

This notice is an English translation of the original Japanese text of the timely disclosure statement dated September 10, 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 10, 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)
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Regarding the Recording of Extraordinary Income (Gain on Sales of Investment Securities), and Revisions to Financial Results Forecasts

As announced in the notice “Regarding the Sale of Investment Securities” on August 28, 2019, Daio Paper Corporation (hereinafter, the “Company”) has resolved to sell the common shares that the Company owns in Recruit Holdings Co., Ltd. (stock code: 6098, Tokyo Stock Exchange First Section) by way of secondary offering of shares. The sale price of the shares was determined today, and the Company expects to record a gain on sales of investment securities as extraordinary income on its consolidated financial results as follows.

In view of the foregoing, the Company hereby announces that it has revised the financial results forecast for the first half of the fiscal year ending March 31, 2020, and that for the full-year of the fiscal year ending March 31, 2020. The details are as follows.

1. Recording of Extraordinary Income (Gain on Sales of Investment Securities)

- 1) Investment securities to be sold: Common shares of Recruit Holdings Co., Ltd.
- 2) Number of shares to be sold: 2,500,000 shares
- 3) Total sale price: 7.5 billion yen (2,985.33 yen per share)
- 4) Gain on sales of investment securities: 6.7 billion yen
- 5) Delivery date: September 18, 2019 (expected)

2. Revisions to Financial Results Forecast

1) Consolidated Financial Results Forecast for the First Half of the Fiscal Year Ending March 31, 2020 (April 1, 2019–September 30, 2019)

	Net sales	Operating income	Ordinary income	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	4,000	26.65
Revised forecast (B)	270,000	10,000	8,500	8,000	53.30

Change (B - A)	—	—	—	4,000	
Change (%)	—	—	—	100.0	
(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) Consolidated Financial Results Forecast for the Full-year of the Fiscal Year Ending March 31, 2020
(April 1, 2019–March 31, 2020)**

	Net sales	Operating income	Ordinary income	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	9,000	59.96
Revised forecast (B)	560,000	20,000	17,000	13,000	86.61
Change (B - A)	—	—	—	4,000	
Change (%)	—	—	—	44.4	
(Reference) Consolidated results for the full-year of the fiscal year ended March 31, 2019	533,890	12,122	9,842	4,697	31.70

3) Reason for the Revision

As detailed in “1. Recording of Extraordinary Income (Gain on Sales of Investment Securities)”, the Company expects to record 6.7 billion yen as extraordinary income in September 2019 as a result of the sale of common shares that it owns in Recruit Holdings Co., Ltd. Consequently, it is expected that the profit attributable to owners of parent for the first half of the fiscal year ending March 31, 2020, and that for the full-year of the fiscal year ending March 31, 2020 will exceed the previous forecast.

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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