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Securities Code: 6373
June 3, 2019

To Shareholders with Voting Rights:

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

NOTICE OF THE 126th ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 126th 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 24, 2019(JST).

1. Date and Time: Tuesday, June 25, 2019 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 126th Fiscal Term (from April 1, 2018 to March 31, 2019)
2. Non-Consolidated Financial Statements for the Company's 126th Fiscal Term (from April 1, 2018 to March 31, 2019)

Proposals to be resolved:

Proposal No.1: Appropriation of surplus

Proposal No.2: Election of Seven Directors

Reference Documents for the General Meeting of Shareholders

Proposals and Reference

Proposal No.1: Appropriation of surplus

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

1. Matters regarding year-end dividend

As for the 126th year-end common dividends, In consideration of such matters as the performance for the fiscal year 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: ¥382,304,790.
[3] Effective date of surplus dividend:	June 26, 2019.

2. Matters regarding appropriation of other surplus

In order to make effective use of it in capital investments for future business expansion and research and development activities, etc. to respond to technological innovation, the Company would like to appropriate internal reserves as follows:

i) Item and amount of decreased surplus

Earned surplus carried forward ¥900,000,000

ii) Item and amount of increased surplus

Special reserve fund ¥900,000,000

Proposal No.2: Election of Seven Directors

The term of office for all of the seven Directors of the Company will expire at the closing of this General meeting of Shareholders. Accordingly, the Company proposes the election Seven Directors including two Outside Directors.

The candidates for Directors are as follows:

Candidate No.	Name	Attributes of the Candidate	(References)		
			Current Position at the Company	Responsibilities at the Company	Attendance to Board of Director's Meetings
1	Kozo Araya	Re-elected	President	--	13/13 (100%)
2	Hirofumi Araya	Re-elected	Vise President	Business Strategy Div. Research & Development Div.	13/13 (100%)
3	Yasuyuki Tatsuta	Re-elected	Senior Managing Director	Safety & Quality Div. Production Engineering Div.	13/13 (100%)
4	Katsuyuki Kikuchi	Re-elected	Managing Director	Administration Div. Automotive Parts Div.	13/13 (100%)
5	Toshihiro Shimizu	Re-elected	Managing Director	Motorcycle Parts Div. Industrial Products Div.	13/13 (100%)
6	Tamotsu Sawa	Re-elected	Outside Director	-	13/13 (100%)
7	Kenichi Tanahashi	Re-elected	Outside Director	-	13/13 (100%)

Candidate No.	Name (Date of birth) (Sex)	Career summary	Number of shares of the Company held
1	Kozo Araya (October 25, 1950) (Male) Re-elected	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. (to date) June 2006 Chairman, Kaga Chamber of Commerce and Industry (to date) (Important concurrent position) Chairman, Kaga Chamber of Commerce and Industry	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) Re-elected	April 2002 Joined Daido Kogyo Co., Ltd. Sep. 2004 Sales Dept. Manager, Sales Div. of Daido Kogyo Co., Ltd. June 2005 In charge of Automotive Technology and Sales Dept., Automotive Div. June 2007 Executive Officer of Daido Kogyo Co., Ltd. July 2007 Director and Vice President of Daido Sittipol 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. (to date) 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. (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	Yasuyuki Tatsuta (April 14, 1951) (Male) Re-elected	<p>April 1974 Joined Daido Kogyo Co., Ltd. O c t. 1995 Accounting Dept. Manager, Administration Div. of Daido Kogyo Co., Ltd. April 1996 President's Office Manager and Accounting Dept. Manager, Administration Div. of Daido Kogyo Co., Ltd. July 1998 Accounting Dept. Manager, Administration Div. of Daido Kogyo Co., Ltd. June 2001 Director, Accounting Dept. Manager, Administration Div. and Corporate Planning Office Manager of Daido Kogyo Co., Ltd. April 2002 Accounting Dept. Manager, Administration Div. and Corporate Planning Office Manager of Daido Kogyo Co., Ltd. O c t. 2002 Rim & Wheel Manufacturing Dept. Manager, Production Div. of Daido Kogyo Co., Ltd. June 2005 Business Support Div. Manager of Daido Kogyo Co., Ltd. June 2007 Managing Director of Daido Kogyo Co., Ltd. June 2009 In charge of Business Support Div. of Daido Kogyo Co., Ltd. June 2011 Senior Managing Director of Daido Kogyo Co., Ltd. (to date) July 2011 Chairman, D.I.D Vietnam Co., Ltd. June 2013 In charge of Safety and Quality Div. of Daido Kogyo Co., Ltd. June 2015 In charge of Procurement Div. and Production Div. of Daido Kogyo Co., Ltd. (to date) June 2017 In charge of Safety and Quality Div. and Production Engineering Div. of Daido Kogyo Co., Ltd. (to date)</p>	8,000 shares
		<p>The reasons why the Company elects him as a candidate for Director: Mr. Tatsuta has profound knowledge in finance and accounting based on long-term work experience in the accounting function. Since assuming office as a director of the Company, he has assumed important posts in the business planning and administrative functions, and has been presently taking a central role in management of the Company while supervising several Divisions cross-sectionally as Senior Managing Director. In view of the above, 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.</p>	
4	Katsuyuki Kikuchi (October 10, 1957) (Male) Re-elected	<p>April 1981 Joined Daido Kogyo Co., Ltd. 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. J a n. 2011 Fukuda Plant Manager of Daido Kogyo Co., Ltd. June 2011 Director, Production Div. Manager of Daido Kogyo Co., Ltd. June 2015 Managing Director, Administration Div. Manager of Daido Kogyo CO., Ltd. (to date) In charge of Safety & Quality Div. of Daido Kogyo Co., Ltd. June 2017 In charge of Automotive Parts Div. of Daido Kogyo Co., Ltd. (to date)</p>	2,000 shares
		<p>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 General Manager of Administration Division and Managing Director, promoting IR activities and work style reform while supervising the Four-wheeled Vehicle Business Division. 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.</p>	

Candidate No.	Name (Date of birth) (Sex)	Career summary	Number of shares of the Company held
5	Toshihiro Shimizu (February 21, 1959) (Male) Re-elected	April 1983 Joined Daido Kogyo Co., Ltd. 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, 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. and Industrial Parts Div. (to date) Representative Director & President of D.I.D Asia Co., Ltd. (to date) (Important concurrent position) Representative Director & President of D.I.D Asia Co., Ltd.	10,000 shares
		The reasons why the Company elects him as a candidate for Director: Mr. Shimizu, since having assumed important posts in business planning functions, has engaged in the management of several overseas subsidiaries as Representative Director, and engages in management of those subsidiaries. He is presently leading the two-wheeled vehicle business and industrial machinery business, which are core business of the Company, as a Managing Director, while assuming the responsibility for business strategies in Asia as President of a subsidiary in Thailand. Based on his great deal of experience in business execution and profound knowledge, 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.	
6	Tamotsu Sawa (August 15, 1947) (Male) Re-elected	April 1970 Joined Araya Industrial Co., Ltd. June 2002 Director of Araya Industrial Co., Ltd. June 2008 Managing Director of Araya Industrial Co., Ltd. June 2012 Representative Director & President of Araya Industrial Co., Ltd. June 2015 Director of Daido Kogyo Co., Ltd. (to date) June 2018 Director & Senior Adviser of Araya Industrial Co., Ltd. (to date) (Important concurrent position) Director & Senior Adviser of Araya Industrial Co., Ltd.	0 shares
		The reasons why the Company elects him as a candidate for Director: Mr. Sawa has served as Representative Director of another company and has a great deal of experience accumulated as a business manager over a long time. He has also given useful comments and advice concerning management of the Company since he took office as an outside director of the Company. In view of the above, we determined that his experience and results, when utilized in management of the Company, are expected to help enhance its corporate governance system, and that therefore he is continuously appropriate as a candidate for an outside director.	

Candidate No.	Name (Date of birth) (Sex)	Career summary	Number of shares of the Company held
7	Kenichi Tanahashi (May 29, 1944) (Male)	April 1968 Joined Nissho Company April 1994 President, ALLOY TOOL STEEL INC. June 1999 Senior Vice President of Maxis Corporation June 2002 Senior Executive Director of Maxis Corporation April 2003 Director & Deputy President of Maxis Corporation July 2005 Director & Senior Adviser of Maxis Corporation June 2006 Corporate Auditor of Daido Kogyo Co., Ltd. June 2015 Director of Daido Kogyo Co., Ltd. (to date)	0 shares
	Re-elected	The reasons why the Company elects him as a candidate for Director: Mr. Tanahashi not only has a great deal of experience as a director of another company but also is familiar with the operations of the Company through the auditing during his term as an outside corporate auditor of the Company. He has also given useful comments and advice concerning management of the Company since he took office as an outside director of the Company. We determined that his experience and results, when utilized in management of the Company, are expected to help enhance its corporate governance system, and that therefore he is continuously appropriate as a candidate for an outside 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. A director candidate Mr. Tamotsu Sawa serves as Director and Senior Advisor of Araya Industrial Co., Ltd., which has no business with the Company.
3. There are no special interests between the other director candidates and the Company.
4. Mr. Tamotsu Sawa and Mr. Kenichi Tanahashi, candidates for outside directors, presently serve as outside directors of the Company, and the length of period of their offices as directors will be four years at the time of conclusion of this General Meeting of Shareholders.
5. In accordance with the provision of paragraph 1, Article 427 of the Companies Act, the Company has concluded with Mr. Tamotsu Sawa and Mr. Kenichi Tanahashi contracts for limitation of liability of compensation for damages as set forth in paragraph 1, Article 423 of the Companies Act. The limit of the amount of the liability of compensation under such contracts is the amount limited by laws and regulations. The Company plans to continue such contracts with Mr. Tamotsu Sawa and Mr. Kenichi Tanahashi if their reappointment is approved.
6. Since Mr. Tamotsu Sawa and Mr. Kenichi Tanahashi meet the requirements for independent officers provided by the Tokyo Stock Exchange, the Company plans to continuously designate them as independent officers if their reappointment is approved.