



Japanese companies Daio and Marubeni acquire Santher S.A.

*One of the main players in the consumer goods market in the country,
Santher has just been sold to Japanese giants*

February 27, 2020 – Manufacturer of brands such as Personal, Sym, Snob and Kiss, among others, Santher-Fábrica de Papel Santa Therezinha S.A. announces the sale of 100% of its common shares to the joint venture H&PC Brazil Participações S.A., controlled by the Japanese companies Daio Paper Corporation (51%) and Marubeni Corporation (49%), in a transaction whose price net of debt is two billion and three hundred and three million reais (R\$2.303 billion).

For Daio, the Asian leader in the production of tissue paper and personal care products, the transaction represents an attractive opportunity to enter the Brazilian market, in which demand for consumer goods, including personal care products, should increase substantially. The company has plans to expand the business into other South American regions and acquire customers interested in high value-added products in western and southern Africa.

Marubeni considers the expansion into the international H&PC (toilet paper, disposable diapers, sanitary pads, napkins, etc.) market as a new opportunity for growth, as it intends to provide high-quality products globally, while contributing to a sustainable environment and a safe and comfortable lifestyle.

According to José Rubens de la Rosa, Santher's CEO, the deal comprises the expansion and diversification of Santher's product portfolio. "We will enhance our management and governance capabilities, financial resources and synergies, as well as product and



process technologies, in addition to improving service in Brazil and Latin America,” says de la Rosa.

Confidence in the Brazilian economy

Daio and Marubeni decided to enter the Brazilian market together, attracted by the country’s prospects for significant population growth and economic development, with a substantial increase in the demand for consumer goods (including personal care products). Brazil is the fourth largest H&PC market in the world, with an annual growth rate of 5.6% for domestic paper products and 5.4% for disposable diapers in the last five years.

The new shareholders believe in Santher’s great potential to increase profitability by speeding up the process of reorganization of its production system and implementing measures to boost the company’s growth. The new controlling shareholders recognize the strength of Santher’s top-of-mind brands and will maximize this value by introducing premium products. They plan to begin manufacturing and distributing adult diapers and intensifying the focus on fast-growing B2B products for hospitals and clinics, in addition to introducing new technologies.

Global market

The global H&PC market is worth approximately US\$180 billion (2018) and is expected to grow at an annual rate of around 3% in the coming years. Daio and Marubeni have promising market prospects, given the increasing demand for H&PC products, driven by population growth, economic development and higher standards of living in emerging countries. They also believe there will be strong demand for adult diapers in developed countries, as a result of the aging population.



About Santher

Founded 82 years ago, Santher offers toilet papers, tissues, napkins, paper towels, panty liners and pads, diapers and baby wipes. It manufactures around 180,000 tons of paper per year, placing it as one of the world's largest industry players in terms of production capacity, with operations in the sanitary paper, personal care, special papers and away from home segments. Santher is the undisputed leader in the H&PC market with the Personal® brand and is the fourth largest manufacturer of disposable diapers and sanitary pads.

About Daio

Established in 1943, Daio is listed full-range paper manufacturer in Japan with revenues of JPY533.9 billion (BRL21.0 billion) as of FYE3/19. Daio has significant domestic market presence within H&PC category and built a solid foundation in Japan covering all aspects of paper production and supply including newsprint, printing and publication paper, wrapping paper, and containerboard. Daio operates 32 global subsidiaries in North America, Chile, Thailand, Indonesia, China, Korea and Japan, and representative offices in Vietnam, Malaysia, Taiwan, Turkey and Russia, with approximately 10,500 employees globally.

About Marubeni

Marubeni is a leading general trading company in Japan with its routes dating back to 1858, generated over JPY7.4 trillion in revenues (BRL290.4 billion) as of FYE3/19. Marubeni currently engages in various businesses through 5 business Groups: (i) Consumer Products; (ii) Food, Agriculture & Chemicals; (iii) Power Business, Energy & Metals; (iv) Machinery, Infrastructure & Financial Business; and (v) CDIO, providing wood chips and biomass fuel, pulp and waste paper, paper and paperboard, and building and construction materials within Consumer Products Group. Marubeni operates 136 branches/offices in 67 countries and regions with over 42,000 employees worldwide.

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