

ENGLISH TRANSLATION FOR REFERENCE PURPOSE ONLY

This notice is an English translation of the original Japanese text of the timely disclosure statement dated November 14, 2025 issued by Daio Paper Corporation, and is for reference purpose only. In the event of any discrepancy between the original Japanese text and this English translation, the Japanese text shall prevail.

November 14, 2025

To whom it may concern:

Name of Company: Daio Paper Corporation

Name of Representative: Yorifusa Wakabayashi, Representative Director, President and Chief Executive Officer

Securities Code: 3880 (Prime Market, Tokyo Stock Exchange)

Inquiries: Taishi Chono, General Manager, Accounting Department, Business Administration Division

Telephone: +81-3-6856-7500

**Notice Regarding the Recording of Extraordinary Loss
(Loss on Tax Purpose Reduction Entry of Non-Current Assets) and
the Differences between the Financial Results Forecast and Results for the FY2026/3 H1**

Daio Paper Corporation (hereinafter, the “Company”) hereby announces that it has decided to record an extraordinary loss (loss on tax purpose reduction entry of non-current assets) for the second quarter of the fiscal year ending March 31, 2026. Additionally, the Company announces the differences between the consolidated financial results forecast for the first half of the fiscal year ending March 31, 2026 (hereinafter, “FY2026/3 H1”) released on May 15, 2025 and the actual results for that period released today. The details are as follows.

1. Details of the Extraordinary Loss (Loss on Tax Purpose Reduction Entry of Non-Current Assets)

Regarding the insurance claim income of 6,334 million yen for the boiler damage accident at its consolidated subsidiary Iwaki Daio Paper Corporation (Minamidai, Iwaki City, Fukushima Prefecture) announced in the “Notice Regarding Recording of Extraordinary Income (Insurance Claim Income)” dated September 9, 2025, the Company has decided to record a loss on tax purpose reduction entry of non-current assets of 4,368 million yen as an extraordinary loss by applying the reduction entry accounting treatment, directly deducting the gain on insurance claims from the acquisition cost of the replacement assets.

**2. Differences between the Consolidated Financial Results Forecast and the Actual Results for FY2026/3 H1
(April 1, 2025–September 30, 2025)**

	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)	325,000	6,500	2,500	0	0.00
Actual results (B)	319,358	8,559	6,134	4,385	26.35
Change (B–A)	(5,642)	2,059	3,634	4,385	
Change (%)	(1.7)	31.7	145.4	–	
(Reference) Consolidated financial results for the first half of the fiscal year ended March 31, 2025	333,650	3,708	870	(3,467)	(20.84)

3. Reasons for the Differences

As for the consolidated financial results for FY2026/3 H1, operating profit, ordinary profit, and profit attributable to owners of parent all exceeded the forecast. This is mainly because the effects of price revisions took hold in the Home and Personal Care (hereinafter, “H&PC”) Domestic Business, and the benefits of structural reforms in the H&PC Overseas Business exceeded the plan; in addition, the Company posted foreign exchange gains on foreign currency-denominated parent-to-subsidary loans and a reversal of provision for business restructuring due to a decrease in the estimated loss on the sale of shares of a foreign subsidiary, as well as aforementioned insurance claim income and loss on tax purpose reduction entry of non-current assets.

As for the full-year financial results forecast for the fiscal year ending March 31, 2026, the Company has left the initial forecast unchanged. Should a revision to the full-year financial results forecast be deemed necessary based on future performance trends or other factors, it will be disclosed promptly.

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