

This notice is an English translation of the original Japanese text of the timely disclosure statement dated November 13, 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.

November 13, 2019

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)
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**Regarding the Differences between the Consolidated Financial Results Forecast
 and the Actual Results for the First Half of the Fiscal Year Ending March 31, 2020,
 and Revisions to the Full-Year Financial Results Forecast**

Daio Paper Corporation (hereinafter, the “Company”) hereby announces that the actual financial results for the first half of the fiscal year ending March 31, 2020 (hereinafter “FY2020/3 H1”) released today differed from the forecast that was released on September 10, 2019.

The Company also announces the revision of the financial results forecast for the full-year of the fiscal year ending March 31, 2020 (hereinafter, “FY2020/3”) in view of recent business performance trends. The details are as follows.

**1. Differences between the Consolidated Financial Results Forecast and the Actual Results for FY2020/3 H1
 (April 1, 2019–September 30, 2019)**

	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)	270,000	10,000	8,500	8,000	53.30
Actual results (B)	268,618	12,409	11,278	10,814	72.05
Change (B - A)	-1,382	2,409	2,778	2,814	
Change (%)	-0.5	24.1	32.7	35.2	
(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. Revisions to the Consolidated Financial Results Forecast for FY2020/3 (April 1, 2019–March 31, 2020)

	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)	560,000	20,000	17,000	13,000	86.61
Revised forecast (B)	560,000	30,000	27,000	19,000	126.59
Change (B - A)	—	10,000	10,000	6,000	
Change (%)	—	50.0	58.8	46.2	
(Reference) Consolidated results for the fiscal year ended March 31, 2019	533,890	12,122	9,842	4,697	31.70

3. Reasons for the Differences and the Revisions

While FY2020/3 H1 net sales was in line with the financial results forecast, operating profit exceeded the forecast due to the following reasons: the smooth progress in the price revision of paper and containerboard, and profitability improvement measures, such as the shift in product mix toward high value-added products and the increase in collection and usage of hard-to-recycle recovered paper, all of which yielded results that were in line with projections, in addition to progress in mill/factory cost reduction efforts, mainly energy-saving. FY2020/3 H1 ordinary profit and profit attributable to owners of parent also exceeded the forecast due to the increase in operating profit.

In view of its business performance in FY2020/3 H1, the Company made an upward revision of the financial results forecast for FY2020/3.

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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