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Notice of Annual Shareholders Meeting

(Securities Code 6459)

March 8, 2023

(Date of Commencement of Measures for Electronic Provision: March 2, 2023)

To Shareholders:

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

NOTICE OF THE 62ND ANNUAL SHAREHOLDERS MEETING

Dear Shareholders:

We are pleased to inform you that we are holding the 62nd Annual Shareholders Meeting of DAIWA INDUSTRIES LTD. (the “Company”).

In convening this general shareholders meeting, the Company has taken measures for electronic provision of information, and posted matters to be provided electronically as “NOTICE OF THE 62ND ANNUAL SHAREHOLDERS MEETING” on the following Company’s website:

<http://www.daiwa-inds.com/>

In addition to the above, the information is also posted on the following website:

Listed Company Search on the Tokyo Stock Exchange’s website:

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Please access the above website, and input and search the Issue name (company name) or Code, and select [Basic information] and then [Documents for public inspection/PR information].

Instead of attending the meeting, you can exercise your voting rights in writing or via the Internet. Please review the Reference Documents for the Shareholders Meeting posted as the matters to be provided electronically on the above website and exercise your voting rights by 5:45 p.m., Wednesday, March 29, 2023, Japan time.

- 1. Date and Time:** Thursday, March 30, 2023 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 62nd Fiscal Year (January 1, 2022 - December 31, 2022)

Proposals to be resolved:

- | | |
|-------------------|--|
| Proposal 1 | Election of Nine (9) Directors |
| Proposal 2 | Election of Two (2) Company Auditors |
| Proposal 3 | Provision of Retirement Allowances to Resigning Directors and Resigning Company Auditors |

- ◎ When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
- ◎ Should the matters to be provided electronically require any revisions, the revised version will be posted on the above website.

Measures for Preventing the Spread of COVID-19 at the 62nd Annual Shareholders Meeting

For the 62nd Annual Shareholders Meeting, which will take place at 10:00 a.m. Japan time (reception to open at 9:00 a.m.) on Thursday, March 30, 2023, 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 4 and 5 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 Election of Nine (9) Directors

The terms of office of all Directors (nine (9) 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	11 out of 12 meetings
2	Masahiro Ozaki Reelection	Vice President and Director	10 out of 12 meetings
3	Toshihiro Sugita Reelection	Senior Managing Director	12 out of 12 meetings
4	Tetsuro Kudo Reelection	Director	12 out of 12 meetings
5	Yoshiaki Ono Reelection Outside Director Independent Director	Director	12 out of 12 meetings
6	Yoshihiro Suido Reelection Outside Director Independent Director	Director	11 out of 12 meetings
7	Chinatsu Soeda Reelection Outside Director Independent Director	Director	9 out of 9 meetings
8	Akihiro Taoda New candidate Outside Director Independent Director	—	—
9	Misato Nakanishi New candidate Outside Director Independent Director	—	—

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

[Past experience, positions and responsibilities]

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 (currently serving)
March 2008 President and Executive Officer 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
3,763,785

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]

March 1999 Joined the Company
August 2001 Head of President's Office of the Company
March 2002 Director of the Company
February 2007 General Manager of Direct Sales Strategy Supervisory Division of the Company
March 2008 Resigned from the position of Director of the Company
Executive Officer of the Company
May 2008 Head of President's Office of the Company (currently serving)
March 2013 Director of the Company
June 2016 In charge of Administration (currently serving)
March 2022 Vice President and Director of the Company (currently serving)
March 2022 Vice President and Executive Officer of the Company (currently serving)

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

Number of shares of the Company held
2,300,785

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

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

Number of shares of the Company held
13,001

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 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 2006	Full-time Company Auditor of the Company
November 2006	Resigned from the position of Company Auditor of the Company
March 2008	Managing Director of the Company
June 2009	Director of the Company (currently serving) Executive Officer of the Company (currently serving)
December 2018	General Manager of Tokyo Metropolitan Area Corporate Clients Sales Division of the Company (currently serving)
December 2022	In charge of Corporate Clients Business (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
1,838

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.

No. 5	Yoshiaki Ono	(Date of birth: September 1, 1942)	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
June 1985	Manager of Koshien Branch of Taiyo Kobe Bank, Ltd. (currently, Sumitomo Mitsui Banking Corporation)		Number of shares of the Company held 1,283
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)		

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 seven years at the conclusion of this Annual Shareholders Meeting.

No. 6	Yoshihiro Suido	(Date of birth: August 21, 1969)	Reelection Outside Director & Independent Director
[Past experience, positions and responsibilities]			Attendance at Board of Directors meetings in the current fiscal year 11 out of 12 meetings
April 1996	Joined Arthur Home Co., Ltd.		Number of shares of the Company held 0
April 2003	Joined American Life Insurance Company Japan office (currently, MetLife Insurance K. K.)		
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		
April 2021	Joined Fics Japan Co., Ltd. (currently serving)		
March 2022	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. 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 also through his experience as Outside Company Auditor of the Company, the Company expects him to provide supervision, advice, etc. for the Company's management, and 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. Suido as Outside Director 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)	Reelection Outside Director & Independent Director
[Past experience, positions and responsibilities]			Attendance at Board of Directors meetings in the current fiscal year 9 out of 9 meetings
April 2003	Joined Nippon Life Insurance Company		Number of shares of the Company held 0
April 2006	Joined Native Spirits Co., Ltd.		
September 2008	Entered EF International School of English		
April 2010	Joined Soeda Judicial Scrivener Office		
March 2013	Director of SSG Co., Ltd.		
March 2022	Director of SSG Co., Ltd. (currently serving)		
March 2022	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 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 her to provide supervision, advice, etc. for the Company's management based on her wealth of knowledge and experience, and she has actively made remarks in meetings of the Company's Board of Directors, monthly reporting meetings, and other important meetings and has appropriately performed her duties, such as the provision of supervision and advice for the execution of operations as an Outside Director. The term of office of Ms. Soeda as Outside Director of the Company will be one year at the conclusion of this Annual Shareholders Meeting.

No. 8	Akihiro Taoda	(Date of birth: September 13, 1983)	New candidate Outside Director & Independent Director
[Past experience, positions, responsibilities and significant concurrent positions]			Attendance at Board of Directors meetings in the current fiscal year —
December 2011	Registered as attorney-at-law		Number of shares of the Company held 0
January 2012	Joined INOUE HARUO Law Office		
December 2012	Retired from INOUE HARUO Law Office		
January 2013	Director of TAODA LAW OFFICE (currently serving)		
April 2019	Registered as patent attorney		
April 2020	Member of Shimane Prefecture Building Review Council (currently serving)		
November 2021	Member of Matsue City Legal Compliance Review Council (currently serving)		
March 2022	Member of Shimane Prefecture Pollution Review Board (currently serving)		
April 2022	Member of Review Council for Shimane Prefecture Branch of Fund for Local Government Employees' Accident Compensation (currently serving)		
(Significant concurrent position) Director of TAODA LAW OFFICE			

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

The Company nominated Mr. Akihiro Taoda as a candidate for Outside Director. He has exceptionally sophisticated legal knowledge and wide-ranging practical experience as an attorney-at-law, and the Company expects him to apply his wealth of work experience to provide advice for the supervision and overall management for the Company. Although he has never been involved in corporate management by any means other than serving as an outside officer, the Company has judged that he will be able to appropriately perform his duties as an Outside Director for the reasons stated above. He is a new candidate for Outside Director.

No. 9 **Misato Nakanishi** (Date of birth: November 24, 1980) **New candidate
Outside Director &
Independent Director**

[Past experience, positions and responsibilities]

April 2004	Joined Fukuoka Tax Accountant Mutual Aid Branch of DAIDO LIFE INSURANCE COMPANY	Attendance at Board of Directors meetings in the current fiscal year —
March 2010	Retired from DAIDO LIFE INSURANCE COMPANY	Number of shares of the Company held 0
April 2010	Joined Blake Co., Ltd.	
November 2022	Director of Blake Co., Ltd. (currently serving)	

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

Ms. Misato Nakanishi has a wealth of experience and insights in areas such as business management of the retail business, beauty care-related business and internet commerce business over many years. The Company expects her to provide advice for the supervision and overall management for the Company from an objective perspective based on her experience and insights, and has nominated her as a candidate for Outside Director. She is a new candidate for Outside Director.

- (Notes)
1. There are no special interests between each candidate and the Company.
 2. Mr. Yoshiaki Ono, Mr. Yoshihiro Suido, Ms. Chinatsu Soeda, Mr. Akihiro Taoda, and Ms. Misato Nakanishi are candidates for Outside Directors. The five candidates have been notified to the Tokyo Stock Exchange as Independent Directors 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 shall cover damage that may arise as a result of their assuming liability in connection with the execution of their duties or receiving claims for such liability. However, there are certain exemptions not covered under the policy, such as cases in which damage arising from actions performed while being aware that such actions are in violation of laws and regulations shall not be covered.
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 2 Election of Two (2) Company Auditors

The terms of office of Company Auditors Kazuharu Otsuka and Toshihiko Kusaka will expire at the conclusion of this Annual Shareholders Meeting. Accordingly, the Company proposes the election of two (2) Company Auditors.

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

The candidates are as follows:

No.	1 Seiji Akakabe	(Date of birth: May 4, 1967)	New candidate
[Past experience, positions]			Attendance at Board of Directors meetings in the current fiscal year
April 1992	Joined the Company		—
April 2005	Deputy Manager of Sales Management Department of the Company		Attendance at Board of Company Auditors meetings in the current fiscal year
February 2006	Secretary of Market Development Department of the Company		—
August 2008	Manager of Internal Audit Department of the Company		Number of shares of the Company held
September 2015	Manager of President's Office of the Company		0
July 2021	Secretary of Audit Department of the Company (currently serving)		

Reasons for the nomination as a candidate for Company Auditor

The Company nominated Mr. Seiji Akakabe as a candidate for Company Auditor. The Company finds that he is very well qualified for Company Auditor, as it is expected that he will appropriately audit the Directors' execution of their duties and provide useful advice for the Company's management based on his many years of experience in the administration division of the Company and his wealth of experience in business audit, etc. at the Audit Department. He is a new candidate for Company Auditor.

No.	2 Hiroshi Nishimura	(Date of birth: January 30, 1957)	New candidate Outside Company Auditor & Independent Auditor
[Past experience, positions and significant concurrent position]			Attendance at Board of Directors meetings in the current fiscal year
April 1979	Joined Yoshida Sato Law Office		—
August 1987	Retired from Yoshida Sato Law Office		Attendance at Board of Company Auditors meetings in the current fiscal year
September 1987	Joined Aoki Accounting Office		—
February 1999	Registered as certified tax accountant		Number of shares of the Company held
November 1999	Retired from Aoki Accounting Office		0
January 2000	Founded and appointed Director of Nishimura Hiroshi Accounting Office (currently serving)		
(Significant concurrent position)			
Director of Nishimura Hiroshi Accounting Office			

Reasons for the nomination as a candidate for Outside Company Auditor

The Company finds that Mr. Hiroshi Nishimura will be able to carry out audits from an objective perspective based on his exceptionally sophisticated knowledge regarding tax, finance, etc. as a certified tax accountant, and that he also has excellent character. Although he has never been involved in corporate management by any means other than serving as an outside officer, the Company has judged that he will be able to appropriately perform his duties as an Outside Company Auditor for the reasons stated above. He is a new candidate for Outside Company Auditor.

- (Notes)
1. There are no special interests between each candidate and the Company.
 2. Mr. Hiroshi Nishimura is a candidate for Outside Company Auditor.
 3. The candidate, Mr. Hiroshi Nishimura, has been notified to the Tokyo Stock Exchange as an Independent Auditor.
 4. The Company has entered into a directors and officers liability insurance policy with an insurance company, as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The policy shall cover legal compensation for damages and litigation expenses arising from claims for damages due to actions performed by the insured parties which include Company Auditors. If the candidates are elected and assume office as Company Auditors, they will become insured parties under the policy, which is to be renewed with the same content at the time of next renewal.

Selection and nomination of Company Auditors

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

Proposal 3 Provision of Retirement Allowances to Resigning Directors and Resigning Company Auditors

Mr. Sumio Saito and Mr. Kazushige Hirade will resign from the position of Director due to the expiration of their terms of office at the conclusion of this Annual Shareholders Meeting. In addition, Mr. Kazuharu Otsuka and Mr. Toshihiko Kusaka 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. Sumio Saito, Mr. Kazushige Hirade, Mr. Kazuharu Otsuka and Mr. Toshihiko Kusaka 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 Directors be resolved by the Board of Directors and that for the resigning Company Auditors be left to the consultation among Company Auditors.

The retirement allowance for the resigning Directors is to be presented for their outstanding efforts in the execution of their 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 Directors and resigning Company Auditors are as follows:

Name	Past experience	
Sumio Saito	March 2020	Outside Director of the Company (currently serving)
Kazushige Hirade	March 2017	Director of the Company (currently serving)
Kazuharu Otsuka	March 2008	Full-time Company Auditor of the Company (currently serving)
Toshihiko Kusaka	March 2007	Outside Company Auditor of the Company (currently serving)

End