

This notice is an English translation of the original Japanese text of the news release statement dated October 19, 2018 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, 2018
Daio Paper Corporation

Regarding the Terms and Conditions of the Issuance of Daio Paper Green Bonds (Unsecured Straight Bonds No. 21 and No. 22)

Daio Paper Corporation (Address: Chiyoda-ku, Tokyo) has set the terms and conditions of the issuance of its Unsecured Straight Bonds No. 21 and No. 22 (with inter-bond pari passu clause), and hereby notifies the outline thereof as below.

Daio Paper has obtained a second party opinion from the external review agency as regards the green bond^{*1} eligibility of the Unsecured Straight Bonds No. 21 and No. 22 to be issued.

1. Unsecured Straight Bond No. 21

1) Name of bond	Daio Paper Corporation Unsecured Straight Bond No. 21 (with inter-bond pari passu clause)
2) Amount of issuance	15 billion yen
3) Denomination of each bond	100 million yen
4) Term	7 years
5) Interest rate	0.605% per annum
6) Payment date	October 25, 2018
7) Rating	BBB+ (Rating and Investment Information, Inc.)
8) Use of proceeds	Facility for the effective use of hard-to-recycle recovered paper, and biomass power plant (boiler)
9) Lead managers	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., Daiwa Securities Co. Ltd.
10) Fiscal agent	The Norinchukin Bank

2. Unsecured Straight Bond No. 22

1) Name of bond	Daio Paper Corporation Unsecured Straight Bond No. 22 (with inter-bond pari passu clause)
2) Amount of issuance	5 billion yen
3) Denomination of each bond	100 million yen
4) Term	10 years
5) Interest rate	0.864% per annum
6) Payment date	October 25, 2018
7) Rating	BBB+ (Rating and Investment Information, Inc.)
8) Use of proceeds	Facility for the effective use of hard-to-recycle recovered paper, and biomass power plant (boiler)

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| 9) Lead managers | Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.,
Daiwa Securities Co. Ltd. |
| 10) Fiscal agent | The Norinchukin Bank |

3. Regarding the Daio Paper Green Bonds

1) Green bond structuring agent^{※2}:

Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.

2) Second party opinion:

As regards the green bond eligibility of the bonds, Daio Paper has obtained a second party opinion from the external review agency, DNV GL Business Assurance Japan K.K.

For more details regarding the Daio Paper Green Bonds, please see the documents available on the website as follows.

- Daio Paper's website: <http://www.daio-paper.co.jp/ir/stock/bond/index.html>

※1: Bonds that align with the Green Bond Principles set by the International Capital Market Association (ICMA), and that companies, municipalities and other organizations issue to procure funds exclusively for projects aimed at solving environmental problems.

※2: Those who provide support for the issuance of green bonds, such as providing advices for establishing green bond framework and the acquisition of second party opinion.

For inquiries regarding this news release, please contact:

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