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(Stock Exchange Code 4246)

June 3, 2020

To Shareholders with Voting Rights:

Nariaki Uchida

Representative Director and President
DaikyoNishikawa Corporation
5-1 Jike Industrial Park, Higashi
Hiroshima City, Hiroshima, Japan

NOTICE OF THE 13TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

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

You are cordially invited to attend the 13th Annual General Meeting of Shareholders of DaikyoNishikawa Corporation (the “Company”). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you can exercise your voting rights in writing by submitting the Voting Card. If exercising your voting rights in writing, please review the attached Reference Documents for Shareholders Meeting, indicate your vote for or against each proposal on the enclosed Voting Card and return it so that it is received by 5:45 p.m. on Thursday, June 18, 2020, Japan Standard Time.

- 1. Date and Time:** Friday, June 19, 2020 at 10:00 a.m., Japan Standard Time (Reception starts at 9:00 a.m.)
- 2. Place:** Banquet room (Yukyu no Ma) 4th floor of Hotel Granvia Hiroshima, 1-5 Matsubara-cho, Minami-ku, Hiroshima, Japan
- 3. Purpose of Meeting:**
Matters to be reported:
 1. The Business Report, Consolidated Financial Statements and Results of Audits of the Consolidated Financial Statements by the Financial Auditor and the Board of Auditors for the 13th Fiscal Year (April 1, 2019 - March 31, 2020)
 2. Non-consolidated Financial Statements for the 13th Fiscal Year (April 1, 2019 - March 31, 2020)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus Funds
- Proposal 2:** Election of Eight (8) Directors
- Proposal 3:** Election of One (1) Auditor
- Proposal 4:** Election of Two (2) Substitute Auditors
- Proposal 5:** Determination of Remuneration for Granting Restricted Stock to Directors (excluding Outside Directors)

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- For those attending, please submit the enclosed Voting Card at the reception desk. You are also kindly requested to bring this Notice as meeting materials when you attend.
 - Please note that persons other than shareholders, including proxies and their companions who are not shareholders, are not permitted to attend the General Meeting of Shareholders.
 - If any revisions are made to the Reference Documents for Shareholders Meeting, the Business Report, the Non-consolidated Financial Statements and the Consolidated Financial Statements, the revised versions will be posted on the Company's website (<http://www.daikyonishikawa.co.jp/>).

**Measures to prevent Novel Coronavirus Disease epidemic
at the Company's 13th Annual General Meeting of Shareholders**

1. Requests to shareholders
 - Shareholders planning to attend the meeting are kindly requested to call off your attendance if you are not in good physical condition on the day of the meeting. Those who are elderly, have underlying medical conditions, or expecting, are particularly suggested to refrain from attending the meeting.
 - You can also exercise your voting rights "by mailing the Voting Card." Please consider taking advantage of this method.
2. Our response
 - The chairperson, other speakers, and the staff of the meeting may be wearing face masks.
 - Shareholders in attendance who appear to be unwell may be called upon by the meeting staff. We ask for your kind understanding in advance.
 - To shorten the meeting time, we are considering a simpler proceeding method than in past years.
3. To shareholders attending the meeting
 - Shareholders may be requested to cooperate in body temperature measurement before entering the venue, as well as in measures including wearing face masks and using alcohol sanitizers.
 - We may not let those who look feverish come into the venue. We ask for your kind understanding in advance.
 - To avoid epidemic, we will refrain from offering beverages at the venue.
 - Any material changes in the operation of the meeting will be posted on the Company's website (<http://www.daikyonishikawa.co.jp/>).
 - To reduce infection risk, we will refrain from distributing gifts to shareholders attending the meeting this year. We ask for your kind understanding in advance.

REFERENCE DOCUMENTS FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

Proposals and Reference Items

Proposal 1: Appropriation of Surplus Funds

The Company considers the return of profits to shareholders to be one of the most important subjects in corporate management and makes it a basic policy to aim for stable and continuous dividends by taking into comprehensive consideration its business performance, payout ratio, etc.

Based on the above policy, the Company proposes to pay year-end dividends as follows considering its business performance during the current fiscal year:

Items related to year-end dividend

1. Type of dividend property:
Money
2. Allocation of dividend property to shareholders and the total amount thereof:
15 yen per share of the Company's common stock

Total amount of dividend: 1,062,802,050 yen

3. Effective date of distribution of surplus funds:
June 22, 2020

Proposal 2: Election of Eight (8) Directors

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

The candidates for Director are as follows:

Candidate No.	Name (Date of birth)	Career summary, positions, areas of responsibilities and significant concurrent positions	Number of shares of the Company's common stock held
1	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">Reelection</div> <p>Nariaki Uchida (Aug. 27, 1957)</p>	<p>Apr. 1980 Joined Toyo Kogyo Co., Ltd. (currently, Mazda Motor Corporation)</p> <p>Mar. 2001 General Manager, Powertrain Production Dept. No. 2, Hofu Plant of Mazda Motor Corporation</p> <p>Feb. 2004 Representative Director and Executive Vice President of Auto Alliance International, Inc.</p> <p>Apr. 2007 Representative Director and Executive Vice President of Toyo Advanced Technologies Co., Ltd. and Deputy Division Manager, Purchasing Div. of Mazda Motor Corporation</p> <p>Apr. 2010 Executive Officer and General Manager, Hofu Plant of Mazda Motor Corporation</p> <p>Apr. 2015 Executive Vice President of the Company</p> <p>Jun. 2015 Representative Director and President of the Company (to present)</p> <p><Areas of Responsibilities in the Company> Overall corporate management</p>	None
<p>Reasons for nomination as a candidate for Director: As Representative Director and President, Mr. Nariaki Uchida has endeavored to increase corporate value over the medium to long term based on the Company's management philosophy and strategies through actively expressing his opinions at the Board of Directors meetings, as well as properly supervised the management. He possesses excellent personality and insights to recognize management environment comprehensively and is a highly motivated person who strives to improve his qualities. Furthermore, he is a person who is able to resolve management challenges promptly and boldly and possesses business decision-making abilities in a transparent and fair manner. Judging by these activities and achievements, the Company has nominated him as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, positions, areas of responsibilities and significant concurrent positions	Number of shares of the Company's common stock held
2	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">Reelection</div> <p>Satoru Noguchi (April 22, 1959)</p>	<p>Apr. 1982 Joined the Hiroshima Bank, Ltd. Apr. 2005 General Manager of Credit Supervising Division II and Senior Manager of the Hiroshima Bank, Ltd. Apr. 2010 General Manager, Yokogawa Branch of the Hiroshima Bank, Ltd. Apr. 2013 Executive Officer and General Manager, Imabari Branch of the Hiroshima Bank, Ltd. Apr. 2015 Managing Executive Officer and Chief Area Officer of the Hiroshima Bank, Ltd. Apr. 2017 Senior Managing Executive Officer and Chief Area Officer of the Hiroshima Bank, Ltd. Apr. 2018 Executive Vice President of the Company Jun. 2018 Representative Director and Executive Vice President of the Company (to present)</p> <p><Areas of Responsibilities in the Company> Assistant to President and Internal Audit Office</p>	None
<p>Reasons for nomination as a candidate for Director: As Representative Director and Executive Vice President, Mr. Satoru Noguchi has properly assisted the Representative Director and President, and has supported the increase of corporate value over the medium to long term based on the Company's management philosophy and strategies through actively expressing his opinions at the Board of Directors meetings. He possesses excellent personality and insights to recognize management environment comprehensively and is a highly motivated person who strives to improve his qualities. Furthermore, he is a person who is able to resolve management challenges promptly and boldly and possesses business decision-making abilities in a transparent and fair manner. Judging by these activities and achievements, the Company has nominated him as a candidate for Director.</p>			

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3	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">Reelection</div> <p>Toshio Hiyama (Apr. 27, 1959)</p>	<p>Apr. 1980 Joined Daikyo Co., Ltd. (currently, DaikyoNishikawa Corporation)</p> <p>Apr. 2007 General Manager, Daiwa Production Dept., Production Div. of the Company</p> <p>Apr. 2009 Executive Officer and Deputy Division Manager, Production Div. of the Company</p> <p>Apr. 2011 Director and President of DaikyoNishikawa (Thailand) Co., Ltd. and Executive Officer of the Company</p> <p>Apr. 2012 Director and President of DaikyoNishikawa (Thailand) Co., Ltd. and Managing Executive Officer of the Company</p> <p>Apr. 2014 Senior Managing Executive Officer of the Company</p> <p>Jun. 2015 Director and Senior Managing Executive Officer of the Company (to present)</p> <p><Areas of Responsibilities in the Company> Development Div., Engineering Div., and Research and Development Div.</p>	4,000
<p>Reasons for nomination as a candidate for Director: Having held important posts in the Company's production division, Mr. Toshio Hiyama is well-acquainted with manufacturing technologies. He has abundant experience regarding the Company's ideal global business development through his experience as President of the Company's subsidiary in Thailand. He is currently in charge of development division, engineering division and research and development division, and has detailed knowledge of all aspects of the Company's business. In addition, through his career, he has actively expressed his opinions at the Board of Directors meetings. He possesses excellent personality and insights to recognize management environment comprehensively and is a highly motivated person who strives to improve his qualities. Furthermore, he is a person who is able to resolve management challenges promptly and boldly and possesses business decision-making abilities in a transparent and fair manner. Judging by these activities and achievements, the Company has nominated him as a candidate for Director.</p>			

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4	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">Reelection</div> <p>Motoharu Nishikimura (Jan. 30, 1960)</p>	<p>Jul. 1984 Joined Daikyo Co., Ltd. (currently, DaikyoNishikawa Corporation)</p> <p>Apr. 2007 General Manager, Affiliates Managing Dept. of the Company</p> <p>Apr. 2009 Deputy Division Manager, Corporate Planning and Management Div. of the Company</p> <p>Apr. 2010 Executive Officer and Deputy Division Manager, Corporate Planning and Management Div. of the Company</p> <p>Jan. 2011 Executive Officer and Deputy Division Manager, Marketing and Sales Div. of the Company</p> <p>Apr. 2012 Director and President of DaikyoNishikawa Mexicana, S. A. de C. V.</p> <p>Apr. 2014 Director and President of DaikyoNishikawa Mexicana, S. A. de C. V. and Managing Executive Officer of the Company</p> <p>Jun. 2016 Senior Managing Executive Officer of the Company</p> <p>Apr. 2017 Director and Senior Managing Executive Officer and Corporate Planning and Management Division Manager of the Company</p> <p>Apr. 2020 Director and Senior Managing Executive Officer of the Company (to present)</p> <p><Areas of Responsibilities in the Company> Purchasing Div., Corporate Management Div., Corporate Planning Div., and Preparation Office for North America Industrial, and General Manager, Preparation Office for North America Industrial</p>	4,000
<p>Reasons for nomination as a candidate for Director: Having held important posts in the Company's corporate planning and management division, Mr. Motoharu Nishikimura is well-acquainted with management strategies. Moreover, through his experience as President of the Company's subsidiaries in Mexico, he has abundant experience regarding the Company's ideal global business development, as well as detailed knowledge of all aspects of the Company's business. In addition, through his career, he has actively expressed his opinions at the Board of Directors meetings. He possesses excellent personality and insights to recognize management environment comprehensively and is a highly motivated person who strives to improve his qualities. Furthermore, he is a person who is able to resolve management challenges promptly and boldly and possesses business decision-making abilities in a transparent and fair manner. Judging by these activities and achievements, the Company has nominated him as a candidate for Director.</p>			

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5	<div data-bbox="360 656 550 712" style="border: 1px solid black; padding: 2px; text-align: center;">Reelection</div> <p data-bbox="384 723 526 779">Fukami Waki (Aug. 4, 1958)</p>	<p data-bbox="571 409 1203 465">Feb. 1988 Joined Daikyo Co., Ltd. (currently, DaikyoNishikawa Corporation)</p> <p data-bbox="571 465 1174 495">Apr. 2007 General Manager, Production Div. of the Company</p> <p data-bbox="571 495 1158 551">Apr. 2011 Deputy Division Manager, Production Div. of the Company</p> <p data-bbox="571 551 1131 607">Aug. 2011 Corporate Planning and Management Division Manager of the Company</p> <p data-bbox="571 607 1147 663">Apr. 2012 Executive Officer and Corporate Administration Division Manager of the Company</p> <p data-bbox="571 663 1150 719">Oct. 2012 Executive Officer and Corporate Planning and Management Division Manager of the Company</p> <p data-bbox="571 719 1145 775">Apr. 2014 Managing Executive Officer and Marketing and Sales Division Manager of the Company</p> <p data-bbox="571 775 1179 831">Apr. 2017 Senior Managing Executive Officer and Purchasing Division Manager of the Company</p> <p data-bbox="571 831 1193 887">Jun. 2017 Director and Senior Managing Executive Officer and Purchasing Division Manager of the Company</p> <p data-bbox="571 887 1182 943">Apr. 2018 Director and Senior Managing Executive Officer of the Company (to present)</p> <p data-bbox="571 954 1150 1010"><Areas of Responsibilities in the Company> Production Div., Quality Div. and Marketing and Sales Div.</p>	6,880
<p data-bbox="368 1016 871 1046">Reasons for nomination as a candidate for Director:</p> <p data-bbox="368 1046 1366 1328">Having held important posts in the Company's production division, Mr. Fukami Waki is well-acquainted with manufacturing management. Moreover, through his experience of being the central figure in designing corporate planning, marketing and purchasing strategies as the Division Manager of the Corporate Planning and Management Division, Marketing and Sales Division and Purchasing Division, he has abundant experience regarding the Company's ideal global business development, as well as detailed knowledge of all aspects of the Company's business. In addition, through his career, he has actively expressed his opinions at the Board of Directors meetings. He possesses excellent personality and insights to recognize management environment comprehensively and is a highly motivated person who strives to improve his qualities. Furthermore, he is a person who is able to resolve management challenges promptly and boldly and possesses business decision-making abilities in a transparent and fair manner. Judging by these activities and achievements, the Company has nominated him as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, positions, areas of responsibilities and significant concurrent positions	Number of shares of the Company's common stock held
6	<div data-bbox="368 517 557 573" style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">Reelection</div> <div data-bbox="368 573 557 629" style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">Outside</div> <div data-bbox="368 629 557 685" style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">Independent</div> Masahiro Idehara (Feb. 15, 1954)	Jun. 1998 Joined as Standing Adviser of JICHODO Co., Ltd. Sep. 1998 Director of JICHODO Co., Ltd. Sep. 2000 Representative Director and Senior Managing Director of JICHODO Co., Ltd. Sep. 2002 Representative Director and President of JICHODO Co., Ltd. Jul. 2010 Representative Director of JICHODO Co., Ltd. Sep. 2010 Representative Director and Vice Chairman of JICHODO Co., Ltd. Sep. 2014 Director and Senior Advisor of JICHODO Co., Ltd. (to present) Jun. 2015 Outside Director of the Company (to present) <Significant concurrent positions> Director and Senior Advisor of JICHODO Co., Ltd. Representative Director of Genkai Sewing Co., Ltd. Representative Director of JID Co., Ltd.	None
Reasons for nomination as a candidate for Outside Director: Based on his abundant knowledge and experience as a member of a management team in the apparel industry, Mr. Masahiro Idehara is actively giving advice and suggestions on business operations from an independent standpoint based on his objective and professional insights, which contribute to the increase of corporate value. Judging by his advice and suggestions that he possesses excellent personality and insights to recognize management environment comprehensively and is a highly motivated person who strives to improve his qualities, the Company has nominated him as a candidate for Outside Director.			

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7	<div style="border: 1px solid black; padding: 2px; margin-bottom: 2px; text-align: center;">Reelection</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px; text-align: center;">Outside</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px; text-align: center;">Independent</div> <p>Shigeki Sasaki (Jul. 28, 1959)</p>	<p>Apr. 1982 Joined Otafuku Sauce Co., Ltd. Nov. 1996 Director and General Manager of the Marketing and Sales Division, Osaka Branch of Otafuku Sauce Co., Ltd. Oct. 2002 Senior Managing Director and Engineering and Production Division Manager of Otafuku Sauce Co., Ltd. Oct. 2003 Senior Managing Director and Marketing and Sales Division Manager of Otafuku Sauce Co., Ltd., and Representative Director and President of Otafuku Vinegar Brewery Co., Ltd. Oct. 2005 Representative Director and President of Otafuku Sauce Co., Ltd., and Representative Director and Chairman of Union Sauce Co., Ltd. Oct. 2015 Representative Director and President of Otafuku Holdings Co., Ltd. (to present) Jun. 2017 Outside Director of the Company (to present)</p> <p><Significant concurrent positions> Representative Director and President of Otafuku Holdings Co., Ltd. Chairman of the Board of Otafuku Foods (Qing Dao) Co., Ltd Outside Director of Hiroshima Airport Building Co., Ltd.</p>	None
<p>Reasons for nomination as a candidate for Outside Director: Based on his abundant knowledge and experience as a member of a management team in the food industry, Mr. Shigeki Sasaki is actively giving advice and suggestions on business operations from an independent standpoint based on his objective and professional insights, which contribute to the increase of corporate value. Judging by his advice and suggestions that he possesses excellent personality and insights to recognize management environment comprehensively and is a highly motivated person who strives to improve his qualities, the Company has nominated him as a candidate for Outside Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, positions, areas of responsibilities and significant concurrent positions	Number of shares of the Company's common stock held
8	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">Reelection</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">Outside</div> <p>Takeshi Mukai (Mar. 14, 1962)</p>	<p>Mar. 1986 Joined Mazda Motor Corporation Apr. 2006 General Manager, Painting, Trim and Final Assembly Engineering Dept. of Mazda Motor Corporation Sep. 2010 Vice President of AutoAlliance (Thailand) Co., Ltd. Jan. 2013 Deputy General Manager, Hofu Plant of Mazda Motor Corporation Apr. 2015 Executive Officer and General Manager, Hofu Plant of Mazda Motor Corporation Apr. 2016 Executive Officer in charge of Global Quality of Mazda Motor Corporation Apr. 2017 Executive Officer in charge of Global Quality and Assistant to the Officer in charge of Cost Innovation of Mazda Motor Corporation Apr. 2018 Managing Executive Officer in charge of Global Quality and Assistant to the Officer in charge of Cost Innovation of Mazda Motor Corporation Apr. 2019 Managing Executive Officer in charge of Global Production, Global Business Logistics and Cost Innovation of Mazda Motor Corporation (to present) Jun. 2019 Outside Director of the Company (to present)</p> <p><Significant concurrent positions> Managing Executive Officer of Mazda Motor Corporation</p>	None
<p>Reasons for nomination as a candidate for Outside Director: Based on his abundant knowledge and experience as a member of a management team in the automobile industry, Mr. Takeshi Mukai is actively giving advice and suggestions on business operations based on his objective and professional insights, which contribute to the increase of corporate value. Judging by his advice and suggestions that he possesses excellent personality and insights to recognize management environment comprehensively and is a highly motivated person who strives to improve his qualities, the Company has nominated him as a candidate for Outside Director.</p>			

- (Notes) 1. Mr. Masahiro Idehara, Mr. Shigeki Sasaki and Mr. Takeshi Mukai are candidates for Outside Director as prescribed in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
2. Mr. Takeshi Mukai is a Managing Executive Officer of Mazda Motor Corporation, one of the Company's major customers, which falls under the specified related business operator of the Company. There are no special interests between the other candidates and the Company.
3. The Company has designated Outside Director Mr. Masahiro Idehara and Mr. Shigeki Sasaki as independent directors in accordance with the regulations of the Tokyo Stock Exchange, Inc. and registered them as such with the Exchange. The Company will register Mr. Masahiro Idehara and Mr. Shigeki Sasaki as independent directors with the Exchange if this proposal is approved as proposed.
4. There is no special relationship to be disclosed between the Company and any of JICHODO Co., Ltd., Genkai Sewing Co., Ltd., JID Co., Ltd., Otafuku Holdings Co., Ltd., Otafuku Foods (Qing Dao) Co., Ltd, and Hiroshima Airport Building Co., Ltd.
5. The Company has entered into agreements with Mr. Masahiro Idehara, Mr. Shigeki Sasaki and Mr. Takeshi Mukai pursuant to Article 427, Paragraph 1 of the Companies Act to limit the liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act to the minimum liability amounts provided for by laws and regulations. If their election is approved as proposed, the Company will continue the same liability limitation agreements with them.
6. Mr. Masahiro Idehara shall have served as the Company's Outside Director for five (5) years at the conclusion of this Annual General Meeting of Shareholders.
7. Mr. Shigeki Sasaki shall have served as the Company's Outside Director for three (3) years at the conclusion of this Annual General Meeting of Shareholders.
8. Mr. Takeshi Mukai shall have served as the Company's Outside Director for one (1) year at the conclusion of this Annual General Meeting of Shareholders.

Proposal 3: Election of One (1) Auditor

Auditor Mr. Toru Hirota will resign at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the Company proposes to elect one (1) new Auditor. This proposal is submitted with the consent of the Board of Auditors.

The candidate for Auditor is as follows:

Name (Date of birth)	Career summary, positions and significant concurrent positions	Number of shares of the Company's common stock held
<div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">New election</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">Outside</div> Kazuo Kiyomune (Feb. 8, 1963)	Apr. 1986 Joined the Hiroshima Bank, Ltd. Jun. 2003 Section Manager, Management Planning Div. of the Hiroshima Bank, Ltd. Oct. 2005 General Manager, Kudamatsu Branch of the Hiroshima Bank, Ltd. Oct. 2008 General Manager, Credit Supervising Planning Office, Banking Business Planning Div. of the Hiroshima Bank, Ltd. Apr. 2010 General Manager, Credit Supervising Planning Office, Credit Supervising Planning Div. of the Hiroshima Bank, Ltd. Apr. 2013 General Manager, Honkawa Branch of the Hiroshima Bank, Ltd. Apr. 2015 General Manager, Otemachi Branch of the Hiroshima Bank, Ltd. Apr. 2018 Executive Officer, General Manager, Kure Branch and General Manager, Kure City Municipal Office Branch of the Hiroshima Bank, Ltd. Apr. 2020 Managing Executive Officer of the Hiroshima Bank, Ltd. (to present) <Significant concurrent positions> Managing Executive Officer of the Hiroshima Bank, Ltd.	None
Reasons for nomination as a candidate for Outside Auditor: Based on his highly professional knowledge and abundant experience as a member of a management team in the financial industry, Mr. Kazuo Kiyomune is expected to contribute to enhancing the Company's audit function by actively giving advice and suggestions on business operations from an independent standpoint based on his objective and professional insights. As he possesses excellent personality and insights and is capable of conducting audits from a broad and professional standpoint, the Company has nominated him as a candidate for Outside Auditor.		

- (Notes)
1. Mr. Kazuo Kiyomune is a candidate for Outside Auditor as prescribed in Article 2, Paragraph 3, Item 8 of the Ordinance for Enforcement of the Companies Act.
 2. Mr. Kazuo Kiyomune is a Managing Executive Officer of the Hiroshima Bank, Ltd., one of the Company's major lenders, which falls under the specified related business operator of the Company.
 3. If this proposal is approved as proposed, the Company intends to enter into an agreement with Mr. Kazuo Kiyomune pursuant to Article 427, Paragraph 1 of the Companies Act to limit the liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act to the minimum liability amounts provided for by laws and regulations.

Proposal 4: Election of Two (2) Substitute Auditors

To prepare for any shortage in the number of Auditors required by laws and regulations, the Company proposes to elect two (2) Substitute Auditors. Mr. Shunji Sawa will be elected as a candidate for internal Auditor, and Ms. Hiroko Tani will be elected as a candidate for Outside Auditor.

It is also proposed that the election be made revocable by the resolution of the Board of Directors with the consent of the Audit and Supervisory Board, provided that such resolution takes place before his/her election.

This proposal is submitted with the consent of the Board of Auditors.

The candidates for Substitute Auditor are as follows:

Candidate No.	Name (Date of birth)	Career summary, positions and significant concurrent positions	Number of shares of the Company's common stock held
1	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">Internal</div> <p>Shunji Sawa (Mar. 26, 1960)</p>	<p>Apr. 1982 Joined Nishikawa Kasei Co., Ltd. (currently, DaikyoNishikawa Corporation)</p> <p>Apr. 2007 Managing Director and Production Division Manager of Sanshinkako Corporation</p> <p>Jul. 2010 General Manager, Hiroshima Quality Control Dept., Quality Div. of the Company</p> <p>Oct. 2011 Representative Director and President of Sanshinkako Corporation</p> <p>Apr. 2014 Quality Division Manager of the Company</p> <p>Apr. 2015 Executive Officer and Quality Division Manager of the Company</p> <p>Apr. 2017 Chairman and General Manager of DaikyoNishikawa TongYang Auto Parts (Nanjing) Co., Ltd. and Executive Officer of the Company</p> <p>Apr. 2019 Executive Officer of the Company (to present)</p> <p><Areas of Responsibilities in the Company> Assistant to the Officer in charge of Purchasing Div.</p>	496
<p>Reasons for nomination as a candidate for Substitute Auditor: Having held important posts in the Company's quality and production divisions, Mr. Shunji Sawa is well-acquainted with quality and production strategies. Moreover, through his experience as President of the Company's subsidiary in China, he has abundant experience regarding the Company's ideal global business development, as well as detailed knowledge of the Company's business. In addition, through his career, he is expected to actively give advice and suggestions as Auditor. Judging from the activities in his career that he possesses excellent personality and insights and is capable of conducting audits from a broad and professional standpoint, the Company has nominated him as a candidate for Substitute Auditor.</p>			

Candidate No.	Name (Date of birth)	Career summary, positions and significant concurrent positions	Number of shares of the Company's common stock held
2	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">Outside</div> <p>Hiroko Tani (Jul. 3, 1955)</p>	<p>Nov. 1982 Joined Asahi Accounting Audit Corporation (Tokyo) (currently, KPMG AZSA LLC) Aug. 1989 Registered as certified public accountant Jun. 2004 Partner of KPMG AZSA & Co. (Hiroshima) (currently, KPMG AZSA LLC) Jul. 2018 Opened Tani Certified Public Accountant Office (to present) Jul. 2019 Representative partner of Choshu Audit Corporation (to present)</p>	None
<p>Reasons for nomination as a candidate for Substitute Outside Auditor: Although Ms. Hiroko Tani has not been involved in the management of a company in the past, based on her highly professional knowledge and abundant experience in finance and accounting as a certified public accountant, she is expected to actively give advice and suggestions on business operations from an independent standpoint based on her objective and professional insights. Judging from the activities in her career that she possesses excellent personality and insights and is capable of conducting audits from a broad and professional standpoint, the Company has nominated her as a candidate for Substitute Outside Auditor.</p>			

- (Notes)
1. Ms. Hiroko Tani is a candidate for Outside Auditor as prescribed in Article 2, Paragraph 3, Item 8 of the Ordinance for Enforcement of the Companies Act.
 2. There are no special interests between Ms. Hiroko Tani and the Company.
 3. If Ms. Hiroko Tani takes office as Outside Auditor, the Company intends to enter into an agreement with her pursuant to Article 427, Paragraph 1 of the Companies Act to limit the liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act to the minimum liability amounts provided for by laws and regulations.

Proposal 5: Determination of Remuneration for Granting Restricted Stock to Directors (excluding Outside Directors)

The amount of remuneration for Directors of the Company was approved to be up to 300 million yen per year at the Extraordinary General Meeting of Shareholders held on January 9, 2014. Later, at the 9th Annual General Meeting of Shareholders held on June 24, 2016, it was approved to introduce a stock-remuneration type stock option plan for Directors (excluding Outside Directors) with the purpose of sharing benefits and risks associated with stock price fluctuations with our shareholders, and further raising the motivation of Directors to improve mid- to long-term performance and increase shareholder values. The amount of remuneration under the said plan was approved to be up to 100 million yen per year, which is a separate allocation from the above-mentioned amount, and a former retirement benefits program was abolished at the time of introducing the plan.

As part of the ongoing revision of the executive remuneration system, in place of the current stock-remuneration type stock options, the Company proposes to offer new remuneration for granting restricted stock to Directors (excluding Outside Directors; hereinafter “Eligible Directors”) in order to provide Eligible Directors with an incentive to sustainably increase the Company’s corporate value and to further promote their sharing of value with shareholders, separately from the above-mentioned framework for remuneration.

The remuneration to be offered to Eligible Directors for granting restricted stock in accordance with this Proposal shall be in the form of monetary claims (hereinafter “Monetary Remuneration Receivables”) in a total of up to 100 million yen per year, which is deemed reasonable in consideration of the aforementioned purpose. The specific timing of granting and allocation of the Monetary Remuneration Receivables to each Eligible Director shall be determined by the Board of Directors. However, remuneration for granting restricted stock shall not be paid to Outside Directors.

Additionally, subject to the approval of this Proposal, the Company will abolish the remuneration framework for stock acquisition rights as stock-remuneration type stock options, and discontinue the issuance of stock acquisition rights as stock-remuneration type stock options. Rights on unexercised portions of the stock acquisition rights as stock-remuneration type stock options already granted to Eligible Directors are to be waived by the Eligible Directors, subject to the introduction of this plan.

As a result of the foregoing, in order to grant the number of restricted stock equivalent to the number of shares (42,400 shares) to be acquired upon the exercise of the waived stock acquisition rights waived by the Eligible Directors, the Company will set an upper limit of additional remuneration separately from the above-mentioned remuneration for granting restricted stock at 50 million yen per year in the current fiscal year, as a measure to transition from the stock-remuneration type stock options. Accordingly, in the current fiscal year, the total amount of remuneration under the plan shall be up to 150 million yen per year. This covers the amount of remuneration already granted to Eligible Directors in past years, and does not substantially constitute additional remuneration.

The current number of Directors is nine (9) (including three (3) Outside Directors), but if Proposal 2 “Election of Eight (8) Directors” is approved and resolved as proposed, the number of Directors will be eight (8) (including three (3) Outside Directors).

Based on a resolution of the Company’s Board of Directors, Eligible Directors will receive issuance or disposal of the Company’s common stock in exchange for the in-kind contribution of all the Monetary Remuneration Receivables to be granted according to this Proposal. The amount per share to be paid in shall be determined by the Board of Directors, based on the closing price of the Company’s common stock on the Tokyo Stock Exchange on the business day immediately prior to the date on which each resolution is made at Board of Directors meetings (if no transaction is made on such business day, the closing price of the most recent preceding transaction day), within a price range not especially advantageous for the Eligible Directors receiving the allotment of the common stock. The total number of the Company’s common stock that shall either be issued or disposed of accordingly by the Company shall be no more than 100,000 shares per year. As previously mentioned, up to 42,400 shares are to be separately granted for the current fiscal year as a transition measure from the stock-remuneration type stock options.

However, the total number may be adjusted within a reasonable range in the case of a stock split

(including a gratis allotment of the Company's common stock) or a reverse stock split of the Company's common stock, or any other event that requires an adjustment to the total number of the Company's common stock to be issued or disposed of as restricted stock, on or after the date on which this Proposal is approved and resolved.

For the abovementioned issuance or disposal of the Company's common stock, an agreement on the allotment of restricted stock (hereinafter the "Allotment Agreement") shall be concluded between the Company and Eligible Directors with the following terms:

(1) Transfer Restriction Period

Eligible Directors shall not transfer, create a security interest on, or otherwise dispose of (hereinafter the "Transfer Restriction") the Company's common stock that is allotted according to the Allotment Agreement (hereinafter "Allotted Shares") during the period from the payment date for the Allotted Shares until the time immediately after their retirement from positions predetermined by the Company's Board of Directors (hereinafter the "Transfer Restriction Period").

(2) Treatment at retirement

In the event that an Eligible Director retires from the position predetermined by the Company's Board of Directors prior to the expiry of the period predetermined by the Company's Board of Directors (hereinafter the "Service Provision Period"), the Company shall acquire Allotted Shares as a matter of course without compensation unless there are justifiable reasons for the Eligible Directors' retirement.

(3) Lifting of the Transfer Restriction

Regardless of the provision in (1) above, the Company shall lift the Transfer Restriction on all of the Allotted Shares at the expiry of the Transfer Restriction Period under the condition that Eligible Directors have continuously served in a position predetermined by the Company's Board of Directors during the Service Provision Period. However, if such Eligible Directors retire from the position stipulated in (2) above prior to the expiry of the Service Provision Period due to a justifiable reason, the number of Allotted Shares for which the Transfer Restriction is to be lifted shall be reasonably adjusted as necessary. In addition, the Company shall acquire Allotted Shares for which the Transfer Restriction has not been lifted at the time immediately after the lifting of the Transfer Restriction pursuant to the provisions described above as a matter of course without compensation.

(4) Procedures in the event of organizational restructuring, etc.

Regardless of the provision in (1) above, in the case where a merger agreement resulting in the absorption of the Company, stock exchange agreement or stock transfer plan under which the Company becomes a wholly-owned subsidiary, or any other organizational restructuring, etc. is approved at the Company's general meeting of shareholders (or at the Company's Board of Directors in the case where approval of a general meeting of shareholders is not required for the said organizational restructuring, etc.) during the Transfer Restriction Period, the Transfer Restriction shall be lifted by the resolution of the Company's Board of Directors prior to the effective date of the said organizational restructuring, etc., with regard to the number of the Allotted Shares reasonably set forth in light of the period from the date the Eligible Directors commenced execution of their duties to the approval date of the said organizational restructuring, etc. In the case provided above, the Company shall acquire Allotted Shares for which the Transfer Restriction has not been lifted at the time immediately after the Transfer Restriction is lifted as a matter of course without compensation.

(5) Others

Any other matters concerning the Allotment Agreement shall be determined by the Company's Board of Directors.