

ENGLISH TRANSLATION FOR REFERENCE PURPOSE ONLY

This notice is an English translation of the original Japanese text of the timely disclosure statement dated March 19, 2026 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.

March 19, 2026

Company Name: Daio Paper Corporation
Representative: Yorifusa Wakabayashi
Representative Director, President and Chief Executive Officer
Securities Code: 3880 (Prime Market of Tokyo Stock Exchange)
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Notice Concerning Change in Other Affiliated Company

Daio Paper Corporation (hereinafter the “Company”) hereby announces that Hokuetsu Corporation (hereinafter “Hokuetsu”), which is the Company’s Other Affiliated Company, is expected to cease to qualify as such as of March 24, 2026, as described below.

1. Background of the Change

The Company has recognized, through Hokuetsu’s announcement dated March 18, 2026 titled “Notice Concerning Tender for Purchase of Treasury Shares Through the Off-Auction Own Share Repurchase Trading System (ToSTNeT-3) at Affiliated Company Accounted for Under the Equity Method,” that Hokuetsu intends to tender 11,000,000 shares of the Company’s stock held by it in the Off-Auction Own Share Repurchase Trading conducted by the Company today (hereinafter the “Share Repurchase”). In addition, as stated in Hokuetsu’s notice dated today entitled “Notice Concerning Change in Affiliated Company Accounted for Under the Equity Method,” the Share Repurchase has been completed. Accordingly, upon settlement of the Share Repurchase, Hokuetsu is expected to cease to qualify as an Other Affiliated Company of the Company.

2. Overview of Shareholder Subject to Change

(i) Name	Hokuetsu Corporation
(ii) Location	3-5-1 Nishi-Zao, Nagaoka City, Niigata
(iii) Representative’s name/post	Sekio Kishimoto, President and CEO
(iv) Business details	Manufacture and sale of paper and pulp products
(v) Capital	42,020 million yen (As of March 31, 2025)
(vi) Net assets	265,870 million yen (As of March 31, 2025)
(vii) Total assets	418,882 million yen (As of March 31, 2025)
(viii) Established	April 27, 1907

(ix)	Major shareholders and shareholding ratio (As of September 30, 2025)	Misuga Kaiun Co., Ltd.	11.14%
		Daio Kaiun Co., Ltd	9.96%
		The Master Trust Bank of Japan, Ltd. (Trust Account)	6.28%
		Daishi Hokuetsu Bank, Ltd.	4.94%
		Company's Agent Stockholding	4.19%
		Sumitomo Realty & Development Co., Ltd.	3.59%
		OASIS JAPAN STRATEGIC FUND LTD. (Standing Proxy: Citibank, N.A. Tokyo Branch)	3.33%
		Sompo Japan Insurance Inc.	2.67%
		The Norinchukin Bank	2.11%
		OASIS INVESTMENTS II MASTER FUND LTD. (Standing Proxy: Citibank, N.A. Tokyo Branch)	1.97%
(x)	Relationship between Hokuetsu and Daio Paper	Capital relationship	Hokuetsu holds 41,589,008 shares of the Company's common stock.
		Personnel relationship	Not applicable.
		Business relationship	Daio Paper has product transaction relationships with Hokuetsu.
		Status of relationship with related parties	Daio Paper is Hokuetsu's affiliated company accounted for by the equity method.

3. Number and Percentage of Voting Rights Held by the Shareholder Before and After the Change

	Attribute	Number of voting rights (percentage of voting rights)		
		Directly held	Subject to aggregation	Total
Before the change	Other Affiliated Company	415,890 units (24.83%)	100 units (0.01%)	415,990 units (24.83%)
After the change	—	305,890 units (19.70%)	100 units (0.01%)	305,990 units (19.71%)

Note 1: The “percentage of voting rights held” before the change is calculated as the percentage (rounded to the second decimal place) of the number of voting rights (1,675,101 units) corresponding to the number of shares (167,510,100 shares), which is obtained by deducting the number of shares of treasury stock (1,384,600 shares) and the number of shares constituting less than one unit (118,226 shares) as of September 30, 2025 from the total number of issued shares of the Company (169,012,926 shares) as of the same date.

Note 2: The “number of voting rights” after the change represents the number of voting rights corresponding to the number of shares of the Company's stock held by Hokuetsu (30,589,008 shares), assuming that Hokuetsu transfers 11,000,000 shares of the Company's stock held by it in the Share Repurchase.

Note 3: The “percentage of voting rights held” after the change is calculated as the percentage (rounded to the second decimal place) of the number of voting rights (1,552,701 units) corresponding to the number of shares (12,240,000 shares), which is obtained by deducting the number of shares of treasury stock (1,384,600 shares), the number of shares constituting less than one unit (118,226 shares) as of September 30, 2025, and the planned number of shares to be repurchased in the Share Repurchase (155,270,100 shares) from the total number of issued shares of the Company (169,012,926 shares) as of September 30, 2025.

4. Status of Change in the Unlisted Parent Company, etc. Subject to Disclosure

Not applicable.

5. Future Outlook

The Company considers the impact of the change on its financial results to be minimal. Should any information requiring disclosure arise, the Company will promptly announce it.

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