

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

(Securities Code: 3107)

June 4, 2020

To our shareholders:

Yukihiro Nishimura Representative Director, President
Daiwabo Holdings Co., Ltd.
6-8, Kyutaromachi 3-chome, Chuo-ku, Osaka

NOTICE OF THE 110TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

This is to notify you of the 110th Annual General Meeting of Shareholders of Daiwabo Holdings Co., Ltd. (the “Company”), which will be held as described below.

The Company requests that you refrain from attending on the day of the meeting to prevent the spread of the novel coronavirus disease (COVID-19). Instead of attending the meeting in person, you may exercise your voting rights by postal mail or the Internet, etc. Please indicate your approval or disapproval of the proposals on the enclosed voting form after reviewing the attached Reference Documents for the Annual General Meeting of Shareholders, and return it by postal mail or visit the following website (<https://evote.tr.mufg.jp/>) to enter your vote no later than 5:30 p.m., Thursday, June 25, 2020 (Japan Standard Time).

- 1. Date and Time:** Friday, June 26, 2020 at 10:00 a.m. (Japan Standard Time)
- 2. Venue:** Muto Memorial Hall, 12F, Kokuminkaikan-Sumitomo Seimei Building
1-2, Otemae 2-chome, Chuo-ku, Osaka
 - The practice of distributing small gifts to shareholders on the day of the Annual General Meeting of Shareholders was discontinued from last year. We are grateful for your understanding in this matter.

3. Purposes:

Items to be reported:

1. Business Report, Consolidated Financial Statements, and Non-Consolidated Financial Statements for the 109th Term (from April 1, 2019 to March 31, 2020)
2. Results of audit of the Consolidated Financial Statements for the 109th Term by the Accounting Auditor and the Audit & Supervisory Board

Items to be resolved:

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of Five (5) Directors
- Proposal 3:** Election of One (1) Audit & Supervisory Board Member
- Proposal 4:** Revision of Remuneration Amount for Directors and Audit & Supervisory Board Members

4. Other Matters Regarding the Convocation of the Meeting

- (1) If a voting right is exercised both in writing and via the Internet, etc., the vote exercised via the Internet, etc. shall be deemed effective.
- (2) If a voting right is exercised multiple times via the Internet, etc., the last vote shall be deemed effective.

Request to consider refraining from attending

The Company will hold the General Meeting of Shareholders for this fiscal year after making the maximum effort to prevent the spread of COVID-19, such as reducing the scale of the meeting and shortening the time spent in the venue. We ask for your understanding and cooperation to consider refraining from attending from the perspective of preventing the spread of infection. We ask for your understanding and cooperation as you may exercise your voting rights either in writing or via the Internet and other means instead of attending the meeting in person.

<For shareholders attending the meeting>

Please understand that people who refuse to cooperate with wearing a mask and using alcohol disinfectant in the venue, people who are found to have fevers and people who appear to be unwell may be refused entry and be asked to leave.

- Please understand that we may revise measures taken depending on the situation regarding the spread of the virus and announcements by the government or other institutions ahead of the General Meeting of Shareholders.

Reference Documents for the Annual General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

As our important task for the management is distribution of profits, our basic policy is to distribute profits to our shareholders continuously and stably while maintaining a necessary internal reserve based on performance.

Due to the recent spread of the novel coronavirus disease (COVID-19), all economic activity is suffering from restrictions, and there are concerns about the risk of a downturn in business conditions both in Japan and overseas.

In this environment, the Company recognizes that in order to secure earnings and maintain sustainable growth, it must secure internal reserves to prepare for unexpected funding demands and investment and to continue the stable distribution of profits in the next term and beyond.

Having taken the above into consideration, the distribution of the surplus is proposed as indicated below.

Matters related to year-end dividends

- (1) Allocation of dividend property and total amount thereof
160 yen per common share of the Company
Total amount of dividends: 3,076,672,960 yen
- (2) Effective date of distribution of dividends of surplus
June 29, 2020

Proposal 2: Election of Five (5) Directors

As the terms of office of all four (4) Directors will expire at the close of this Annual General Meeting of Shareholders, the Company proposes that the number of Director positions be increased by one (1) in order to strengthen the management system, and that five (5) Directors be elected.

The candidates for Directors are as follows:

No.	Name	Position and responsibilities (significant concurrent positions outside the Company)
1	Reelection Yukihiro Nishimura	Representative Director, President Director, DAIWABO INFORMATION SYSTEM CO., LTD.
2	Reelection Kunihiko Arichi	Representative Director, Senior Managing Director of the Company Appointed as General Manager of Businesses, Representative of Group headquarters of the Company Audit & Supervisory Board Member, DAIWABO INFORMATION SYSTEM CO., LTD. Audit & Supervisory Board Member, Daiwabo Co., Ltd. Audit & Supervisory Board Member, O-M Ltd.
3	New election Toshihiro Tatsumi	Managing Director, DAIWABO INFORMATION SYSTEM CO., LTD. General Manager of Administration Division of DAIWABO INFORMATION SYSTEM CO., LTD.
4	Reelection Outside Independent Officer Kenichi Dohi	Director
5	Reelection Outside Independent Officer Kazuyuki Nakamura	Director

No.	Name (Date of birth)	Career summary, position and responsibility	Number of the Company's shares held
1	<p style="text-align: center;">Yukihiro Nishimura (June 14, 1961) Reelection</p> <p style="text-align: center;">Tenure: 3 years</p> <p>Attendance at meetings of the Board of Directors: 17 out of 17 (100%)</p>	<p>Apr. 1985 Joined DAIWABO INFORMATION SYSTEM CO., LTD.</p> <p>June 2006 Director of DAIWABO INFORMATION SYSTEM CO., LTD.</p> <p>Apr. 2012 Managing Director of DAIWABO INFORMATION SYSTEM CO., LTD.</p> <p>June 2012 Executive Managing Officer of the Company</p> <p>June 2015 Appointed as Deputy General Manager of IT Infrastructure Distribution Business of the Company</p> <p>June 2017 Director Executive Managing Officer of the Company</p> <p>Appointed as Representative of Group headquarters of the Company</p> <p>Appointed as Representative of Human Resources and General Affairs Department and Legal/Compliance Department of the Company</p> <p>Director, DAIWABO INFORMATION SYSTEM CO., LTD. (present position)</p> <p>Apr. 2018 Appointed as Representative of Financial Management Department of the Company</p> <p>June 2018 Director Senior Executive Managing Officer of the Company</p> <p>Apr. 2019 Appointed as Representative of IT Business Reform Department and IR/PR Department of the Company</p> <p>June 2019 Appointed as Representative of Tokyo Office, Audit Room and Secretarial Department of the Company</p> <p>Apr. 2020 Representative Director, President of the Company (present position)</p> <p>[Significant concurrent positions outside the Company] Director, DAIWABO INFORMATION SYSTEM CO., LTD.</p>	3,900 shares
<p>(The reason for nominating as a candidate for Director)</p> <p>Yukihiro Nishimura has extensive work experience through being involved mainly in IT Infrastructure Distribution Business since he joined the Company, and is able to apply his experience and knowledge gained while he has served as Representative of the Human Resources and General Affairs Department, the Legal/Compliance Department, the Financial Management Department, the IT Business Reform Department and IR/PR Department, and Tokyo Office, Audit Room and Secretarial Department since 2017, and as Representative Director, President of the Company since 2020, to perform his duties. Due to his knowledge of business in general, global business management, administration and operation work, the Company is re-nominating him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, position and responsibility	Number of the Company's shares held
2	<p style="text-align: center;">Kunihiko Arichi (February 11, 1965) Reelection</p> <p style="text-align: center;">Tenure: 2 years</p> <p>Attendance at meetings of the Board of Directors: 17 out of 17 (100%)</p>	<p>Apr. 1987 Joined the Company</p> <p>June 2016 General Manager of Corporate Planning Department of the Company</p> <p>June 2017 Executive Officer of the Company Appointed as General Manager of Related Businesses of the Company Appointed as Representative of Corporate Planning Department of the Company Appointed as General Manager of Corporate Planning Department of the Company Director, Daiwabo Co., Ltd.</p> <p>June 2018 Director Executive Managing Officer of the Company</p> <p>June 2019 Appointed as Representative of Intellectual Property Department of the Company</p> <p>Apr. 2020 Representative Director, Senior Managing Director of the Company (present position) Appointed as General Manager of Businesses, Representative of Group headquarters of the Company (present position)</p> <p>[Significant concurrent positions outside the Company] Audit & Supervisory Board Member, DAIWABO INFORMATION SYSTEM CO., LTD. Audit & Supervisory Board Member, Daiwabo Co., Ltd. Audit & Supervisory Board Member, O-M Ltd.</p>	1,600 shares
<p>(The reason for nominating as a candidate for Director)</p> <p>Kunihiko Arichi has extensive work experience through being involved mainly in Fiber Business since he joined the Company, and is able to apply his experience and knowledge gained while he has been involved in corporate management as Director of a fiber business company in the group and was in charge of Related Businesses, the Corporate Planning Department and the Intellectual Property Department of the Company since 2017, and has served as Representative Director, Senior Managing Director of the Company since 2020, to perform his duties. Due to his knowledge of business in general, global business management, administration and operation work, the Company is re-nominating him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, position and responsibility	Number of the Company's shares held
3	<p style="text-align: center;">Toshihiro Tatsumi (September 13, 1955) New election</p>	<p>Mar. 1985 Joined DAIWABO INFORMATION SYSTEM CO., LTD.</p> <p>Oct. 2004 General Manager of Finance Department, DAIWABO INFORMATION SYSTEM CO., LTD.</p> <p>June 2007 Appointed as Director, in charge of Finance Department and Sales Administration Department, and General Manager of the Finance Department of DAIWABO INFORMATION SYSTEM CO., LTD.</p> <p>June 2011 Appointed as Executive Officer, Deputy Representative of Group headquarters of the Company</p> <p>Apr. 2017 Appointed as Director, in charge of Legal and CSR Management Department, Finance Department, and Sales Administration Department of DAIWABO INFORMATION SYSTEM CO., LTD.</p> <p>June 2017 Appointed as Executive Managing Officer, Deputy Representative of Group headquarters of the Company</p> <p> Appointed as Director, General Manager of Administration Division and Tokyo Branch Office Manager of DAIWABO INFORMATION SYSTEM CO., LTD.</p> <p>June 2019 Appointed as Managing Director, General Manager of Administration Division of DAIWABO INFORMATION SYSTEM CO., LTD. (present position)</p> <p>[Significant concurrent positions outside the Company] Managing Director, General Manager of Administration Division, DAIWABO INFORMATION SYSTEM CO., LTD.</p>	2,400 shares
<p>(The reason for nominating as a candidate for Director)</p> <p>Toshihiro Tatsumi accumulated extensive experience and deep insights into finance and accounting over a period of many years after joining DAIWABO INFORMATION SYSTEM CO., LTD. Since 2007, he has served as Director of DAIWABO INFORMATION SYSTEM CO., LTD., and since 2011, Executive Officer of the Company. As the Company has judged that he will be able to apply his experience and knowledge to perform his duties, the Company is newly nominating him as a candidate for Director.</p>			
4	<p style="text-align: center;">Kenichi Dohi (January 28, 1950) Reelection Outside Independent Officer</p> <p style="text-align: center;">Tenure: 4 years</p> <p>Attendance at meetings of the Board of Directors: 17 out of 17 (100%)</p>	<p>Apr. 1973 Joined SUMITOMO CORPORATION</p> <p>Apr. 2004 Representative Director and President of Sumisho Textile Co., Ltd. (Current Sumitex International Company Limited)</p> <p>Aug. 2007 Representative Director and President of SUMISHO MONTBLANC Co., Ltd.</p> <p>June 2016 Director of the Company (Outside Director) (present position)</p>	500 shares
<p>(The reason for nominating as a candidate for Outside Director)</p> <p>Kenichi Dohi has extensive knowledge and experience, accumulated as manager of other companies and the Company expects that he will contribute to the business and financial management of the Company by using such knowledge and experience. Therefore, the Company is re-nominating him as a candidate for Outside Director.</p>			

No.	Name (Date of birth)	Career summary, position and responsibility	Number of the Company's shares held
5	Kazuyuki Nakamura (June 28, 1948) Reelection Outside Independent Officer Tenure: 2 years Attendance at meetings of the Board of Directors: 17 out of 17 (100%)	Apr. 1971 Joined Mitsubishi Electric Corporation Apr. 2006 Executive Officer of Mitsubishi Electric Corporation Apr. 2009 Representative Executive Officer, Senior Vice President of Mitsubishi Electric Corporation Apr. 2010 Representative Executive Officer, Executive Vice President of Mitsubishi Electric Corporation June 2018 Director of the Company (Outside Director) (present position)	300 shares
(The reason for nominating as a candidate for Outside Director) Kazuyuki Nakamura has extensive knowledge and experience, accumulated as manager of other listed companies, and the Company expects that he will contribute to the business and financial management of the Company by using such knowledge and experience. Therefore, the Company is re-nominating him as a candidate for Outside Director.			

- Notes:
1. None of the above candidates have any conflicts of interest with the Company.
 2. A candidate for Director Yukihiro Nishimura is expected to resign as Director of DAIWABO INFORMATION SYSTEM CO., LTD. on June 25, 2020.
 3. A candidate for Director Toshihiro Tatsumi is expected to resign as Managing Director, General Manager of Administration Division of DAIWABO INFORMATION SYSTEM CO., LTD. on June 25, 2020.
 4. Kenichi Dohi and Kazuyuki Nakamura are candidates for Outside Director.
 5. The Company has assigned and registered Kenichi Dohi as Independent Officer under the regulations of the Tokyo Stock Exchange. While Sumitex International Company Limited and SUMISHO MONTBLANC Co., Ltd. are clients of our subsidiaries, DAIWABO INFORMATION SYSTEM CO., LTD. and Daiwabo Co., Ltd., the total trading performance result with them is less than 0.1% of consolidated sales of the Company for the current term. Therefore, Kenichi Dohi meets the Standard of Independence as set forth by the Company.
 6. The Company has assigned and registered Kazuyuki Nakamura as Independent Officer under the regulations of the Tokyo Stock Exchange. While Mitsubishi Electric Corporation is a client of our subsidiary DAIWABO INFORMATION SYSTEM CO., LTD., the total trading performance result with Mitsubishi Electric Corporation was less than 0.1% of consolidated sales of the Company for the current term. Therefore, Kazuyuki Nakamura meets the Standard of Independence as set forth by the Company.
 7. Kenichi Dohi will have served as Outside Director of the Company for four (4) years upon the close of this meeting.
 8. Kazuyuki Nakamura will have served as Outside Director of the Company for two (2) years upon the close of this meeting.
 9. In order for the Director (excluding executive directors, etc.) to fully fulfill his/her expected role, Article 24 of the current Article of Incorporation provides that the Company may enter into an agreement with the Director (excluding executive directors, etc.) to limit his/her liability for damages to the Company caused by his/her negligence. The Company has entered into such agreements with Kenichi Dohi and Kazuyuki Nakamura to limit their liability up to the amount stipulated by applicable laws and regulations. If the reelections of Kenichi Dohi and Kazuyuki Nakamura are approved, the Company intends to continue the aforesaid liability limitation agreement with them.

Proposal 3: Election of One (1) Audit & Supervisory Board Member

The Company proposes the election of one (1) Audit & Supervisory Board Member, increasing the number of Audit & Supervisory Board Members by one (1) to strengthen and enhance the audit system.

In addition, the prior agreement of the Audit & Supervisory Board has been obtained for the submission of this proposal.

The candidate for Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Career summary and position	Number of the Company's shares held
Masaya Ono (March 30, 1963) New election	May 1990 Joined DAIWABO INFORMATION SYSTEM CO., LTD. Dec. 2015 General Manager, Internal Auditing Department of DAIWABO INFORMATION SYSTEM CO., LTD. Apr. 2019 General Manager, Audit Room of the Company (present position)	900 shares

(The reason for nominating as a candidate for Audit & Supervisory Board Member)

Masaya Ono has extensive work experience in a wide range of fields through his involvement mainly in IT Infrastructure Distribution Business since he joined DAIWABO INFORMATION SYSTEM CO., LTD., and is able to apply the audit experience and knowledge gained while serving as General Manager of Internal Auditing Department of DAIWABO INFORMATION SYSTEM CO., LTD. since 2015, and General Manager of Audit Room of the Company since 2019 to perform his duties. Therefore, the Company is nominating him as a candidate for Audit & Supervisory Board Member.

Note: There are no conflicts of interest between the above candidate and the Company.

Proposal 4: Revision of Remuneration Amount for Directors and Audit & Supervisory Board Members

The remuneration provided to the Directors of the Company was proposed at 11.00 million yen monthly or less (132.00 million yen annually or less) at the 88th Annual General Meeting of Shareholders held on June 26, 1998. The remuneration provided to the Audit & Supervisory Board Members of the Company was proposed at 4.5 million yen monthly or less (54.00 million yen annually or less) at the 98th Annual General Meeting of Shareholders held on June 27, 2008. Both of these proposals were approved and have continued until today.

The Company has recently been working to reform the management system around an approach that abolishes the Executive Officer system and the system whereby Directors serve concurrently as Directors of subsidiaries, with the aim of establishing a more efficient and flexible management system, in preparation for the new growth strategy for the 2020s that began in April 2020. Accordingly, with regard to remuneration for Directors, remuneration for Executive Officer has been abolished, and remuneration for Directors and for employees from subsidiaries where Directors serve concurrently has been discontinued. Conversely, in order to maintain remuneration at the previous level, the scope of current upper limits on the amount of remuneration has been partially reviewed.

However, taking into consideration the fact that the economic situation and economic environment have changed dramatically and the workload of Directors and Audit & Supervisory Board Members has been increasing, when setting a level of remuneration for Directors that will attract and retain superior human resources going forward, and realizing fair and proper treatment based on duties and outcomes, it is predicted that the current upper limits will become inadequate in the future, making it difficult to conduct management flexibly. For Audit & Supervisory Board Members, following the establishment of the new management system, it will be necessary to set a remuneration amount that takes into account the increase in audit operations, the expansion in the audit field and etc. Taking these matters into consideration, the Company proposes to revise the amount of remuneration for Directors and Audit & Supervisory Board Members.

Accordingly, the Company proposes to change the rule governing the upper limit of remuneration for Directors from a monthly basis to an annual basis, while increasing incentives to Directors (excluding Outside Directors) to improve performance over the medium to long term and to raise corporate value. In order to further enhance the performance of the Company, in addition to basic remuneration (fixed remuneration), the Company proposes to pay performance-linked remuneration (bonuses) that varies in a range of 30% above or below a base amount, depending on the degree of achievement in relation to targets such as consolidated operating profit, consolidated net profit, and ROE for a single fiscal year stipulated by the Company.

The Company proposes to revise the upper limit for the amount of basic remuneration (fixed remuneration) to 237 million yen annually or less (with Outside Directors accounting for 36 million yen annually or less of this figure), and to set the new, performance-linked remuneration (bonuses) to 91 million yen annually or less (excluding Outside Directors). The ratio of basic remuneration (fixed remuneration) to performance-linked remuneration (bonuses) will generally be set to 3:1.

With regard to the method for calculating performance-linked remuneration (bonuses), the reason for using consolidated results to measure performance is that the Company is a pure holding company, and the role of its Directors is to improve the performance of the Group as a whole, including that of consolidated subsidiaries, and it is therefore considered appropriate to use consolidated results for these evaluations.

With regard to the remuneration of Outside Directors, taking into account their role of overseeing and providing advice to management from an objective and independent viewpoint, it has been decided to pay only basic remuneration (fixed remuneration).

In addition, in the case of Directors serving concurrently as employees, it is proposed that, as was previously the case, the amount of remuneration for Directors shall not include the employee's portion of salaries.

Going forward, with regard to the amount of payments to each Director of basic remuneration (fixed remuneration) and performance-linked remuneration (bonuses) for Directors, in order to ensure objectivity and transparency in the procedure for determining remuneration, remuneration shall be restricted to the extent of the maximum amount approved in this proposal, and after a Remuneration Committee consisting of Representative Directors and Outside Directors, which is expected to be set up by resolution of the Board of Directors after the close of this Annual General Meeting of Shareholders, has deliberated and reported its findings, remuneration shall be decided by the Board of Directors.

The current number of Directors is four (4) (of whom two (2) are Outside Directors). Subject to the approval of Proposal 2 “Election of Five (5) Directors” as originally proposed, the number of Directors will be five (5) (of whom two (2) are Outside Directors).

With regard to the maximum amount of remuneration provided to Audit & Supervisory Board Members, the rules governing the basis for payment shall be changed from monthly to annually, and the amount revised to 57.6 million yen annually or less. Taking into account the role of Audit & Supervisory Board Members in overseeing and providing advice to management, it has been decided to pay them only basic remuneration (fixed remuneration), as was previously the case. The remuneration amount for individual Audit & Supervisory Board Members will be determined through discussions among Audit & Supervisory Board Members within the extent of the maximum amount approved in this proposal.

Furthermore, the number of Audit & Supervisory Board Members is currently three (3). Subject to the approval of Proposal 3: “Election of One (1) Audit & Supervisory Board Member” as originally proposed, the number of Audit & Supervisory Board Members will be four (4) (of whom two (2) are Outside Audit & Supervisory Board Members).