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(Stock Exchange Code: 3880)
June 8, 2018

To Our Shareholders:

Masayoshi Sako
President and Director
Daio Paper Corporation
2-60, Mishimakamiya-cho,
Shikokuchuo City, Ehime Prefecture

**NOTICE OF
THE 107TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

You are cordially invited to attend the 107th Annual General Meeting of Shareholders of Daio Paper Corporation (the “Company”). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you can exercise your voting rights in writing or via the Internet. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights no later than 5:30 p.m. on Wednesday, June 27, 2018, Japan time.

- 1. Date and Time:** Thursday, June 28, 2018 at 10:00 a.m. Japan time
(Reception opens at 9:00 a.m. and doors open at 9:30 a.m.)
- 2. Place:** Convention Hall on the 8th floor of Shikoku Headquarters & Production Center
of the Company
628 Mishimakamiya-cho, Shikokuchuo City, Ehime Prefecture, Japan
- 3. Meeting Agenda:**
Matters to be reported:
 1. The Business Report, Consolidated Financial Statements for the Company’s 107th Fiscal Year (April 1, 2017 - March 31, 2018) and results of the audit of the Consolidated Financial Statements by the Accounting Auditor and the Board of Corporate Auditors
 2. Non-Consolidated Financial Statements for the Company’s 107th Fiscal Year (April 1, 2017 - March 31, 2018)

Proposals to be resolved:

- Proposal 1: Appropriation of surplus**
Proposal 2: Partial amendments to the Articles of Incorporation

- If the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements are amended, the amended items will be announced on the Company's website (<http://www.daio-paper.co.jp/>).
- Of the documents to be provided along with this Notice, the Notes to Consolidated Financial Statements of the Consolidated Financial Statements and the Notes to Non-Consolidated Financial Statements of the Non-Consolidated Financial Statements are made available to shareholders by posting them on the Company's website (<http://www.daio-paper.co.jp/>) pursuant to the provisions of laws, regulations and Article 14 of the Company's Articles of Incorporation, and therefore are not included in this Notice.
The Non-Consolidated Financial Statements and the Consolidated Financial Statements attached to this Notice form a part of the documents that were audited by Corporate Auditors and the Board of Corporate Auditors, as well as the Accounting Auditor for the preparation of the Audit Report and the Accounting Audit Report, respectively.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of surplus

The Company recognizes that one of the most important management tasks is the return of profits to all of its shareholders, and its fundamental dividend policy is to continue making stable payment of dividends, while taking into consideration the state of its business performance and the enhancement of internal reserves.

Based on that policy, we propose a year-end dividend for the fiscal year under review as described below.

Matters relating to year-end dividends

- | | |
|--|---|
| [1] Dividend type | Cash |
| [2] Dividend allocation and total dividend payment | We propose a year-end dividend of ¥5.50 per common share of the Company.
The total amount of dividends will be ¥805,382,331. |
| [3] Effective date of distributing dividend from surplus | We propose that the effective date of distributing dividend from surplus be June 29, 2018. |

Proposal 2: Partial amendments to the Articles of Incorporation

1. Reasons for the proposal

- (1) Additions will be made to Article 3 (Purpose) of the current Articles of Incorporation to prepare for the diversification of businesses and future business development of the Group.
- (2) Other than those above, the numbering of items will be modified to be in line with the establishment of new provisions.

2. Description of the amendments

Details of the amendments are as follows.

(Underlined portions indicate amendments.)

Current Articles of Incorporation	Proposed Amendments
Articles 1. – 2. (Provisions omitted)	Article 1. – 2. (Unchanged)
(Purpose)	(Purpose)
Article 3. The purpose of the Company shall be to engage in the following businesses:	Article 3. The purpose of the Company shall be to engage in the following businesses:
(1) – (11) (Provisions omitted)	(1) – (11) (Unchanged)
(12) Planning, <u>manufacturing</u> and selling of <u>printed materials</u>	(12) Planning, <u>producing</u> and selling of <u>printed materials, advertising materials, events, etc.</u>
<u>(New)</u>	(13) <u>Manufacturing, selling and leasing of printing equipment, office equipment, electronic equipment as well as related equipment and related products</u>
(13) – (14) (Provisions omitted)	(14) – (15) (Unchanged)
(15) Business relating to supply of <u>electricity and steam</u>	(16) Business relating to supply of <u>electricity, steam and fuel</u>
(16) – (18) (Provisions omitted)	(17) – (19) (Unchanged)
(19) Purchasing, manufacturing, processing and selling of <u>welfare products, medical equipment, medical devices, pharmaceutical products and quasi-pharmaceutical products</u>	(20) Purchasing, manufacturing, processing and selling of <u>welfare products, medical equipment, medical devices, pharmaceutical products, quasi-pharmaceutical products and cosmetics</u>
(20) – (21) (Provisions omitted)	(21) – (22) (Unchanged)
Article 4. – 37. (Provisions omitted)	Article 4. – 37. (Unchanged)