

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 5, 2023

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 107th Annual General Meeting of Shareholders

We are pleased to announce the 107th Annual General Meeting of Shareholders of DAIKEN CORPORATION (the “Company”), which will be held as indicated below.

In convening this General Meeting of Shareholders, the Company has taken measures for providing information that constitutes the content of Reference Documents for the General Meeting of Shareholders, etc. (matters for which measures for providing information in electronic format are to be taken) in electronic format, and has posted the information on each of the following websites. Please access either of the websites to view the information.

The Company’s website:

<https://www.daiken.jp/ir/generalmeeting.html> (in Japanese)

Website for posted informational materials for the general meeting of shareholders:

<https://d.sokai.jp/7905/teiji/> (in Japanese)

TSE website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

(Access the TSE website by using the internet address shown above, enter “Daiken Corporation” in “Issue name (company name)” or the Company’s securities code “7905” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”)

If you are unable to attend the Meeting in person, you may exercise your voting rights via the Internet, etc. or in writing (by mail). Please review the attached Reference Documents for General Meeting of Shareholders, and exercise your voting rights by 5:45 p.m. on Thursday, June 22, 2023 (JST).

1. **Date and Time:** Friday, June 23, 2023, 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 107th fiscal year (from April 1, 2022 to March 31, 2023), and the results of audits of the Consolidated Financial Statements by the Auditors and the Audit and Supervisory Committee
2. The Non-consolidated Financial Statements for the 107th fiscal year (from April 1, 2022 to March 31, 2023)

Matters to be resolved:

- | | |
|-----------------------|--|
| Proposal No. 1 | Appropriation of Surplus |
| Proposal No. 2 | Election of Four Directors (Excluding Directors Who Are Audit and Supervisory Committee Members) |
| Proposal No. 3 | Election of Five Directors Who Are Audit and Supervisory Committee Members |
| Proposal No. 4 | Election of One Substitute Director Who Is an Audit and Supervisory Committee Member |

4. Decisions on Convocation of the Meeting (Information on the Exercise of Voting Rights)

- (1) If exercising your voting rights in writing (by mail), any proposals for which you do not indicate your approval or disapproval will be treated as an indication of approval.
 - (2) If you exercise your voting rights more than once via the Internet, etc., the last vote will be treated as the valid vote.
 - (3) If you exercise your voting rights both via the Internet, etc., and in writing, we will treat the exercise of voting rights via the Internet, etc. as the valid vote, regardless of the arrival time.
- ◎ If attending the meeting, you are kindly requested to present the voting form sent out with this notice at the reception.
 - ◎ If revisions to the matters for which measures for providing information in electronic format are to be taken arise, a notice of the revisions and the details of the matters before and after the revisions will be posted on the aforementioned Internet websites.
 - ◎ Paper-based documents stating the matters for which measures for providing information in electronic format are to be taken are sent to shareholders who have requested paper-based document delivery, however those documents do not include the following matters in accordance with the provisions of laws and regulations and Article 15, Paragraph 2 of the Company's Articles of Incorporation.
 - (i) Notes to the Consolidated Financial Statements
 - (ii) Notes to the Non-consolidated Financial Statements

Accordingly, the Consolidated Financial Statements and Non-consolidated Financial Statements included in said paper-based documents are a portion of the documents audited by the Financial Auditor in the creation of its audit report.

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) after considering the cost of capital while striking the optimal balance among enhancing shareholder return, achieving financial stability and executing strategic investment. Furthermore as our policy on shareholder return, while aiming for a performance-linked return of profits, we strive to maintain stable dividend payout and with respect to shareholder return for four years under the Medium-Term Management Plan GP25 3rd Stage (fiscal year ended March 31, 2023 through fiscal year ending March 31, 2026), we aim to enhance performance-linked return of profits and place emphasis on maintaining stable dividends that are not unduly influenced by short-term fluctuations in profit, and our goal for the dividend payout ratio and DOE (dividend on equity) is 35% and 3.5%, respectively.

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 107th 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 ¥60 per ordinary share of the Company.

In this event, the total dividends will be ¥1,564,313,280.

Effective date of dividends of surplus

The effective date of dividends will be Monday, June 26, 2023.

Proposal No. 2 Election of Four Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The terms of office of all four (4) Directors (excluding Directors who are Audit and Supervisory Committee Members; applicable to the rest of this proposal) will expire at the conclusion of this meeting.

Therefore, the Company proposes the election of four (4) Directors.

With respect to this proposal, as a result of its discussions, the Audit and Supervisory Committee has expressed its opinion that all of the candidates for Director are qualified for the position and that there are no special matters to be stated at the General Meeting of Shareholders.

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 Male	Representative Director, President	15/15 (100%)
2	Koshin Nomura	Reelection Male	Representative Director, Senior Managing Executive Officer Responsible for Domestic Business, New Domestic Business, Information Management, and Communications, and General Manager of the Tokyo Office	10/10 (100%)
3	Takeshi Nagata	Reelection Male	Director, Senior Managing Executive Officer Responsible for Overseas Business and New Overseas Business, and Manager of North America Business Department	10/10 (100%)
4	Masatoshi Maki	Reelection Male	Director	9/10 (90%)

Notes: 1. In addition to the above number of Board of Directors meetings, there was one written resolution that was deemed to have been approved by the Board of Directors pursuant to Article 370 of the Companies Act and Article 21, Paragraph 3 of the Company's Articles of Incorporation.

2. As Koshin Nomura, Takeshi Nagata, and Masatoshi Maki were newly appointed as Directors at the 106th Annual General Meeting of Shareholders held on June 24, 2022, the number of Board of Directors meetings they were eligible to attend is different from that of other Directors.

Candidate No. 1	Masanori Okuda (Born on April 25, 1950)	Number of the Company's shares owned 55,060 shares
	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	
	Apr. 1974	Joined the Company
	Apr. 2007	Executive Officer General Manager of Tobu Juken Sales Control
	Apr. 2008	Senior Executive Officer General Manager of Juken Sales Control and General Manager of Tobu Sales Control
Reelection Male	June 2008	Director, Senior Executive Officer
	Apr. 2009	Director, Managing Executive Officer Tokyo Representative and General Manager of Juken Sales Control
Attendance at Board of Directors meetings 15/15 (100%)	Apr. 2010	General Manager of Juken Sales
	June 2011	General Manager of Sales, Manager of New Development Sales, and General Manager of the Tokyo Office
	Apr. 2012	Director, Senior Managing Executive Officer General Manager of the Tokyo Office
	June 2013	Representative Director, Senior Managing Director, and Senior Managing Executive Officer
	Oct. 2013	General Manager of Procurement Innovation and General Manager of the Tokyo Office
	Apr. 2014	Representative Director, Representative President and Executive Officer
	June 2018	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	Koshin Nomura (Born on March 23, 1961)	Number of the Company's shares owned 10,230 shares
		Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	
		Apr. 1983	Joined the Company
		Apr. 2006	Manager of DAIKEN Industries (Ningbo) Corporation
		Apr. 2011	Manager of Building Products Development Department of the Company
		Apr. 2013	Division Manager of Interior Products
		Apr. 2015	Executive Officer Deputy General Manager of Products Head Office and Division Manager of Building Products
Reelection Male		Apr. 2016	Deputy General Manager of Products Head Office and Department Manager of New Business Development
Attendance at Board of Directors meetings 10/10 (100%)		Apr. 2017	Senior Executive Officer Manager of Finance and Accounting Department
		Apr. 2018	Manager of Corporate Planning Department
		Apr. 2019	General Manager of General Development and IT · Logistics
		Apr. 2020	Managing Executive Officer General Manager of Domestic Manufacturing
		Apr. 2021	General Manager of Domestic Manufacturing and Division Manager of Home Furnishings
		Apr. 2022	Responsible for Domestic Business and New Domestic Business, General Manager of the Tokyo Office (present)
		June 2022	Representative Director, Managing Executive Officer
		Apr. 2023	Representative Director, Senior Managing Executive Officer (present) Responsible for Information Management and Communications (present)
Reasons for nomination as candidate for Director			
Koshin Nomura joined the Company in 1983. He is primarily involved in development and manufacturing for the building products business, since April 2015, as Executive Officer, he has worked to expand the Company's domestic business based on his extensive knowledge and expertise in the building products business. In June 2022, he was appointed Representative Director, and he currently serves as Managing Executive Officer responsible for domestic business, to promote the expansion of our domestic businesses. 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.	3	Takeshi Nagata (Born on March 2, 1963)	Number of the Company's shares owned 12,100 shares
	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)		
Reelection Male Attendance at Board of Directors meetings 10/10 (100%)	Apr. 1985 Jan. 2006 Feb. 2009 June 2012 Apr. 2014 July 2014 Apr. 2015 Mar. 2017 Apr. 2017 June 2017 Apr. 2019 Apr. 2020 Apr. 2021 Apr. 2022 June 2022 Apr. 2023	Joined ITOCHU Corporation Acting Manager of Wood Material and Building Material Department and Chief of Wood Building Materials Section Senior Executive Director of DAIKEN NEW ZEALAND LIMITED (Stationed in Christchurch) PT. ITOCHU Indonesia (Stationed in Jakarta) Acting Manager of Wood Products & Materials Department of ITOCHU Corporation Acting Manager of Wood Products & Materials Department, and Planning and Administration Department, ICT, General Products & Realty Company Deputy General Manager of Overseas Business Group of the Company Retired from ITOCHU Corporation Executive Officer of the Company General Manager of Overseas Business Group and Department Manager of Overseas Business Planning Outside Director of HOKUSHIN Co., Ltd. (present) Senior Executive Officer of the Company General Manager of Overseas Business Deputy General Manager of Overseas Business Headquarters and General Manager of MDF Business Division General Manager of Overseas Business, Manager of Asia Business Department, and Manager of North America Business Department Managing Executive Officer Responsible for Overseas Business and New Overseas Business, and Manager of North America Business Department (present) Director, Managing Executive Officer Director, Senior Managing Executive Officer of the Company (present)	
	Reasons for nomination as candidate for Director		
Since joining ITOCHU Corporation, Takeshi Nagata has been primarily involved in the wood materials field, and since April 2017, as the Company's Executive Officer, he has worked to expand our overseas business by drawing on his extensive knowledge in the procurement and sales of wood resources. In June 2022, he was appointed Director, and he currently serves as Managing Executive Officer responsible for overseas business, to promote the expansion of our overseas businesses. 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. 4	Masatoshi Maki (Born on January 31, 1965)	Number of the Company's shares owned 0 shares
Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)		
Reelection Male Attendance at Board of Directors meetings 9/10 (90%)	Apr. 1987	Joined ITOCHU Corporation
	Apr. 2000	Chief of Construction Section 2 of Construction & Realty Department
	Apr. 2005	Acting Manager of Construction & Realty Department
	Apr. 2006	Acting Manager of Construction & Realty Department No. 1
	Apr. 2009	General Manager of Construction & Realty Department No. 2
	Apr. 2011	Director of China Construction & Realty Division (Stationed in Shanghai), ITOCHU SHANGHAI LTD.
	Apr. 2013	Director of China ICT, General Products & Realty Group (Stationed in Shanghai), ITOCHU SHANGHAI LTD.
	Apr. 2014	Deputy Chief Operating Officer of Construction, Realty & Financial Business Division
	Apr. 2015	Deputy Chief Operating Officer of Construction, Realty & Logistics Division
	Apr. 2016	Chief Operating Officer of Construction, Realty & Logistics Business Division
	Apr. 2019	Executive Officer (present) Chief Operating Officer of Construction & Real Estate Division
	Apr. 2022	President of General Products & Realty Company (present)
June 2022	Director of the Company (present)	
Reasons for nomination as candidate for Director		
<p>Since joining ITOCHU Corporation, Masatoshi Maki has been engaged primarily in the fields of construction and real estate, and during his posting overseas, he broadened his practical experience as an expert in these fields. His extensive insights on lumber and building materials, real estate development, and logistics are essential to the Company's ability to source and expand sales of sustainable resource-based building materials. Therefore, the Company proposes his reelection as Director.</p>		

- 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 Masatoshi Maki to limit his liability for damages under Article 423, paragraph (1) of the Act to the amount prescribed by laws and regulations. If his election is approved and adopted, the Company plans to continue the aforementioned agreement with him.
 3. 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 if the election of each candidate is approved and adopted, they will be included in the policy as insureds. The scope of the insured under this insurance policy is directors, etc., of the Company and its subsidiaries, and the insured does not bear the premiums. The policy will cover compensation based on the insured's legal liability for damages incurred by the insured as a result of the insured's conduct. By setting a limit on the amount of compensation, measures are taken to ensure that the appropriateness of the execution of duties by the directors, etc. in question is not impaired. The policy is scheduled to be renewed with the same terms and conditions at the next renewal.

Proposal No. 3 Election of Five Directors Who Are Audit and Supervisory Committee Members

The terms of office of all five Directors who are Audit and Supervisory Committee Members will expire at the conclusion of this meeting.

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

The consent of the Audit and Supervisory Committee has been obtained for this proposal.

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

List of candidates for Audit and Supervisory Committee Member

Candidate No.	Name		Current position and responsibility in the Company	Attendance at Board of Directors meetings	Attendance at Audit and Supervisory Committee meetings
1	Takashi Terubayashi	Reelection Male	Director, Full-Time Audit and Supervisory Committee Member	15/15 (100%)	14/14 (100%)
2	Tomoaki Iinuma	New election Male	Senior Advisor of Administration	—	—
3	Shingo Ishizaki	Reelection Outside Independent Male	Outside Director, Audit and Supervisory Committee Member	15/15 (100%)	14/14 (100%)
4	Yuko Asami	Reelection Outside Independent Female	Outside Director, Audit and Supervisory Committee Member	14/15 (93%)	13/14 (93%)
5	Kiyoshi Mukohara	Reelection Outside Independent Male	Outside Director, Audit and Supervisory Committee Member	15/15 (100%)	13/14 (93%)

Note: In addition to the above number of Board of Directors meetings, there was one written resolution that was deemed to have been approved by the Board of Directors pursuant to Article 370 of the Companies Act and Article 21, Paragraph 3 of the Company's Articles of Incorporation.

Candidate No. 1	Takashi Terubayashi (Born on June 13, 1956)	Number of the Company's shares owned 15,210 shares
Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)		
Reelection Male	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
Attendance at Board of Directors meetings 15/15 (100%)	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
Attendance at Audit and Supervisory Committee meetings 14/14 (100%)	Apr. 2015	Manager of Finance and Accounting Department
	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
	June 2021	Director, Full-Time Audit and Supervisory Committee Member (present)
Reasons for nomination as candidate for Director who is an 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 domestic sales and domestic business (manufacturing). Since June 2019 as a Full-time Audit & Supervisory Board Member, then since June 2021 as a Director who is a Full-time Audit and Supervisory Committee Member, he has been contributing to ensuring soundness of management of the Company. He has extensive knowledge regarding corporate management, and the Company proposes his re-election as Director based on the judgment that he will fulfill his duties and roles as a Director who is a Full-time Audit and Supervisory Committee Member.</p>		

Candidate No.	2	Tomoaki Inuma (Born on January 21, 1961)		Number of the Company's shares owned 7,321 shares
		Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)		
		Apr. 1983	Joined the Company	
		Apr. 2008	Head of Design Institute	
		Apr. 2013	Deputy Division Manager of Home Furnishings and Manager of Building Products Development Department	
	New election Male	Apr. 2014	Division Manager of Home Furnishings and Manager of Building Products Development Department	
	Attendance at Board of Directors meetings	Apr. 2015	Factory Manager of Inami Plant	
	–	Apr. 2016	Executive Officer Division Manager of Building Products and Factory Manager of Inami Plant	
	Attendance at Audit and Supervisory Committee meetings	Oct. 2016	Division Manager of Building Products, Factory Manager of Inami Plant, and Manager of Design Department	
	–	Apr. 2018	Senior Executive Officer Manager of General Affairs and HR	
		Apr. 2020	Managing Executive Officer Manager of General Affairs and General Manager of HR and IT • Logistics	
		Apr. 2021	General Manager of Administration	
		Apr. 2023	Senior Advisor of Administration (present)	
Reasons for nomination as candidate for Director who is an Audit and Supervisory Committee Member				
Tomoaki Inuma joined the Company in 1983. He is primarily involved in development and manufacturing for the home furnishings business, and since April 2016, as Executive Officer, he has worked to expand the Company's domestic business based on his extensive knowledge and expertise in products for the home furnishings business. From April 2021 as Manager of Administration, he has been managing the fields of ISO, compliance, health management, and work style reform, and has contributed to strengthening company-wide governance. He has extensive knowledge regarding the overall domestic business, and the Company newly 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 and Supervisory Committee Member.				

Candidate No. 3	Shingo Ishizaki (Born on August 3, 1954)	Number of the Company's shares owned 0 shares
Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)		
Reelection Outside Independent Male	Apr. 1979 Apr. 1998 July 2001 Oct. 2004	Joined Yamaichi Securities Co., Ltd. Joined Merrill Lynch Japan Securities Co., Ltd. (present BofA Securities Japan Co., Ltd.) Joined UFJ Capital Markets Securities Co., Ltd. (present Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.) Joined Mizuho Securities Co., Ltd. Executive Manager of Investment Banking Group
Attendance at Board of Directors meetings 15/15 (100%)	Apr. 2009 Apr. 2010	Managing Executive Officer and Kansai Investment Banking Group Leader Managing Executive Officer and Kansai and Western Japan Investment Banking Group Leader
Attendance at Audit and Supervisory Committee meetings 14/14 (100%)	June 2015 Apr. 2018 June 2019 June 2020 Apr. 2021 June 2021	Special Adviser of Sekisui House, Ltd. Special Adviser of Sekisui Plastics Co., Ltd. President and Representative Director of SI.Management Co., Ltd. (present) Outside Audit & Supervisory Board Member of the Company Outside Director of the Company Advisor of Asahi Broadcasting Group Holdings Corporation (present) Outside Director, Audit and Supervisory Committee Member of the Company (present)
Summary of reasons for nomination and expected roles as a candidate for Outside Director who is an Audit and 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 continue utilizing 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 an Audit and Supervisory Committee Member		
The tenure of Shingo Ishizaki as Outside Director of the Company will have been three years at the conclusion of this meeting. (This includes a tenure of two years as Outside Director who is an Audit and Supervisory Committee Member.) In addition, he assumed office as Outside Audit & Supervisory Board Member of the Company during the period from June 2019 to June 2020. He meets the "Judgment Criteria for Independence" established by the Company (see page 18). 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. 4	Yuko Asami (Born on January 5, 1972)	Number of the Company's shares owned 0 shares
Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)		
Reelection Outside Independent Female Attendance at Board of Directors meetings 14/15 (93%) Attendance at Audit and Supervisory Committee meetings 13/14 (93%)	Apr. 2000 Feb. 2002 Apr. 2003 Apr. 2008 Feb. 2010 Feb. 2012 Apr. 2012 Apr. 2014 June 2018 Apr. 2019 June 2019 Dec. 2019 Jan. 2020 Sept. 2020 June 2021 Dec. 2022	Full-time instructor, Faculty of Economics, Gakushuin University Member of performance report project, Accounting Standards Board of Japan Assistant Professor, Faculty of Economics, Gakushuin University Professor, Faculty of Economics, Gakushuin University (present) 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 Temporary member of the Business Accounting Council, Financial Services Agency 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 Vice president, Gakushuin University Outside Audit & Supervisory Board Member of the Company Chairperson and Professor, Graduate School of Management, Gakushuin University (present) Member of the Certified Public Accountants and Auditing Oversight Board, Financial Services Agency (present) Member of Accounting Standards Advisory Council, Financial Accounting Standards Foundation (present) Japan Society for the Promotion of Science, Member of the Committee on Grants-in-Aid for Scientific Research Examiner of Certified Public Tax Accountant Examination, National Tax Agency Auditor of Ibaraki University (present) Outside Director, Audit and Supervisory Committee Member of the Company (present) Outside Director, Audit and Supervisory Committee Member of Sprix, Ltd. (present)
Summary of reasons for nomination and expected roles as a candidate for Outside Director who is an Audit and 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 continue utilizing 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 and Supervisory Committee Member based on the above reasons.</p>		
Special notes on candidate for Outside Director who is an Audit and Supervisory Committee Member		
<p>The tenure of Yuko Asami as Outside Director who is an Audit and Supervisory Committee Member of the Company will have been two years at the conclusion of this meeting. In addition, she assumed office as Outside Audit & Supervisory Board Member of the Company during the period from June 2018 to June 2021. She meets the “Judgment Criteria for Independence” established by the Company (see page 18). 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
Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)		
Reelection Outside Independent Male Attendance at Board of Directors meetings 15/15 (100%) Attendance at Audit and Supervisory Committee meetings 13/14 (93%)	Apr. 1975 June 2006 June 2008 Apr. 2011 Apr. 2012 Apr. 2015 June 2015 June 2016 Apr. 2018 Mar. 2019 June 2020 June 2021	Joined The Sumitomo Trust and Banking Company, Limited (present Sumitomo Mitsui Trust Bank, Limited) Director and Managing Executive Officer Representative Director and Senior Managing Executive Officer Representative Director and Deputy President Executive Officer Representative Director and Deputy President of SUMITOMO MITSUI TRUST HOLDINGS, INC. Representative Director, Deputy Chairman of Sumitomo Mitsui Trust Bank, Limited Representative Director of SUMITOMO MITSUI TRUST HOLDINGS, INC. Corporate Advisor of Sumitomo Mitsui Trust Bank, Limited Retired from Director of SUMITOMO MITSUI TRUST HOLDINGS, INC. Outside Audit & Supervisory Board Member of Rengo Co., Ltd. Executive Advisor of Sumitomo Mitsui Trust Bank, Limited Advisor of Sumitomo Mitsui Trust Research Institute Co., Ltd. (present) Outside Audit & Supervisory Board Member of the Company Outside Director, Audit and Supervisory Committee Member of the Company (present)
Summary of reasons for nomination and expected roles as a candidate for Outside Director who is an Audit and Supervisory Committee Member		
<p>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 continue utilizing 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.</p>		
Special notes on candidate for Outside Director who is an Audit and Supervisory Committee Member		
<p>The tenure of Kiyoshi Mukohara as Outside Director who is an Audit and Supervisory Committee Member of the Company will have been two years at the conclusion of this meeting. In addition, he assumed office as Outside Audit & Supervisory Board Member of the Company during the period from June 2020 to June 2021. He previously worked for Sumitomo Mitsui Trust Bank, Limited, which is a primary lender of the Company. However, eight 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 18). 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.</p>		

- Notes:
1. There is no special interest between any of the candidates and the Company.
 2. Yuko Asami's name as shown on her family register is Yuko Katsuo.
 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 Tomoaki Iinuma is approved and adopted, the Company plans to enter into the same limited liability agreement with him.
 5. 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 if the election of each candidate is approved and adopted, they will be included in the policy as insureds. The scope of the insured under this insurance policy is directors, etc., of the Company and its subsidiaries, and the insured does not bear the premiums. The policy will cover compensation based on the insured's legal liability for damages incurred by the insured as a result of the insured's conduct. By setting a limit on the amount of compensation, measures are taken to ensure that the appropriateness of the execution of duties by the directors, etc. in question is not impaired. The policy is scheduled to be renewed with the same terms and conditions at the next renewal.

Proposal No. 4 Election of One Substitute Director Who Is an Audit and Supervisory Committee Member

The effective term of Kiyoshi Furube, who was elected as substitute Director who is an Audit and Supervisory Committee Member at the 105th Annual General Meeting of Shareholders held on June 25, 2021, will expire upon commencement of this meeting. Therefore, the Company again requests approval for the election of one substitute Director who is an 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 and Supervisory Committee has been obtained for this proposal.

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

Kiyoshi Furube	(Born on November 3, 1954)	Number of the Company's shares owned 200 shares
Outside Male	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	
	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 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 and Supervisory Committee Member		
Kiyoshi Furube has extensive knowledge of corporate management earned through his experience of engaging in corporate management as a long-serving Director of TOTO LTD. In addition, he actively provided advice, opinions, etc. drawing on the wealth of experience as the Outside Director of the Company from June 2017 to June 2021. In the event that an Outside Director who is an Audit and 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 an Audit and Supervisory Committee Member.		
Special notes on candidate for substitute Outside Director who is an Audit and Supervisory Committee Member		
Kiyoshi Furube 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 18). If Kiyoshi Furube assumes the office of Outside Director who is an 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. If Kiyoshi Furube assumes the office of Outside Director who is an Audit and Supervisory Committee Member, pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company plans to enter into a limited liability agreement with him to limit his liability for damages under Article 423, paragraph (1) of the same Act to the amount prescribed by laws and regulations.
 4. 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 if Kiyoshi Furube assumes the office of Outside Director who is an Audit and Supervisory Committee Member, he will be included in the policy as insured. The scope of the insured under this insurance policy is directors, etc., of the Company and its subsidiaries, and the insured does not bear the premiums. The policy will cover compensation based on the insured's legal liability for damages incurred by the insured as a result of the insured's conduct. By setting a

limit on the amount of compensation, measures are taken to ensure that the appropriateness of the execution of duties by the directors, etc. in question is not impaired. The policy is scheduled to be renewed with the same terms and conditions at the next renewal.

(Reference) Composition of the Board of Directors and Expertise and Experience of Directors (Skills Matrix)

If Proposal 2 “Election of Four Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)” and Proposal 3 “Election of Five Directors Who Are Audit and Supervisory Committee Members” are approved as proposed, the composition of the Board of Directors and the distribution of the expertise and areas of experience of the Directors will be as follows.

For the main items of expertise and experience, the Company has set core skills for conducting fair and highly transparent management, such as corporate management, ESG, finance and accounting, risk management, compliance, DX and ICT, etc.; skills of high importance as a construction materials manufacturer based in Japan, such as domestic business strategy; and skills related to manufacturing technology in factories at the cutting edge of manufacturing and related to R&D, the source of the Company’s medium- to long-term competitive advantage. The Company has also set global business strategy for strengthening its position in overseas markets, which is of particularly high importance for realizing the management strategy set out in the long-term vision.

Name	Position in the Company	Main expertise and experience							
		Corporate management	ESG	Finance and accounting	Risk management, compliance, and legal	Domestic business strategy	Global business strategy	Manufacturing technology and R&D	DX and ICT
Masanori Okuda	Representative Director, President	•	•	•	•	•			
Koshin Nomura	Representative Director, Senior Managing Executive Officer	•	•			•		•	•
Takeshi Nagata	Director, Senior Managing Executive Officer	•		•			•		
Masatoshi Maki	Director	•				•	•		
Takashi Terubayashi	Director (Full-Time Audit and Supervisory Committee Member)	•		•		•			
Tomoaki Iinuma	Director (Full-Time Audit and Supervisory Committee Member)		•		•	•		•	
Shingo Ishizaki	Outside Director (Audit and Supervisory Committee Member)		•	•		•	•		
Yuko Asami	Outside Director (Audit and Supervisory Committee Member)		•	•	•				
Kiyoshi Mukohara	Outside Director (Audit and Supervisory Committee Member)	•	•	•					

(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 subject 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 No. 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 with which the Group has transactions for an amount equivalent to 2% or higher of the consolidated net sales or purchase amount of either of the companies.
- II. The persons shall not be a director, etc., of a financial institution that is a main lender of the Group (a lender from which the Group borrows an amount equivalent to 2% or higher of the Company’s consolidated total 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 auditor, 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 No. 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.