

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 6, 2022

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 106th Annual General Meeting of Shareholders

We are pleased to announce the 106th 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 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 23, 2022 (JST).

- 1. Date and Time:** Friday, June 24, 2022, 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 106th fiscal year (from April 1, 2021 to March 31, 2022), 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 106th fiscal year (from April 1, 2021 to March 31, 2022)

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)

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 106th 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 ¥55 per ordinary share of the Company. In this event, the total dividends will be ¥1,433,167,285.

Effective date of dividends of surplus

The effective date of dividends will be Monday, June 27, 2022.

Proposal No. 2 Amendment to the Articles of Incorporation

1. Reason for the proposal

In conjunction with the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) due to come into effect on September 1, 2022, the Company proposes to make the following changes to its Articles of Incorporation due to the introduction of the system for providing informational materials for the General Meeting of Shareholders in electronic format.

- (1) Since the Articles of Incorporation will be required to stipulate that the Company shall take measures for providing information that constitutes the content of Reference Documents for the General Meeting of Shareholders, etc. in electronic format, Paragraph 1 of Article 15 (Measures, etc. for Providing Information in Electronic Format) in “Proposed Amendments” below will be established.
- (2) For the items for which measures are taken for providing information that constitutes the content of Reference Documents for the General Meeting of Shareholders, etc. in electronic format, Paragraph 2 of Article 15 (Measures, etc. for Providing Information in Electronic Format) in “Proposed Amendments” below will be established to allow the Company to limit the scope of items included in the paper-based document delivered to shareholders who have requested paper-based document delivery to the scope specified by the applicable Ordinance of the Ministry of Justice.
- (3) When the system for providing informational materials for the General Meeting of Shareholders in electronic format is introduced, the provisions for Article 15 (Disclosure of Reference Documents, etc. via Internet) of the current Articles of Incorporation will no longer be required, and so they will be deleted.
- (4) Supplementary provisions regarding the effect of the above newly established and deleted provisions will be established. These supplementary provisions will be deleted after the expiration date.

2. Details of amendments

The details of amendments are as follows.

(Underlined portions are amended)

| Current Articles of Incorporation | Proposed Amendments |
|---|--|
| <p><u>Article 15: (Disclosure of Reference Documents, etc. via Internet)</u></p> <p><u>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.</u></p> <p style="text-align: center;">(Newly established)</p> | <p style="text-align: center;">(Deleted)</p> <p><u>Article 15: (Measures, etc. for Providing Information in Electronic Format)</u></p> <p><u>(1) When the Company convenes a General Meeting of Shareholders, it shall take measures for providing information that constitutes the content of Reference Documents for the General Meeting of Shareholders, etc. in electronic format.</u></p> <p><u>(2) Among items for which the measures for providing information in electronic format will be taken, the Company shall not be required to include all or some of those items designated by the Ordinance of the Ministry of Justice from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u></p> |

| Current Articles of Incorporation | Proposed Amendments |
|---|--|
| <p>(Newly established)</p> <p>(Newly established)</p> | <p><u>(Supplementary Provisions)</u></p> <p><u>(Transitional Measures for Providing Informational Materials for the General Meeting of Shareholders in Electronic Format)</u></p> <ol style="list-style-type: none"> <li data-bbox="826 353 1401 517">1. <u>The deletion of Article 15 (Disclosure of Reference Documents, etc. via Internet) in the Articles of Incorporation and the establishment of Article 15 (Measures, etc. for Providing Information in Electronic Format) in the Articles of Incorporation shall take effect from September 1, 2022.</u> <li data-bbox="826 528 1401 692">2. <u>Notwithstanding the provision of the preceding paragraph, Article 15 (Disclosure of Reference Documents, etc. via Internet) of the Articles of Incorporation shall remain in effect regarding any General Meeting of Shareholders held on a date within six months from September 1, 2022.</u> <li data-bbox="826 703 1401 833">3. <u>These Supplementary Provisions shall be deleted on the date when six months have elapsed from September 1, 2022 or when three months have elapsed from the date of the General Meeting of Shareholders in the preceding paragraph, whichever is later.</u> |

Proposal No. 3 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 | Representative Director, President | 12/13 (92%) |
| 2 | Koshin Nomura | New election | Managing Executive Officer Responsible for Domestic Business and New Domestic Business General Manager of the Tokyo Office | — |
| 3 | Takeshi Nagata | New election | Managing Executive Officer Responsible for Overseas Business and New Overseas Business Manager of North America Business Department | — |
| 4 | Masatoshi Maki | New election | — | — |

| | | | |
|--|--|--|--|
| Candidate No. | 1 | Masanori Okuda (Born on April 25, 1950) | Number of the Company's shares owned 47,020 shares |
| | | Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company) | |
| Reelection Attendance at Board of Directors meetings 12/13 (92%) | 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 | Koshin Nomura (Born on March 23, 1961) | Number of the Company's shares owned 8,500 shares |
| | | Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company) | |
| New election Attendance at Board of Directors meetings — | Apr. 1983 Apr. 2006 Apr. 2011 Apr. 2013 Apr. 2015 Apr. 2016 Apr. 2017 Apr. 2018 Apr. 2019 Apr. 2020 Apr. 2021 Apr. 2022 | Joined the Company Manager of DAIKEN Industries (Ningbo) Corporation Manager of Building Products Development Department of the Company Division Manager of Interior Products Executive Officer Deputy General Manager of Products Head Office and Division Manager of Building Products Deputy General Manager of Products Head Office and Department Manager of New Business development Senior Executive Officer Manager of Finance and Accounting Department Manager of Corporate Planning Department General Manager of General Development and IT · Logistics Managing Executive Officer (present) General Manager of Domestic Manufacturing General Manager of Domestic Manufacturing and Division Manager of Home Furnishings Responsible for Domestic Business and New Domestic Business General Manager of the Tokyo Office (present) | |
| Reasons for nomination as candidate for Director | | | |
| <p>Koshin Nomura joined the Company in 1983. He is primarily involved in development and manufacturing for the building products business, and he has experience in management at overseas manufacturing subsidiaries. Since April 2015, as Executive Officer, he has worked to expand the Company's domestic manufacturing division based on his extensive knowledge and expertise in the building products business. He currently serves as Managing Executive Officer 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 newly proposes his election as Director.</p> | | | |

| | | | | |
|---|-----------|---|-------------------------|---|
| Candidate No. | 3 | Takeshi Nagata | (Born on March 2, 1963) | Number of the Company's shares owned 8,930 shares |
| Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company) | | | | |
| New election | Apr. 1985 | Joined ITOCHU Corporation | | |
| Attendance at Board of Directors meetings | Jan. 2006 | Acting Manager of Wood Material and Building Material Department and Chief of Wood Building Materials Section | | |
| — | Feb. 2009 | Senior Executive Director of DAIKEN NEW ZEALAND LIMITED (Stationed in Christchurch) | | |
| — | June 2012 | PT. ITOCHU Indonesia (Stationed in Jakarta) | | |
| — | Apr. 2014 | Acting Manager of Wood Products & Materials Department of ITOCHU Corporation | | |
| — | July 2014 | Acting Manager of Wood Products & Materials Department, and Planning and Administration Department, ICT, General Products & Realty Company | | |
| — | Apr. 2015 | Deputy General Manager of Overseas Business Group of the Company | | |
| — | Mar. 2017 | Retired from ITOCHU Corporation | | |
| — | Apr. 2017 | Executive Officer of the Company General Manager of Overseas Business Group and Department Manager of Overseas Business Planning | | |
| — | June 2017 | Outside Director of HOKUSHIN Co., Ltd. (present) | | |
| — | Apr. 2019 | Senior Executive Officer of the Company General Manager of Overseas Business | | |
| — | Apr. 2020 | Deputy General Manager of Overseas Business Headquarters and General Manager of MDF Business Division | | |
| — | Apr. 2021 | General Manager of Overseas Business, Manager of Asia Business Department, and Manager of North America Business Department | | |
| — | Apr. 2022 | Managing Executive Officer (present) Responsible for Overseas Business and New Overseas Business Manager of North America Business Department (present) | | |
| Reasons for nomination as candidate for Director | | | | |
| <p>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. Since April 2022, as a Managing Executive Officer responsible for overseas business, he has promoted the expansion of Overseas Business. His extensive insights regarding the overall overseas business are essential for boosting the corporate value of the Company. Therefore, the Company newly proposes his election as Director.</p> | | | | |

| | | |
|--|---|--|
| 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) | | |
| New election | Apr. 1987 | Joined ITOCHU Corporation |
| Attendance at Board of Directors meetings | 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) |
| 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 newly proposes his election as Director.</p> | | |

- Notes:
1. There is no special interest between any of the candidates and the Company.
 2. If the election of Masatoshi Maki is approved and adopted, 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.
 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.

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

If Proposal 3 “Election of Four Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)” is 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, and compliance, etc.; skills of high importance as a construction materials manufacturer based in Japan, such as domestic business strategy and DX; 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 and DX 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 and DX | Global business strategy and DX | Manufacturing technology and R&D |
| Masanori Okuda | Representative Director, President | ● | ● | ● | ● | ● | ● |
| Koshin Nomura | Representative Director, Managing Executive Officer | ● | ● | ● | ● | ● | ● |
| Takeshi Nagata | Director, Managing Executive Officer | ● | | | ● | ● | ● |
| Masatoshi Maki | Director | ● | | | ● | ● | |
| Takashi Aihara | Director (Full-Time Audit and Supervisory Committee Member) | ● | | ● | | | |
| Takashi Terubayashi | Director (Full-Time Audit and Supervisory Committee Member) | ● | ● | | ● | | |
| Shingo Ishizaki | Outside Independent Director (Audit and Supervisory Committee Member) | ● | ● | ● | | | |
| Yuko Asami | Outside Independent Director (Audit and Supervisory Committee Member) | | ● | ● | | | |
| Kiyoshi Mukohara | Outside Independent Director (Audit and Supervisory Committee Member) | ● | ● | | ● | | |

- Notes:
1. At the Board of Directors meeting held on June 24, 2022, Masanori Okuda and Koshin Nomura are planned to be elected as Representative Directors and will assume their respective positions.
 2. Directors who are Audit and Supervisory Committee Members (Takashi Aihara, Takashi Terubayashi, Shingo Ishizaki, Yuko Asami, and Kiyoshi Mukohara) are not candidates for Directors, but are indicated for reference.

(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.