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(Stock Exchange Code 6459)
March 9, 2016

To Shareholders with Voting Rights:

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

**NOTICE OF
THE 55TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

You are cordially invited to attend the 55th Annual General Meeting of Shareholders of DAIWA INDUSTRIES LTD. (the "Company").

If you are unable to attend the meeting, you can exercise your voting rights in writing. Please review the attached Reference Documents for the General Meeting of Shareholders and indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it so that it is received by 5:30 p.m., Thursday, March 24, 2016, Japan time.

1. Date and Time: Friday, March 25, 2016 at 10:00 a.m. Japan time (reception will start at 9:00 a.m.)

2. Place: Main Hall at 7th floor of Mengyo Kaikan Shinkan located at 5-8, Bingomachi 2-chome, Chuo-ku, Osaka, Japan

3. Meeting Agenda:

Matters to be reported: The Business Report and Financial Statements for the Company's 55th Fiscal Year (January 1, 2015 - December 31, 2015)

Proposals to be resolved:

<Company's proposals (Proposal 1 through Proposal 3)>

Proposal 1: Election of 9 Directors

Proposal 2: Election of 1 Corporate Auditor

Proposal 3: Provision of Retirement Benefits to a Resigning Corporate Auditor

<Shareholder's proposals (Proposals 4 and 5)>

Proposal 4: Partial Amendments to the Company's Articles of Incorporation

Proposal 5: Distribution of Surplus

The gist of the shareholders' proposals (Proposals 4 and 5) is as described in the attached Reference Documents for the General Meeting of Shareholders.

- ◎ When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
- ◎ Should the Reference Documents, the Business Report and Financial Statements for this Annual General Meeting of Shareholders require revisions, the revised versions will be posted on the Company's website (<http://www.drk.co.jp>).

Reference Documents for the General Meeting of Shareholders

Proposals and References

<Company's proposals (Proposal 1 through Proposal 3)>

Proposal 1: Election of 9 Directors

The terms of office of all Directors (8 Directors) will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, in order to reinforce the Company's management system, the Company plans to increase the number of External Director by 1, and propose the election of 9 Directors in total.

The candidates are as follows:

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
1	Shigeru Ozaki (January 31, 1929)	February 1958 Founded Daiwa Industries November 1962 Established Daiwa Industries Ltd. and assumed the position of President and Representative Director March 2002 Chairman and Representative Director of the Company (to present)	3,912
2	Atsushi Ozaki (March 12, 1970)	March 1994 Joined the Company July 2000 Head of President's Office of the Company March 2001 Director of the Company August 2001 Vice President and Director of the Company March 2002 President and Representative Director of the Company (to present) March 2008 President and Executive Officer of the Company (to present)	3,763,000
3	Toshihiro Sugita (June 17, 1954)	September 1981 Joined the Company June 1998 Manager of Kobe Branch of the Company December 2000 Acting General Manager of Hanshin Sales Division of the Company March 2005 Director, General Manager of Kansai Sales Division and General Manager of Osaka Head Office Sales Division of the Company December 2005 General Manager of Corporate Sales Supervisory Division of the Company October 2006 General Manager in charge of Direct Sales of Sales Strategy Division of the Company February 2007 General Manager of Direct Sales Strategy Supervisory Division of the Company March 2007 Managing Director of the Company November 2007 In charge of Direct Sales (to present) March 2008 Managing Executive Officer of the Company March 2014 Senior Managing Director of the Company (to present) Senior Managing Executive Officer of the Company (to present) December 2014 In charge of Sales (to present)	10,034

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
4	Fumio Ono (August 16, 1954)	<p>March 1977 Joined the Company</p> <p>May 1995 Manager of Production Technology Department, Production Technology Division of the Company</p> <p>September 2001 Deputy Manager of Saeki Plant of the Company</p> <p>April 2003 Manager of Saeki Plant of the Company</p> <p>March 2005 Director of the Company</p> <p>February 2006 Deputy General Manager of Plant Supervisory Division of the Company</p> <p>May 2006 General Manager of Plant Supervisory Division of the Company</p> <p>March 2008 Managing Director of the Company (to present)</p> <p> Managing Executive Officer of the Company (to present)</p> <p>June 2008 In charge of Plant Supervision</p> <p>March 2009 In charge of Products of the Company</p> <p>June 2009 In charge of Corporate Business (to present)</p> <p>June 2011 In charge of Development</p> <p>December 2015 In charge of Special Orders (to present)</p>	31,280
5	Kaoru Maekawa (June 27, 1951)	<p>April 1974 Joined Matsushita Electric Industrial Co., Ltd. (currently Panasonic Corporation)</p> <p>October 2002 General Manager of Cooking System Business Division of the same company</p> <p>October 2006 Vice President of Home Appliances Company of the same company</p> <p>August 2011 Technical Advisor of Cooking Business Division of the same company</p> <p>April 2012 Technical Advisor of Panasonic Manufacturing Malaysia Bhd.</p> <p>August 2014 Joined the Company, Advisor in charge of Development and Manufacturing</p> <p>February 2015 Executive Officer in charge of Plants of the Company (to present)</p> <p>March 2015 Director of the Company (to present)</p>	535
6	Hiroyasu Nishikubo (October 20, 1940)	<p>December 1985 Director of Fuyo Shokai Co., Ltd. (currently Fuyo Co., Ltd.)</p> <p>September 1986 Director of F.M.S. Co., Ltd.</p> <p>May 1993 Managing Director of the same company</p> <p>May 2003 Senior Managing Director of the same company</p> <p>May 2004 Director of the same company</p> <p>March 2008 Corporate Auditor of the Company</p> <p>March 2013 Director of the Company (to present)</p>	2,041
7	* Yoshiaki Ono (September 1, 1942)	<p>June 1985 Manager of Koshien Branch of Taiyo Kobe Bank, Ltd.</p> <p>June 1987 Assistant Manager of Personnel Planning Division of the same bank</p> <p>April 1988 Assistant Manager of Tokyo Personnel Division of the same bank</p> <p>June 1989 Manager of Osaka Eki-mae Branch of the same bank</p> <p>April 1991 Manager of Business Administration Division 1 of Mitsui Taiyo Kobe Bank, Ltd.</p> <p>June 1992 Manager of Semba Branch of The Sakura Bank, Limited (currently Sumitomo Mitsui Banking Corporation)</p> <p>July 1994 Managing Director of Kobe Bankers Association</p> <p>July 2007 Resigned from Standing Director of the same association</p> <p>March 2013 Corporate Auditor of the Company (to present)</p>	437

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
8	Masahiro Ozaki (January 23, 1973)	<p>March 1999 Joined the Company</p> <p>August 2001 Head of President's Office of the Company</p> <p>March 2002 Director of the Company</p> <p>June 2002 General Manager of Service Technology Division of the Company</p> <p>December 2005 General Manager of Service Division of the Company</p> <p>February 2007 General Manager of Direct Sales Strategy Supervisory Division of the Company</p> <p>March 2008 Resigned from Director of the Company Executive Officer of the Company (to present)</p> <p>May 2008 Head of President's Office of the Company (to present)</p> <p>March 2013 Director of the Company (to present)</p>	2,300,000
9	Tetsuro Kudo (January 8, 1950)	<p>October 1976 Joined the Company</p> <p>November 1984 Director of the Company</p> <p>March 1996 Managing Director of the Company</p> <p>March 2006 Resigned from Managing Director of the Company Full-time Corporate Auditor of the Company</p> <p>November 2006 Resigned from Corporate Auditor of the Company</p> <p>December 2006 Executive Officer and General Manager of Tokyo Corporate Sales Supervisory Division of the Company</p> <p>February 2007 General Manager of Corporate Sales Strategy Supervisory Division of the Company</p> <p>March 2007 Director of the Company</p> <p>November 2007 In charge of Corporate Business</p> <p>March 2008 Managing Director of the Company Managing Executive Officer of the Company</p> <p>June 2009 General Manager of Regional Corporate Sales Division Director of the Company (to present) Executive Officer of the Company (to present)</p> <p>March 2011 General Manager of East Japan Corporate Sales Division</p> <p>June 2015 General Manager of Tokyo Corporate Sales Division 2 of the Company (to present)</p>	1,530

Notes:

1. * indicates a new candidate for Director.
2. There are no special interests between each candidate and the Company.
3. Messrs. Hiroyasu Nishikubo and Yoshiaki Ono are candidates for External Directors.
4. Reason for the selection of Mr. Hiroyasu Nishikubo as a candidate for an External Director:
The Company proposes to elect Mr. Hiroyasu Nishikubo as an External Director so that we can leverage his business experience and knowledge regarding management decisions, etc. that he has accumulated over his career, for the supervision of the Company's management.
5. Reason for the selection of Mr. Yoshiaki Ono as a candidate for External Director:
The Company proposes to elect Mr. Yoshiaki Ono as an External Director so that we can leverage his long-term experience at financial institutions and knowledge regarding finance, etc. that he has accumulated over his career, for the supervision of the Company's management.
6. The term of office of Mr. Hiroyasu Nishikubo as External Director of the Company will be three years at the conclusion of this year's Annual General Meeting of Shareholders.
7. Mr. Yoshiaki Ono is currently an External Corporate Auditor of the Company and his term of office will be three years at the conclusion of this year's Annual General Meeting of Shareholders.
8. Both candidates, Messrs. Hiroyasu Nishikubo and Yoshiaki Ono have been notified to the Tokyo Stock Exchange as independent directors.

Proposal 2: Election of 1 Corporate Auditor

The term of office of Mr. Yoshiaki Ono as a Corporate Auditor will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the election of 1 Corporate Auditor is proposed.

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

The candidate is as follows:

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
1	Takayoshi Notsu (August 11, 1959)	April 1983 Joined Mitsui Bank (currently Sumitomo Mitsui Banking Corporation) February 1996 Director and Compliance Officer of Sakura Global Capital Asia Ltd. April 2010 Registered as attorney-at-law April 2012 Accounting Auditor for Comprehensive External Audit for Shimane Prefecture in 2012 April 2013 Accounting Auditor for Comprehensive External Audit for Shimane Prefecture in 2013 (Significant concurrent positions) Representative of The Aster Office of Legal and Tax Advisors Representative Director of Aster Business Consultants Co., Ltd.	-

Notes:

1. Mr. Takayoshi Notsu is a new candidate for Corporate Auditor.
2. There is no special interest between the candidate Mr. Takayoshi Notsu and the Company.
3. Mr. Takayoshi Notsu is a candidate for External Corporate Auditor.
4. Reason for the selection of Mr. Takayoshi Notsu as a candidate for External Corporate Auditor:
The Company proposes to elect Mr. Takayoshi Notsu as External Corporate Auditor so that we can leverage his long-term experience at financial institutions and a wealth of knowledge regarding finance, etc. that he has accumulated over his career as well as his specialist knowledge and experience that he has obtained as an attorney-at-law and a tax accountant for the Company's auditing system, when he assumes the position of External Corporate Auditor.
5. The candidate Mr. Takayoshi Notsu has been notified to the Tokyo Stock Exchange as independent auditor.

Proposal 3: Provision of Retirement Benefits to a Resigning Corporate Auditor

Mr. Yoshiaki Ono will resign from the position of Corporate Auditor due to expiration of his term of office at the conclusion of this year's Annual General Meeting of Shareholders. We therefore request our shareholders to give approval to the provision of retirement benefits to Mr. Yoshiaki Ono in compensation for his efforts during his term of office, within a reasonable extent in accordance with certain standards of the Company.

The specific amount, timing and method of provision of the retirement benefits shall be resolved through mutual consultation by Corporate Auditors.

Past experience of the resigning Corporate Auditor is as follows:

Name	Past experience
Yoshiaki Ono	March 2013 Corporate Auditor of the Company (to present)

<Shareholder's proposals (Proposals 4 and 5)>

Proposals 4 and 5 are proposed by 1 shareholder (hereinafter referred to as the "Proposing Shareholder").

Proposal 4: Partial Amendments to the Company's Articles of Incorporation

1. Content of the Shareholder's Proposal

The deletion of Article 42 of the current Articles of Incorporation and renumbering of Articles 43 and 44 to Articles 42 and 43, respectively. This proposal (amendment to the Articles of Incorporation) shall be resolved prior to the following proposal (distribution of surplus) and take effect upon approval at this Annual General Meeting of Shareholders.

2. Reason for the Shareholder's Proposal

Currently, the Board of Directors acts as a decision-making body for matters such as distribution of surplus of the Company. This is based on the assumption that the Board of Directors is capable of making appropriate decisions that reflects the interests of shareholders. However, in spite of the changes of the level of net income, and the fact that the Company retains a large amount of cash and deposits, which have seen yearly increases in recent years, the amount of annual dividend per share has been unchanged from 10 yen. Therefore, it cannot be said that the Company has made appropriate decisions that reflects the interests of shareholders.

For the interests of the Company's shareholders, the right to determine matters such as distribution of surplus of the Company should be returned to the shareholders' meeting.

(Note by the Company) The above Content of the Shareholder's Proposal and Reason for the Shareholder's Proposal are directly excerpted from the written shareholder's proposal submitted by the Proposing Shareholder.

- Opinion of the Board of Directors

The Board of Directors of the Company opposes to this proposal.

In order to secure the flexibility of the Company's capital policy, the Company has enabled the Board of Directors to decide on the matters prescribed in each item of Article 459, Paragraph 1 of the Companies Act, including distribution of surplus, and the necessity to secure such flexibility still exists at present. The Board of Directors of the Company determines the amount of dividends that it deems appropriate taking into account not only temporary and short-term interests of shareholders by means of dividends, but also medium- and long-term interests of shareholders.

Therefore, the Company does not consider that partial amendments to the Articles of Incorporation relating to this proposal shall be required.

Proposal 5: Distribution of Surplus

1. Content of the Shareholder's Proposal

- (1) Type of dividend property
Cash

- (2) Matters concerning allotment of dividend property and amount thereof

Subject to approval of the proposal set forth in 1. above (amendment to the Articles of Incorporation), the Company shall distribute 62 yen per share of common stock as an year-end dividend for the 55th term (if net income per share for the fiscal year ended December 31, 2015 falls below 67 yen, the amount less 5 yen from the net income per share with any fraction less than 1 yen truncated).

The total amount of dividend in such case is the amount obtained by multiplying the amount of dividend per share set forth above by the number of shares subject to dividend payment as of December 31, 2015.

- (3) Effective date of distribution of surplus

The day immediately following the date of the Annual General Meeting of Shareholders of your company in March 2016.

2. Reason for the Shareholder's Proposal

Cash and deposits of the Company on a consolidated basis have been continuously increasing over the years, i.e., approximately 12.9 billion yen as of December 31, 2003 (interest-bearing debt was 19.0 billion yen), approximately 17.0 billion yen as of December 31, 2008 (interest-bearing debt was 0), approximately 36.0 billion yen as of December 31, 2013 and approximately 39.4 billion yen as of September 30, 2015. Moreover, the Company had retained long-term deposit of 6.0 billion yen as of March 31, 2015, which is assumed to be retained continuously.

The total amount of cash and deposits, i.e., approximately 45.4 billion yen represents approximately 103% of the total market value of the Company as of January 22, 2016. This condition can be deemed rare for a listed company.

As the Company has no funding requirements for capital investment, etc., such cash and deposits that have no purpose of use shall be distributed to shareholders rather than be retained unnecessarily, so as to enhance shareholder value, and furthermore raise the Company's stock price. Accordingly, the Company should significantly increase the amount of dividends. As stated above, as a result of the continuous increase of cash and deposits, net assets of the Company as of September 30, 2015 were approximately 53.2 billion yen (approximately 1,036 yen per share). If dividend for this year is to be 10 yen per share, dividend equity ratio will be at a low level falling below 1%. In addition, the stock price of the Company as of January 22, 2016 was 851 yen and PBR was 0.82, which is significantly lower than the average of that of the companies listed on the first section of the Tokyo Stock Exchange, which is 1.15 as of the same date.

If the Company significantly increases the amount of dividend based on this proposal, improvement of shareholder value can be expected without causing a large change in the level of cash and deposits of the Company as of December 31, 2015, since the total amount of dividend is within the amount of current earnings.

(Note by the Company) The above Content of the Shareholder's Proposal and Reason for the Shareholder's Proposal are directly excerpted from the written shareholder's proposal submitted by the Proposing Shareholder. "The Annual General Meeting of Shareholders of your company" and "the proposal set forth in 1. above" contained in the "Content of the Shareholder's Proposal" mean the Annual General Meeting of Shareholders of the Company and Proposal 4, respectively.

- Opinion of the Board of Directors

The Board of Directors of the Company opposes to this proposal.

The Company considers that distribution of profits to shareholders is one of the most important policies of the Company, and aims to maintain stable and continuous returns to shareholders based on the basic policy to pay dividends twice a year as interim and year-end dividends. In an uncertain management environment, securing a substantial amount of retained earnings is extremely important to continue the aforementioned policy of profit distribution to shareholders.

In addition, the securing of retained earnings is also required for establishing a strong financial base that is not susceptible to economic fluctuations, reinforcing corporate structure over the future, and achieving future growth strategy. Through the establishment of such financial base, the Company believes that it can maintain and improve the competitiveness of the Company.

The Company considers that the securing of retained earnings to realize stable and continuous returns to shareholders and to maintain and improve the Company's competitiveness will enhance the Company's corporate value over the medium- and long-term and will further contribute to the interests of shareholders.

Therefore, the Company opposes to this proposal that substantially requests to pay dividend (67 yen per share in total together with interim dividend) which constitutes a large portion of the Company's net income (79.41 yen per share).

END