

ENGLISH TRANSLATION FOR REFERENCE PURPOSE ONLY

This notice is an English translation of the original Japanese text of the release dated April 26, 2016 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.

April 26, 2016

To whom it may concern:

Name of Company: Daio Paper Corporation
Name of Representative: Masayoshi Sako,
President and Representative Director
Securities Code: 3880 (First Section, Tokyo Stock Exchange)
Contact Person: Masashi Yano,
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**Regarding Revisions to Consolidated Financial Results Forecast and
Year-End Dividend Forecast**

We hereby announce that the forecast of consolidated financial results for the year ended March 31, 2016 (from April 1, 2015 to March 31, 2016), as well as year-end dividend forecast for the year ended March 31, 2016 (both released on May 12, 2015) have been revised as follows.

1. Revised Consolidated Financial Results Forecast for Fiscal Year from April 1, 2015 to March 31, 2016

1) Details of Revision

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Earnings per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	470,000	23,000	20,000	10,000	68.62
Revised forecast (B)	474,000	24,000	21,000	14,000	96.07
Change (B－A)	4,000	1,000	1,000	4,000	
Change (%)	0.9	4.3	5.0	40.0	
(Reference) Consolidated results for the fiscal year ended March 31, 2015	450,239	21,796	21,784	13,209	93.48

2) Reason for Revision

In light of strong sales in the containerboard and corrugated container business and the home and personal care business, as well as continued cost reduction efforts by the production division, it is expected that net sales, operating income, ordinary income would exceed our previous forecasts.

Furthermore, due to the increase in ordinary income and additional factors such as the sales of available-for-sale securities in January 2016, it is expected that profit attributable to owners of parent would exceed the previous forecast. Therefore, we have revised upward our forecast of consolidated financial results for the year ended March 31, 2016.

2. Revised Dividend Forecast

1) Details of Revision

	Annual dividends per share (yen)		
	Second quarter-end	Fiscal year-end	Total
Previous forecast (Announced May 12, 2015)	Yen	Yen 4.50	Yen 8.50
Revised forecast		6.50	10.50
Actual	4.00		
For the fiscal year ended March 31, 2015	4.00	4.50	8.50

2) Reason for Revision

We recognize that returning profits to shareholders is one of the most important management issues, and our basic policy regarding dividend is to continue to distribute stable dividends while taking into consideration factors such as the status of business and the sufficiency of retained earnings. However, following the 2008 financial crisis, we had revised downward annual dividends per share for the fiscal year ended March 31, 2009 from 10.50 yen to 8.50 yen, and thereafter, it has been left unchanged.

Taking into consideration that net sales, operating income, ordinary income and profit attributable to owners of parent are expected to exceed the previous forecasts, we have revised upward year-end dividends by 2.00 yen to 6.50 yen per share (10.50 yen in total).

We plan to submit the resolution regarding year-end dividends to the 105th General Meeting of Shareholders projected to be held on June 29, 2016.

END

Note: Forward-looking statements such as projections and forecasts on financial results included in this document are derived by Daio Paper Corporation based on information currently available to it at the time of the release of the original Japanese document (April 26, 2016). As such, actual results could differ materially from the statements included herein as a result of various factors.