

ENGLISH TRANSLATION FOR REFERENCE PURPOSES ONLY

This notice is an English translation of the original Japanese text of the release dated July 17, 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.

July 17, 2019
Daio Paper Corporation

Notice Regarding Appellate Court Judgment on Lawsuit
Against Our Directors

We announce that today the Tokyo High Court rendered a judgment in favor of our directors to dismiss the appeal on a lawsuit for damages filed by Hokuetsu Corporation (hereinafter referred to as the “Plaintiff”) against our 13 directors (at the time of lawsuit filing), with respect to the issuance of our euroyen zero coupon convertible bonds due 2020 (bonds with stock acquisition rights, *tenkanshasaigata shinkabu yoyakuken-tsuki shasai*).

Description

1. The court and date of the judgment

Tokyo High Court

July 17, 2019

2. Content of the judgment

The Plaintiff’s appeal was dismissed and the judgment in the first instance is maintained. Details of the judgment in the first instance are as stated in “Notice of Overall Victory on Lawsuit Against Our Directors” dated September 20, 2018.

3. Background of the lawsuit

On December 15, 2015, the Plaintiff filed a lawsuit against our 13 directors, and on September 20, 2018, the Tokyo District Court rendered a judgment to dismiss all of the Plaintiff’s claims. Subsequently, the Plaintiff appealed to the Tokyo High Court on October 4, 2018 against the

judgment in the first instance.

4. Future outlook

In the event that a final appeal is filed by the Plaintiff, we will continue to appropriately respond and request the dismissal of the final appeal.

End