year ended March 2023)	60,833 million yen	65,229 million yen

(Overview of post-merger company)

	Company surviving absorption-type merger
(1) Trade name	EBS Co., Ltd.
(2) Location	8F, Tsukamoto Building, 1-6-5 Nihonbashi-honcho, Chuo-ku, Tokyo
(3) Representative's name/post	Tetsuya Kawabata, President
(4) Business details	Purchases/sales & exports/imports of paper/paperboard, pulp, home paper for business use
(5) Capital	98 million yen
(6) Date of merger	April 1, 2024 (scheduled)

4. Impact of merger on consolidated performance

As the upcoming merger is amalgamation between consolidated subsidiaries, its impact on our consolidated earnings performance is minimal.

(END)