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(Stock Exchange Code 1822)
June 6, 2018

To Shareholders with Voting Rights:

Kenichi Osumi
Representative Director
DAIHO CORPORATION
24-4, Shinkawa 1-Chome, Chuo-ku, Tokyo

**NOTICE OF CONVOCATION OF
THE 69TH 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 69th Annual General Meeting of Shareholders of DAIHO CORPORATION (the "Company"). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you may exercise your voting rights in writing or via the Internet etc. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights in accordance with the guidance on the following pages by 5:30 p.m. on Wednesday, June 27, 2018, Japan time.

1. Date and Time: Thursday, June 28, 2018 at 10:00 a.m. Japan time

2. Place: BF Conference room at the Corporate Headquarters located at
24-4, Shinkawa 1-Chome, Chuo-ku, Tokyo, Japan

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report and Non-Consolidated Financial Statements for the Company's 69th Fiscal Year (April 1, 2017 - March 31, 2018)
 2. Consolidated Financial Statements for the Company's 69th Fiscal Year (April 1, 2017 - March 31, 2018) and results of audits by the Independent Auditor and the Board of Corporate Auditors of the Consolidated Financial Statements

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
Proposal 2: Consolidation of the Company's Shares
Proposal 3: Election of 1 Director

4. Disclosure via the Internet:

From among the document to be provided with this Notice, Consolidated Statements of Changes in Net Assets and Notes to Consolidated Financial Statements of Consolidated Financial Statements, as well as Non-Consolidated Statements of Changes in Net Assets and Notes to Non-Consolidated Financial Statements of Non-Consolidated Financial Statements, are posted on the Company's website (<http://www.daiho.co.jp>) in accordance with laws and regulations as well as Article 18 of the Company's Articles of Incorporation and therefore are not provided in the Appendix of this Notice.

The Consolidated Statements of Changes in Net Assets, Notes to Consolidated Financial Statements, Non-Consolidated Statements of Changes in Net Assets and Notes to Non-Consolidated Financial Statements were also audited by the Independent Auditor and the Board of Corporate Auditors during the preparation of their respective audit reports as documents that constitute part of the Consolidated Financial Statements and Non-Consolidated Financial Statements.

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

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The Company holds a basic policy of maintaining and enhancing stable dividends while improving the financial strength as a basis for long-term development. It is proposed that the year-end cash dividend for the 69th fiscal year be ¥15.0 per share of common stock, in comprehensive consideration of the financial results and management environment during the fiscal year under review.

Matters relating to the year-end cash dividend

(1) Matters related to the distribution of dividend properties and the total amount thereof

¥15.0 per share of the Company's common stock

Total amount of dividends ¥ 1,296,601,875

(2) Effective date of dividends of surplus

June 29, 2018

Proposal 2: Consolidation of the Company's Shares

1. Purpose of the share consolidation

All domestic stock exchanges of Japan have announced the “Action Plan for Consolidating Trading Units” and aim to uniformly adopt the share trading unit of 100 shares with regard to the common stocks of the domestic companies listed by October 2018.

The Company respects this intent as a listed company on the Tokyo Stock Exchange (TSE), and has decided by resolution of the Board of Directors meeting held on May 11, 2018 to change its share trading unit from 1,000 shares to 100 shares, subject to the approval of this proposal as proposed at this meeting. In addition, taking into account the amount of investment units that stock exchanges consider appropriate (¥50,000 or more and less than ¥500,000) and fluctuations of stock prices in the medium-to-long term, a share consolidation will be executed to adjust the amount of investment units to an appropriate level.

2. Consolidation ratio

We shall propose to consolidate shares of the Company’s common stock at a one-for-five consolidation ratio.

When fractions of less than one share are generated as a result of the share consolidation, such fractions will be disposed of collectively pursuant to the provisions of Article 235 of the Companies Act, and the proceeds from the disposal will be distributed to the shareholder concerned in accordance with the ratio of fractions.

3. Effective date of the share consolidation

October 1, 2018

4. Total number of shares authorized to be issued as of the effective date

32,000,000 shares

Upon the share consolidation, the Company shall be deemed to have amended the provisions of the Articles of Incorporation pertaining to the total number of shares authorized to be issued, as of the effective date of the share consolidation, in accordance with the provisions of Article 182, Paragraph 2 of the Companies Act.

(Reference)

If this proposal is approved as proposed, the Articles of Incorporation of the Company will be partially amended on October 1, 2018, as follows.

(The underlined parts are amended.)

Current Articles of Incorporation	Proposed amendments
Article 6. The total number of shares authorized to be issued by the Company shall be <u>160,000,000</u> .	Article 6. The total number of shares authorized to be issued by the Company shall be <u>32,000,000</u> .
Article 8. The number of shares of the Company constituting one trading unit shall be <u>1,000</u> .	Article 8. The number of shares of the Company constituting one trading unit shall be <u>100</u> .

Proposal 3: Election of 1 Director

The term of office of Director Kenichi Osumi will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the election of 1 Director is proposed.

The candidate is as follows:

Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held	
Kenichi Osumi (October 24, 1951)	April 1974	Joined the Company	19,983
	April 2002	General Manager, Works Department, Hiroshima Branch	
	August 2004	General Manager, Civil Engineering Department, Tokyo Branch	
	April 2006	Deputy General Manager, Tokyo Branch	
	April 2007	Deputy General Manager, Tohoku Branch	
	February 2008	General Manager, Tohoku Branch	
	June 2008	Executive Officer; General Manager, Tohoku Branch	
	April 2010	Managing Executive Officer; General Manager, Tohoku Branch	
	June 2010	Director; Managing Executive Officer; General Manager, Tohoku Branch	
	April 2012	Director; Senior Managing Executive Officer; General Manager, Tohoku Branch	
	April 2016	Director; Operating Vice President; General Manager, Tohoku Branch	
	April 2017	Representative Director; Operating Vice President	
June 2017	Representative Director; President (to present)		
[Reasons for nomination as candidate for Director] Mr. Kenichi Osumi has abundant experience with the business operations of the Company, has been responsible for executing the resolutions of the Board of Directors as a Representative Director, and also provides strong leadership in the Group. Therefore, the Company nominates him as a candidate for Director again.			

(Note)

There are no special interests between the candidate for Director and the Company.