

This notice is an English translation of the original Japanese text of the timely disclosure statement dated August 9, 2019 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.

August 9, 2019

To whom it may concern:

Name of Company: Daio Paper Corporation
 Name of Representative: Masayoshi Sako,
 President, CEO and Representative Director
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Regarding Revisions to Financial Results Forecast

Daio Paper Corporation (hereinafter, the “Company”) hereby announces that it has revised the financial results forecast for the first half of the fiscal year ending March 31, 2020 (released on May 17, 2019) based on recent business performance trends. The details are as follows.

1. Consolidated Financial Results Forecast for the First Half of the Fiscal Year Ending March 31, 2020 (April 1, 2019–September 30, 2019)

	Net sales	Operating income	Ordinary income	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)	270,000	7,000	5,500	2,500	16.66
Revised forecast (B)	270,000	10,000	8,500	4,000	26.65
Change (B - A)	—	3,000	3,000	1,500	
Change (%)	—	42.9	54.5	60.0	
(Reference) Consolidated results for first half of the fiscal year ended March 31, 2019	257,684	7,881	6,708	4,471	30.57

2. Reasons for the Revision

While the projection for net sales is in line with the previous forecast, operating income is projected to exceed the previous forecast due to the following factors: sales-wise, the structural reform of the Paper and Paperboard business, such as the shift towards sales of high value-added products, is progressing smoothly and price revisions are being carried out as planned; cost-wise, among other factors, the Company is making progress in cost reduction, through the increase in the collection and use of hard-to-recycle recovered paper, which is difficult for conventional recovered paper processing facilities to turn into pulp.

Accordingly, ordinary income and profit attributable to owners of parent are projected to exceed previous forecasts due to the increase in operating income.

As regards the financial results forecast for the full-year of the fiscal year ending March 31, 2020, considering that uncertainties remain in the outlook for factors such as the recovered paper market, which is affected by export trends to China, etc., and the domestic paper and paperboard supply and demand conditions, the Company decided to keep the full-year financial results forecast that was released on May 17, 2019 unchanged. However, depending on business performance trends, etc. going forward, if the need to revise the forecast arises, it will promptly disclose any changes.

Please note that the forecasts on financial results stated herein are derived by the Company based on information currently available to it at the time of the release. As such, actual results could differ materially from the forecasts as a result of various factors going forward.

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