

This notice is an English translation of the original Japanese text of the timely disclosure statement dated September 30, 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.

September 30, 2019

To Whom It May Concern:

Name of Company: Daio Paper Corporation
 Name of Representative: Masayoshi Sako
 President, CEO and Representative Director
 Securities Code: 3880
 (First Section, Tokyo Stock Exchange)
 Contact Person: Hiromitsu Fujii
 Director
 General Affairs and Personnel Division
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Notice Concerning the Resolution of Matters Related to the Acquisition of Shares Pertaining to the Stock-based Incentive System

The Board of Directors of Daio Paper Corp. (“the Company”) has resolved on May 27, 2019 that the Company will introduce a stock-based incentive system for the Company’s directors (excluding outside directors, the same applying hereinafter) (this system is hereinafter referred to as the “System for Directors”; the trust established for the introduction of the System for Directors will be referred to as the “Trust for Delivery of Shares to Directors”) and a stock-based incentive system for executive officers (hereinafter referred to as the “System for Executive Officers”; the trust established for the introduction of the System for Executive Officers will be referred to as the “Trust for Delivery of Shares to Executive Officers”). The adoption of the System for Directors was approved at the 108th Annual General Meeting of Shareholders held on June 27, 2019.

Today, the Board of Directors of the Company resolved the matters related to the acquisition of the Company’s shares by the trustees of the Trust for Delivery of Shares to Directors and the Trust for Delivery of Shares to Executive Officers (the “Trust for Delivery of Shares to Directors” and the “Trust for Delivery of Shares to Executive Officers” will be referred to collectively as the “Trust” hereinafter). The details are provided below.

1. Overview of the Trust

		System for Directors	System for Executive Officers
i.	Name	Trust for Delivery of Shares to Directors	Trust for Delivery of Shares to Executive Officers
ii.	Settlor	Daio Paper Corp.	
iii.	Trustee	Sumitomo Mitsui Trust Bank, Ltd. (Re-trustee: Japan Trustee Services Bank, Ltd.)	
iv.	Beneficiaries	Directors who satisfy beneficiary requirements	Executive officers who satisfy beneficiary requirements
v.	Trust administrator	Appointment of a third party independent of the Company and the Company’s directors is planned	
vi.	Exercise of voting rights	Voting rights of the Company’s shares in the trust will not be exercised	The trust administrator shall provide instructions on the exercise of voting rights of the Company’s shares in the trust

vii.	Type of trust	Trust of money other than money trust (third-party-benefit trust)
viii.	Date of trust agreement	October 16, 2019
ix.	Date entrusted	October 16, 2019
x.	Date of trust termination	Final business day of October 2024 (planned)

2. Acquisition of the Company's Shares by the Trust's Trustees

		Trust for Delivery of Shares to Directors	Trust for Delivery of Shares to Executive Officers
i.	Type of stock to be acquired	Common stock of the Company	
ii.	Amount entrusted by the Company for acquisition of shares	338,000,940 yen	80,251,055 yen
iii.	Total number of shares to be acquired	244,044 shares	57,943 shares
iv.	Acquisition method	Acquisition through disposal of treasury shares	
v.	Acquisition date	October 16, 2019	

End