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Securities Code: 6373
June 4, 2018

To Shareholders with Voting Rights:

Kozo Araya, President
DAIDO KOGYO CO., LTD.
I-197 Kumasaka-machi,
Kaga City, Ishikawa, Japan

NOTICE OF THE 125th ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 125th Ordinary General Meeting of Shareholders of DAIDO KOGYO CO., LTD. (the "Company"). The meeting will be held as described below.

If you are unable to attend the meeting, you can exercise your voting rights in writing (postal mail) or via the Internet, etc. Please review the Reference Documents for the General Meeting of Shareholders (page 2), and exercise your voting rights by 5:00 p.m., Monday, June 25, 2018(JST).

1. Date and Time: Tuesday, June 26, 2018 at 10:00 a.m.(JST)

2. Place: Main Hall, 1st floor of CHIENKAN Hall,
I-197 Kumasaka-machi, Kaga City, Ishikawa

3. Agenda of the Meeting:

Matter to be reported:

1. The Business Report, the Consolidated Financial Statements, and the audit results of the Consolidated Financial Statements by the Accounting Auditor and the Board of Corporate Auditors for the 125th Fiscal Term (from April 1, 2017 to March 31, 2018)
2. Non-Consolidated Financial Statements for the Company's 125th Fiscal Term (from April 1, 2017 to March 31, 2018)

Proposal to be resolved:

Appropriation of surplus

Reference Documents for the General Meeting of Shareholders

Proposal and Reference

Proposal: Appropriation of surplus

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

Matters regarding year-end dividend

As the Company looks on profit returning to shareholders as one of the important management challenges, its basic policy for dividend payment is to maintain stable payments comprehensively considering its full-year results, management environments, and the mid-term and long-term reinforcement of financial footing, etc. In addition, the payout ratio is 15% or more of the consolidated net income attributable to owners of parent in the period of the 11th Medium-Term Management Plan, with the aim of continuous expansion of dividend payment.

As for the 125th year-end common dividends, based on the above dividend policy and payout ratio target, and in consideration of such matters as the performance for the fiscal term under review and the necessity of internal reserves for future growth, the Company would like to pay as follows:

[1] Type of dividend property:	Cash
[2] Matters regarding allocation of dividend property and the amount thereof:	¥35 per common share Total amount: ¥329,806,925 .
[3] Effective date of surplus dividend:	June 27, 2018.