

*Note: This English translation is an abridged version of the original notice in Japanese. In the event of a discrepancy, the Japanese version shall prevail.*

**TO OUR SHAREHOLDERS**

**June 10, 2020**

**Securities code: 3205**

**Daidoh Limited**

1-16 Sotokanda 3-chome, Chiyoda-ku,  
Tokyo

**NOTICE OF THE 97th ORDINARY GENERAL MEETING OF  
SHAREHOLDERS**

Dear Shareholder:

Please be informed that the 97th Ordinary General Meeting of Shareholders of Daidoh Limited (the “Company”) will be held at 10:00 a.m. (the reception is scheduled to open at 9:00 a.m.) on Friday, June 26, 2020, at Tower Hall of Roppongi Academyhills on the 49th floor of Roppongi Hills Mori Tower, at 10-1 Roppongi 6-chome, Minato-ku, Tokyo.

When arriving at the meeting venue, please submit the enclosed Voting Form at the reception desk.

You may exercise your voting rights in writing as described below. Please review the attached Reference Materials for the Ordinary General Meeting of Shareholders and exercise your vote so that it reaches us no later than 6:30 p.m. on Thursday, June 25, 2020.

**Voting by Proxy via Postal Mail**

Please indicate “for” or “against” for each agenda item listed on the enclosed Voting Form and return it so that it reaches the Head Office of the Company no later than 6:30 p.m. on Thursday, June 25, 2020.

Souvenirs will not be provided to the shareholders attending the meeting. We appreciate your understanding.

Sincerely,

Tsukasa Nabewari  
Representative Director  
President & CEO

## **MEETING AGENDA**

### **Items to be Reported:**

1. The Business Report, the Consolidated Financial Statements and the Report of the Audit of the Consolidated Financial Statements by Accounting Auditors and the Board of Corporate Auditors for the 97th term from April 1, 2019, to March 31, 2020, will be reported at the meeting.
2. The Non-Consolidated Financial Statements for the 97th term from April 1, 2019, to March 31, 2020, will be reported at the meeting.

### **Items to be Resolved:**

**Item 1: Appropriation of Surplus**

**Item 2: Election of Six (6) Directors**

Of the documents to be provided with this Notice, “Notes to the Consolidated Financial Statements” and “Notes to the Non-consolidated Financial Statements” are posted on our website (<https://www.daidoh-limited.com/>) on the Internet in accordance with laws and regulations and provisions of the Articles of Incorporation of the Company. Therefore, the attached documents to this Notice is a part of Consolidated Financial Statements and the Non-consolidated Financial Statements audited by the Accounting Auditor and the Corporate Auditors when they prepared the accounting audit report and the audit report, respectively.

### **Means of Amendment Notice**

If there are any amendments to the Reference Materials for the Ordinary General Meeting of Shareholders, the Business Report, the Non-Consolidated Financial Statements or the Consolidated Financial Statements by the day before the Ordinary General Meeting of Shareholders, we will provide notification on our Website (<https://www.daidoh-limited.com/>).

## Our response to coronavirus disease (COVID-19)

In order to prevent the spread of COVID-19, we will be holding this Ordinary General Meeting of Shareholders differently from the previous years as described below. We appreciate your kind understanding and your cooperation.

Please consider foremost your safety and your family's. We request you to exercise your voting rights by sending back the enclosed Voting Form in advance from the perspective of preventing the spread of the disease, and we strongly recommend to refrain from attending the meeting on the day. Especially, shareholders who may have high risk to the infection, such as elderly, shareholders with underlying disease and shareholders who are pregnant should consider their attendance carefully.

Attending shareholders are requested to be thoughtful to others by wearing your mask. Shareholders who are not feeling well, or 14 days have not yet passed since returning to Japan may be asked not to enter the venue of the meeting.

To ensure there are wide space between the seats, we may not be able to secure enough number of seats, and may limit the number of shareholders allowed to enter the venue.

From the perspective of shortening the time required for the meeting to prevent the spread of the infection, we may omit the items to be reported and detailed explanation of the proposals at the meeting. We appreciate your kind understanding and your cooperation on this matter.

In addition, at the venue, we will take necessary measures to prevent the spread of the infection as of the day of the meeting. Your cooperation is highly appreciated.

In case a significant change arises due to the future conditions, such as the venue becomes unavailable to use, we will notify you by posting it on our website (<https://www.daidoh-limited.com/>).

**CONSOLIDATED BALANCE SHEET**Daidoh Limited

As of March 31, 2020

	Millions of yen
<b>Assets:</b>	
<b>Current assets:</b>	
Cash and deposits	3,527
Notes and accounts receivable - trade	2,289
Inventories	4,219
Other	1,146
Allowance for doubtful accounts	(87)
<b>Total current assets</b>	<b>11,095</b>
<b>Non-current assets:</b>	
<b>Property, plant and equipment:</b>	<b>7,585</b>
Buildings, net	6,512
Structures, net	82
Machinery and equipment, net	126
Vehicles, net	9
Tools, furniture and fixtures, net	163
Land	463
Leased assets, net	208
Construction in progress	19
<b>Intangible assets:</b>	<b>2,478</b>
Software	126
Leased assets	27
Goodwill	649
Other	1,674
<b>Investments and other assets:</b>	<b>15,627</b>
Investment securities	12,541
Leasehold and guarantee deposits	773
Deferred tax assets	1,504
Other	1,088
Allowance for doubtful accounts	(281)
<b>Total non-current assets</b>	<b>25,691</b>
<b>Total assets</b>	<b>36,787</b>

## CONSOLIDATED BALANCE SHEET

Daidoh Limited

As of March 31, 2020

	Millions of yen
<b>Liabilities:</b>	
<b>Current liabilities:</b>	
Notes and accounts payable - trade	1,326
Short-term borrowings	6,603
Current portion of long-term borrowings	3,750
Lease obligations	137
Income taxes payable	68
Deposits received	954
Provision for bonuses	108
Provision for point card certificates	30
Other	1,303
<b>Total current liabilities</b>	<b>14,283</b>
<b>Non-current liabilities:</b>	
Long-term borrowings	2,651
Lease obligations	1,608
Long-term guarantee deposits	2,817
Deferred tax liabilities	418
Retirement benefit liability	216
Other	565
<b>Total non-current liabilities</b>	<b>8,277</b>
<b>Total liabilities</b>	<b>22,561</b>
<b>Net assets:</b>	
<b>Shareholders' equity:</b>	<b>14,011</b>
Share capital	6,891
Capital surplus	8,055
Retained earnings	3,194
Treasury shares	(4,130)
<b>Accumulated other comprehensive income</b>	<b>(321)</b>
Valuation difference on available-for-sale securities	(1,876)
Foreign currency translation adjustment	1,555
Share acquisition rights	193
<b>Non-controlling interests</b>	<b>342</b>
<b>Total net assets</b>	<b>14,226</b>
<b>Total liabilities and net assets</b>	<b>36,787</b>

## CONSOLIDATED STATEMENT OF INCOME

Daidoh Limited

For the year ended March 31, 2020

	Millions of yen
<b>Net sales</b>	<b>23,596</b>
<b>Cost of sales</b>	<b>12,722</b>
<b>Gross profit</b>	<b>10,873</b>
<b>Selling, general and administrative expenses</b>	<b>11,624</b>
<b>Operating profit (loss)</b>	<b>(750)</b>
<b>Non-operating income:</b>	<b>829</b>
Interest income	271
Dividend income	151
Share of profit of entities accounted for using equity method	116
Commission income	209
Other	79
<b>Non-operating expenses:</b>	<b>439</b>
Interest expenses	196
Foreign exchange losses	34
Commission expenses	109
Other	98
<b>Ordinary profit (loss)</b>	<b>(360)</b>
<b>Extraordinary income:</b>	<b>92</b>
Gain on sales of non-current assets	3
Gain on sales of investment securities	21
Gain on liquidation of subsidiaries	67
<b>Extraordinary losses:</b>	<b>804</b>
Loss on sales and retirement of non-current assets	40
Impairment loss	42
Loss on valuation of investment securities	500
Loss on sales of investment securities	206
Other	13
<b>Profit (loss) before income taxes</b>	<b>(1,071)</b>
Income taxes - current	132
Income taxes - deferred	240
<b>Profit (loss)</b>	<b>(1,444)</b>
<b>Profit attributable to non-controlling interests</b>	<b>12</b>
<b>Profit (loss) attributable to owners of parent</b>	<b>(1,457)</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Daidoh Limited

For the year ended March 31, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,891	8,134	4,856	(4,182)	15,700
Cumulative effects of changes in accounting policies			(34)		(34)
Restated balance	6,891	8,134	4,821	(4,182)	15,665
Changes during period					
Dividends of surplus			(169)		(169)
Profit (loss) attributable to owners of parent			(1,457)		(1,457)
Disposal of treasury shares		(27)		52	24
Purchase of treasury shares				(0)	(0)
Change in ownership interest of parent due to transactions with non-controlling interests		(51)			(51)
Net changes in items other than shareholders' equity					
Total changes during period	–	(78)	(1,627)	52	(1,653)
Balance at end of period	6,891	8,055	3,194	(4,130)	14,011

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	(1,593)	1,689	96	181	480	16,458
Cumulative effects of changes in accounting policies					(8)	(43)
Restated balance	(1,593)	1,689	96	181	471	16,414
Changes during period						
Dividends of surplus						(169)
Profit (loss) attributable to owners of parent						(1,457)
Disposal of treasury shares						24
Purchase of treasury shares						(0)
Change in ownership interest of parent due to transactions with non-controlling interests						(51)
Net changes in items other than shareholders' equity	(283)	(134)	(418)	12	(129)	(534)
Total changes during period	(283)	(134)	(418)	12	(129)	(2,188)
Balance at end of period	(1,876)	1,555	(321)	193	342	14,226

## NON-CONSOLIDATED BALANCE SHEET

Daidoh Limited

As of March 31, 2020

	Millions of yen
<b>Assets:</b>	
<b>Current assets:</b>	
Cash and deposits	1,581
Notes receivable - trade	141
Short-term loans receivable	4,806
Other	358
Allowance for doubtful accounts	(9)
<b>Total current assets</b>	<b>6,879</b>
<b>Non-current assets:</b>	
<b>Property, plant and equipment:</b>	<b>139</b>
Buildings, net	53
Land	56
Other, net	29
<b>Intangible assets:</b>	<b>80</b>
Software	39
Other	41
<b>Investments and other assets:</b>	<b>20,817</b>
Investment securities	10,617
Shares of subsidiaries and associates	9,415
Other	961
Allowance for doubtful accounts	(177)
<b>Total non-current assets</b>	<b>21,038</b>
<b>Total assets</b>	<b>27,917</b>



## NON-CONSOLIDATED BALANCE SHEET

Daidoh Limited

As of March 31, 2020

	Millions of yen
<b>Liabilities:</b>	
<b>Current liabilities:</b>	
Short-term borrowings	6,500
Current portion of long-term borrowings	3,750
Accounts payable - other	15
Accrued expenses	53
Income taxes payable	38
Deposits received	15
Provision for bonuses	39
Other	15
<b>Total current liabilities</b>	<b>10,426</b>
<b>Non-current liabilities:</b>	
Long-term borrowings	2,651
Long-term accounts payable - other	363
Deferred tax liabilities	59
Other	15
<b>Total non-current liabilities</b>	<b>3,089</b>
<b>Total liabilities</b>	<b>13,516</b>
<b>Net assets:</b>	
<b>Shareholders' equity:</b>	<b>16,015</b>
<b>Share capital</b>	<b>6,891</b>
<b>Capital surplus</b>	<b>8,385</b>
Legal capital surplus	5,147
Other capital surplus	3,238
<b>Retained earnings</b>	<b>4,869</b>
Legal retained earnings	959
Other retained earnings	3,909
Retained earnings brought forward	3,909
<b>Treasury shares</b>	<b>(4,130)</b>
<b>Valuation and translation adjustments</b>	<b>(1,808)</b>
Valuation difference on available-for-sale securities	(1,808)
<b>Share acquisition rights</b>	<b>193</b>
<b>Total net assets</b>	<b>14,401</b>
<b>Total liabilities and net assets</b>	<b>27,917</b>

## NON-CONSOLIDATED STATEMENT OF INCOME

### Daidoh Limited

For the year ended March 31, 2020

	Millions of yen
<b>Operating revenue</b>	<b>1,519</b>
Commissions from subsidiaries and associates	800
Dividends from subsidiaries and associates	719
<b>Selling, general and administrative expenses</b>	<b>1,251</b>
<b>Operating profit</b>	<b>267</b>
<b>Non-operating income:</b>	<b>559</b>
Interest and dividend income	547
Other	11
<b>Non-operating expenses:</b>	<b>168</b>
Interest expenses	135
Other	33
<b>Ordinary profit</b>	<b>658</b>
<b>Extraordinary income</b>	<b>89</b>
Gain on sales of investment securities	21
Gain on liquidation of subsidiaries	67
<b>Extraordinary losses:</b>	<b>1,041</b>
Loss on sales of investment securities	206
Loss on valuation of investment securities	495
Loss on valuation of shares of subsidiaries and associates	154
Loss on debt waiver of subsidiaries and associates	182
Other	1
<b>Profit (loss) before income taxes</b>	<b>(293)</b>
Income taxes - current	0
<b>Profit (loss)</b>	<b>(294)</b>

## NON-CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Daidoh Limited

For the year ended March 31, 2020

(Millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings brought forward	Total retained earnings
Balance at beginning of period	6,891	5,147	3,265	8,412	959	4,373	5,333
Changes during period							
Dividends of surplus						(169)	(169)
Profit (loss)						(294)	(294)
Disposal of treasury shares			(27)	(27)			
Purchase of treasury shares							
Net changes in items other than shareholders' equity							
Total changes during period	—	—	(27)	(27)	—	(463)	(463)
Balance at end of period	6,891	5,147	3,238	8,385	959	3,909	4,869

	Shareholders' equity		Valuation and translation adjustments		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	(4,182)	16,454	(1,552)	(1,552)	181	15,083
Changes during period						
Dividends of surplus		(169)				(169)
Profit (loss)		(294)				(294)
Disposal of treasury shares	52	24				24
Purchase of treasury shares	(0)	(0)				(0)
Net changes in items other than shareholders' equity			(255)	(255)	12	(243)
Total changes during period	52	(438)	(255)	(255)	12	(682)
Balance at end of period	(4,130)	16,015	(1,808)	(1,808)	193	14,401

## **REFERENCE MATERIALS FOR THE ORDINARY GENERAL MEETING OF SHAREHOLDERS**

### **Agenda items and reference materials**

#### **Item 1: Appropriation of Surplus**

Proposed appropriation of surplus for the 97th term is as follows:

##### **Year-end dividends**

The Company considers the returning of profits to shareholders to be one of its most important tasks.

As a basic policy, the Company has implemented a performance-related dividend policy under which the basic rate of dividends is 30% of the Company's consolidated ordinary income, with the aim of sharing the effects of increased profits through a flexible profit-sharing scheme. Additionally, 30% of the Company's extraordinary income or loss that generate cash flow, such as gain on sales of securities and non-current assets, are added to the source of basic dividend payments for future years to provide a stable, continuous dividend while comprehensively taking into consideration the business environment and other matters such as the necessity of bolstering of internal reserves.

- 1) Type of dividends to be paid  
Dividends shall be paid in cash.
- 2) Amount of dividend per share and total amount of dividends to be allocated  
Two point five (2.5) yen shall be paid per common share of the Company as a dividend, which brings the total amount of dividends to 84,899,798 yen.
- 3) Effective date of dividend payment  
The effective date of dividend payment shall be June 29, 2020.

## Item 2: Election of Six (6) Directors

The terms of office of all the current seven (7) Directors will expire at the conclusion of this Ordinary General Meeting of Shareholders. To streamline the management structure, the Company is requesting decreasing the number of Directors by one (1) and electing six (6) Directors.

The candidates for Directors are as follows:

Candidate number	Name		Current position and responsibilities at the Company, and significant concurrent occupations or positions at other organizations
1	Tsukasa Nabewari	Reappointment	Representative Director and President & CEO of the Company President and Representative Director of DAIDOH FORWARD LTD.
2	Kiyoshi Fukura	Reappointment	Representative Director and Managing Executive Officer of the Company in charge of Corporate Administration and Real Estate
3	Fumitaka Saito	Reappointment	Director and Senior Executive Officer of the Company in charge of Overseas Business, Chairman of PONTETORTO S.p.A., DAIDOH ENGAGEMENT and SDGs
4	Katsuo Watabe	Reappointment	Director and Executive Officer of the Company in charge of Manufacturing Business, Executive Vice President and Representative Director of DAIDOH FORWARD LTD. Chairman of DAIDOH LIMITED TRADING (SHANGHAI) CO., LTD.
5	Kazuyuki Nishioka	Reappointment External Director Independent Officer	Director of the Company
6	Kensuke Narita	New appointment External Director Independent Officer	Director of Incorporated Educational Institution of Tanaka Chiyo Gakuen

Candidate number	Name (date of birth)	Career summary, position and responsibilities at the Company, and significant concurrent occupations or positions at other organizations	Number of shares of the Company held
1	Tsukasa Nabewari (December 2, 1959)	<p>April 1982      Joined the Company</p> <p>April 2014      Director of NEWYORKER LTD. (present DAIDOH FORWARD LTD.)</p> <p>April 2017      Representative Director of NEWYORKER LTD. (present DAIDOH FORWARD LTD.) Director, SHANGHAI NEWYORKER CLOTHING SALES CO., LTD.</p> <p>June 2017      Executive Officer of the Company</p> <p>January 2018    Executive Vice President and Representative Director of DAIDOH FORWARD LTD.</p> <p>April 2019      President and Representative Director of DAIDOH FORWARD LTD. (current)</p> <p>June 2019      Director and Executive Officer of the Company</p> <p>April 2020      Representative Director and President &amp; CEO of the Company (current)</p> <p>Reasons for nomination as a candidate for Director: As Representative Director and President &amp; CEO, Mr. Tsukasa Nabewari is playing appropriate roles of making important managerial decisions and supervising execution of the Company's business, and is promoting establishment of earnings bases for the Group's clothing and real estate &amp; leasing businesses. Mr. Nabewari held responsible positions in the retail division of clothing business, thereby accumulated considerable experience and knowledge. He is also promoting enhancement of the earning power of the domestic clothing and real estate &amp; leasing businesses as President and Representative Director of our Group company DAIDOH FORWARD LTD. His achievements qualify him to take a role in ensuring the sustainable growth of the Company and enhancing its corporate value in the medium to long term. Therefore, the Company requests the reelection of Mr. Nabewari as Director.</p>	11,100 shares

Candidate number	Name (date of birth)	Career summary, position and responsibilities at the Company, and significant concurrent occupations or positions at other organizations	Number of shares of the Company held
2	Kiyoshi Fukura (October 2, 1952)	<p>April 1971    Joined the Company</p> <p>December 1994    Chief Financial Officer of DAIDOH LIMITED (SHANGHAI) CO., LTD.</p> <p>July 2008    General Manager of Management Control Office of the Company</p> <p>March 2010    Corporate Auditor of NEWYORKER LTD. (present DAIDOH FORWARD LTD.)</p> <p>April 2010    Corporate Auditor of DAIDOH INTERNATIONAL LTD. (present DAIDOH FORWARD LTD.) Corporate Auditor of DYNACITY LTD. (present DAIDOH FORWARD LTD.)</p> <p>June 2011    Executive Officer of the Company</p> <p>June 2013    Director and Executive Officer of the Company, in charge of Accounting and Finance Director of DYNACITY LTD. (present DAIDOH FORWARD LTD.)</p> <p>June 2016    Director and Senior Executive Officer of the Company In charge of Corporate Administration and Real Estate</p> <p>April 2018    Director and Senior Executive Officer of the Company In charge of Chinese Manufacturing Business Operations, Corporate Administration and Real Estate</p> <p>June 2019    Managing Director and Senior Executive Officer of the Company In charge of Corporate Administration and Real Estate</p> <p>April 2020    Representative Director and Managing Executive Officer of the Company In charge of Corporate Administration and Real Estate (current)</p>	37,200 shares
		<p>Reasons for nomination as a candidate for Director:</p> <p>As Representative Director and Managing Executive Officer, Mr. Kiyoshi Fukura is playing appropriate roles of making important managerial decisions and supervising execution of the Company's business. Being in charge of the corporate administration and the real estate business of the Company, he is working on establishment and promotion of management strategies and the establishment of a solid financial base. In addition, Mr. Fukura has considerable experience and achievements as well as a broad range of knowledge in the fields of accounting and financial matters as an officer in charge of the corporate administration divisions of Group companies, including those overseas. His achievements qualify him to take a role in ensuring the sustainable growth of the Company and enhancing its corporate value in the medium to long term. Therefore, the Company requests the reelection of Mr. Fukura as Director.</p>	

Candidate number	Name (date of birth)	Career summary, position and responsibilities at the Company, and significant concurrent occupations or positions at other organizations	Number of shares of the Company held
3	Fumitaka Saito (February 17, 1958)	<p>August 1990      Joined the Company</p> <p>December 2002    Director of Jardin Co., Ltd. (present DAIDOH FORWARD LTD.)</p> <p>April 2007        General Manager of Management Planning Office of the Company</p> <p>June 2013        Executive Officer, General Manager of Management Planning Office of the Company</p> <p>April 2014        Chairman of DAIDOH LIMITED (CHINA) HOLDINGS CO., LTD. Chairman of DAIDOH LIMITED (SHANGHAI) CO., LTD.</p> <p>June 2014        Senior Executive Officer, General Manager of Management Planning Office of the Company In charge of Chinese Manufacturing Business Operations</p> <p>June 2016        Director and Executive Officer, General Manager of Management Planning Office of the Company In charge of Chinese Manufacturing Business Operations and Daidoh International (present DAIDOH FORWARD LTD.)</p> <p>November 2016   Chairman and Representative Director of PONTETORTO S.p.A.</p> <p>April 2017        President and Representative Director of PONTETORTO S.p.A.</p> <p>June 2018        Director and Executive Officer In charge of Overseas Business and General Manager of Management Planning Office of the Company</p> <p>April 2019        Director and Executive Officer In charge of Overseas Business and Management Planning of the Company</p> <p>April 2020        Director and Senior Executive Officer In charge of Overseas Business, DAIDOH ENGAGEMENT and SDGs of the Company (current)</p> <p>May 2020        Chairman of PONTETORTO S.p.A. (current)</p>	10,000 shares



		<p>Reasons for nomination as a candidate for Director:</p> <p>As Director and Senior Executive Officer, Mr. Fumitaka Saito is playing appropriate roles of making important managerial decisions and supervising execution of the Company's business. Being in charge of the overseas business and environment division, he concurrently serves as Chairman of PONTETORTO S.p.A. in Italy, and is working on enhancement of the earning power of the manufacturing &amp; sales division in the clothing business. In addition, Mr. Saito has held responsible positions in the management planning division and in Group companies, including those overseas, thereby accumulating considerable experience and knowledge. His achievements qualify him to take a role in ensuring the sustainable growth of the Company and enhancing its corporate value in the medium to long term. Therefore, the Company requests the reelection of Mr. Saito as Director.</p>
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Candidate number	Name (date of birth)	Career summary, position and responsibilities at the Company, and significant concurrent occupations or positions at other organizations	Number of shares of the Company held
4	Katsuo Watabe (July 21, 1957)	<p>April 1980      Joined Jardin Co., Ltd. (present DAIDOH FORWARD LTD.)</p> <p>June 2013      Executive Officer and General Manager, Production Management Department of the Company Chairman of DAIDOH JARDIN (MAANSHAN) CO., LTD.</p> <p>April 2017      President and Representative Director of DAIDOH INTERNATIONAL LTD. (present DAIDOH FORWARD LTD.) Chairman and President of DAIDOH LIMITED (CHINA) HOLDINGS CO., LTD. Chairman of DAIDOH LIMITED TRADING (SHANGHAI) CO., LTD. (current)</p> <p>January 2018    Executive Vice President and Representative Director of DAIDOH FORWARD LTD. (current)</p> <p>June 2019      Director and Executive Officer of the Company In charge of Manufacturing Business (current)</p>	7,400 shares
		<p>Reasons for nomination as a candidate for Director: As Director and Executive Officer, Mr. Katsuo Watabe is playing appropriate roles of making important managerial decisions and supervising execution of the Company's business. Being in charge of the Manufacturing division of the clothing business, he concurrently serves in responsible positions in overseas subsidiaries and Executive Vice President and Representative Director of DAIDOH FORWARD LTD., and is working on enhancement of the earning power of the manufacturing &amp; sales division of textile products and raw materials. In addition, Mr. Watabe held responsible positions in Group companies, including those overseas, thereby accumulating considerable experience and knowledge. His achievements qualify him to take a role in ensuring the sustainable growth of the Company and enhancing its corporate value in the medium to long term. Therefore, the Company requests the reelection of Mr. Watabe as a new Director.</p>	

Candidate number	Name (date of birth)	Career summary, position and responsibilities at the Company, and significant concurrent occupations or positions at other organizations	Number of shares of the Company held
5	Kazuyuki Nishioka (November 17, 1947)	<p>April 1970      Joined Nagasakiya Co., Ltd.</p> <p>March 2003      Director of Nagasakiya Co., Ltd.</p> <p>June 2008      Director of Mainami Amusement Co., Ltd.</p> <p>June 2010      Director of Mainami Holdings Co., Ltd.</p> <p>                         Managing Director and COO of Mainami Amusement Co., Ltd.</p> <p>June 2016      External Director of the Company (current)</p>	1,100 shares
		<p>Reasons for nomination as a candidate for External Director:</p> <p>Mr. Kazuyuki Nishioka has served as Director of other companies and considerable experience and achievements as well as a broad range of knowledge in the business domain of the Company. By giving opinion and advice beneficial to the management of the Company and taking a supervisory role at the Board of Directors from an independent standpoint, he is helping strengthen the supervisory function of the Board of Directors and secure the transparency of the management. His experience and achievements qualify him to take a role in ensuring the sustainable growth of the Company and enhancing its corporate value in the medium to long term. Therefore, the Company requests the reelection of Mr. Nishioka as External Director.</p>	

Candidate number	Name (date of birth)	Career summary, position and responsibilities at the Company, and significant concurrent occupations or positions at other organizations	Number of shares of the Company held
* 6	Kensuke Narita (October 29, 1956)	<p>April 1981      Joined Nissha Printing Co., Ltd.                          (currently Nissha Co., Ltd.)</p> <p>June 2008      Vice President of Nissha Printing Co., Ltd.</p> <p>April 2010      Vice President and General Manager, Information and Communication Business Unit of Nissha Printing Co., Ltd.</p> <p>July 2015      Representative Director of Nissha Printing Communications, Inc.</p> <p>April 2017      Full-time Advisor of Nissha Printing Communications, Inc.</p> <p>June 2020      Director of Incorporated Educational Institution of Tanaka Chiyo Gakuen (current)</p>	- shares
<p>Reasons for nomination as a candidate for External Director: Mr. Kensuke Narita has considerable experience and achievements as well as a broad range of knowledge in the management, acquired through activities as a corporate manager of other companies. Based on his experience and achievements, by giving opinion and advice beneficial to the management of the Company, he is qualified to take a supervisory role of the management from an independent standpoint, to ensure the sustainable growth of the Company and enhance its corporate value in the medium to long term. Therefore, the Company requests the election of Mr. Narita as a new External Director.</p>			

- Notes:
1. \* indicates the new candidate for External Director.
  2. No special relationship exists between the Company and the above candidates.
  3. Mr. Kazuyuki Nishioka and Mr. Kensuke Narita are candidates for External Directors.
  4. Mr. Kazuyuki Nishioka is currently an External Director of the Company and will have served as an External Director for four (4) years at the conclusion of this Ordinary General Meeting of Shareholders.
  5. The Company's Articles of Incorporation provide that the Company may enter into a contract for limitation of liability with its External Directors. Pursuant to this provision, if Mr. Kazuyuki Nishioka assumes office as an External Director, the Company plans to continue said contract for limitation of liability with him. Under said contract, the amount of liability for damages is up to the minimum liability amount provided by law.
  6. The Company's Articles of Incorporation provide that the Company may enter into a contract for limitation of liability with its External Directors. Pursuant to this provision, if Mr. Kensuke Narita assumes office as an External Director, the Company plans to enter into said contract for limitation of liability with him. Under said contract, the amount of liability for damages is up to the minimum liability amount provided by law.
  7. Mr. Kazuyuki Nishioka has been registered as an independent director as set forth by the provisions of Tokyo Stock Exchange, Inc., and Nagoya Stock Exchange, Inc. If his reelection as External Director is approved, he will continue to be an independent director.  
Mr. Kensuke Narita fulfills the requirements for independent directors as set forth by the provisions of Tokyo Stock Exchange, Inc., and Nagoya Stock Exchange, Inc. The Company plans to register him as an independent director.