



PRESS RELEASE



May 15, 2024

Name of Company: Hokuetsu Corporation
Name of Representative: Sekio Kishimoto, President and CEO
(Securities Code: 3865 (Prime Market of Tokyo Stock Exchange))
Inquiries: Yoshiharu Togawa, General Manager, Public Relations Office
TEL: +81 3-3245-4500

Announcement about Hokuetsu Corporation's Shareholding in Daio Paper Corporation

Hokuetsu Corporation entered today into a basic strategic business alliance agreement with Daio Paper Corporation (hereinafter "Daio Paper"), thereby establishing a close partnership between the two companies, which was the objective of its shareholding in Daio Paper.

Given that the relations between the two companies have moved into the new stage, we have decided to reduce the shares we hold in Daio Paper as an affiliate company to the extent that is necessary. We will continue to discuss the matter with Daio Paper to proceed with the plan, considering our capital policy, range of investments, and shareholder return policy, among others. We will take account of any potential impact on Daio Paper's stock price in the process of reducing the shareholding and remain committed to making a strategic business alliance as effective as possible while maintaining a certain level of capital ties for the time being.

The impact that this decision may have on the consolidated earnings forecast for the fiscal year ending March 31, 2025 published today is to be determined. We will make an announcement if anything that should be disclosed arises.