

Security code 6373
June 2, 2022

To Shareholders

I-197 Kumasaka-machi, Kaga City, Ishikawa
Daido Kogyo Co., Ltd.
President Hirofumi Araya

Notice of Convocation of the 129th Ordinary General Meeting of Shareholders

You are cordially invited to attend the 129th Annual General Meeting of Shareholders of DAIDO KOGYO CO., LTD. (the "Company"). The meeting will be held as described below.

In holding this General Meeting, we have carefully examined the propriety of holding from the viewpoint of preventing the recent spread of the novel coronavirus (COVID-19) infection and decided to take appropriate measures deemed necessary to hold the Meeting.

From the viewpoint of preventing the spread of COVID-19 infection, shareholders are kindly requested to take the time to consider the "Reference Documents for the General Meeting of Shareholders" below, and consider exercising their voting rights in writing (by mail) or via the Internet, etc. following the instructions to be described no later than June 23, 2022 (Thursday), 5:00 p.m., including the possibility of refraining from attending the Meeting.

Sincerely yours

- | | | |
|----|--------------------------|---|
| 1. | Date and Time | Friday, June 24, 2022, at 10:00 a.m. (Start of reception: 9:00 a.m.) |
| 2. | Place | Main Hall, 1st floor of CHIENKAN
I-197 Kumasaka-machi, Kaga City, Ishikawa
(Please refer to the hall map at the end of this document.) |
| 3. | Agenda of the Meeting | |
| | Matter to be reported | 1. Business Report, Consolidated Financial Statements, and the results of the audits of the Consolidated Financial Statements by the Accounting Auditor and the Board of Company Auditors for the 129th Fiscal Term (from April 1, 2021 to March 31, 2022)
2. Non-Consolidated Financial Statements for the 129th Fiscal Term (from April 1, 2021 to March 31, 2022) |
| | Proposals to be resolved | |
| | Proposal No. 1 | Appropriation of surplus |
| | Proposal No. 2 | Partial Revision of the Articles of Incorporation |
| | Proposal No. 3 | Election of six Directors (except Directors serving the Audit and Supervisory Committee) |
| | Proposal No. 4 | Election of four Directors serving the Audit and Supervisory Committee |

For those attending the Meeting, please read the "Requests for Preventing Infection Spread of the Novel Coronavirus (COVID-19)" on page 2 of this Notice and present the enclosed Voting Rights Exercise Form at the reception desk on arrival at the meeting.

Of the documents that should be provided in this Notice of Convocation, the following are posted on the Company's Internet website (as shown below) pursuant to the provision of the applicable laws and regulations and the Articles of Association of the Company and are therefore excluded from the documents provided by this Notice of Convocation: "Systems for ensuring the appropriateness of business and the status of operation of such systems," "Basic policy on corporate control," and "Policy on deciding dividends of surplus, etc." in the Business Report, as well as "Notes to Consolidated Financial Statements" in the Consolidated Financial Statements and "Notes to Non-Consolidated Financial Statements" in the Non-Consolidated Financial Statements. Therefore, the business report, consolidated financial statements, and financial statements described in this Notice of Convocation are part of the business report, consolidated financial statements, and financial statements audited by the accounting auditors or the Audit and Supervisory Committee when they prepared Accounting Audit Report or Audit Report.

Any revisions to the Reference Materials for the General Meeting of Shareholders, Business Report, Financial Statements and Consolidated Financial Statements will be posted on the Company's website on the Internet (see below).

Company's website : <https://www.did-daido.co.jp/>

Requests for Preventing Infection Spread of the Novel Coronavirus (COVID-19)

1. Prior exercise of voting rights

From the viewpoint of preventing the spread of COVID-19 infection, shareholders are kindly requested to consider the possibility of exercising your r voting rights in writing (by mail) or via the Internet, etc. in advance of the Meeting to avoid attending the Meeting on the day of the Meeting.

< Time limit for exercising voting rights: Arrived or sent by Thursday, June 23, 2022, 5:00 p.m. >

2. The Company's responsive actions

- No small gift is delivered to shareholders who attend the General Meeting.
- On the day of the General Meeting, the Company's directors and operation staff of the General Meeting undergo health check including temperature and wear a face mask.
- Alcohol disinfectants are arranged for use by shareholders near the reception of the Hall.
- In order to reduce the risk of infection, seats in the Hall are arranged keeping a wide space between seats, so that the number of seats available in the Hall is expected to decrease significantly as in the previous year. Please forgive us if there is no seat available for you.
- In this General Meeting, in order to reduce the time of meeting for preventing the infection spread, we are going to omit detailed presentation of the matters to be reported and agenda items in the Hall. Shareholders are cordially requested to read in advance the Notice of Convocation of this General Meeting, etc.
- We may limit the number of directors who attend the General Meeting from the viewpoints of preventing infection spread and continuation of the Company's business, regardless of their health condition on the day of Meeting.

3. Requests to shareholders attending the General Meeting

- Shareholders who attend the General Meeting are requested to cooperate in the measures taken to prevent the infection spread, including spraying an alcohol disinfectant and wearing a face mask.
- Operation staff may approach and ask shareholders who are coughing or otherwise look sick. They may be requested to check the temperature or move to another seat or leave the Hall. We appreciate your understanding in advance.
- We will change the aforementioned actions as appropriate according to future situations. If you intend to attend the General Meeting, please be sure to check with our website ([https://www.did daido.co.jp/](https://www.diddaido.co.jp/)) in advance.




We are very sorry for a lot of inconvenience and disruption we caused to shareholders and appreciate your understanding and cooperation in consideration of the circumstances.



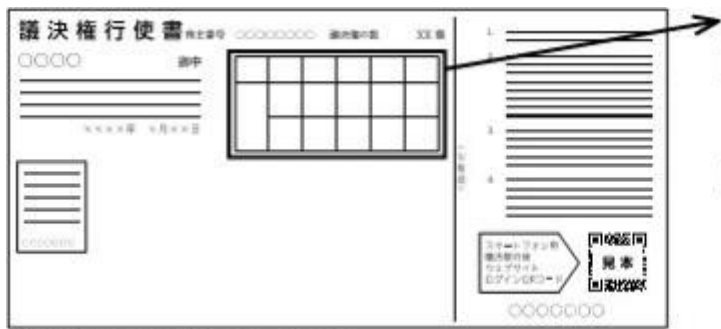
Information on the Exercise of Voting Rights

The right to vote at general meetings of shareholders is an important right of shareholders. Please exercise your voting rights after reviewing the Reference Documents for the General Meeting of Shareholders shown below.

The following three methods are available for exercising voting rights.

 <p>If attending the General Meeting of Shareholders</p> <p>Please present the enclosed Voting Rights Exercise Form at the reception desk</p> <p><u>Date and Time</u></p> <p>10:00 a.m. (reception starts at 9:00 a.m.) Friday, June 24, 2022</p>	 <p>If exercising voting rights by mail (postal mail)</p> <p>Please indicate your approval or disapproval of the proposals on the enclosed Voting Rights Exercise Form in accordance with the following instructions and return it to us</p> <p><u>Exercise period</u></p> <p>Arrival by Thursday, June 23, 2022, 5:00 p.m.</p>	 <p>If exercising voting rights through the Internet, etc.</p> <p>Please follow the instructions on the next page to enter your approval or disapproval of the proposals.</p> <p><u>Exercise period</u></p> <p>Input by Thursday, June 23, 2022, 5:00 p.m.</p>
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Information on how to fill out the Voting Rights Exercise Form



Please enter your approval or disapproval for the proposals here.

Proposal No.1 and No.2

- When you approve:
>> Put the mark "o" in the "Approval" column.
- When you disapprove:
>> Put the mark "o" in the "Disapproval" column.

Proposal No.3 and No.4

- When you approve all candidates:
>> Put the mark "o" in the "Approval" column.
- When you disapprove all candidates:
>> Put the mark "o" in the "Disapproval" column.
- When you disapprove some candidates:
>> Put the mark "o" in the "Approval" column and enter the numbers of candidates you disapprove.

*The Voting Rights Exercise Form is a sample image.

If you exercise your voting rights both by mail (postal mail) and through the Internet, etc., we will treat the exercise of voting rights through the Internet, etc. as a valid exercise of voting rights. If you exercise your voting rights multiple times through the Internet, etc., we will treat the last vote as a valid exercise of voting right.

Guide to voting right exercise over the Internet, etc.

How to read QR Code “Smart Exercise”

You can log in to the website for exercising voting rights without entering your voting code and password.

- 1 Scan the QR code on the bottom right corner of the Voting Rights Exercise Form.



* "QR Code" is a registered trademark of DENSO WAVE

- 2 Follow the instructions on the screen to enter your approval or disapproval.



You may exercise your voting rights only once using the "Smart Exercise" function.

If you wish to change the content of your vote after you have exercised your voting rights, please access the website for PCs, log in with the "code for exercising voting rights" and "password" indicated on the Voting Rights Exercise Form, and exercise your voting rights again.

*If you scan the QR code again, you can go to the PC

How to enter the voting code and password

website for exercising voting rights <https://www.web54.net>

- 1 Access the website for exercising voting rights.



Click "Continue."

- 2 Enter the "Voting Code" indicated on the Voting Rights Exercise Form.



Enter "Voting Code."

Click "Login."

- 3 Enter the "password" indicated on the Voting Rights Exercise Form



Enter "Password."

Please set a new password to be used for voting.

Click "Register."

- 4 Follow the instructions on the screen to enter your approval or disapproval.

* The operation screen is a sample image.

Sumitomo Mitsui Trust Bank Transfer Agency Web Support Dial-in Number
0120 – 652 - 031 (Toll-free)
(Inquiries accepted: 9:00 a.m. - 9:00 p.m.)

Institutional investors can use the platform for electronic exercise of voting rights for institutional investors, which is operated by ICJ, Inc.

Reference Documents for the General Meeting of Shareholders

Proposal No.1: Appropriation of surplus

The Company would like to treat the appropriation of surplus as follows:

Matters regarding year-end dividend

The Company considers return of profits to shareholders as an important management policy and takes a policy on dividends to distribute dividends considering comprehensively full-year performance, management environment, and medium-to long-term reinforcement of financial standing with focus on maintenance of stable dividends. For dividend payout ratio, we aim to achieve at least 15% of net income for the term attributable to the shareholders of the consolidating parent company during the term of 12th Medium-Term Management Plan and increase dividends continuously.

In accordance with the dividend policy and target of dividend payout ratio stated above, we propose to pay the year-end dividend for the 129th fiscal year as follows considering the business results for the fiscal year under review the need for retained earnings to prepare for future growth, etc.

[1] Type of dividend property:	Cash
[2] Matters regarding allocation of dividend property and the amount thereof:	¥35 per common share Total amount: ¥382,292,085
[3] Effective date of surplus dividend:	June 27, 2022.

Proposal No. 2: Partial Revision of the Articles of Incorporation

1. Reason for proposal

Since the revised provisions stipulated in the proviso of Article 1 of the Supplementary Provisions of the "Act for Partial Amendment to the Companies Act" (Act No. 70 of 2019) will come into effect on September 1, 2022, the Company will revise its Articles of Incorporation as follows to prepare for the introduction of the electronic provision system for shareholder meeting materials.

- (1) Paragraph 1, Article 15 of the draft of the revised Articles of Incorporation provides that the Company shall take measures to electronically provide information that constitutes the contents of reference documents for General Meeting of Shareholders, etc.
- (2) Paragraph 2, Article 15 of the draft provides for the limitation of the scope of matters to be described in the document to be delivered to the shareholders who have requested delivery of the document.
- (3) The provision for deemed provision of reference documents for General Meeting of Shareholders, etc. through the Internet (Article 15 of the current Articles of Incorporation) shall be deleted as it is no longer necessary.
- (4) In accordance with the new establishment and deletion of the provisions above, supplementary provisions regarding the effective date, etc. will be established.

2. Details of revision

Details of revision are as follows.

(The underline part shows the revised part.)

Present Articles of Incorporation	Proposed revision
<p><u>(Deemed Provision of Reference Documents etc. of General Meetings of Shareholders through the Internet)</u></p> <p><u>Article 15 In convening general meetings of shareholders, the Company may deem that it has provided its shareholders with the information concerning the matters to be described or represented in the reference documents of the general meeting, business report, financial statements, and consolidated financial statements by disclosing such documents etc. in a method using the Internet as stipulated by the Ordinance of the Ministry of Justice.</u></p>	<p>(Deleted)</p>

Present Articles of Incorporation	Proposed revision
<p>(New)</p> <p>Supplementary Provisions</p> <p>(New)</p>	<p><u>(Measures for Electronic Provision, etc.)</u></p> <p><u>Article 15</u> 1. When convening a General Meeting of Shareholders, the Company shall take measures to electronically provide information that constitutes the contents of reference documents for the General Meeting of Shareholders, etc.</p> <p>2. Of the matters for which electronic provision measures are taken, the Company may exclude all or part of those that are provided for in the relevant Ordinance of the Ministry of Justice from the documents to be delivered to the shareholders who have made a written request by the record date for voting rights.</p> <p>Supplementary Provisions</p> <p><u>(Transitional Measures for Electronic Provision of General Meeting of Shareholders Materials)</u></p> <p><u>Article 2</u> 1. The deletion of Article 15 (Deemed Provision of Reference Documents etc. of General Meetings of Shareholders through the Internet) of the Articles of Incorporation before revision and the establishment of Article 15 (Electronic Presentation Measures, etc.) of the Articles of Incorporation after revision shall come into effect on September 1, 2022.</p> <p>2. Notwithstanding the preceding paragraph, Article 15 (Deemed Presentation of Reference Documents for General Meetings of Shareholders, etc. through the Internet) of the Articles of Incorporation before revision shall remain in force with respect to general meetings of shareholders to be held on or before the end of February 2023.</p> <p>3. These Supplementary Provisions shall be deleted after March 1, 2023 or the day on which three months have elapsed from the date of the General Meeting of Shareholders set forth in the preceding paragraph, whichever is later.</p>

Proposal No. 3: Election of six Directors (except Directors serving the Audit and Supervisory Committee)

The term of office of all six (6) Directors (excluding Directors who are Audit and Supervisory Committee members; hereinafter the same shall apply in this proposal) will expire at the conclusion of this General Meeting of Shareholders.

Accordingly, we would like you to elect six Directors.

In addition, there was no particular opinion from the Audit and Supervisory Committee regarding this proposal.

The candidates for Directors are as follows.

Candidate No.	Name	(References)	
		Responsibilities at the Company	Attendance to Board of Director's Meetings
1	Kozo Araya <div>Re-appoint ment</div>	Representative Director Chairman	12/12 (100%)
2	Hirofumi Araya <div>Re-appoint ment</div>	Representative Director President Marketing Strategy Office Manager	12/12 (100%)
3	Katsuyuki Kikuchi <div>Re-appoint ment</div>	Managing Director Manager of IT Strategy Office for Manufacturing Reform	12/12 (100%)
4	Toshihiro Shimizu <div>Re-appoint ment</div>	Managing Director Business Strategy Office Manager	12/12 (100%)
5	Masanori Sanada <div>Re-appoint ment</div>	Director Business Administration Div. Manager	12/12 (100%)
6	Toshio Ishimura <div>Re-appoint ment</div>	Director Industrial Products Div. Manager	12/12 (100%)

Candidate No.	Name (Date of birth) Sex	Career summary	Number of shares of the Company held
1	Kozo Araya (October 25, 1950) Male <div>Re- appointment</div>	April 1973 Joined Daido Kogyo Co., Ltd. April 1976 Purchasing Manager of Daido Kogyo Co., Ltd June 1977 Director, Daido Kogyo Co., Ltd Nov. 1978 First Manufacturing Dept. Manager of Daido Kogyo Co., Ltd. Aug. 2002 Representative Director & President of Daido Kogyo Co., Ltd. June 2006 Chairman, Kaga Chamber of Commerce and Industry June 2019 Representative Director & Chairman of Daido Kogyo Co., Ltd. (to date)	69,225 shares
		The reasons why the Company elects him as a candidate for Director: Mr. Kozo Araya has been involved in the management of the Company over a long time since assumed office as a director of the Company in June 1977. Since August 2002, he has contributed to a great extent to the expansion of the Company’s global operations as Representative Director of the Company, and considering that he has a great deal of work experience in the Company and the Group and knowledge on global business operations, etc., we determined that he is continuously appropriate as a candidate for a director.	
2	Hirofumi Araya (August 20, 1971) Male <div>Re- appointment</div>	April 2002 Joined Daido Kogyo Co., Ltd. Sep. 2004 Sales Dept. Manager, Sales Div. of Daido Kogyo Co., Ltd. June 2005 Automotive Technology and Sales Dept., Automotive Div. June 2007 Executive Officer of Daido Kogyo Co., Ltd. April 2008 Representative Director & President of Daido Sittipol Co., Ltd. April 2010 Representative Director & President of D.I.D Asia Co., Ltd. Sep. 2010 Representative Director & President of Daido India pvt. Ltd. June 2011 Director and Technical Development Div. Manager of Daido Kogyo Co., Ltd. June 2013 Managing Director In charge of Motorcycle / Automotive Div. Director & Vice Chairman of Daido Sittipol Co., Ltd June 2015 Representative Director & Vice President of Daido Kogyo Co., Ltd. In charge of Research & Development Div. of Daido Kogyo Co., Ltd. Director & Chairman of Daido Sittipol Co., Ltd. (to date) June 2017 In charge of Business Strategy Div. and, Research & Development Div. of Daido Kogyo Co., Ltd. June 2019 Representative Director & President of Daido Kogyo Co., Ltd. (to date) In charge of Internal Control Audit Office June 2021 Marketing Strategy Office Manager of Daido Kogyo Co., Ltd (to date) (Important concurrent position) Director & Chairman of Daido Sittipol Co. Ltd	11,830 shares
		The reasons why the Company elects him as a candidate for Director: Mr. Hirofumi Araya has assumed various important posts including President and Representative Director of the Company's overseas subsidiaries in Asia, which is an important area for the Group. He has been engaging in the planning of business strategies at the Business Strategy Division, as well as actively leading the Development Division, toward development of growth markets/ growth areas and expansion of business areas/ technology areas of the Company. Thus, he has a great deal of work experience in the Company and the Group and knowledge on global business operations, etc., so we determined that he is continuously appropriate as a candidate for a director.	

Candidate No.	Name (Date of birth) Sex	Career summary	Number of shares of the Company held
3	Katsuyuki Kikuchi (October 10, 1957) Male <div>Re- appointment</div>	April 1981 Joined Daido Kogyo Co., Ltd.	2,000 shares
		Dec. 2004 Manager of Chain Manufacturing Dept., Production Div. of Daido Kogyo Co., Ltd.	
		June 2005 Manager of Automotive Manufacturing Dept., Automotive Div. of Daido Kogyo Co., Ltd.	
		Jan. 2011 Fukuda Plant Manager of Daido Kogyo Co., Ltd	
		June 2011 Director, Daido Kogyo Co., Ltd.	
		June 2015 Manufacturing Div. Manager of Daido Kogyo CO., Ltd.	
		June 2015 Managing Director (to date)	
		Administration Div. Manager of Daido Kogyo CO., Ltd.	
		In charge of Safety & Quality Div. of Daido Kogyo Co., Ltd.	
		June 2017 In charge of Automotive Parts Div. of Daido Kogyo Co., Ltd.	
June 2019 Production Engineering Div. Manager			
June 2020 In charge of Production Engineering Div. of Daido Kogyo Co., Ltd.			
June 2021 Manager of IT Strategy Office for Manufacturing Reform, Daido Kogyo Co., Ltd (to date)			
The reasons why the Company elects him as a candidate for Director: Mr. Kikuchi has a philosophy required of a manufacturing company and mature judgment on the way personnel resources should be based on his long term experience of leading the manufacturing of the Company. He presently serves as the Manager of IT Strategy Office for Manufacturing Reform and Managing Director, promoting our manufacturing reform utilizing IT. Based on his profound knowledge and experience in both manufacturing and administration, we determined that his experience and results will be useful for management of the Company, and that therefore he is continuously appropriate as a candidate for a director.			
4	Toshihiro Shimizu (February 21, 1959) Male <div>Re- appointment</div>	April 1983 Joined Daido Kogyo Co., Ltd.	30,000 shares
		Sep. 2004 Corporate Planning Dept. Manager, Administration Div. of Daido Kogyo Co., Ltd.	
		June 2005 Corporate Planning Office Manager of Daido Kogyo Co., Ltd.	
		June 2007 Manager, Corporate Planning Office, Daido Kogyo Co., Ltd.	
		Aug. 2007 Representative Director & President, Daido Industrial E Comercial Ltda.	
		April 2009 Representative Director & President, Daido Industria De Correntesda Amazonia Ltda.	
		June 2010 Executive Officer of Daido Kogyo Co., Ltd.	
		June 2013 Director, Daido Kogyo Co., Ltd.	
		Industrial Products Div. Manager of Daido Kogyo Co., Ltd.	
		June 2017 Managing Director of Daido Kogyo Co., Ltd.(to date)	
In charge of Motorcycle Parts Div. (to date)			
Industrial Parts Div.			
Representative Director & President of D.I.D Asia Co., Ltd.			
June 2020 In charge of Research & Development Div. of Daido Kogyo Co., Ltd.			
June 2021 Business Strategy Office Manager of Daido Kogyo Co., Ltd.(to date)			
The reasons why the Company elects him as a candidate for Director: Mr. Shimizu assumed important posts in business planning functions, and engaged in the management of several overseas subsidiaries as Representative Director. He has extensive experience in business execution and deep insight. He now serves the manager of Business Strategy Office as a managing director and is responsible for the planning and execution of medium- to long-term business strategies for the entire Group. We have therefore determined that his experience and results will be useful for management of the Company, and that he is continuously appropriate as a candidate for director.			

Candidate No.	Name (Date of birth) Sex	Career summary	Number of shares of the Company held
5	Masanori Sanada (January 7, 1962) Male <div>Re- appointment</div>	April 1984 Joined Daido Kogyo Co., Ltd. June 2005 Administration Dept. Manager, Administration Div. of Daido Kogyo Co., Ltd. June 2007 Corporate Planning Office Manager of Daido Kogyo Co., Ltd. June 2013 Executive Officer of Daido Kogyo Co., Ltd. June 2015 Representative Director & President of Daido Sittipol Co., Ltd. June 2019 Senior Executive Officer of Daido Kogyo Co., Ltd. June 2020 Administration Div. Manager of Daido Kogyo Co., Ltd. June 2021 Director, Daido Kogyo Co., Ltd. (to date) June 2021 Business Administration Div. Manager of Daido Kogyo Co., Ltd. (to date)	5,000 shares
		The reasons why the Company elects him as a candidate for Director: Mr. Sanada has profound knowledge on finance and accounting based on his long-term experience of leading the administration and management planning departments. He also served the representative director of overseas subsidiaries and has extensive experiences and achieved results in management of the Company's Group. He currently serves, as Director, the Manager of the Business Administration Division, and we have determined that his experiences and results will be useful for management of the Company and decided that he is continuously appropriate as a candidate for director.	
6	Toshio Ishimura (October 15, 1961) Male <div>Re- appointment</div>	April 1984 Joined Daido Kogyo Co., Ltd. Dec. 2004 AS Business Dept. Manager of Daido Kogyo Co., Ltd. June 2005 Manager, Corporate Planning Office of Daido Kogyo Co., Ltd. June 2009 Manager, Industrial Machinery Sales Dept. of D.I.D Co., Ltd. June 2011 Industrial Machinery Sales Dept. Manager of D.I.D Co., Ltd. June 2017 Director of D.I.D Co., Ltd. June 2017 Executive Officer of Daido Kogyo Co., Ltd. June 2019 Industrial Products Div. Manager of Daido Kogyo Co., Ltd. (to date) June 2019 Senior Executive Officer of Daido Kogyo Co., Ltd. June 2020 Director, Daido Kogyo Co., Ltd. (to date)	4,200 shares
		The reasons why the Company elects him as a candidate for Director: Mr. Ishimura has a great deal of business experience and knowledge based on his long term experience of leading the industrial machinery business as well as excellent capability and knowledge on corporate management through the experience of serving as a director of a domestic subsidiary, etc. He currently serves, as Director, the Manager of the Industrial Machinery Business Dept., and we have determined that his experiences and results will be useful for management of the Company and decided that he is continuously appropriate as a candidate for director.	

- (Notes) 1. A director candidate Mr. Hirofumi Araya serves concurrently as Chairman and Director of Daido Sittipol Co., Ltd., which engages in the business falling under the same category as the Company's and has business (chains and other products) with the Company. Additionally, the Company provides a guarantee for its loan of the funds.
2. There are no special interests between the other director candidates and the Company.
3. D.I.D Co., Ltd. was a consolidated subsidiary of the Company but merged into the Company as of April 1, 2018.
4. The Company has entered into a liability insurance contract with an insurance company for directors and corporate auditors, as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The summary of the contents of this insurance contract is shown on page 26 of the Business Report. When the election of the candidates for director is approved, they will continue to be covered as an insured person under the relevant insurance contract. Note that the insurance contract is going to be renewed next time with the same content.

Proposal No. 4: Election of four Directors serving the Audit and Supervisory Committee

The terms of office of all the four (4) Directors serving the Audit and Supervisory Committee will expire at the conclusion of this General Meeting of Shareholders.

Accordingly, we would like you to elect four Directors serving the Audit and Supervisory Committee.

Please note that the Board of Auditors has already given approval to this proposal.

The candidates for Directors serving the Audit and Supervisory Committee are as follows.

Candidate No.	Name (Date of birth) Sex	Career summary	Number of shares of the Company held
1	Kiyohiro Kajiya (February 4, 1961) Male <div>Re- appointment</div>	<div>June 2009 Manager, Production System Dept., Business Support Div. of Daido Kogyo Co., Ltd.</div> <div>June 2011 Manager, Industrial Machinery Business Dept. and Industrial Machinery Dept. of Daido Kogyo Co., Ltd.</div> <div>June 2015 Manager, Industrial Machinery Business Dept. and Industrial Machinery Manufacturing Dept. of Daido Kogyo Co., Ltd.</div> <div>June 2017 Executive Officer of Daido Kogyo Co., Ltd. Safety and Quality Div. of Daido Kogyo Co., Ltd.</div> <div>June 2020 Director [Audit and Supervisory Committee Member] of Daido Kogyo Co., Ltd. (to date)</div>	2,500 shares
<div>[Reason for selecting him as a candidate for Director serving the Audit and Supervisory Committee, etc.]</div> <div>Mr. Kajiya has various business experiences in the Company's engineering, manufacturing, and quality departments and played a leading role in manufacturing. We have determined that his abundant experiences and knowledge will be useful for reinforcement of the Company's auditing and decided that he is continuously appropriate as a candidate for director serving the Audit and Supervisory Committee.</div>			
2	Tamotsu Sawa (August 15, 1947) Male <div>Re- appoint- ment</div> <div>Outside</div> <div>Indepen- dent</div>	<div>April 1970 Joined Araya Industrial Co., Ltd.</div> <div>June 2002 Director, Araya Industrial Co., Ltd.</div> <div>June 2008 Managing Director, Araya Industrial Co., Ltd.</div> <div>June 2012 Representative Director & President, Araya Industrial Co., Ltd.</div> <div>June 2015 Director of Daido Kogyo Co., Ltd.</div> <div>June 2018 Director and Senior Advisor of Araya Industrial Co., Ltd.</div> <div>June 2020 Director [Audit and Supervisory Committee Member] of Daido Kogyo Co., Ltd. (to date)</div>	0 shares
<div>[Reason for selection as a candidate for outside director serving the Audit and Supervisory Committee and outline of expected roles, etc.]</div> <div>Mr. Sawa served as the representative director of another company and has abundant experience in business management over the years. We have determined that his experiences and results will be useful for management of the Company and expected to contribute to the reinforcement of the Company's corporate governance system, and decided that he is continuously appropriate as a candidate for director serving the Audit and Supervisory Committee.</div>			

Candidate No.	Name (Date of birth) Sex	Career summary	Number of shares of the Company held
3	<p>Seiji Sakashita (February 2, 1958) Male</p> <div> <div>Re- appoint ment</div> <div>Outside</div> <div>Indepen- dent</div> </div>	<p>Oct. 1984 Joined Inoue Tatsuo Accounting Office (present KPMG Azsa & Co.) Mar. 1988 Registered as Certified Public Accountant. May 2003 Asahi & Co. (present KPMG Azsa & Co.) May 2007 Representative Partner, KPMG Azsa & Co. (present KPMG Azsa & Co.) Feb. 2014 Representative Partner, Hokuriku Auditing Office (to date) June 2016 Outside auditor, Komatsu Matere Co., Ltd. (to date) June 2019 Outside auditor, Takamatsu Machinery Co., Ltd. Chairman of the Hokuriku Association of the Japanese Institute of Certified Public Accountants (to date) June 2020 Director [Audit and Supervisory Committee Member] of Daido Kogyo Co., Ltd. (to date)</p> <p>(Important concurrent position) Representative Partner of Hokuriku Auditing Office Outside auditor of Komatsu Matere Co., Ltd. Chairman of the Hokuriku Association of the Japanese Institute of Certified Public Accountants</p>	0 shares
<p>[Reason for selection as a candidate for outside director serving the Audit and Supervisory Committee and outline of expected roles, etc.]</p> <p>Mr. Sakashita has never directly participated in business management but has a great deal of knowledge and experience in finance and accounting and is familiar with corporate accounting as CPA. In addition, we have determined that reinforcement of the Company's audit system is expected from utilization of his wide-range performance and experience as repetitive director of auditing offices and outside director of other listed companies for management of the Company and decided that he is continuously appropriate as a candidate for director serving the Audit and Supervisory Committee.</p>			
4	<p>Shoji Takechi (February 14, 1967) Male</p> <div> <div>Re- appoint ment</div> <div>Outside</div> <div>Indepen- dent</div> </div>	<p>Nov. 1996 Graduate School of Engineering, the University of Tokyo Assistant specialized in Naval Architecture and Ocean Engineering Mar. 1997 Joined Sumitomo Heavy Industries, Ltd. April 2000 Graduate School of Engineering, the University of Tokyo Assistant specialized in Environment and Ocean Engineering Nov. 2003 Assistant Professor, same major, same school, same University April 2006 Assistant Professor, specialized in Technology Management and Strategy, same school, same University April 2007 Associate Professor, same major, same school, same University April 2009 Associate Professor, Academic Foundations Programs, Kanazawa Institute of Technology April 2010 Associate Professor, Department of Management Systems, Faculty of Information Science, Kanazawa Institute of Technology April 2012 Professor, Department of Management Systems, Faculty of Information Frontier, Kanazawa Institute of Technology (to date) June 2020 Director [Audit and Supervisory Committee Member] of Daido Kogyo Co., Ltd. (to date)</p> <p>(Important concurrent position) Professor, Department of Management Systems, Faculty of Information Frontier, Kanazawa Institute of Technology</p>	0 shares
<p>[Reason for selection as a candidate for outside director serving the Audit and Supervisory Committee and outline of expected roles, etc.]</p> <p>Mr. Takechi has never directly participated in business management but has high-level expertise in knowledge and engineering through his long-term service as a professor of the university's engineering department. In addition, the field of his expertise has a high affinity for the Company's business field, so we have determined that he is expected to give appropriate advice and conduct an audit on management of the Company based on his experience and performance and that he is continuously appropriate as a candidate for director serving the Audit and Supervisory Committee.</p>			

Outside

: Candidates for outside director

Independent

: Candidate for director who meets the requirements for independent officers provided by the Tokyo Stock Exchange

- (Notes)
1. There are no special interests between each candidate and the Company.
 2. Mr. Tamotsu Sawa, Mr. Seiji Sakashita and Mr. Shoji Takechi are candidates for outside director.
 3. The term of office of Mr. Tamotsu Sawa, Mr. Seiji Sakashita and Mr. Shoji Takechi as an outside director of the Company will have been two years upon the conclusion of this General Meeting. Mr. Sawa Tamotsu had been an outside director of the Company until he was appointed as a member of the Audit and Supervisory Committee, and his term of office as an outside director of the Company is seven years together with his term of office as a member of the Audit and Supervisory Committee.
 4. Mr. Seiji Sakashita previously worked for KPMG AZSA LLC, the Company's accounting auditor, but retired from the firm in June 2013.
 5. The Company has entered into a contract with Mr. Kiyohiro Kajiya, Mr. Tamotsu Sawa, Mr. Seiji Sakashita, and Mr. Shoji Takechi pursuant to Paragraph 1, Article 427 of the Companies Act to limit their liability for damage as set forth in Paragraph 1, Article 423 of the same Act. The limit of the liability for damage under the contract is the amount limited by laws and regulations. The Company plans to continue the contract with Mr. Kiyohiro Kajiya, Mr. Tamotsu Sawa, Mr. Seiji Sakashita, and Mr. Shoji Takechi if their re-appointment is approved.
 6. The Company has entered into a liability insurance contract with an insurance company as stipulated in Paragraph 1, Article 430-3, of the Companies Act. The summary of the contents of this insurance contract is shown on page 26 of the Business Report. When the election of the candidates for director serving the Audit and Supervisory Committee Member is approved, they will continue to be covered as an insured person under the relevant insurance contract. Note that the insurance contract is going to be renewed next time with the same content.
 7. The Company has designated Mr. Tamotsu Sawa, Mr. Seiji Sakashita and Mr. Shoji Takechi as independent directors as stipulated by the Tokyo Stock Exchange, and has notified their designation to the Exchange, and intends to continue to appoint them as independent officers if their re-appointment is approved.

[Reference] Skill matrix of the Board of Directors after the General Meeting of Shareholders

(Note) The skill matrix of the Board of Directors will be as follows if the candidates listed in this Notice of Convocation are elected as proposed.

	Name		Corporate management Business strategy	Marketing and sales	Technology, IT, R&D	Manufacturing and quality	Finance	Legal affairs and risk management	Personnel and labor affairs and human-resource development	Global experience
Director	Kozo Araya		●			●	●	●		
	Hirofumi Araya		●	●	●		●	●		●
	Katsuyuki Kikuchi				●	●			●	
	Toshihiro Shimizu		●		●	●	●			●
	Masanori Sanada		●				●	●	●	●
	Toshio Ishimura			●	●					
Audit and Supervisory Committee Member	Kiyohiro Kajiya				●	●		●		
	Tamotsu Sawa	Outside (Independent)	●			●	●	●		
	Seiji Sakashita	Outside (Independent)					●	●		
	Shoji Takechi	Outside (Independent)			●					