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Notice of Annual Shareholders Meeting

(Securities Code 6459)

March 8, 2021

To Shareholders:

Atsushi Ozaki
President and Representative Director
DAIWA INDUSTRIES LTD.
3-13, Obasecho, Tennoji-ku, Osaka

NOTICE OF THE 60TH ANNUAL SHAREHOLDERS MEETING

Dear Shareholders:

We are pleased to inform you that we are holding the 60th Annual Shareholders Meeting of DAIWA INDUSTRIES LTD. (the “Company”).

Instead of attending the meeting, you can exercise your voting rights in writing. Please review the attached Reference Documents for the Shareholders Meeting and indicate your approval or disapproval of the proposals on the enclosed Voting Rights Exercise Form and return it so that it is received by 5:45 p.m., Monday, March 29, 2021, Japan time.

- 1. Date and Time:** Tuesday, March 30, 2021 at 10:00 a.m. Japan time (reception will be open at 9:00 a.m.)
- 2. Place:** Main Hall on the 7th floor of Mengyo Kaikan Shinkan located at 5-8, Bingomachi 2-chome, Chuo-ku, Osaka, Japan

If the venue becomes unavailable due to future circumstances, the Company will notify you of a new venue (and a new start time, if applicable) and any other changes on its website (<http://www.drk.co.jp>). We ask all shareholders attending the meeting to check the website in advance.

3. Meeting Agenda:

Matters to be reported: The Business Report and Financial Statements for the Company’s 60th Fiscal Year (January 1, 2020 - December 31, 2020)

Proposals to be resolved:

- | | |
|-------------------|---|
| Proposal 1 | Election of Eight (8) Directors |
| Proposal 2 | Election of One (1) Company Auditor |
| Proposal 3 | Provision of Retirement Allowance to a Resigning Director |

- ◎ When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
- ◎ Should the Reference Documents for the Shareholders Meeting, the Business Report and Financial Statements require any revisions, the revised versions will be posted on the Company’s website (<http://www.drk.co.jp>).
- ◎ Please note that from this year, the Company will not prepare souvenirs for shareholders attending the meeting. We appreciate your understanding.

Reference Documents for the Shareholders Meeting

Proposals and Matters for Reference

Proposal 1 Election of Eight (8) Directors

The terms of office of all Directors (nine (9) Directors) of the Company will expire at the conclusion of this Annual Shareholders Meeting. Accordingly, the Company proposes the election of eight (8) Directors.

The candidates are as follows:

No.	Name	Current position at the Company	Attendance at Board of Directors meetings
1	Shigeru Ozaki Reelection	Top Advisor and Director	2 out of 10 meetings
2	Atsushi Ozaki Reelection	President and Representative Director	10 out of 10 meetings
3	Toshihiro Sugita Reelection	Senior Managing Director	9 out of 10 meetings
4	Yoshiaki Ono Reelection Outside Director Independent Director	Director	10 out of 10 meetings
5	Sumio Saito Reelection Outside Director Independent Director	Director	8 out of 8 meetings*
6	Masahiro Ozaki Reelection	Director	10 out of 10 meetings
7	Kazushige Hirade Reelection	Director	10 out of 10 meetings
8	Tetsuro Kudo Reelection	Director	10 out of 10 meetings

※ The candidate, Mr. Sumio Saito, was elected as a new Director at the 59th Annual Shareholders Meeting held on March 27, 2020 and assumed the office of Director. Accordingly, the attendance at the Board of Directors meetings of Mr. Saito in the 60th fiscal year refers to the meetings held after his assumption of office as Director.

No. 1 Shigeru Ozaki

(Date of birth: January 31, 1929)

Reelection

[Past experience, positions and responsibilities]

February 1958	Founded Daiwa Industries
November 1962	Established Daiwa Industries Ltd. and assumed the position of President and Representative Director
March 2002	Chairman and Representative Director of the Company
March 2016	Top Advisor and Director of the Company (currently serving)

**Attendance at Board of Directors
meetings in the current fiscal year**
2 out of 10 meetings**Number of shares of the Company
held**
3,912**Reasons for the nomination as a candidate for Director**

The Company renominated Mr. Shigeru Ozaki as a candidate for Director. The Company finds that he is very well qualified for Director of the Company because of his achievements as Representative Director in the development of the Company ever since the establishment of the Company, his deep knowledge about the Company's overall business, and abundant insights and experience as a business manager.

No. 2 Atsushi Ozaki

(Date of birth: March 12, 1970)

Reelection

[Past experience, positions and responsibilities]

March 1994	Joined the Company
July 2000	Head of President's Office of the Company
March 2001	Director of the Company
August 2001	Vice President and Director of the Company
March 2002	President and Representative Director of the Company (currently serving)
March 2008	President and Executive Officer of the Company (currently serving)

**Attendance at Board of Directors
meetings in the current fiscal year**
10 out of 10 meetings**Number of shares of the Company
held**
3,763,000**Reasons for the nomination as a candidate for Director**

The Company renominated Mr. Atsushi Ozaki as a candidate for Director. The Company finds that he is very well qualified for Director of the Company, as he has been engaged in overall operations of the Company and appropriately performed his duties since he joined the Company, and since he assumed the office of Director in March 2001 and Representative Director in March 2002, he has accumulated deep knowledge about the Company's overall business and gained abundant insights and experience as a business manager.

No. 3 Toshihiro Sugita

(Date of birth: June 17, 1954)

Reelection

[Past experience, positions and responsibilities]

September 1981	Joined the Company
March 2005	Director of the Company
March 2007	Managing Director of the Company
November 2007	In charge of Direct Sales (currently serving)
March 2008	Managing Executive Officer of the Company
March 2014	Senior Managing Director of the Company (currently serving)
	Senior Managing Executive Officer of the Company (currently serving)
December 2014	In charge of Sales
April 2016	In charge of Corporate Clients Business
February 2019	In charge of Sales Planning (currently serving)

Attendance at Board of Directors meetings in the current fiscal year
9 out of 10 meetings

Number of shares of the Company held
12,059

Reasons for the nomination as a candidate for Director

The Company renominated Mr. Toshihiro Sugita as a candidate for Director. The Company finds that he is very well qualified for Director of the Company, as he has appropriately performed his duties and gained a wealth of knowledge and experience in the sales division, and deepened his understanding about the Company's overall business, since he joined the Company. In addition, since he assumed the office of Director in March 2005, he has been accumulating achievements in sales operations of the Company.

No. 4 Yoshiaki Ono

(Date of birth: September 1, 1942)

Reelection
 Outside Director &
 Independent Director

[Past experience, positions and responsibilities]

June 1985	Manager of Koshien Branch of Taiyo Kobe Bank, Ltd. (currently, Sumitomo Mitsui Banking Corporation)
June 1987	Assistant Manager of Personnel Planning Division of the said bank
April 1988	Assistant Manager of Tokyo Personnel Division of the said bank
June 1989	Manager of Osaka Eki-mae Branch of the said bank
April 1991	Manager of Business Administration Division 1 of Mitsui Taiyo Kobe Bank, Ltd. (currently, Sumitomo Mitsui Banking Corporation)
June 1992	Manager of Semba Branch of The Sakura Bank, Limited (currently, Sumitomo Mitsui Banking Corporation)
July 1994	Managing Director of Kobe Bankers Association
March 2013	Outside Company Auditor of the Company
March 2016	Outside Director of the Company (currently serving)

Attendance at Board of Directors meetings in the current fiscal year
10 out of 10 meetings

Number of shares of the Company held
1,025

Reasons for the nomination as a candidate for Outside Director

The Company nominated Mr. Yoshiaki Ono as a candidate for Outside Director. The Company finds that he is very well qualified for Outside Director to be responsible for the supervision of the Company's management, as he owns long-term experience in the banking industry and a wealth of knowledge regarding finance, etc. that he has accumulated over his career, as well as insights concerning the Company's overall business based on his experience as Outside Company Auditor of the Company. The term of office of Mr. Ono as Outside Director of the Company will be five years at the conclusion of this Annual Shareholders Meeting.

No.	5 Sumio Saito	(Date of birth: January 8, 1948)	Reelection Outside Director & Independent Director
[Past experience, positions and responsibilities]			Attendance at Board of Directors meetings in the current fiscal year 8 out of 8 meetings
April 2000	Executive Officer and Manager of Tokyo Sales Department No. 2 of The Sakura Bank, Limited (currently, Sumitomo Mitsui Banking Corporation)		Number of shares of the Company held 0
April 2001	Advisor of Mitsui Auto Leasing Ltd. (currently, Sumitomo Mitsui Auto Service Company, Limited)		
December 2001	President and Representative Director of the said company		
October 2002	President and Representative Director of SMBC Auto Leasing Co., Ltd. (currently, Sumitomo Mitsui Auto Service Company, Limited)		
October 2007	Representative Director, Executive Vice President of Sumitomo Mitsui Auto Service Company, Limited		
June 2009	Director of Mazda Auto Leasing Company		
July 2012	Outside Corporate Auditor of NIPPON COKE & ENGINEERING CO., LTD.		
September 2017	Outside Director of HEISEI ENTERPRISE, Inc.		
March 2020	Outside Director of the Company (currently serving)		

Reasons for the nomination as a candidate for Outside Director

The Company nominated Mr. Sumio Saito as a candidate for Outside Director. The Company finds that he is very well qualified for Outside Director to be responsible for the supervision of the Company's management, as he owns long-term managerial and work experience in the banking and financial industries as well as a wealth of knowledge regarding finance, etc. that he has accumulated over his career. The term of office of Mr. Saito as Outside Director of the Company will be one year at the conclusion of this Annual Shareholders Meeting.

No.	6 Masahiro Ozaki	(Date of birth: January 23, 1973)	Reelection
[Past experience, positions and responsibilities]			Attendance at Board of Directors meetings in the current fiscal year 10 out of 10 meetings
March 1999	Joined the Company		Number of shares of the Company held 2,300,000
August 2001	Head of President's Office of the Company		
March 2002	Director of the Company		
February 2007	General Manager of Direct Sales Strategy Supervisory Division of the Company		
March 2008	Resigned from the position of Director of the Company		
	Executive Officer of the Company (currently serving)		
May 2008	Head of President's Office of the Company (currently serving)		
March 2013	Director of the Company (currently serving)		
June 2016	In charge of Administration (currently serving)		

Reasons for the nomination as a candidate for Director

The Company renominated Mr. Masahiro Ozaki as a candidate for Director. The Company finds that he is very well qualified for Director of the Company, as he has appropriately performed his duties, gained abundant insights and experience and also deepened his knowledge about the Company's overall business through his career in the administrative and technology divisions, since he joined the Company. In addition, since he assumed the office of Director in March 2002, he has been accumulating achievements in the Company's administrative division.

No. 7 Kazushige Hirade

(Date of birth: October 25, 1951)

Reelection

[Past experience, positions and responsibilities]

April 1974	Joined Matsushita Electric Industrial Co., Ltd. (currently, Panasonic Corporation)
October 1997	President and Representative Director of Niigata Matsushita System Co., Ltd.
October 2000	President and Representative Director of Chugoku Matsushita System Co., Ltd.
October 2009	Joined the Company, General Manager of Corporate Clients Sales Planning
March 2010	Executive Officer of the Company (currently serving)
March 2011	General Manager of West Japan Corporate Clients Sales Division of the Company
June 2015	General Manager of Regional Corporate Clients Sales Division of the Company
March 2017	Director of the Company (currently serving)
April 2017	In charge of Corporate Clients Business (currently serving)

Attendance at Board of Directors meetings in the current fiscal year
10 out of 10 meetings

Number of shares of the Company held
1,750

Reasons for the nomination as a candidate for Director

The Company renominated Mr. Kazushige Hirade as a candidate for Director. The Company finds that he is very well qualified for Director of the Company, as he owns a wealth of knowledge and experience cultivated over his career at an electrical appliances manufacturer, has developed his understanding about the Company's overall business, mainly concerning the planning and sales of corporate clients business, and also has been accumulating achievements in overall corporate clients business since he assumed the office of Director in March 2017.

No. 8 Tetsuro Kudo

(Date of birth: January 8, 1950)

Reelection

[Past experience, positions and responsibilities]

October 1976	Joined the Company
November 1984	Director of the Company
March 1996	Managing Director of the Company
March 2006	Resigned from the position of Managing Director of the Company
	Full-time Company Auditor of the Company
November 2006	Resigned from the position of Company Auditor of the Company
March 2007	Director of the Company
November 2007	In charge of Corporate Clients Business
March 2008	Managing Director of the Company
	Managing Executive Officer of the Company
June 2009	Director of the Company (currently serving)
	Executive Officer of the Company (currently serving)
December 2016	General Manager of Tokyo Corporate Clients Sales Division of the Company
December 2018	General Manager of Tokyo Metropolitan Area Corporate Clients Sales Division of the Company (currently serving)

Attendance at Board of Directors meetings in the current fiscal year
10 out of 10 meetings

Number of shares of the Company held
1,838

Reasons for the nomination as a candidate for Director

The Company renominated Mr. Tetsuro Kudo as a candidate for Director. The Company finds that he is very well qualified for Director of the Company, as he has appropriately performed his sales operations and gained a wealth of knowledge and experience in the sales division, attained experience as Company Auditor of the Company, and deepened his understanding about the Company's overall business, since he joined the Company. In addition, since he assumed the office of Director, he has been accumulating achievements in sales operations of the Company.

- (Notes)
1. There are no special interests between each candidate and the Company.
 2. The candidate, Mr. Sumio Saito, was elected as a new Director at the 59th Annual Shareholders Meeting held on March 27, 2020 and assumed the office of Director. Accordingly, the attendance at the Board of Directors meetings of Mr. Saito in the 60th fiscal year refers to the meetings held after his assumption of office as Director.
 3. Messrs. Yoshiaki Ono and Sumio Saito are candidates for Outside Directors. Both candidates have been notified to the Tokyo Stock Exchange as Independent Directors/Auditors who possess no potential conflict of interests with general shareholders, as stipulated by the Tokyo Stock Exchange.
 4. The Company has entered into a directors and officers liability insurance policy under which all Directors are the insured parties to allow them to fully play their expected roles in their respective positions and secure competent executives. The policy covers their liabilities that may arise in connection with the execution of their duties or losses arising from claims for such liabilities. However, there are certain liabilities that are not covered under the policy, such as those arising from actions performed while knowing the actions violates laws and regulations.
If the candidates assume the office of Director, they will become insured parties under the policy, which is to be renewed during their terms of office.

Selection and nomination of Directors

In nominating candidates for Directors, the Company determines the candidates through deliberation at Board of Directors meetings, considering professional knowledge, abilities, experience, insights, personalities and other factors necessary to carry out Director's responsibilities.

Independence criteria for Outside Directors

The Company has adopted the requirements for outside directors and company auditors stipulated in the Companies Act and the criteria of independent directors and company auditors set by the Tokyo Stock Exchange as the Company's independence criteria. In addition, the Company's Board of Directors takes into consideration the achievements, experience, knowledge and other factors of potential candidates, and selects persons who can be expected to contribute to honest, active and constructive discussion as candidates for Independent Outside Directors.

Proposal 2 Election of One (1) Company Auditor

The Company proposes to add one (1) Company Auditor to strengthen its audit function. Accordingly, the Company proposes the election of one (1) Company Auditor.

The Board of Company Auditors has given its approval to this proposal.

The candidate is as follows:

Yoshihiro Suido		(Date of birth: August 21, 1969)	New candidate Outside Company Auditor & Independent Auditor
[Past experience, positions and significant concurrent positions]			Attendance at Board of Directors meetings in the current fiscal year
April 1996	Joined Arthur Home Co., Ltd.		—
April 2003	Joined American Life Insurance Company Japan office (currently, MetLife Insurance K.K.)		Attendance at Board of Company Auditors meetings in the current fiscal year
April 2013	Joined RK CONSULTING Co., Ltd.		—
July 2014	Joined Fics Japan Co., Ltd.		
April 2020	Joined Risk Management Laboratory Co., Ltd. (currently serving)		
			Number of shares of the Company held
			0

Reasons for the nomination as a candidate for Outside Company Auditor

The Company nominated Mr. Yoshihiro Suido as a candidate for Outside Company Auditor. The Company finds that he is very well qualified for Outside Company Auditor of the Company, as he owns wealth of knowledge and experience gained through work experience in industries such as real estate, life insurance and non-life insurance as well as business consulting, and is expected to apply the knowledge and experience to enhance the audit function of the Company and appropriately perform his duties as Outside Company Auditor. He is a new candidate for Outside Company Auditor.

- (Notes)
1. There are no special interests between the candidate, Mr. Yoshihiro Suido, and the Company.
 2. Mr. Yoshihiro Suido is a candidate for Outside Company Auditor.
 3. The candidate, Mr. Yoshihiro Suido, will be notified to the Tokyo Stock Exchange as an Independent Director/Auditor.
 4. Since the candidate, Mr. Yoshihiro Suido, is a newly nominated Outside Company Auditor, he did not attend the Board of Directors meetings and Board of Company Auditors meetings in the 60th fiscal year.
 5. The Company has entered into a directors and officers liability insurance policy under which all Company Auditors are the insured parties to allow them to fully play their expected roles in their respective positions and secure competent executives. The policy covers their liabilities that may arise in connection with the execution of their duties or losses arising from claims for such liabilities. However, there are certain liabilities that are not covered under the policy, such as those arising from actions performed while knowing the actions violates laws and regulations. If the candidate, Mr. Yoshihiro Suido, assumes the office of Company Auditor, he will become an insured party under the policy, which is to be renewed during his term of office.

Selection and nomination of Company Auditors

In nominating candidates for Company Auditors, the Company determines the candidate through approval of the Board of Company Auditors and deliberation at Board of Directors meetings, considering professional knowledge, abilities, experience, insights, personalities and other factors necessary to carry out Company Auditor's responsibilities.

Proposal 3 Provision of Retirement Allowance to a Resigning Director

Mr. Kaoru Maekawa will resign from the position of Director due to the expiration of his term of office at the conclusion of this Annual Shareholders Meeting. Therefore, shareholders are requested to give approval to the provision of retirement allowance to Mr. Kaoru Maekawa in compensation for his efforts during his term of office, within a reasonable range of the amount, in accordance with the specified standards of the Company.

The Company requests that the specific amount, timing and method of provision of the retirement allowance be resolved by the Board of Directors.

Past experience of the resigning Director is as follows:

Name	Past experience
Kaoru Maekawa	March 2015 Director of the Company (currently serving)

End