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Notice of Annual Shareholders Meeting

(Securities Code 6459)

March 8, 2022

To Shareholders:

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

NOTICE OF THE 61ST ANNUAL SHAREHOLDERS MEETING

Dear Shareholders:

We are pleased to inform you that we are holding the 61st Annual Shareholders Meeting of DAIWA INDUSTRIES LTD. (the “Company”).

Instead of attending the meeting, you can exercise your voting rights in writing or via the Internet. Please review the attached Reference Documents for the Shareholders Meeting and exercise your voting rights by 5:45 p.m., Tuesday, March 29, 2022, Japan time.

1. Date and Time: Wednesday, March 30, 2022 at 10:00 a.m. Japan time (reception will be open at 9:00 a.m.)

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

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

3. Meeting Agenda:

Matters to be reported: The Business Report and Financial Statements for the Company’s 61st Fiscal Year (January 1, 2021 - December 31, 2021)

Proposals to be resolved:

Proposal 1 Partial Amendments to the Articles of Incorporation

Proposal 2 Election of Nine (9) Directors

Proposal 3 Provision of Retirement Allowances to a Resigning Director and a Resigning Company Auditor

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

Measures for Preventing the Spread of COVID-19 at the 61st Annual Shareholders Meeting

For the 61st Annual Shareholders Meeting, which will take place at 10:00 a.m. Japan time (reception to open at 9:00 a.m.) on Wednesday, March 30, 2022, we would like to inform you of the following to prevent the transmission and spread of COVID-19 at the meeting venue. The understanding and cooperation of shareholders are greatly appreciated.

Request to Shareholders

- (1) Please be aware of your health condition up to the day of the Shareholders Meeting and be sure not to strain yourself to attend the meeting.
- (2) If you are not attending the Shareholders Meeting, you may exercise your voting rights either in writing or via the Internet. For information on the methods and deadlines for exercising your voting rights in writing or via the Internet, please refer to “Information on Methods for the Exercise of Voting Rights” and “Information on the Exercise of Voting Rights via the Internet” on Pages 3 and 4 of this notice.
- (3) If you are attending the meeting, please bring a mask and be sure to wear it while inside the meeting venue. Please also be considerate of other shareholders around you, including practicing proper cough etiquette.
- (4) As the seats at the Shareholders Meeting venue will be arranged at wider intervals than usual, the number of seats available at this year’s meeting will be greatly reduced. For this reason, please be aware that, even if you come to the venue, you may not be granted entry to the meeting room.

Measures to be taken at the venue for the Shareholders Meeting

- (1) Attendees’ temperature will be taken near the entrance to the meeting venue, and any person who has a high temperature or appears unwell may not be granted entry.
- (2) Please disinfect your hands with the alcohol-based hand sanitizer provided in front of reception on arrival.
- (3) A staff member may approach any attendees who appear to be unwell.
- (4) All Directors, Company Auditors, and Executive Officers to appear on the podium, as well as the meeting staff, will take their temperatures and check their health conditions prior to the meeting. They will also wear masks.

Measures in the event of a change of venue for the Shareholders Meeting

If the venue becomes unavailable due to the impact of COVID-19, the Company will notify you of a new venue (and a new start time, if applicable) and any other changes on its website (<http://www.drk.co.jp>). We ask all shareholders attending the meeting to check the website in advance.

Reference Documents for the Shareholders Meeting

Proposals and Matters for Reference

Proposal 1 Partial Amendments to the Articles of Incorporation

1. Reasons for amendments

The amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) will be enforced on September 1, 2022. Accordingly, in order to prepare for the introduction of the system for electronic provision of materials for shareholders meetings, the Articles of Incorporation of the Company shall be amended as follows.

- (1) The proposed Article 15, Paragraph 1 provides that information contained in the reference documents for the shareholders meeting, etc. shall be provided electronically.
- (2) The purpose of the proposed Article 15, Paragraph 2 is to establish a provision to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.
- (3) The provisions related to the internet disclosure and deemed provision of the reference documents for the shareholders meeting, etc. (Article 15 of the current Articles of Incorporation) will become unnecessary and will therefore be deleted.
- (4) In line with the above establishment and deletion of the provisions, supplementary provisions related to the effective date, etc. shall be established.

2. Details of amendments

The details of the amendments are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p><u>(Internet Disclosure and Deemed Provision of Reference Documents for the Shareholders Meeting, Etc.)</u> <u>Article 15 The Company may, when convening a shareholders meeting, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference documents for the shareholders meeting, business report, non-consolidated financial statements, and consolidated financial statements, by disclosing such information through the internet in accordance with the provisions provided in 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>(Measures for Electronic Provision, Etc.)</u> <u>Article 15 The Company shall, when convening a shareholders meeting, provide information contained in the reference documents for the shareholders meeting, etc. electronically.</u> 2. <u>Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p><Newly established></p>	<p>(Supplementary provisions)</p> <ol style="list-style-type: none"> <li data-bbox="794 271 1423 618">1. <u>The deletion of Article 15 (Internet Disclosure and Deemed Provision of Reference Documents for the Shareholders Meeting, Etc.) of the current Articles of Incorporation and the new establishment of proposed Article 15 (Measures for Electronic Provision, Etc.) shall come into effect on the date of enforcement of the amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (the “Effective Date”).</u> <li data-bbox="794 618 1423 779">2. <u>Notwithstanding the provisions of the preceding paragraph, Article 15 of the current Articles of Incorporation shall remain in force with respect to a shareholders meeting to be held on a date within six months from the Effective Date.</u> <li data-bbox="794 779 1423 936">3. <u>These supplementary provisions shall be deleted after the lapse of six months from the Effective Date or the lapse of three months from the date of the shareholders meeting set forth in the preceding paragraph, whichever is later.</u>

Proposal 2 Election of Nine (9) Directors

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

The candidates are as follows:

No.	Name	Current position at the Company	Attendance at Board of Directors meetings
1	Atsushi Ozaki Reelection	President and Representative Director	12 out of 12 meetings
2	Masahiro Ozaki Reelection	Director	12 out of 12 meetings
3	Toshihiro Sugita Reelection	Senior Managing Director	12 out of 12 meetings
4	Yoshiaki Ono Reelection Outside Director Independent Director	Director	12 out of 12 meetings
5	Sumio Saito Reelection Outside Director Independent Director	Director	12 out of 12 meetings
6	Yoshihiro Suido New candidate Outside Director Independent Director	Company Auditor	11 out of 11 meetings
7	Chinatsu Soeda New candidate Outside Director Independent Director	—	—
8	Kazushige Hirade Reelection	Director	12 out of 12 meetings
9	Tetsuro Kudo Reelection	Director	11 out of 12 meetings

No. 1 Atsushi Ozaki (Date of birth: March 12, 1970) Reelection

[Past experience, positions and responsibilities]		Attendance at Board of Directors meetings in the current fiscal year
March 1994	Joined the Company	12 out of 12 meetings
July 2000	Head of President's Office of the Company	
March 2001	Director of the Company	Number of shares of the Company held
August 2001	Vice President and Director of the Company	3,763,000
March 2002	President and Representative Director of the Company (currently serving)	
March 2008	President and Executive Officer of the Company (currently serving)	

Reasons for the nomination as a candidate for Director

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

No. 2 Masahiro Ozaki (Date of birth: January 23, 1973) Reelection

[Past experience, positions and responsibilities]		Attendance at Board of Directors meetings in the current fiscal year
March 1999	Joined the Company	12 out of 12 meetings
August 2001	Head of President's Office of the Company	
March 2002	Director of the Company	Number of shares of the Company held
February 2007	General Manager of Direct Sales Strategy Supervisory Division of the Company	2,300,000
March 2008	Resigned from the position of Director of the Company Executive Officer of the Company (currently serving)	
May 2008	Head of President's Office of the Company (currently serving)	
March 2013	Director of the Company (currently serving)	
June 2016	In charge of Administration (currently serving)	

Reasons for the nomination as a candidate for Director

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

No. 3 Toshihiro Sugita

(Date of birth: June 17, 1954)

Reelection

[Past experience, positions and responsibilities]

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

Attendance at Board of Directors meetings in the current fiscal year
12 out of 12 meetings

Number of shares of the Company held
12,517

Reasons for the nomination as a candidate for Director

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

No. 4 Yoshiaki Ono

(Date of birth: September 1, 1942)

Reelection
Outside Director &
Independent Director

[Past experience, positions and responsibilities]

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

Attendance at Board of Directors meetings in the current fiscal year
12 out of 12 meetings

Number of shares of the Company held
1,151

Reasons for the nomination as a candidate for Outside Director and overview of expected roles

The Company renominated Mr. Yoshiaki Ono as a candidate for Outside Director. He has long-term experience in the banking industry and a wealth of knowledge regarding finance, etc., as well as knowledge concerning the Company's overall business based on his experience as Outside Company Auditor of the Company, and with the Company's expectation of his fulfilling a supervisory function from these perspectives, he has actively made remarks in meetings of the Company's Board of Directors, monthly reporting meetings, and other important meetings and has appropriately performed his duties, such as the provision of supervision and advice for the execution of operations as an Outside Director. The term of office of Mr. Ono as Outside Director of the Company will be six years at the conclusion of this Annual Shareholders Meeting.

No. 5 Sumio Saito	(Date of birth: January 8, 1948)	Reelection Outside Director & Independent Director
[Past experience, positions and responsibilities]		Attendance at Board of Directors meetings in the current fiscal year 12 out of 12 meetings
April 2000	Executive Officer and Manager of Tokyo Sales Department No. 2 of The Sakura Bank, Limited (currently, Sumitomo Mitsui Banking Corporation)	
April 2001	Advisor of Mitsui Auto Leasing Ltd. (currently, Sumitomo Mitsui Auto Service Company, Limited)	Number of shares of the Company held 0
December 2001	President and Representative Director of the said company	
October 2002	President and Representative Director of SMBC Auto Leasing Co., Ltd. (currently, Sumitomo Mitsui Auto Service Company, Limited)	
October 2007	Representative Director, Executive Vice President of Sumitomo Mitsui Auto Service Company, Limited	
June 2009	Director of Mazda Auto Leasing Company	
July 2012	Outside Corporate Auditor of NIPPON COKE & ENGINEERING CO., LTD.	
September 2017	Outside Director of HEISEI ENTERPRISE, Inc.	
March 2020	Outside Director of the Company (currently serving)	

Reasons for the nomination as a candidate for Outside Director and overview of expected roles

The Company renominated Mr. Sumio Saito as a candidate for Outside Director. He has extensive experience regarding company management in the finance industry, including the banking industry, and a wealth of knowledge regarding finance, etc, and with the Company's expectations of his providing useful advice and recommendations for the Company's management, he has actively made remarks in meetings of the Company's Board of Directors, monthly reporting meetings, and other important meetings and has appropriately performed his duties, such as the provision of supervision and advice for the execution of operations as an Outside Director. The term of office of Mr. Saito as Outside Director of the Company will be two years at the conclusion of this Annual Shareholders Meeting.

No. 6 Yoshihiro Suido	(Date of birth: August 21, 1969)	New candidate Outside Director & Independent Director
[Past experience, positions and responsibilities]		Attendance at Board of Directors meetings in the current fiscal year 11 out of 11 meetings
April 1996	Joined Arthur Home Co., Ltd.	
April 2003	Joined American Life Insurance Company Japan office (currently, MetLife Insurance K. K.)	Number of shares of the Company held 0
April 2013	Joined RK CONSULTING Co., Ltd.	
July 2014	Joined Fics Japan Co., Ltd.	
April 2020	Joined Risk Management Laboratory Co., Ltd.	
March 2021	Outside Company Auditor of the Company (currently serving)	
April 2021	Joined Fics Japan Co., Ltd. (currently serving)	

Reasons for the nomination as a candidate for Outside Director and overview of expected roles

The Company nominated Mr. Yoshihiro Suido as a candidate for Outside Director. He has a wealth of knowledge and experience gained through work experience in industries such as real estate, insurance as well as business consulting, and through his experience as Outside Company Auditor of the Company, and is expected to provide supervision, advice, etc. for the management of the Company. He is a new candidate for Outside Director. The term of office of Mr. Suido as Outside Company Auditor of the Company will be one year at the conclusion of this Annual Shareholders Meeting.

No.	7 Chinatsu Soeda	(Date of birth: June 18, 1982)	New candidate Outside Director & Independent Director
[Past experience, positions and responsibilities]			Attendance at Board of Directors meetings in the current fiscal year
April 2003	Joined Nippon Life Insurance Company		—
April 2006	Joined Native Spirits Co., Ltd.		Number of shares of the Company held
September 2008	Entered EF International School of English		0
April 2010	Joined Soeda Judicial Scrivener Office		
March 2013	Director of SSG Co., Ltd.		

Reasons for the nomination as a candidate for Outside Director and overview of expected roles

The Company nominated Ms. Chinatsu Soeda as a candidate for Outside Director. She has wide-ranging experience and global sensibilities, including practical experience in the life insurance industry, management experience in the music industry, with a focus on the South American market, and experience as a company officer at a real estate firm. The Company expects that she will provide supervision and advice, etc. for the Company's management based on her wealth of knowledge and experience. She is a new candidate for Outside Director.

No.	8 Kazushige Hirade	(Date of birth: October 25, 1951)	Reelection
[Past experience, positions and responsibilities]			Attendance at Board of Directors meetings in the current fiscal year
April 1974	Joined Matsushita Electric Industrial Co., Ltd. (currently, Panasonic Corporation)		12 out of 12 meetings
October 1997	President and Representative Director of Niigata Matsushita System Co., Ltd.		Number of shares of the Company held
October 2000	President and Representative Director of Chugoku Matsushita System Co., Ltd.		1,977
October 2009	Joined the Company, General Manager of Corporate Clients Sales Planning		
March 2010	Executive Officer of the Company (currently serving)		
March 2011	General Manager of West Japan Corporate Clients Sales Division of the Company		
June 2015	General Manager of Regional Corporate Clients Sales Division of the Company		
March 2017	Director of the Company (currently serving)		
April 2017	In charge of Corporate Clients Business (currently serving)		

Reasons for the nomination as a candidate for Director

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

No. 9 Tetsuro Kudo

(Date of birth: January 8, 1950)

Reelection

[Past experience, positions and responsibilities]

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

Attendance at Board of Directors meetings in the current fiscal year
11 out of 12 meetings**Number of shares of the Company held**
1,838**Reasons for the nomination as a candidate for Director**

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

- (Notes)
1. There are no special interests between each candidate and the Company.
 2. Messrs. Yoshiaki Ono, Sumio Saito, and Yoshihiro Suido, and Ms. Chinatsu Soeda are candidates for Outside Directors. The four candidates have been notified to the Tokyo Stock Exchange as Independent Directors/Auditors who possess no potential conflict of interests with general shareholders, as stipulated by the Tokyo Stock Exchange.
 3. The Company has entered into a directors and officers liability insurance policy under which all Directors are the insured parties to allow them to fully play their expected roles in their respective positions and secure competent executives. The policy covers their liabilities that may arise in connection with the execution of their duties or losses arising from claims for such liabilities. However, there are certain liabilities that are not covered under the policy, such as those arising from actions performed while knowing the actions violates laws and regulations.
If the candidates assume the office of Director, they will become insured parties under the policy, which is to be renewed during their terms of office.

Selection and nomination of Directors

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

Independence criteria for Outside Directors

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

Proposal 3 Provision of Retirement Allowances to a Resigning Director and a Resigning Company Auditor

Mr. Shigeru Ozaki will resign from the position of Director due to the expiration of his term of office at the conclusion of this Annual Shareholders Meeting. In addition, Mr. Yoshihiro Suido will resign from the position of Company Auditor at the conclusion of this Annual Shareholders Meeting. Therefore, shareholders are requested to give approval to the provision of retirement allowances to Mr. Shigeru Ozaki and Mr. Yoshihiro Suido in compensation for their efforts during their terms of office, within a reasonable range of the amount, in accordance with the specified standards of the Company.

The Company requests that the specific amount, timing and method of provision of the retirement allowance for the retiring Director be resolved by the Board of Directors and that for the resigning Company Auditor be left up to the consultation among Company Auditors.

The retirement allowance for the resigning Director is to be presented for his outstanding efforts in the execution of his duties as Director. As the amount to be paid was calculated based on the Company's Internal Rules for Retirement Allowances for Directors and Company Auditors, the Company has determined that it is reasonable.

The past experiences of the resigning Director and resigning Company Auditor are as follows:

Name	Past experience
Shigeru Ozaki	November 1962 President and Representative Director of the Company March 2002 Chairman and Representative Director of the Company March 2016 Director of the Company (currently serving)
Yoshihiro Suido	March 2021 Outside Company Auditor of the Company (currently serving)

End