

Security code 6373

June 2, 2021

To Shareholders

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

Notice of Convocation of the 128th Ordinary General Meeting of Shareholders

You are cordially invited to attend the 128th 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 infection and decided to take appropriate measures deemed necessary to hold the Meeting.

Accordingly, in order to prevent the spread of the novel coronavirus infection, shareholders are recommended to refrain from attending the Meeting and exercise voting rights prior to the Meeting in writing (mailing) or electronically (Internet, etc.) by Wednesday, June 23, 2021, at 5:00 p.m. Before voting, please take the time to examine the Reference Documents for the General Meeting of Shareholders on the following pages.

Sincerely yours

- | | |
|--------------------------|---|
| 1. Date and Time | Thursday, June 24, 2021, at 10:00 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 128th Fiscal Term (from April 1, 2020 to March 31, 2021)
2. Non-Consolidated Financial Statements for the 128th Fiscal Term (from April 1, 2020 to March 31, 2021) |
| Proposals to be resolved | |
| Proposal No. 1 | Appropriation of surplus |
| Proposal No. 2 | Election of six Directors (except 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: "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. 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

In order to prevent the spread of the novel coronavirus infection, shareholders are recommended to refrain from attending this General Meeting and exercise voting rights prior to the Meeting in writing or through the Internet, etc.

< Time limit for exercising voting rights: Arrived or sent by Wednesday, June 23, 2021, 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/>) 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.




If attending the General Meeting of Shareholders

Please present the enclosed Voting Rights Exercise Form at the reception desk

Date and Time

10:00 a.m. (reception starts at 9:00 a.m.)
Thursday, June 24, 2021




If exercising voting rights by mail (postal mail)

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

Exercise period

Arrival by Wednesday, June 23, 2021,
5:00 p.m.



If exercising voting rights through the Internet, etc.

Please follow the instructions on the next page to enter your approval or disapproval of the proposals.

Exercise period

Input by Wednesday, June 23, 2021,
5:00 p.m.

Information on how to fill out the Voting Rights Exercise Form

Please enter your approval or disapproval for the proposals here.

Proposal No. 1

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

Proposal No. 2

- When you approve all candidates:
>> Put the mark "○" in the "Approval" column.
- When you disapprove all candidates:
>> Put the mark "○" in the "Disapproval" column.
- When you disapprove some candidates:
>> Put the mark "○" 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 INC.

- 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 website.

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.

Regrettably, however, we would like to determine the year-end dividend to be 15 yen per share since the business environment is expected to remain uncertain in the future due to the impact of COVID-19.

[1] Type of dividend property:	Cash
[2] Matters regarding allocation of dividend property and the amount thereof:	¥15 per common share Total amount: ¥163,841,085.
[3] Effective date of surplus dividend:	June 25, 2021.

Proposal No. 2: Election of six Directors (except Directors serving the Audit and Supervisory Committee)

The term of office of all seven (7) 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, in order to make decisions on the Board of Directors more quickly, we will reduce the number of directors by one and request the appointment of six directors again.

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	K o z o A r a y a Re-elected	Representative Director Chairman	12/12 (100%)
2	Hirofumi Araya Re-elected	Representative Director President	12/12 (100%)
3	Katsuyuki Kikuchi Re-elected	Managing Director Production Engineering Div. Automotive Parts Div.	12/12 (100%)
4	Toshihiro Shimizu Re-elected	Managing Director Research & Development Div. Motorcycle Parts Div.	12/12 (100%)
5	Masanori Sanada Re-elected	Director Administration Div.	9/9 (100%)
6	Toshio Ishimura Re-elected	Director Industrial Products Div.	9/9 (100%)

2. Notes: 1. Since Directors Masanori SANADA and Toshio ISHIMURA were elected in the 127th Annual Meeting of Shareholders held on June 26, 2020, the number of times of their attendance at the Board of Directors meeting is different from those of other directors.

2. In addition to the number of meetings of the Board of Directors shown in the table above, there were four (4) resolutions in writing that were deemed to have been resolved by the Board of Directors in accordance with Article 370 of the Companies Act and the Articles of Incorporation.

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	<p>April 1973 Joined Daido Kogyo Co., Ltd.</p> <p>April 1976 Purchasing Manager of Daido Kogyo Co., Ltd</p> <p>June 1977 Director, Daido Kogyo Co., Ltd</p> <p>Nov. 1978 First Manufacturing Dept. Manager of Daido Kogyo Co., Ltd.</p> <p>Aug. 2002 Representative Director & President of Daido Kogyo Co., Ltd.</p> <p>June 2006 Chairman, Kaga Chamber of Commerce and Industry</p> <p>June 2019 Representative Director & Chairman of Daido Kogyo Co., Ltd. (to date)</p>	69,225 shares
<p>The reasons why the Company elects him as a candidate for Director:</p> <p>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.</p>			
2	Hirofumi Araya (August 20, 1971) Male Re-elected	<p>April 2002 Joined Daido Kogyo Co., Ltd.</p> <p>Sep. 2004 Sales Dept. Manager, Sales Div. of Daido Kogyo Co., Ltd.</p> <p>June 2005 Automotive Technology and Sales Dept., Automotive Div.</p> <p>June 2007 Executive Officer of Daido Kogyo Co., Ltd.</p> <p>April 2008 Representative Director & President of Daido Sittipol Co., Ltd.</p> <p>April 2010 Representative Director & President of D.I.D Asia Co., Ltd.</p> <p>Sep. 2010 Representative Director & President of Daido India pvt. Ltd.</p> <p>June 2011 Director and Technical Development Div. Manager of Daido Kogyo Co., Ltd.</p> <p>June 2013 Managing Director, in charge of Motorcycle / Automotive Div. Director & Vice-Chairman of Daido Sittipol Co., Ltd</p> <p>June 2015 Representative Director & Vice-President of Daido Kogyo Co., Ltd.</p> <p>In charge of Research & Development Div. of Daido Kogyo Co., Ltd.</p> <p>Director & Chairman of Daido Sittipol Co., Ltd. (to date)</p> <p>June 2017 In charge of Business Strategy Div. and, Research & Development Div. of Daido Kogyo Co., Ltd.</p> <p>June 2019 Representative Director & President of Daido Kogyo Co., Ltd. (to date)</p> <p>In charge of Internal Control Audit Office</p> <p>(Important concurrent position)</p> <p>Director & Chairman of Daido Sittipol Co. Ltd</p>	11,830 shares
<p>The reasons why the Company elects him as a candidate for Director:</p> <p>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.</p>			

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-elected</div>	April 1981 Dec. 2004 June 2005 Jan. 2011 June 2015 June 2017 June 2019 June 2020	Joined Daido Kogyo Co., Ltd. Manager of Chain Manufacturing Dept., Production Div. of Daido Kogyo Co., Ltd. Manager of Automotive Manufacturing Dept., Automotive Div. of Daido Kogyo Co., Ltd. Fukuda Plant Manager of Daido Kogyo Co., Ltd Managing Director (to date) Administration Div. Manager of Daido Kogyo CO., Ltd. In charge of Safety & Quality Div. of Daido Kogyo Co., Ltd. In charge of Automotive Parts Div. of Daido Kogyo Co., Ltd. (to date) Production Engineering Div. Manager In charge of Production Engineering Div. of Daido Kogyo Co., Ltd. (to date)	2,000 shares
		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 General Manager of Production Engineering 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.		
4	Toshihiro Shimizu (February 21, 1959) Male <div>Re-elected</div>	April 1983 Sep. 2004 June 2005 June 2007 Aug. 2007 April 2009 June 2010 June 2013 June 2017 June 2020	Joined Daido Kogyo Co., Ltd. Corporate Planning Dept. Manager, Administration Div. of Daido Kogyo Co., Ltd. Corporate Planning Office Manager of Daido Kogyo Co., Ltd. Representative Director & President, Daido Industrial E Comercial Ltda. Representative Director & President, Daido Industrial E Comercial Ltda. Representative Director & President, Daido Industria De Correntesda Amazonia Ltda. Executive Officer of Daido Kogyo Co., Ltd. Director, Industrial Products Div. Manager of Daido Kogyo Co., Ltd. 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. In charge of Research & Development Div. of Daido Kogyo Co., Ltd. (to date)	30,000 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. 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.		

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-elected</div>	April 1984	Joined Daido Kogyo Co., Ltd.	5,000 shares
		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	Corporate Planning Office Manager 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. Administration Div. Manager of Daido Kogyo Co., Ltd. (to date)	
		June 2020	Director, Daido Kogyo Co., Ltd. (to date)	
		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. In addition, he has assumed important posts in business planning functions and engaged in the management of an overseas subsidiary as Representative Director and has abundant experiences and achieved results in management of the Company's Group. 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-elected</div>	April 1984	Joined Daido Kogyo Co., Ltd.	2,000 shares
		Dec. 2004	AS Business Dept. Manager of Daido Kogyo Co., Ltd.	
		June 2005	Manager, Corporate Planning Office of Daido Kogyo Co., Ltd. Manager, Industrial Machinery Sales Dept. of D.I.D	
		June 2009	Industrial Machinery Sales Dept. Manager of D.I.D Co., Ltd.	
		June 2011	Director of D.I.D Co., Ltd.	
		June 2017	Executive Officer of Daido Kogyo Co., Ltd. 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)	
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. 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 20 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