

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Securities Code: 7905

June 7, 2021

To our shareholders:

Masanori Okuda,
Representative Director, President
DAIKEN CORPORATION
1-1, Inami, Nanto-shi, Toyama
(Operational Headquarters: 3-2-4,
Nakanoshima, Kita-ku, Osaka)

Notice of the 105th Annual General Meeting of Shareholders

We are pleased to announce the 105th Annual General Meeting of Shareholders of DAIKEN CORPORATION (the “Company”), which will be held as indicated below.

From the perspective of preventing the spread of the novel coronavirus disease (COVID-19), we strongly suggest that you exercise your voting rights in writing or via the Internet beforehand in all possible circumstances, and refrain from attending on the day of the General Meeting of Shareholders.

Please review the attached Reference Documents for General Meeting of Shareholders, and exercise your voting rights by 5:45 p.m. on Thursday, June 24, 2021 (JST).

- 1. Date and Time:** Friday, June 25, 2021, at 10:00 a.m. (JST)
- 2. Venue:** Head Office of the Company
1-1, Inami, Nanto-shi, Toyama

3. Purpose of the Meeting

Matters to be reported:

1. The Business Report and the Consolidated Financial Statements for the 105th fiscal year (from April 1, 2020 to March 31, 2021), and the results of audits of the Consolidated Financial Statements by the Auditors and the Audit & Supervisory Board
2. The Non-consolidated Financial Statements for the 105th fiscal year (from April 1, 2020 to March 31, 2021)

Matters to be resolved:

- | | |
|-----------------------|--------------------------------------------------------------------------------------------------------------------------|
| Proposal No. 1 | Appropriation of Surplus |
| Proposal No. 2 | Amendment to the Articles of Incorporation |
| Proposal No. 3 | Election of Four Directors (Excluding Directors Who Are Audit and Supervisory Committee Members) |
| Proposal No. 4 | Election of Five Directors Who Are Audit and Supervisory Committee Members |
| Proposal No. 5 | Election of One Substitute Director Who Is Audit and Supervisory Committee Member |
| Proposal No. 6 | Determination of Remuneration Amount for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members) |
| Proposal No. 7 | Determination of Remuneration Amount for Directors Who Are Audit and Supervisory Committee Members |

Proposal No. 8 Determination of Remuneration for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members and Outside Directors) for Allotment of Restricted Shares Thereto

When you attend the meeting, you are kindly requested to present the enclosed voting form at the reception.

If there are any amendments to the Reference Documents for General Meeting of Shareholders, the Business Report and/or the Consolidated and Non-consolidated Financial Statements, these amendments will be posted on the Company's website (<https://www.daiken.jp/>).

Reference Documents for General Meeting of Shareholders

Proposal No. 1 Appropriation of Surplus

The quest to boost corporate value is at the heart of the Company's capital policy, under which we strive for efficient management that prioritizes return on equity (ROE) while striking the optimal balance among enhancing shareholder return, achieving financial stability and executing strategic investment. The Company's shareholder return policy sets a dividend payout ratio of at least 30%, and while aiming for a performance-linked return of profits, we strive to maintain stable dividend payout.

The Company has given consideration to matters including the business performance of the fiscal year and future business development, and it proposes to pay year-end dividends for the 105th fiscal year as follows:

Year-end dividends

Type of dividend property

To be paid in cash.

Allotment of dividend property and their aggregate amount

The Company proposes to pay a dividend of ¥40 per ordinary share of the Company. In this event, the total dividends will be ¥1,041,790,760.

Effective date of dividends of surplus

The effective date of dividends will be Monday, June 28, 2021.

Proposal No. 2 Amendment to the Articles of Incorporation

1. Reason for the proposal

- (1) The Company intends to transition to a company with an Audit & Supervisory Committee for the purpose of strengthening the supervisory and decision-making functions of the Board of Directors and speeding up and streamlining business execution based on them. Accordingly, provisions regarding Directors who will be members of the Audit & Supervisory Committee as well as the Audit & Supervisory Committee, required for the transition to a company with an Audit & Supervisory Committee, must be newly established, and provisions regarding Audit & Supervisory Board Members and the Audit & Supervisory Board must be removed.
- (2) Other necessary changes including the alteration of the wording will be made accompanying the above amendments.

2. Details of amendments

The details of amendments are as follows.

These amendments to the Articles of Incorporation shall take effect upon the close of this meeting.

(Underlined portions are amended)

Current Articles of Incorporation	Proposed Amendments
Chapter 1: General Provisions	Chapter 1: General Provisions
Article 1: (Text omitted)	Article 1: (Unchanged)
Article 2: (Purpose) The purpose of the Company shall be to engage in the following businesses.	Article 2: (Purpose) (Unchanged)
1. to 16. (Text omitted)	1. to 16. (Unchanged)
17. Investigation, research, and consulting business incidental to or related to the preceding items	17. Investigation, research, and consulting business incidental to or related to the preceding items (Change in Japanese only; English unchanged)
18. All business incidental to or related to the preceding items	18. All business incidental to or related to the preceding items (Change in Japanese only; English unchanged)
Article 3: (Text omitted)	Article 3: (Unchanged)
Article 4: (Establishment of Governing Bodies) The Company shall have <u>Board of Directors, audit & supervisory board members, Audit & Supervisory Board and financial auditor.</u>	Article 4: (Establishment of Governing Bodies) The Company shall have, <u>in addition to the general meeting of shareholders and Directors, the following organs:</u> <u>1. Board of Directors</u> <u>2. Audit and Supervisory Committee</u> <u>3. Financial auditor</u>
Article 5: (Method of Public Notices) Public notices of the Company shall be given by way of electronic notice. However, in the event that an accident occurs or any other unavoidable reason arises, where the Company is unable to give an electronic public notice, the Company shall publish its public notices in Nihon Keizai Shimbun.	Article 5: (Method of Public Notices) Public notices of the Company shall be given by way of electronic notice. However, in the event that an accident occurs or any other unavoidable reason arises, where the Company is unable to give an electronic public notice, the Company shall publish its public notices in Nihon Keizai Shimbun (Change in Japanese only; English unchanged).
Chapter 2: Shares	Chapter 2: Shares
Article 6 to 8: (Text omitted)	Article 6 to 8: (Unchanged)
Article 9: (Share Handling Rules) In addition to laws and regulations and these Articles of Incorporation, the handling of the Company's shares shall be governed by the Share Handling Rules established by the Board of Directors.	Article 9: (Share Handling Rules) In addition to laws and regulations and these Articles of Incorporation, the handling of the Company's shares shall be governed by the Share Handling Rules established by the Board of Directors (Change in Japanese only; English unchanged).
Article 10: (Text omitted)	Article 10: (Unchanged)
Chapter 3: General Meeting of Shareholders	Chapter 3: General Meeting of Shareholders
Article 11 to 12: (Text omitted)	Article 11 to 12: (Unchanged)

Current Articles of Incorporation	Proposed Amendments
<p>Article 13: (Person Authorized to Convene Meeting and Chairperson)</p> <p>(1) (Text omitted)</p> <p>(2) If the representative director in the preceding paragraph is unable to act as such, one of the other representative directors or directors shall convene and act as chairperson in accordance with the order previously determined by the Board of Directors.</p> <p>Article 14: (Method of Resolution)</p> <p>(1) Unless otherwise provided for by laws and regulations or in these Articles of Incorporation, a resolution of a General Meeting of Shareholders shall be adopted by a majority of the votes of shareholders present who are entitled to exercise voting rights.</p> <p>(2) (Text omitted)</p> <p>Article 15: (Disclosure of Reference Documents, etc. via Internet)</p> <p>The Company may provide the information related to the items required to be described or indicated in the Reference Documents for General Meeting of Shareholders, non-consolidated financial statements, consolidated financial statements and business report by disclosing such information through the Internet pursuant to the Ordinance of the Ministry of Justice.</p> <p>Article 16: (Exercise of Voting Rights by Proxy)</p> <p>A shareholder may exercise voting rights by having one (1) shareholder who holds voting rights of the Company act as proxy. However, the shareholder or the proxy must submit a written document evidencing the authority of the concerned proxy to the Company for each General Meeting of Shareholders.</p> <p style="text-align: center;">Chapter 4: Directors and the Board of Directors</p> <p>Article 17: (Number)</p> <p>(1) The number of directors of the Company shall be <u>nine (9)</u> or less.</p> <p style="text-align: center;">(Newly established)</p> <p>Article 18: (Election)</p> <p style="text-align: center;">(Newly established)</p> <p>(1) A resolution for the election of directors shall be adopted by a majority of the votes of shareholders present <u>at the General Meeting of Shareholders</u> where the shareholders holding one-third (1/3) or more of the voting rights of shareholders entitled to exercise their voting rights are present.</p> <p>(2) (Text omitted)</p>	<p>Article 13: (Person Authorized to Convene Meeting and Chairperson)</p> <p>(1) (Unchanged)</p> <p>(2) If the representative director in the preceding paragraph is unable to act as such, one of the other representative directors or directors shall convene and act as chairperson in accordance with the order previously determined by the Board of Directors (Change in Japanese only; English unchanged).</p> <p>Article 14: (Method of Resolution)</p> <p>(1) Unless otherwise provided for by laws and regulations or in these Articles of Incorporation, a resolution of a General Meeting of Shareholders shall be adopted by a majority of the votes of shareholders present who are entitled to exercise voting rights (Change in Japanese only; English unchanged).</p> <p>(2) (Unchanged)</p> <p>Article 15: (Disclosure of Reference Documents, etc. via Internet)</p> <p>The Company may provide the information related to the items required to be described or indicated in the Reference Documents for General Meeting of Shareholders, non-consolidated financial statements, consolidated financial statements and business report by disclosing such information through the Internet pursuant to the Ordinance of the Ministry of Justice (Change in Japanese only; English unchanged).</p> <p>Article 16: (Exercise of Voting Rights by Proxy)</p> <p>A shareholder may exercise voting rights by having one (1) shareholder who holds voting rights of the Company act as proxy. However, the shareholder or the proxy must submit a written document evidencing the authority of the concerned proxy to the Company for each General Meeting of Shareholders (Change in Japanese only; English unchanged).</p> <p style="text-align: center;">Chapter 4: Directors and the Board of Directors</p> <p>Article 17: (Number)</p> <p>(1) The number of directors (<u>excluding directors who are audit and supervisory committee members</u>) of the Company shall be <u>six (6)</u> or less.</p> <p>(2) <u>The number of directors who are audit and supervisory committee members of the Company shall be six (6) or less.</u></p> <p>Article 18: (Election)</p> <p>(1) <u>Directors shall be elected at the General Meeting of Shareholders, while distinguishing directors who are audit and supervisory committee members and other directors.</u></p> <p>(2) A resolution for the election of directors shall be adopted by a majority of the votes of the present shareholders holding one-third (1/3) or more of the voting rights of shareholders entitled to exercise their voting rights.</p> <p>(3) (Unchanged)</p>

Current Articles of Incorporation	Proposed Amendments
<p>Article 19: (Term of Office)</p> <p>The term of office of a director shall expire upon conclusion of the Annual General Meeting of Shareholders to be held for the last fiscal year ending within one (1) year after his or her election.</p> <p style="text-align: center;">(Newly established)</p> <p style="text-align: center;">(Newly established)</p> <p style="text-align: center;">(Newly established)</p>	<p>Article 19: (Term of Office)</p> <p>(1) The term of office of a director <u>(excluding a director who is an audit and supervisory committee member)</u> shall expire upon conclusion of the Annual General Meeting of Shareholders to be held for the last fiscal year ending within one (1) year after his or her election.</p> <p>(2) <u>The term of office of a director who is an audit and supervisory committee member shall expire upon conclusion of the Annual General Meeting of Shareholders to be held for the last fiscal year ending within two (2) years after his or her election.</u></p> <p>(3) <u>The effectiveness of the resolution for the election of a substitute director who is an audit and supervisory committee member shall expire upon commencement of the Annual General Meeting of Shareholders to be held for the last fiscal year ending within two (2) years after the resolution.</u></p> <p>(4) <u>The term of office of a director who is an audit and supervisory committee member elected as a substitute shall be the remaining balance of the term of office of the retired director who is an audit and supervisory committee member.</u></p>
<p>Article 20: (Representative Directors)</p> <p>A certain number of representative directors of the Company shall be appointed from among the directors by the Board of Directors.</p>	<p>Article 20: (Representative Directors)</p> <p>A certain number of representative directors of the Company shall be appointed from among the directors <u>(excluding directors who are audit and supervisory committee members)</u> by the Board of Directors.</p>
<p>Article 21: (Meeting of Board of Directors)</p> <p>(1) (Text omitted)</p> <p>(2) Notice of a meeting of the Board of Directors shall be dispatched to each director <u>and each audit & supervisory board member</u> no later than three (3) days prior to the date of the meeting; provided, however, that in case of emergency, such period of notice may be shortened.</p> <p>(3) (Text omitted)</p> <p>(4) (Text omitted)</p> <p style="text-align: center;">(Newly established)</p>	<p>Article 21: (Meeting of Board of Directors)</p> <p>(1) (Unchanged)</p> <p>(2) Notice of a meeting of the Board of Directors shall be dispatched to each director no later than three (3) days prior to the date of the meeting; provided, however, that in case of emergency, such period of notice may be shortened.</p> <p>(3) (Unchanged)</p> <p>(4) (Unchanged)</p>
<p>Article 22: (Limitation of Liability of Directors)</p> <p>Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company may enter into agreements with directors (excluding directors who are executive directors, etc.) to limit the maximum amount of the liability of directors under Article 423, paragraph 1 of the same Act to the total of the amounts stipulated in items of Article 425, paragraph 1 of the same Act.</p>	<p><u>Article 22: (Delegation of Decisions on Execution of Important Operations)</u></p> <p><u>Pursuant to the provisions of Article 399-13, paragraph 6 of the Companies Act, the Company may delegate to directors the whole or a part of decisions on the execution of important operations (excluding matters set forth in the items of paragraph 5 of the same Article) by a resolution of the Board of Directors.</u></p> <p>Article 23: (Limitation of Liability of Directors)</p> <p>Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company may enter into agreements with directors (excluding directors who are executive directors, etc.) to limit the maximum amount of the liability of directors under Article 423, paragraph 1 of the same Act to the total of the amounts stipulated in items of Article 425, paragraph 1 of the same Act (Change in Japanese only; English unchanged).</p>

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;"><u>Chapter 5:</u> <u>Audit & Supervisory Board Members and Audit & Supervisory Board</u></p>	(Deleted)
<p><u>Article 23: (Number)</u></p> <p>(1) <u>The number of audit & supervisory board members of the Company shall be four (4) or less.</u></p> <p>(2) <u>The effectiveness of the resolution for the election of a substitute audit & supervisory board member shall expire upon commencement of the Annual General Meeting of Shareholders to be held for the last fiscal year ending within four (4) years after the resolution.</u></p>	(Deleted)
<p><u>Article 24: (Election)</u></p> <p><u>A resolution for the election of audit & supervisory board members shall be adopted by a majority of the votes of shareholders present at the General Meeting of Shareholders where the shareholders holding one-third (1/3) or more of the voting rights of shareholders entitled to exercise their voting rights are present.</u></p>	(Deleted)
<p><u>Article 25: (Term of Office)</u></p> <p>(1) <u>The term of office for an audit & supervisory board member shall expire upon conclusion of the Annual General Meeting of Shareholders to be held for the last fiscal year ending within four (4) years after his or her election.</u></p> <p>(2) <u>The term of office of an audit & supervisory board member elected as a substitute shall be the remaining balance of the term of office of the retired audit & supervisory board member.</u></p>	(Deleted)
<p><u>Article 26: (Full-Time Audit & Supervisory Board Members)</u></p> <p><u>The Audit & Supervisory Board shall elect full-time audit & supervisory board members from among the audit & supervisory board members.</u></p>	(Deleted)
<p><u>Article 27: (Meetings of the Audit & Supervisory Board)</u></p> <p>(1) <u>Notice of a meeting of the Audit & Supervisory Board shall be dispatched to each audit & supervisory board member no later than three (3) days prior to the date of the meeting; provided, however, that in case of emergency, such period of notice may be shortened.</u></p> <p>(2) <u>Matters regarding the operation of the Audit & Supervisory Board and others shall be governed by the Audit & Supervisory Board Rules established by the Audit & Supervisory Board.</u></p>	(Deleted)
<p><u>Article 28: (Limitation of Liability of Audit & Supervisory Board Members)</u></p> <p><u>Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company may enter into agreements with audit & supervisory board members to limit the maximum amount of the liability of audit & supervisory board members under Article 423, paragraph 1 of the same Act to the total of the amounts stipulated in items of Article 425, paragraph 1 of the same Act.</u></p> <p style="text-align: center;">(Newly established)</p> <p style="text-align: center;">(Newly established)</p>	(Deleted)
	<p style="text-align: center;"><u>Chapter 5:</u> <u>Audit and Supervisory Committee</u></p> <p><u>Article 24: (Audit and Supervisory Committee)</u></p> <p>(1) <u>Notice of a meeting of the Audit and Supervisory Committee shall be dispatched to each audit and supervisory committee member no later than three (3) days prior to the date of the meeting; provided, however, that in case of emergency, such period of notice may be shortened.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>(Newly established)</p> <p>Chapter 6: Accounting</p> <p>Article <u>29</u>: (Text omitted)</p> <p>Article <u>30</u>: (Dividends from Surplus)</p> <p>(1) By a resolution of the General Meeting of Shareholders, year-end dividends shall be paid to the shareholders or registered pledgees of shares recorded in the shareholder register at the end of each fiscal year.</p> <p>(2) The Company may, by a resolution of the Board of Director, pay interim dividends to the shareholders or registered pledgees of shares recorded in the final shareholder register as of September 30 of each year.</p> <p>Article <u>31</u> to <u>32</u>: (Text omitted)</p>	<p><u>(2) Matters regarding the operation of the Audit and Supervisory Committee and others shall be governed by the Audit and Supervisory Committee Rules established by the Audit and Supervisory Committee.</u></p> <p><u>Article 25: (Full-Time Audit and Supervisory Committee Members)</u></p> <p><u>The Audit and Supervisory Committee may elect full-time audit and supervisory committee members from among the audit and supervisory committee members.</u></p> <p>Chapter 6: Accounting</p> <p>Article <u>26</u>: (Unchanged)</p> <p>Article <u>27</u>: (Dividends from Surplus)</p> <p>(1) By a resolution of the General Meeting of Shareholders, year-end dividends shall be paid to the shareholders or registered pledgees of shares recorded in the shareholder register at the end of each fiscal year (Change in Japanese only; English unchanged).</p> <p>(2) The Company may, by a resolution of the Board of Director, pay interim dividends to the shareholders or registered pledgees of shares recorded in the final shareholder register as of September 30 of each year (Change in Japanese only; English unchanged).</p> <p>Article <u>28</u> to <u>29</u>: (Unchanged)</p>

Proposal No. 3 Election of Four Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

If Proposal No. 2 (Amendment to the Articles of Incorporation) is approved and adopted as originally proposed, the Company shall transition to a company with an Audit & Supervisory Committee, concluding the terms of all eight (8) Directors at the time that the amended Articles of Incorporation take effect.

Therefore, the Company proposes the election of four (4) Directors (excluding Directors who are Audit and Supervisory Committee Members; applicable to the rest of this proposal).

This proposal, however, can only take effect after Proposal No. 2 (Amendment to the Articles of Incorporation) takes effect.

The candidates for Director are as follows:

List of candidates for Director

Candidate No.	Name		Current position and responsibility in the Company	Attendance at Board of Directors meetings
1	Masanori Okuda	Reelection	Representative Director, President	12/12 (100%)
2	Tomoaki Kato	Reelection	Representative Director, Senior Managing Executive Officer Responsible for Overseas Business, information management, IR, R&D, and Communications	12/12 (100%)
3	Tetsuo Harima	Reelection	Representative Director, Senior Managing Executive Officer Responsible for Domestic Business General Manager of the Tokyo Office	12/12 (100%)
4	Hiroshi Sekino	Reelection	Director	12/12 (100%)

Candidate No.	1	Masanori Okuda (Born on April 25, 1950)	Number of the Company's shares owned 40,110 shares
		Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	
Reelection Attendance at Board of Directors meetings 12/12 (100%)	Apr. 1974 Apr. 2007 Apr. 2008 June 2008 Apr. 2009 Apr. 2010 June 2011 Apr. 2012 June 2013 Oct. 2013 Apr. 2014 June 2018	Joined the Company Executive Officer General Manager of Tobu Juken Sales Control Senior Executive Officer General Manager of Juken Sales Control and General Manager of Tobu Sales Control Director, Senior Executive Officer Director, Managing Executive Officer Tokyo Representative and General Manager of Juken Sales Control General Manager of Juken Sales General Manager of Sales, Manager of New Development Sales, and General Manager of the Tokyo Office Director, Senior Managing Executive Officer General Manager of the Tokyo Office Representative Director, Senior Managing Director, and Senior Managing Executive Officer General Manager of Procurement Innovation and General Manager of the Tokyo Office Representative Director, Representative President and Executive Officer Representative Director, President (present)	
		Reasons for nomination as candidate for Director	
Masanori Okuda assumed the position of Representative Director, Representative President and Executive Officer in April 2014. He has been clearly promoting the Company's future vision while swiftly making decisions aimed at boosting corporate value. His managerial skills, backed by his broad understanding, are essential for boosting the corporate value of the Company. Therefore, the Company proposes his reelection as Director.			

Candidate No. 2	Tomoaki Kato (Born on January 20, 1957)	Number of the Company's shares owned 34,460 shares
Reelection Attendance at Board of Directors meetings 12/12 (100%)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	
	Apr. 1980	Joined ITOCHU Corporation
	Apr. 2003	General Manager of Wood Products & Materials Department
	June 2009	Director of the Company
	Apr. 2011	General Manager of Planning & Administration Department, Chemicals, Forest Products & General Merchandise Company of ITOCHU Corporation
	Mar. 2012	Retired from ITOCHU Corporation
	Apr. 2012	Director, Managing Executive Officer of the Company
	Oct. 2012	General Manager of MDF Business, General Manager of Overseas Business, and Manager of Overseas Sales
	June 2013	Outside Director of HOKUSHIN Co., Ltd.
	Apr. 2014	General Manager of MDF Business, General Manager of Overseas Business, and General Manager of the Tokyo Office of the Company
	Apr. 2016	Director, Senior Managing Executive Officer General Manager of Overseas Business, and General Manager of the Tokyo Office
	June 2016	Representative Director, Senior Managing Director, and Senior Managing Executive Officer
	June 2018	Representative Director, Senior Managing Executive Officer (present)
	Apr. 2020	General Manager of Overseas Business, General Manager of Asia Business, General Manager of North America Business and General Manager of the Tokyo Office
	Apr. 2021	Responsible for Overseas Business, information management, IR, R&D, and Communications (present)
Reasons for nomination as candidate for Director		
Tomoaki Kato assumed the position of Representative Director, Senior Managing Director, and Senior Managing Executive Officer in June 2016. He currently promotes the expansion of Overseas Business as the person responsible for overseas business, and is responsible for information management, IR, R&D, and Communications. His extensive insights regarding the overall overseas business are essential for boosting the corporate value of the Company. Therefore, the Company proposes his reelection as Director.		

Candidate No. 3	Tetsuo Harima (Born on November 7, 1957)	Number of the Company's shares owned 18,560 shares
	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	
Reelection Attendance at Board of Directors meetings 12/12 (100%)	Apr. 1981	Joined the Company
	Apr. 2011	Executive Officer General Manager of Juken Sales Control
	Apr. 2012	Senior Executive Officer
	Apr. 2013	Managing Executive Officer
	Oct. 2013	General Manager of Eco Business
	Apr. 2015	General Manager of Engineering Business and General Manager of Special Demand Sales
	June 2016	Director, Managing Executive Officer
	Oct. 2017	General Manager of Engineering Business and General Manager of Special Demand Sales President of DAIKEN HOME & SERVICE CORPORATION
	Apr. 2018	Director, Senior Managing Executive Officer of the Company
	Mar. 2019	President of DAIKEN ENGINEERING CORPORATION
	Apr. 2020	General Manager of Domestic Business of the Company
	June 2020	Representative Director, Senior Managing Executive Officer (present)
	Apr. 2021	Responsible for Domestic Business General Manager of the Tokyo Office (present)
Reasons for nomination as candidate for Director		
Tetsuo Harima assumed the position of Representative Director and Senior Managing Executive Officer in June 2020. He currently manages the Marketing Headquarters, Domestic Manufacturing Headquarters, and Domestic Sales Headquarters as the person responsible for domestic business to promote the expansion of Domestic Business. His extensive insights regarding the overall domestic business are essential for boosting the corporate value of the Company. Therefore, the Company proposes his reelection as Director.		

Candidate No. 4	Hiroshi Sekino (Born on September 20, 1962)	Number of the Company's shares owned 0 shares
Reelection Attendance at Board of Directors meetings 12/12 (100%)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	
	Apr. 1987	Joined ITOCHU Corporation
	Apr. 1997	Industrial Materials Section, Lumber Department No. 2
	Apr. 2004	Chief of Industrial Materials Section of Wood Products & Materials Department
	Apr. 2007	Seconded to ITOCHU Kenzai Corporation
	Apr. 2009	Wood Products & Materials Department of ITOCHU Corporation
	Apr. 2010	Chief of Industrial Materials Section of Wood Products & Materials Department
	Apr. 2015	Acting Manager of Wood Products & Materials Department, Chief of Industrial Materials Section of Wood Products & Materials Department, and Planning and Administration Department, ICT, General Products & Realty Company
	June 2015	Acting Manager of Wood Products & Materials Department, and Planning and Administration Department, ICT, General Products & Realty Company
	Apr. 2016	Seconded to ITOCHU Kenzai Corporation
	Apr. 2019	General Manager, Construction & Building Material Department of ITOCHU Corporation Director of ITOCHU Kenzai Corporation (present)
	June 2019	Director of the Company (present)
	Apr. 2021	Senior Officer, Construction & Real Estate Division of ITOCHU Corporation (present)
Reasons for nomination as candidate for Director		
Hiroshi Sekino was engaged mainly in the field of wood materials after joining ITOCHU Corporation and has broad knowledge as an expert in that field, including the Overseas Business. His extensive insights regarding procurement and sales of wood resources are essential for boosting the corporate value of the Company. Therefore, the Company proposes his reelection as Director.		

- Notes:
1. There is no special interest between any of the candidates and the Company.
 2. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into a limited liability agreement with Hiroshi Sekino to limit his liability for damages under Article 423, paragraph (1) of the Act to the amount prescribed by laws and regulations. If the reelection of Hiroshi Sekino is approved and adopted, the Company plans to renew the aforementioned agreement with him.
 3. Masanori Okuda, Tomoaki Kato, Tetsuo Harima and Hiroshi Sekino are currently Directors of the Company, and as stipulated under Article 430-3, paragraph (1) of the Companies Act, they are included as insured persons pursuant to the Company concluding a liability insurance contract for officers etc. with an insurance company. This insurance policy covers the insured's losses and such costs as related litigation expenses incurred from claims for damages arising from acts (including nonfeasance) carried out by the insured as an officer or a person at a certain position of the Company and all the premiums for the insured are fully borne by the Company. If their reelection is approved and adopted, they will continue to be included in the policy as insureds. The Company plans to renew the said policy with the above details during their terms of office.

Proposal No. 4 Election of Five Directors Who Are Audit and Supervisory Committee Members

If Proposal No. 2 (Amendment to the Articles of Incorporation) is approved and adopted as originally proposed, the Company shall transition to a company with an Audit & Supervisory Committee.

Therefore, the Company proposes the election of five (5) Directors who are Audit and Supervisory Committee Members.

The consent of the Audit & Supervisory Board has been obtained for this proposal.

This proposal, however, can only take effect after Proposal No. 2 (Amendment to the Articles of Incorporation) takes effect.

The candidates for Directors who are Audit and Supervisory Committee Members are as follows:

List of candidates for Director

Candidate No.	Name		Current position and responsibility in the Company	Attendance at Board of Directors meetings
1	Takashi Aihara		Representative Director, Senior Managing Executive Officer Responsible for Head Office and crisis management	12/12 (100%)
2	Takashi Terubayashi		Full-Time Audit & Supervisory Board Member	12/12 (100%)
3	Shingo Ishizaki	Outside Independent	Outside Director	12/12 (100%)
4	Yuko Asami (Name as shown on the family register: Yuko Katsuo)	Outside Independent	Outside Audit & Supervisory Board Member	11/12 (92%)
5	Kiyoshi Mukohara	Outside Independent	Outside Audit & Supervisory Board Member	9/10 (90%)

Note: Shingo Ishizaki was elected to the office of Director at the 104th Annual General Meeting of Shareholders held on June 26, 2020. For the Board of Directors meetings held before that General Meeting of Shareholders (two meetings), he attended the meetings as an Audit & Supervisory Board Member. In addition, Kiyoshi Mukohara was newly appointed as Audit & Supervisory Board Member at the same Annual General Meeting of Shareholders, and accordingly, the number of Board of Directors meetings counted for the attendance is different from that for the other Directors and Audit & Supervisory Board Member.

Candidate No. 1	Takashi Aihara (Born on October 17, 1955)	Number of the Company's shares owned 11,060 shares
Attendance at Board of Directors meetings 12/12 (100%)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	
	Apr. 2001	Professor of School and Graduate School of Law and Politics, KWANSEI GAKUIN UNIVERSITY
	Aug. 2003	Director and Manager of IR Planning of Takara Printing Co., Ltd.
	Mar. 2006	Outside Audit & Supervisory Board Member of Urban Life Co., Ltd.
	Aug. 2006	Director and Executive Officer responsible for IR business development of Takara Printing Co., Ltd.
	Feb. 2008	Registered lawyer (present)
	June 2010	Outside Audit & Supervisory Board Member of the Company
	Jan. 2011	Member of the Ninth Tender Monitoring Committee of Ministry of Finance
	Apr. 2011	Member of the Committee of Monitoring Mint Contracts (Independent Administrative Institution)
	June 2011	Outside Director of the Company
June 2017	Representative Director, Senior Managing Director, and Senior Managing Executive Officer	
June 2018	Representative Director, Senior Managing Executive Officer (present)	
Apr. 2021	Responsible for Head Office and crisis management (present)	
Reasons for nomination as candidate for Director who is Audit and Supervisory Committee Member		
Takashi Aihara assumed the position of Outside Director of the Company in June 2011, and as a legal expert, he advised and made recommendations on the general management of the Company. From June 2017 as Representative Director, Senior Managing Director, and Senior Managing Executive Officer, he has been managing the Head Office and has mainly contributed to strengthening company-wide governance. He has extensive knowledge as a lawyer, and the Company proposes his election as Director based on the judgment that he will fulfill his duties and roles as a Director who is a Full-time Audit & Supervisory Committee Member.		

Candidate No.	2	Takashi Terubayashi (Born on June 13, 1956)	Number of the Company's shares owned 14,110 shares																						
Attendance at Board of Directors meetings 12/12 (100%)	<div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;"> Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company) </div> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">Apr. 1980</td> <td>Joined the Company</td> </tr> <tr> <td>Apr. 2011</td> <td>Executive Officer</td> </tr> <tr> <td>Apr. 2012</td> <td>Senior Executive Officer Manager of General Affairs and HR and Manager of the Secretarial Office</td> </tr> <tr> <td>Apr. 2013</td> <td>Managing Executive Officer Manager of Management Planning Department and Manager of the Secretarial Office</td> </tr> <tr> <td>June 2013</td> <td>Director, Managing Executive Officer</td> </tr> <tr> <td>Apr. 2014</td> <td>Manager of Management Planning Department, Manager of the New Business Development Office, and Manager of the Secretarial Office</td> </tr> <tr> <td>Apr. 2015</td> <td>Manager of Finance and Accounting</td> </tr> <tr> <td>Apr. 2017</td> <td>Director, Senior Managing Executive Officer</td> </tr> <tr> <td>June 2017</td> <td>Representative Director, Senior Managing Director, and Senior Managing Executive Officer</td> </tr> <tr> <td>June 2018</td> <td>Representative Director, Senior Managing Executive Officer</td> </tr> <tr> <td>June 2019</td> <td>Full-Time Audit & Supervisory Board Member (present)</td> </tr> </table>			Apr. 1980	Joined the Company	Apr. 2011	Executive Officer	Apr. 2012	Senior Executive Officer Manager of General Affairs and HR and Manager of the Secretarial Office	Apr. 2013	Managing Executive Officer Manager of Management Planning Department and Manager of the Secretarial Office	June 2013	Director, Managing Executive Officer	Apr. 2014	Manager of Management Planning Department, Manager of the New Business Development Office, and Manager of the Secretarial Office	Apr. 2015	Manager of Finance and Accounting	Apr. 2017	Director, Senior Managing Executive Officer	June 2017	Representative Director, Senior Managing Director, and Senior Managing Executive Officer	June 2018	Representative Director, Senior Managing Executive Officer	June 2019	Full-Time Audit & Supervisory Board Member (present)
Apr. 1980	Joined the Company																								
Apr. 2011	Executive Officer																								
Apr. 2012	Senior Executive Officer Manager of General Affairs and HR and Manager of the Secretarial Office																								
Apr. 2013	Managing Executive Officer Manager of Management Planning Department and Manager of the Secretarial Office																								
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Apr. 2014	Manager of Management Planning Department, Manager of the New Business Development Office, and Manager of the Secretarial Office																								
Apr. 2015	Manager of Finance and Accounting																								
Apr. 2017	Director, Senior Managing Executive Officer																								
June 2017	Representative Director, Senior Managing Director, and Senior Managing Executive Officer																								
June 2018	Representative Director, Senior Managing Executive Officer																								
June 2019	Full-Time Audit & Supervisory Board Member (present)																								
Reasons for nomination as candidate for Director who is Audit and Supervisory Committee Member																									
<p>Takashi Terubayashi assumed the position of Representative Director, Senior Managing Director, and Senior Managing Executive Officer in June 2017, and he has contributed to expanding business of the Company as the person in charge of the domestic sales and domestic business (manufacturing). Since June 2019, he has been contributing to ensuring soundness of management of the Company, as a Full-time Audit & Supervisory Board Member. He has extensive knowledge regarding corporate management, and the Company proposes his election as Director based on the judgment that he will fulfill his duties and roles as a Director who is a Full-time Audit & Supervisory Committee Member.</p>																									

Candidate No. 3	Shingo Ishizaki (Born on August 3, 1954)	Number of the Company's shares owned 0 shares
Outside Independent Attendance at Board of Directors meetings 12/12 (100%)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	
	Apr. 1979	Joined Yamaichi Securities Co., Ltd.
	Apr. 1998	Joined Merrill Lynch Japan Securities Co., Ltd.
	July 2001	Joined UFJ Capital Markets Securities Co., Ltd. (present Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.)
	Oct. 2004	Joined Mizuho Securities Co., Ltd. Executive Manager of Investment Banking Group
	Apr. 2009	Managing Executive Officer and Kansai Investment Banking Group Leader
	Apr. 2010	Managing Executive Officer and Kansai and Western Japan Investment Banking Group Leader
	June 2015	Special Adviser of Sekisui House, Ltd. Special Adviser of Sekisui Plastics Co., Ltd.
	Apr. 2018	President and Representative Director of SI.Management Co., Ltd. (present)
	June 2019	Outside Audit & Supervisory Board Member of the Company
	June 2020	Outside Director of the Company (present)
	Apr. 2021	Advisor of Asahi Broadcasting Group Holdings Corporation (present)
Summary of reasons for nomination and expected roles as a candidate for Outside Director who is an Audit & Supervisory Committee Member		
Shingo Ishizaki has engaged in the investment banking business of securities companies over many years, and has extensive knowledge about finance gained through that experience. He is expected to utilize said knowledge from a professional perspective, in particular, of financial accounting, in order to supervise and give advice, etc., to Directors on the execution of duties. Upon his election, he is expected to engage in making decisions on matters, including nomination of candidates for officers of the Company, remuneration for the officers, and establishment of the governance system from an objective and neutral standpoint as a member of the Governance Committee.		
Special notes on candidate for Outside Director who is Audit and Supervisory Committee Member		
The tenure of Shingo Ishizaki as Outside Director of the Company will have been one year at the conclusion of this meeting. In addition, he assumed office as Outside Audit & Supervisory Board Member of the Company during a period from June 2019 to June 2020. He meets the "Judgment Criteria for Independence" established by the Company (see page 26. Therefore, the Company has submitted notification to the Tokyo Stock Exchange that he has been designated as an independent officer as provided for by the aforementioned exchange.		

Candidate No.	Yuko Asami (Name as shown on the family resister: Yuko Katsuo) (Born on January 5, 1972)	Number of the Company's shares owned 0 shares																												
4																														
	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)																													
Outside Independent Attendance at Board of Directors meetings 11/12 (92%)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%; text-align: center;">Apr. 2000</td> <td>Full-time instructor, Faculty of Economics, Gakushuin University</td> </tr> <tr> <td style="text-align: center;">Feb. 2002</td> <td>Member of performance report project, Accounting Standards Board of Japan</td> </tr> <tr> <td style="text-align: center;">Apr. 2003</td> <td>Assistant Professor, Faculty of Economics, Gakushuin University</td> </tr> <tr> <td style="text-align: center;">Apr. 2008</td> <td>Professor, Faculty of Economics, Gakushuin University (present)</td> </tr> <tr> <td style="text-align: center;">Feb. 2010</td> <td>Member of the Evaluation Committee for the Incorporated Administrative Agency (independent administrative institution), Ministry of Finance Acting chairman of the working group of the Organization for Small and Medium Enterprises and Regional Innovation of the same committee</td> </tr> <tr> <td style="text-align: center;">Feb. 2012</td> <td>Temporary member of the Business Accounting Council, Financial Services Agency</td> </tr> <tr> <td style="text-align: center;">Apr. 2012</td> <td>Member of the advisory committee of economics, subcommittee of the establishment of the university, council of the establishment of the university and incorporated educational institution, Ministry of Education, Culture, Sports, Science and Technology</td> </tr> <tr> <td style="text-align: center;">Apr. 2014</td> <td>Vice president, Gakushuin University</td> </tr> <tr> <td style="text-align: center;">June 2018</td> <td>Outside Audit & Supervisory Board Member of the Company (present)</td> </tr> <tr> <td style="text-align: center;">Apr. 2019</td> <td>Chairperson and Professor, Graduate School of Management, Gakushuin University (present)</td> </tr> <tr> <td style="text-align: center;">June 2019</td> <td>Member of the Certified Public Accountants and Auditing Oversight Board, Financial Services Agency (present) Member of Standards Advisory Council, Financial Accounting Standards Foundation (present)</td> </tr> <tr> <td style="text-align: center;">Dec. 2019</td> <td>Japan Society for the Promotion of Science, Member of the Committee on Grants-in-Aid for Scientific Research (present)</td> </tr> <tr> <td style="text-align: center;">Jan. 2020</td> <td>Examiner of Certified Public Tax Accountant Examination, National Tax Agency (present)</td> </tr> <tr> <td style="text-align: center;">Sept. 2020</td> <td>Auditor of Ibaraki University (present)</td> </tr> </table>	Apr. 2000	Full-time instructor, Faculty of Economics, Gakushuin University	Feb. 2002	Member of performance report project, Accounting Standards Board of Japan	Apr. 2003	Assistant Professor, Faculty of Economics, Gakushuin University	Apr. 2008	Professor, Faculty of Economics, Gakushuin University (present)	Feb. 2010	Member of the Evaluation Committee for the Incorporated Administrative Agency (independent administrative institution), Ministry of Finance Acting chairman of the working group of the Organization for Small and Medium Enterprises and Regional Innovation of the same committee	Feb. 2012	Temporary member of the Business Accounting Council, Financial Services Agency	Apr. 2012	Member of the advisory committee of economics, subcommittee of the establishment of the university, council of the establishment of the university and incorporated educational institution, Ministry of Education, Culture, Sports, Science and Technology	Apr. 2014	Vice president, Gakushuin University	June 2018	Outside Audit & Supervisory Board Member of the Company (present)	Apr. 2019	Chairperson and Professor, Graduate School of Management, Gakushuin University (present)	June 2019	Member of the Certified Public Accountants and Auditing Oversight Board, Financial Services Agency (present) Member of Standards Advisory Council, Financial Accounting Standards Foundation (present)	Dec. 2019	Japan Society for the Promotion of Science, Member of the Committee on Grants-in-Aid for Scientific Research (present)	Jan. 2020	Examiner of Certified Public Tax Accountant Examination, National Tax Agency (present)	Sept. 2020	Auditor of Ibaraki University (present)	
Apr. 2000	Full-time instructor, Faculty of Economics, Gakushuin University																													
Feb. 2002	Member of performance report project, Accounting Standards Board of Japan																													
Apr. 2003	Assistant Professor, Faculty of Economics, Gakushuin University																													
Apr. 2008	Professor, Faculty of Economics, Gakushuin University (present)																													
Feb. 2010	Member of the Evaluation Committee for the Incorporated Administrative Agency (independent administrative institution), Ministry of Finance Acting chairman of the working group of the Organization for Small and Medium Enterprises and Regional Innovation of the same committee																													
Feb. 2012	Temporary member of the Business Accounting Council, Financial Services Agency																													
Apr. 2012	Member of the advisory committee of economics, subcommittee of the establishment of the university, council of the establishment of the university and incorporated educational institution, Ministry of Education, Culture, Sports, Science and Technology																													
Apr. 2014	Vice president, Gakushuin University																													
June 2018	Outside Audit & Supervisory Board Member of the Company (present)																													
Apr. 2019	Chairperson and Professor, Graduate School of Management, Gakushuin University (present)																													
June 2019	Member of the Certified Public Accountants and Auditing Oversight Board, Financial Services Agency (present) Member of Standards Advisory Council, Financial Accounting Standards Foundation (present)																													
Dec. 2019	Japan Society for the Promotion of Science, Member of the Committee on Grants-in-Aid for Scientific Research (present)																													
Jan. 2020	Examiner of Certified Public Tax Accountant Examination, National Tax Agency (present)																													
Sept. 2020	Auditor of Ibaraki University (present)																													
	Summary of reasons for nomination and expected roles as a candidate for Outside Director who is an Audit & Supervisory Committee Member																													
	<p>Yuko Asami is a Professor at Faculty of Economics, Gakushuin University, and has been serving as a committee member at the Ministry of Finance and the Financial Services Agency, and has more than sufficient knowledge about the finance and accounting fields. She is expected to utilize said knowledge from a professional perspective, in particular, of corporate accounting, in order to supervise and give advice, etc., to Directors on the execution of duties. Upon her election, she is expected to engage in making decisions on matters, including nomination of candidates for officers of the Company, remuneration for the officers, and establishment of the governance system from an objective and neutral standpoint as a member of the Governance Committee. Yuko Asami has never in the past been involved in the management of a company except as an outside officer. However, the Company judges she will appropriately fulfill her duties as an Outside Director who is an Audit & Supervisory Committee Member based on the above reasons.</p>																													
	Special notes on candidate for Outside Director who is Audit and Supervisory Committee Member																													
	<p>The tenure of Yuko Asami as Outside Audit & Supervisory Board Member of the Company will have been three years at the conclusion of this meeting. She meets the "Judgment Criteria for Independence" established by the Company (see page 26). Therefore, the Company has submitted notification to the Tokyo Stock Exchange that she has been designated as an independent officer as provided for by the aforementioned exchange.</p>																													

Candidate No. 5	Kiyoshi Mukohara (Born on February 11, 1952)	Number of the Company's shares owned 0 shares
Outside Independent Attendance at Board of Directors meetings 9/10 (90%)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	
	Apr. 1975	Joined The Sumitomo Trust and Banking Company, Limited (present Sumitomo Mitsui Trust Bank, Limited)
	June 2006	Director and Managing Executive Officer
	June 2008	Representative Director and Senior Managing Executive Officer
	Apr. 2011	Representative Director and Deputy President Executive Officer Representative Director and Deputy President of SUMITOMO MITSUI TRUST HOLDINGS, INC.
	Apr. 2012	Representative Director, Deputy Chairman of Sumitomo Mitsui Trust Bank, Limited Representative Director of SUMITOMO MITSUI TRUST HOLDINGS, INC.
	Apr. 2015	Corporate Advisor of Sumitomo Mitsui Trust Bank, Limited
	June 2015	Retired from Director of SUMITOMO MITSUI TRUST HOLDINGS, INC.
	June 2016	Outside Audit & Supervisory Board Member of Rengo Co., Ltd.
	Apr. 2018	Executive Advisor of Sumitomo Mitsui Trust Bank, Limited
	Mar. 2019	Advisor of Sumitomo Mitsui Trust Research Institute Co., Ltd. (present)
	June 2020	Outside Audit & Supervisory Board Member of the Company (present)
Summary of reasons for nomination and expected roles as a candidate for Outside Director who is an Audit & Supervisory Committee Member		
Kiyoshi Mukohara has been involved in the management of financial institutions for many years and he has extensive knowledge about finance and management cultivated through his experience. He is expected to utilize said knowledge from a professional perspective, in particular, of corporate management, in order to supervise and give advice, etc., to Directors on the execution of duties. Upon his election, he is expected to engage in making decisions on matters, including nomination of candidates for officers of the Company, remuneration for the officers, and establishment of the governance system from an objective and neutral standpoint as a member of the Governance Committee.		
Special notes on candidate for Outside Director who is Audit and Supervisory Committee Member		
The tenure of Kiyoshi Mukohara as Outside Audit & Supervisory Board Member of the Company will have been one year at the conclusion of this meeting. He previously worked for Sumitomo Mitsui Trust Bank, Limited, which is a primary lender of the Company. However, six years have passed since he retired as director from this company, and he therefore meets the "Judgment Criteria for Independence" established by the Company (see page 26). Therefore, the Company has submitted notification to the Tokyo Stock Exchange that he has been designated as an independent officer as provided for by the aforementioned exchange.		

- Notes:
1. There is no special interest between each candidate and the Company.
 2. Yuko Asami has performed her duties at the Company under her name Yuko Katsuo, which is on her family register, but since she has written research studies and thesis papers in English using her maiden name Asami, the Company plans to have her work under her maiden name as well.
 3. Shingo Ishizaki, Yuko Asami and Kiyoshi Mukohara are candidates for Outside Director.
 4. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into limited liability agreements with Takashi Terubayashi, Shingo Ishizaki, Yuko Asami and Kiyoshi Mukohara to limit their liability for damages under Article 423, paragraph (1) of the Act to the amount prescribed by laws and regulations. If their election is approved and adopted, the Company plans to enter into the aforementioned agreement with each one of them. If the election of Takashi Aihara is approved and adopted, the Company plans to enter into the same limited liability agreement with him.
 5. Takashi Aihara and Shingo Ishizaki are currently Directors of the Company, and Takashi Terubayashi, Yuko Asami and Kiyoshi Mukohara are currently Audit & Supervisory Board Members of the Company. As stipulated under Article 430-3, Paragraph 1 of the Companies Act, the Company has concluded a liability insurance contract for officers etc. with an insurance company, and these 5 persons are included as insured persons. This insurance policy covers the insured's losses and such costs as related litigation expenses incurred from claims for damages arising from acts (including nonfeasance) carried out by the insured as an officer or a person at a certain position of the Company and all the premiums for the insured are fully borne by the Company. If their election is approved and adopted, they will continue to be included in the policy as insureds. The Company plans to renew the said policy with the above details during their terms of office.

Proposal No. 5 Election of One Substitute Director Who Is Audit and Supervisory Committee Member

If Proposal No. 2 (Amendment to the Articles of Incorporation) is approved and adopted as originally proposed, the Company shall transition to a company with an Audit & Supervisory Committee.

Therefore, the Company requests approval for the election of one substitute Director who is Audit and Supervisory Committee Member to be ready to fill a vacant position should the number of Directors who are Audit and Supervisory Committee Members fall below the number required by laws and regulations.

The consent of the Audit & Supervisory Board has been obtained for this proposal.

This proposal, however, can only take effect after Proposal No. 2 (Amendment to the Articles of Incorporation) takes effect.

The candidate for substitute Director who is Audit and Supervisory Committee Member is as follows:

Kiyoshi Furube	(Born on November 3, 1954)	Number of the Company's shares owned 200 shares																
Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)																		
Outside	<table border="1"> <tr><td style="width: 10%;">Apr. 1977</td><td>Joined TOTO Kiki Ltd. (present TOTO LTD.)</td></tr> <tr><td>June 2010</td><td>Director, Executive Officer, General Manager of Sales Promotion Group and Sales Control</td></tr> <tr><td>Apr. 2011</td><td>Director, Managing Executive Officer, responsible for the Sales Promotion Group</td></tr> <tr><td>Apr. 2012</td><td>Director, Senior Managing Executive Officer, responsible for the Sales Promotion Group</td></tr> <tr><td>Apr. 2014</td><td>Representative Director, Executive Vice President, responsible for all sales related departments</td></tr> <tr><td>Apr. 2017</td><td>Director</td></tr> <tr><td>June 2017</td><td>Outside Director of the Company (present) Advisor of TOTO LTD.</td></tr> <tr><td>June 2019</td><td>Retired from Advisor of TOTO LTD.</td></tr> </table>	Apr. 1977	Joined TOTO Kiki Ltd. (present TOTO LTD.)	June 2010	Director, Executive Officer, General Manager of Sales Promotion Group and Sales Control	Apr. 2011	Director, Managing Executive Officer, responsible for the Sales Promotion Group	Apr. 2012	Director, Senior Managing Executive Officer, responsible for the Sales Promotion Group	Apr. 2014	Representative Director, Executive Vice President, responsible for all sales related departments	Apr. 2017	Director	June 2017	Outside Director of the Company (present) Advisor of TOTO LTD.	June 2019	Retired from Advisor of TOTO LTD.	
Apr. 1977	Joined TOTO Kiki Ltd. (present TOTO LTD.)																	
June 2010	Director, Executive Officer, General Manager of Sales Promotion Group and Sales Control																	
Apr. 2011	Director, Managing Executive Officer, responsible for the Sales Promotion Group																	
Apr. 2012	Director, Senior Managing Executive Officer, responsible for the Sales Promotion Group																	
Apr. 2014	Representative Director, Executive Vice President, responsible for all sales related departments																	
Apr. 2017	Director																	
June 2017	Outside Director of the Company (present) Advisor of TOTO LTD.																	
June 2019	Retired from Advisor of TOTO LTD.																	
Summary of reasons for nomination and expected roles as a candidate for substitute Outside Director who is an Audit & Supervisory Committee Member																		
Kiyoshi Furube has extensive knowledge of corporate management earned through his experience of engaging in corporate management as the long-served Director of TOTO LTD. In addition, he has actively provided advice, opinions, etc. drawing on the wealth of experience as the Outside Director of the Company since June 2017. In the event that an Outside Director who is an Audit & Supervisory Committee Member is unable to act due to accident, etc., he is expected to utilize said knowledge from a professional perspective, in particular, of corporate management, in order to supervise and give advice, etc., to Directors on the execution of duties as substitute Director who is Audit & Supervisory Committee Member.																		
Special notes on candidate for substitute Outside Director who is Audit and Supervisory Committee Member																		
Kiyoshi Furube is currently Outside Director of the Company and his tenure as the Outside Director will have been four years at the conclusion of this meeting. He previously worked for TOTO LTD., a business partner of the Company. However, the amount of transactions with said company with respect to the Company's net sales or purchases during the most recent business year was less than 1% in either case, and he therefore meets the "Judgment Criteria for Independence" established by the Company (see page 26). If Kiyoshi Furube assumes the office of Outside Director who is Audit and Supervisory Committee Member, the Company will submit notification to the Tokyo Stock Exchange that he has been designated as an independent officer as provided for by the aforementioned exchange.																		

- Notes:
1. There is no special interest between the candidate and the Company.
 2. Kiyoshi Furube is a candidate for substitute Outside Director.
 3. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into a limited liability agreement with Kiyoshi Furube to limit his liability for damages under Article 423, paragraph (1) of the same Act to the amount prescribed by laws and regulations. If Kiyoshi Furube is appointed as Director who is Audit and Supervisory Committee Member, the Company plans to enter into the aforementioned limited liability agreement with him.
 4. Kiyoshi Furube is currently Director of the Company, and as stipulated under Article 430-3, paragraph (1) of the Companies Act, he is included as an insured person pursuant to the Company concluding a liability insurance contract for officers etc. with an insurance company. This insurance policy covers the insured's losses and such

costs as related litigation expenses incurred from claims for damages arising from acts (including nonfeasance) carried out by the insured as an officer or a person at a certain position of the Company and all the premiums for the insured are fully borne by the Company. If he is appointed as Director who is Audit and Supervisory Committee Member, he will be included in the policy as insured.

Proposal No. 6 Determination of Remuneration Amount for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

If Proposal No. 2 (Amendment to the Articles of Incorporation) is approved and adopted as originally proposed, the Company shall transition to a company with an Audit & Supervisory Committee

The amount of remuneration for Directors of the Company was approved at the 90th Annual General Meeting of Shareholders held on June 29, 2006 to be within ¥35 million per month (¥420 million per year) (however, the portion of employee salary for Directors also serving as employees is not included), which has continued until today. However, due to the transition to a company with an Audit & Supervisory Committee, this will be abolished.

Therefore, the amount of remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members) will be newly established, and the Company proposes the annual amount shall be within ¥300 million.

This proposal was decided by the Board of Directors after deliberation by the Nomination and Remuneration Committee, while comprehensively considering the scale of the Company's business, the executive remuneration system and its payment level, the current number of officers, and future trends etc., and is judged to be appropriate.

We propose to exclude the portion of employee's salary of Directors who also serve as employees from said remuneration amount.

Currently, there are 8 Directors (including 3 Outside Directors), and the number of Directors (excluding Directors who are Audit & Supervisory Committee Members) related to this proposal, provided Proposals 2 and 3 are approved and adopted as originally proposed, will become 4 persons (including 0 Outside Director).

This proposal, however, can only take effect after Proposal No. 2 (Amendment to the Articles of Incorporation) takes effect.

Proposal No. 7 Determination of Remuneration Amount for Directors Who Are Audit and Supervisory Committee Members

If Proposal No. 2 (Amendment to the Articles of Incorporation) is approved and adopted as originally proposed, the Company shall transition to a company with an Audit & Supervisory Committee.

Accordingly, the annual amount of remuneration for Directors who are Audit & Supervisory Committee Members shall be stipulated as an amount not to exceed 108 million yen.

This proposal was decided by the Board of Directors after deliberation by the Nomination and Remuneration Committee, while comprehensively considering the scale of the Company's business, the executive remuneration system and its payment level, the current number of officers, and future trends etc., and is judged to be appropriate.

The number of Directors who are Audit & Supervisory Committee Members related to this proposal will become 5 (including 3 Outside Directors) if Proposals 2 and 4 are approved and adopted as originally proposed.

This proposal, however, can only take effect after Proposal No. 2 (Amendment to the Articles of Incorporation) takes effect.

Proposal No. 8 Determination of Remuneration for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members and Outside Directors) for Allotment of Restricted Shares Thereto

If Proposal No. 2 (Amendment to the Articles of Incorporation) is approved and adopted as originally proposed, the Company shall transition to a company with an Audit & Supervisory Committee.

The total amount of monetary remuneration claims to be paid to Directors of the Company (excluding Outside Directors) as remuneration related to restricted shares was approved at the 102nd Annual General Meeting of Shareholders held on June 22, 2018 as within ¥42 million per year, which has continued until today. However, due to the transition to a company with an Audit & Supervisory Committee, this will be abolished.

Therefore, apart from the annual amount within ¥300 million in Proposal 6 “Determination of Remuneration Amount for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members),” the Company proposes to newly set the total amount of monetary remuneration claims to be paid to Directors of the Company (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors) as remuneration related to restricted shares as within ¥30 million per year.

This proposal was decided by the Board of Directors after deliberation by the Nomination and Remuneration Committee, while comprehensively considering the scale of the Company’s business, the executive remuneration system and its payment level, the current number of officers, and future trends etc., and is judged to be appropriate.

Currently, there are 5 Directors (excluding Outside Directors), but if Proposals 2 and 3 are approved and adopted as originally proposed, the number of Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors) related to this proposal will become 4 persons.

This proposal, however, can only take effect after Proposal No. 2 (Amendment to the Articles of Incorporation) takes effect.

Specific details and maximum number of restricted shares for Company Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors)

1. Allotment of and Payment for Restricted Shares

In accordance with a resolution of the Board of Directors, Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) shall receive monetary remuneration claims within the aforementioned annual amount as remuneration related to restricted shares, and each Director will be allotted the restricted shares by contributing all of the monetary remuneration claims in the form of property contributed in kind.

The amount to be paid in for the restricted shares shall be based on the closing price of the Company’s common shares on the Tokyo Stock Exchange on the business day preceding the date of resolution of the Company’s Board of Directors pertaining to the issuance or disposal of such shares (if no trades are made on this day, the closing price on the most recent day of trading before that), and shall be determined by the Company’s Board of Director to the extent that the amount will not be particularly advantageous for Directors receiving the restricted shares.

Furthermore, the aforementioned monetary remuneration claims shall be provided to the Company’s Directors on the condition that they have agreed to the above payment of property contributed in kind, and have concluded a restricted shares allotment agreement which includes the provisions stipulated in 3. below.

2. Total number of Restricted Shares

The maximum number of Restricted Shares allotted each fiscal year to Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) shall be no more than 48,000 shares.

However, after the day that this proposal is resolved, if there is a split of the Company’s common shares (including an allotment without contribution of the Company’s common shares) or a reverse stock split or another similar event which makes it necessary to adjust the total number of restricted shares allotted, the total number of restricted shares may be reasonably adjusted.

3. Provisions of Restricted Shares Allotment Agreement

In accordance with a resolution by the Board of Directors of the Company, the restricted shares Allotment Agreement to be concluded between the Company and Directors receiving the restricted shares shall include the following provisions.

(1) Definitions of Transfer Restrictions

Directors who have received an allotment of restricted shares may not transfer, create a pledge, create a transfer security interest, make an inter-vivos gift, make a bequest or otherwise dispose of the restricted shares to a third party during a period of 30 years (this set period is hereinafter the “Transfer Restriction Period”).

(2) Acquisition of Restricted Shares without Contribution

In the event that a Director who was allocated restricted shares retires or resigns his or her position as Director, executive officer or employee of the Company, after the start date of the Transfer Restriction Period and before the day before the first scheduled Annual General Meeting of Shareholders, unless there is a reason deemed justifiable by the Company’s Board of Directors, the restricted shares allotted to said Director (hereinafter “Allotted Shares”) will naturally be acquired by the Company without contribution.

In addition, among Allotted Shares, if transfer restrictions for any have not been lifted based on reasons for lifting transfer restrictions stipulated in (3) below when the Transfer Restriction Period in (1) above has expired, the Company will naturally acquire them without contribution.

(3) Lifting of the Transfer Restriction

For a Director who was allocated restricted shares, provided he or she continuously held a position as Director, executive officer or employee of the Company, from the start date of the Transfer Restriction Period until the day before the first scheduled Annual General Meeting of Shareholders, the Company will lift transfer restrictions for all of the Allotted Shares when the Transfer Restriction Period expires.

However, in the event said Director retires or resigns from his or her position of Director, executive officer or employee of the Company before the expiration of the Transfer Restriction Period due to reasons deemed justified by the Company’s Board of Directors, the number of Allotted Shares for transfer restrictions to be lifted and the timing of lifting transfer restrictions shall be reasonably adjusted as necessary.

(4) Treatment during reorganization, etc.

During the Transfer Restriction Period, in the event a proposal is approved at an Annual Meeting of Shareholders of the Company regarding a merger agreement in which the Company becomes the absorbed company, a shares exchange agreement in which the Company becomes a wholly owned subsidiary, or a share transfer plan, or other organizational restructuring, etc. (however, if approval is not required by an Annual Meeting of Shareholders of the Company, it is approved by the Company’s Board of Directors), by resolution of the Board of Directors, transfer restrictions will be lifted for the number of Allotted Shares reasonably determined based on the period from the start date of the Transfer Restriction Period to the date of approval of said reorganization, prior to the effective date of the reorganization.

In this case, the Company will naturally acquire the Allotted Shares for which transfer restrictions have not been lifted, immediately after transfer restrictions have been lifted based on the provisions above, without contribution.

(Reference)

Provided this Proposal is approved and adopted as originally proposed, the Company plans to allocate the same restricted shares as the restricted shares above to executive officers, etc. of the Company.

(Reference) Judgment Criteria for Independence for Outside Directors

The Company requires Outside Directors to meet the requirements set forth below in order to be deemed to have independence. The eligible time period is currently or any time in the past for requirement No. 1 below, and currently or at some time during the past five years for requirements Nos. 2 to 6 below.

1. Relevant persons of the Daiken Group

The persons shall not be a director (excluding its outside director), audit & supervisory board member (excluding its outside audit & supervisory board member), accounting advisor, executive officer (*shikkoyaku*), executive officer, or employee (hereinafter collectively referred to as “directors, etc.”) of the Company, its subsidiaries and affiliates (hereinafter referred to as the “Group”)

2. Relevant persons with voting power

- I. The persons shall not be a shareholder or director, etc., with 10% or higher voting power for the Company.
- II. The persons shall not be a director, etc., of a company in which the Group possesses 10% or higher voting power.

3. Relevant persons of business partners

- I. The persons shall not be a director, etc., of a business partner, which the Group does business with for the equivalent amount of 2% or higher of consolidated net sales or purchase for either of the companies.
- II. The persons shall not be a director, etc., of a primary financial institution, which the Group borrows the equivalent amount of 2% or higher of the Company’s consolidated assets.
- III. The persons shall not be a director, etc., of the Group’s lead brokerage.

4. Experts (lawyer, certified public accountant, consultant, etc.)

- I. The persons shall not be a certified public accountant who is the Group’s auditors, an employee, partner, or personnel of an auditing company.
- II. The persons shall not be a person who receives remuneration of more than ¥10 million annually as a certified public accountant, licensed tax accountant, lawyer, or other consultants besides the remuneration as a director or audit & supervisory board member from the Group.

5. Charitable donation

The persons shall not be a person who receives a donation exceeding ¥10 million annually from the Company or an executing person.

6. Other

- I. The persons shall not be a family member within the second degree of kinship of those listed the above Nos. 1 to 5 (excluding those who do not hold a key position).
- II. The persons shall not be a director, etc., of the company where the Group’s officers are mutually in place.