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

Securities code: 2590
March 26, 2019

To Our Shareholders,

Tomiya Takamatsu, President and Representative Director
DyDo GROUP HOLDINGS, INC.
2-2-7 Nakanoshima, Kita-ku, Osaka

Notice of Convocation of the 44th Annual General Meeting of Shareholders

You are cordially invited to attend the 44th Annual General Meeting of Shareholders of DyDo GROUP HOLDINGS, INC. ("the Company") to be held as described below.

If you are unable to attend the meeting, you can exercise voting rights by either of the following methods. Please review the attached Reference Documents for General Meeting of Shareholders and exercise your voting rights before 5:00 p.m., Monday, April 15, 2019 (JST).

[Exercising voting rights in writing]

Please indicate your vote of approval or disapproval of each proposal on the enclosed voting card, and return the card so that it arrives by the time and date stated above.

[Exercising voting rights by electronic or magnetic means (via the Internet)]

Please read the instructions for "Exercising Voting Rights via the Internet" on page 3 and exercise your voting rights by the time and date stated above.

1. Date and Time: 10:00 a.m., Tuesday, April 16, 2019 (JST) (Reception desk opens at 9:00 a.m.)
2. Venue: "The Hō" Function Room, Second floor, Hotel New Otani Osaka
1-4-1 Shiromi, Chuo-ku, Osaka
3. Purpose of the Meeting:
Matters to be reported:
1. The business report, the consolidated financial statements and audit reports of the Accounting Auditor and the Board of Corporate Auditors for the consolidated financial statements for the 44th term (from January 21, 2018 to January 20, 2019)
2. The non-consolidated financial statements for the 44th term (from January 21, 2018 to January 20, 2019)

Matters to be resolved:
Proposal 1: Appropriation of Surplus
Proposal 2: Election of Six (6) Directors
Proposal 3: Election of Three (3) Corporate Auditors

When attending the meeting, you are kindly requested to present the enclosed voting card to the receptionist.

Pursuant to the relevant laws and regulations and Article 17 of the Company's Articles of Incorporation, "Systems and policy of the Company" in the business report, "Notes to consolidated financial statements" in the consolidated financial statements and "Notes to non-consolidated financial statements" in the non-consolidated financial statements are posted on the Company's website and are not attached to this notice. Accordingly, the attached documents to this notice are part of the documents that were audited by the Corporate Auditors and the Accounting Auditor in preparing the audit reports.

Any modifications to the business report, the consolidated financial statements, the non-consolidated financial statements and the Reference Documents for General Meeting of Shareholders will be posted on the Company's website.

Company's website: https://www.dydo-ghd.co.jp/

Guide to Exercising Voting Rights

There are three methods to exercise your voting rights as indicated below.

Please review the attached Reference Documents for General Meeting of Shareholders and exercise your voting rights.

Exercising Voting Rights by Attendance at the General Meeting of Shareholders

Please present the enclosed voting card to the receptionist.

Date and Time: 10:00 a.m., Tuesday, April 16, 2019 (JST) (Reception desk opens at 9:00 a.m.)

Venue: Hotel New Otani Osaka (Second floor, "The Hō" Function Room)
1-4-1 Shiromi, Chuo-ku, Osaka

Exercising Voting Rights in Writing

Please indicate your vote of approval or disapproval of each proposal on the enclosed voting card, and return the card so that it arrives by the time and date stated below.

Votes to be received by: 5:00 p.m., Monday, April 15, 2019 (JST)

Guide to filling in the voting card

Please indicate your approval or disapproval of each proposal.

Proposal 1

If you consent:	Mark a ○ in the box marked "賛"
If you dissent:	Mark a ○ in the box marked "否"

Proposal 2 and Proposal 3

If you consent for all candidates:	Mark a ○ in the box marked "賛"
If you dissent for all candidates:	Mark a ○ in the box marked "否"
If you selectively veto certain candidates:	Mark a ○ in the box marked "賛" and write the number of each candidate you choose to veto.

If you duplicate the vote by exercising the voting rights both in writing (by mail) and via the Internet, only the Internet vote will be deemed valid. If you exercise your voting rights more than once via the Internet, only the latest vote will be deemed valid.

Exercising Voting Rights via the Internet

Votes to be transmitted by: 5:00 p.m., Monday, April 15, 2019 (JST)

How to scan QR code "Smart voting"

You can log in to the dedicated voting website for exercising voting rights without having to enter your voting right exercise code and password.

1. Scan the QR code printed on the right side of voting card.
2. Then indicate your approval or disapproval of each proposal by following the on-screen instructions.

"Smart voting" can only be used once to exercise your voting rights.

In the event that you wish to modify the details of your vote after exercising your voting rights, please access the website from a PC, enter the voting right exercise code printed on the voting card together with your password, log in, and exercise your voting rights once again.

* If the QR code is read a second time, you will be transferred to the PC version of the website.

How to enter the voting right exercise code and password

Dedicated voting website: https://www.web54.net

1. Please access the dedicated voting website and click "次へすすむ (Next)."
2. Enter the voting right exercise code printed on voting card and click "ログイン (Log in)."
3. Enter the password printed on voting card and click "次へ (Next)."
4. Then indicate your approval or disapproval of each proposal by following the on-screen instructions.

If you have questions about the operation of your PC, smartphone or mobile phone regarding the exercise of voting rights via the Internet, please contact:

Stock Transfer Agency Web Support,
Sumitomo Mitsui Trust Bank, Limited
Tel: 0120-652-031
(available from 9:00 a.m. to 9:00 p.m.)

For institutional investors, the electronic voting platform for institutional investors operated by ICJ, Inc. is available for exercising voting rights.

Reference Documents for General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The Company recognizes that the distribution of profits to shareholders is a key issue in business management. The Company's basic policy for the distribution of profits is to maintain stable dividend payments while giving consideration to the balance between the internal reserves necessary for sustainable growth and returns to the shareholders.

In accordance with such perception, the Company proposes a ¥30 per share year-end dividend for the fiscal year under review.

Since a ¥30 per share interim dividend has already been paid, the annual dividend for the fiscal year under review will be ¥60 per share.

1. Year-end Dividend

(1) Type of dividend property
Money

(2) Allotment of dividend property and total amount
¥30 per share of common stock of the Company
The total amount of dividends: ¥497,025,090

(3) Effective date of dividends from surplus
April 17, 2019

2. Other Appropriation of Surplus

In order to contribute to the development of a rich and robust society, the Company's group (hereinafter referred to as the "Group") will promote activities which promote co-existence and co-prosperity within the regional community. Based on the Group philosophy of "striving to achieve happiness and prosperity together with people and society as a whole" and in order to utilize the contributions to regional community activities, the Company proposes to reserve the amount of ¥100,000,000 as stated below for the Local Community Contribution Fund:

(1) Item to be decreased and amount of decrease
Retained earnings carried forward: ¥100,000,000

(2) Item to be increased and amount of increase
Local Community Contribution Fund: ¥100,000,000

Proposal 2: Election of Six (6) Directors

The terms of office of all six (6) Directors will expire at the conclusion of this meeting. Accordingly, the Company proposes to elect six (6) Directors.

The candidates for Director are as follows:

No.	Name	Current positions and areas of responsibilities in the Company	
1	Tomiya Takamatsu	President and Representative Director	Reappointment
2	Tomihiro Takamatsu	Chairman and Director	Reappointment
3	Naoki Tonokatsu	Director, Corporate Officer, General Manager of Finance Department	Reappointment
4	Naoyuki Nishiyama	Director, Corporate Officer, General Manager of Corporate Strategy Department	Reappointment
5	Shinji Mori	Director	Reappointment Independent Outside
6	Masataka Inoue	Director	Reappointment Independent Outside

Reappointment Candidate for Director to be reappointed

Independent Candidate for independent officer as prescribed by the Tokyo Stock Exchange

Outside Candidate for Outside Director

Candidate No.
1

Tomiya Takamatsu

Date of birth
June 26, 1976

Reappointment

Number of the Company's shares held
495,000 shares

Term of office as Director
11 years and 0 months (at the conclusion of this meeting)

Attendance at Board of Directors meetings
19/19 (100%)

Career summary, positions and areas of responsibilities in the Company

Apr. 2004	Joined the Company
Apr. 2008	Director, the Company
Apr. 2009	Managing Director, the Company
Mar. 2010	Executive Director, the Company
Apr. 2012	Vice President and Director, the Company
Apr. 2014	President and Representative Director, the Company (incumbent)
Feb. 2016	President and Representative Director, DyDo DRINCO Split Preparation Co., Ltd. (currently DyDo DRINCO, INC.) (incumbent)

Significant concurrent positions

President and Representative Director, DyDo DRINCO, INC.

Reasons for nomination as candidate for Director

Since his appointment to the position of President in April 2014, Mr. Takamatsu has demonstrated strong leadership by managing the Company with rapid, decisive decision-making in line with its medium- and long-term management posture based on the perspective of all stakeholders and in keeping with the newly formulated Group Philosophy and Group Vision. He has been steadily working to build business foundations geared to achieving growth in the future which has involved strengthening the Group's management. Based on this proven track record, he has been put forward as a candidate for continued service on the Board of Directors.

Candidate No.
2

Tomihiro Takamatsu

Date of birth
January 16, 1948

Reappointment

Number of the Company's shares held
495,000 shares

Term of office as Director
44 years and 3 months (at the conclusion of this meeting)

Attendance at Board of Directors meetings
19/19 (100%)

Career summary, positions and areas of responsibilities in the Company

Mar. 1971	Joined DAIDO PHARMACEUTICAL CORPORATION
Jan. 1975	Managing Director following the Company's establishment
May 1984	Executive Director, the Company
Jun. 1990	Vice President and Director, the Company
Apr. 1992	Vice President and Representative Director, the Company
Apr. 1994	President and Representative Director, the Company
Apr. 2014	Chairman and Director, the Company (incumbent)

Significant concurrent positions

President, Nippon Matsuri Network NPO (Non-Profit Organization)

Reasons for nomination as candidate for Director

Having guided the Company as its President for 20 years, Mr. Takamatsu brings a wealth of experience as well as a proven track record to the table. In his current position as Chairman and Director, he fulfills a range of roles as appropriate, including strengthening the foundation of the Group's management in areas such as governance, deciding important issues, and overseeing execution of business operations. In addition, he has worked tirelessly to revitalize the local communities in which the Company does business by orchestrating its community service activities over many years. Based on this proven track record, he has been put forward as a candidate for continued service on the Board of Directors.

Candidate No.
3

Naoki Tonokatsu

Date of birth
November 4, 1963

Reappointment

Number of the Company's shares held
3,100 shares

Term of office as Director
2 years and 0 months (at the conclusion of this meeting)

Attendance at Board of Directors meetings
19/19 (100%)

Career summary, positions and areas of responsibilities in the Company

Mar. 1986	Joined the Company
Jan. 2011	General Manager of Financial Affairs Department, the Company
Mar. 2013	Corporate Officer, Division Director of Administration Division, the Company
Jan. 2014	Corporate Officer, Division Director of Finance Division, the Company
Jan. 2017	Corporate Officer, General Manager of Finance Department, the Company Director, Corporate Officer, Division Director of Finance Division, DyDo DRINCO, INC. (incumbent)
Apr. 2017	Director, Corporate Officer, General Manager of Finance Department, the Company (incumbent)

Reasons for nomination as candidate for Director

Since joining the Company, Mr. Tonokatsu has engaged in finance for many years and has extensive experience and achievements. Currently, as the Director, Corporate Officer, and General Manager of Finance Department, he is putting effort into sound company management such as by building a solid structure for the entire Group's financial base and contributing to improving profitability. Based on this proven track record, he has been put forward as a candidate for continued service on the Board of Directors.

Candidate No.
4

Naoyuki Nishiyama

Date of birth
July 30, 1965

Reappointment

Number of the Company's shares held

200 shares

Term of office as Director

2 years and 0 months (at the conclusion of this meeting)

Attendance at Board of Directors meetings

19/19 (100%)

Career summary, positions and areas of responsibilities in the Company

Mar. 1988	Joined the Company
Jan. 2014	General Manager of Corporate Strategy Department, the Company
Feb. 2014	General Manager of Corporate Strategy Department and General Manager of International Business Department, the Company
Mar. 2015	Corporate Officer, General Manager of Corporate Strategy Department and General Manager of International Business Department, the Company
Jan. 2016	Corporate Officer, General Manager of Corporate Strategy Department and General Manager of Strategic Investment Department, the Company
Jan. 2017	Corporate Officer, General Manager of Corporate Strategy Department, the Company
Apr. 2017	Director, Corporate Officer, General Manager of Corporate Strategy Department, the Company (incumbent)

Reasons for nomination as candidate for Director

Mr. Nishiyama has engaged in a wide range of duties covering overall management such as corporate strategy, strategic investment, and international business and has extensive experience and achievements. Currently, he is leading Group companies as the Director, Corporate Officer, and General Manager of Corporate Strategy Department and pursuing initiatives to expand into new business domains. Based on this proven track record, he has been put forward as a candidate for continued service on the Board of Directors.

Candidate No.
5

Shinji Mori

Date of birth
May 22, 1946

Reappointment

Independent

Outside

Number of the Company's shares held

100 shares

Term of office as Outside Director

5 years and 0 months (at the conclusion of this meeting)

Attendance at Board of Directors meetings

19/19 (100%)

Career summary, positions and areas of responsibilities in the Company

Apr. 1972	Joined the Legal Training and Research Institute of Japan
Apr. 1974	Appointed as a judge, Yokohama District Court
Apr. 1986	Appointed as a judge, Kyoto District Court
May 1989	Registered as a member of the Osaka Bar Association
May 1989	Joined Chuo Sogo Law Office (currently Chuo Sogo Law Office, P. C.)
Apr. 2001	Corporate Auditor, the Company
Sep. 2003	Senior Partner, Chuo Sogo Law Office, P. C. (incumbent)
Apr. 2014	Director, the Company (incumbent)

Significant concurrent positions

Outside Corporate Auditor, OSAKA SODA CO., LTD.

Auditor, CREDIT GUARANTEE CORPORATION OF OSAKA

Reasons for nomination as candidate for Outside Director

Mr. Mori has extensive experience and an advanced level of specialized knowledge as an attorney, and he has served the Company for 13 years as an Outside Corporate Auditor and for five years as an Outside Director. Based on that experience, he is appropriately carrying out his role in strengthening the oversight function of the Board of Directors by commenting on the Company-wide approach to risk management, and otherwise offering advice and suggestions as to the Company's management from an independent perspective. Based on this proven track record, he has been put forward as a candidate for continued service as an Outside Director on the Board of Directors.

Although Mr. Mori has not been involved in corporate management in a manner other than that of being an outside director/corporate auditor of the Company and other companies in the past, the Company has judged that he will be able to appropriately carry out his duties as Outside Director for the above reasons.

Candidate No.
6

Masataka Inoue

Date of birth
October 12, 1954

Reappointment

Independent

Outside

Number of the Company's shares held

– shares

Term of office as Outside Director

3 years and 0 months (at the conclusion of this meeting)

Attendance at Board of Directors meetings

19/19 (100%)

Career summary, positions and areas of responsibilities in the Company

Apr. 1978	Joined Nakano Sumise Co., Ltd.
Jul. 2005	Director, Mizkan Group Corporation
May 2007	Managing Director, Mizkan Group Corporation
Oct. 2009	Full-time Corporate Auditor, Mizkan Group Corporation
Mar. 2011	Divisional Manager in charge of the Management Auditing Office, Mizkan Group Corporation
Mar. 2014	Divisional Manager in charge of the Business Planning Division, Mizkan Holdings Co., Ltd.
Mar. 2016	Retired from Mizkan Holdings Co., Ltd.
Apr. 2016	Director, the Company (incumbent)

Reasons for nomination as candidate for Outside Director

Mr. Inoue has a wealth of knowledge and overseas experience in the food industry. Based on his auditing experience in areas such as business development through overseas M&As and overseas subsidiaries, he is appropriately carrying out his role in strengthening the oversight function of the Board of Directors by commenting with respect to his viewpoint on risk and returns in the course of deliberations concerning such management issues of the Company as accelerated development of the Company's business overseas and expanding into new business domains, and otherwise offering advice and suggestions from an independent perspective. Based on this proven track record, he has been put forward as a candidate for continued service as an Outside Director on the Board of Directors.

Notes:
1. Mr. Shinji Mori serves as Senior Partner of Chuo Sogo Law Office, P. C., Outside Corporate Auditor of OSAKA SODA CO., LTD., and Auditor of CREDIT GUARANTEE CORPORATION OF OSAKA. There are no special interests between the Company and OSAKA SODA CO., LTD. and CREDIT GUARANTEE CORPORATION OF OSAKA. Mr. Shinji Mori is currently working for Chuo Sogo Law Office, P. C., to which the DyDo Group commissions business. The DyDo Group receives legal advice as required from lawyers of this office other than Mr. Shinji Mori, and the annualized advisory fee that the DyDo Group pays to said law office is less than ¥10 million. There are no special interests between candidates other than Mr. Shinji Mori and the Company.
2. The Company has concluded agreements with Messrs. Tomihiro Takamatsu, Shinji Mori and Masataka Inoue pursuant to the provisions of Article 427, paragraph (1) of the Companies Act to limit the amount of their liability to damages as provided for in Article 425, paragraph (1) of the same Act.
   If the reelections of Messrs. Tomihiro Takamatsu, Shinji Mori and Masataka Inoue are approved, the Company plans to extend the same agreements.
3. The Company has notified Messrs. Shinji Mori and Masataka Inoue as independent officers as prescribed by the Tokyo Stock Exchange. If the reelections of Messrs. Shinji Mori and Masataka Inoue are approved, the Company plans to maintain their positions as independent officers.

Proposal 3: Election of Three (3) Corporate Auditors

The terms of office of Messrs. Kazuyoshi Hasegawa, Taizo Yoshida and Hiroshi Matsumoto will expire at the conclusion of this meeting. Accordingly, the Company proposes to elect three (3) Corporate Auditors.

The consent of the Board of Corporate Auditors has been obtained for this proposal.

The candidates for Corporate Auditor are as follows:

No.	Name	Current positions in the Company
1	Kazuyoshi Hasegawa	Full-time Corporate Auditor Reappointment
2	Shigeyuki Moriuchi	– New appointment Independent Outside
3	Kiyoshi Watanabe	– New appointment Independent Outside

Reappointment Candidate for Corporate Auditor to be reappointed

Independent Candidate for independent officer as prescribed by the Tokyo Stock Exchange

Outside Candidate for Outside Corporate Auditor

New appointment Candidate for Corporate Auditor to be newly appointed

(Reference) Corporate Auditors of the Company After the Election (Planned)

Candidate	Name	Positions in the Company Significant concurrent positions
○	Kazuyoshi Hasegawa	Full-time Corporate Auditor
– *	Sachie Kato Independent Outside	Outside Corporate Auditor Outside Director (Audit and Supervisory Committee Member), YAMAZEN CORPORATION Outside Director, HISAKA WORKS, LTD.
○	Shigeyuki Moriuchi Independent Outside	Outside Corporate Auditor Outside Director (Audit and Supervisory Committee Member), KOSHIDAKA HOLDINGS Co., LTD. Outside Corporate Auditor, KATO SANGYO CO., LTD.
○	Kiyoshi Watanabe Independent Outside	Outside Corporate Auditor

* The term of office for Corporate Auditor of the Company is four years. Ms. Sachie Kato was elected at the 43rd Annual General Meeting of Shareholders held on April 13, 2018, and assumed her office.

* The Company has notified Ms. Sachie Kato as an independent officer as prescribed by the Tokyo Stock Exchange.

Candidate No.
1

Kazuyoshi Hasegawa

Date of birth
November 30, 1959

Reappointment

Number of the Company's shares held
100 shares

Term of office as Corporate Auditor
4 years and 0 months (at the conclusion of this meeting)

Attendance at Board of Directors meetings
19/19 (100%)

Attendance at Board of Corporate Auditors meetings
14/14 (100%)

Career summary and positions in the Company

Mar. 1980	Joined the Company
Mar. 1996	Manager of Chiba Office, the Company
Jan. 2006	Head of General Affairs Department, the Company
Mar. 2010	Head of Wide-area Distribution Department, the Company
Mar. 2012	Head of Corporate Sales Daisan Department, the Company
Jan. 2015	Chief Manager of Corporate Sales Department, the Company
Apr. 2015	Full-time Corporate Auditor, the Company (incumbent)

Reasons for nomination as candidate for Corporate Auditor

In his capacity as a full-time Corporate Auditor, Mr. Kazuyoshi Hasegawa is appropriately carrying out his role of auditing the execution of duties by Directors. He has been attending the Board of Directors meetings and other important meetings, and providing comments from a perspective of legality and suitability. While performing activities including the establishment of an environment for auditing and the collection of internal company information, he has been regularly monitoring the status of the construction and operation of the internal control system.
Based on the above, the Company judges him an appropriate person for the position and puts him forward as a candidate for continued service as a Corporate Auditor.

Candidate No.
2

Shigeyuki Moriuchi

Date of birth
February 26, 1957

New appointment

Independent

Outside

Number of the Company's shares held

– shares

Term of office as Corporate Auditor

–

Attendance at Board of Directors meetings

–

Attendance at Board of Corporate Auditors meetings

–

Career summary and positions in the Company

Oct. 1982	Joined Price Waterhouse Certified Public Accountants Office
Jul. 1998	Senior Partner, Aoyama Audit Corporation
Oct. 2005	Director and Senior Partner, ChuoAoyama Audit Corporation
May 2007	Senior Partner, Kasumigaseki Audit Corporation (currently Grant Thornton Taiyo LLC)
Jan. 2010	Managing Partner, Kasumigaseki Audit Corporation
Oct. 2013	Partner, Grant Thornton Taiyo LLC (incumbent)
Nov. 2015	Outside Director (Audit and Supervisory Committee Member), KOSHIDAKA HOLDINGS Co., LTD. (incumbent)
Dec. 2016	Outside Corporate Auditor, KATO SANGYO CO., LTD. (incumbent)

Significant concurrent positions

Outside Director (Audit and Supervisory Committee Member), KOSHIDAKA HOLDINGS Co., LTD.

Outside Corporate Auditor, KATO SANGYO CO., LTD.

Reasons for nomination as candidate for Outside Corporate Auditor

Mr. Shigeyuki Moriuchi has gained longstanding auditing experience at a major accountants office and a major audit corporation, and he has business experience in a wide range of areas including legal auditing operations, international operations, IPO support and has extensive insight as an accounting specialist. The Company therefore wishes for such expertise to be reflected in the Company's auditing and puts him forward as a new candidate for service as an Outside Corporate Auditor.

Although Mr. Moriuchi has not been involved in corporate management in a manner other than that of being an outside director/corporate auditor of other companies in the past, the Company has judged that he will be able to appropriately carry out his duties as Outside Corporate Auditor for the above reasons.

Candidate No.
3

Kiyoshi Watanabe

Date of birth
November 14, 1967

New appointment

Independent

Outside

Number of the Company's shares held

– shares

Term of office as Corporate Auditor

–

Attendance at Board of Directors meetings

–

Attendance at Board of Corporate Auditors meetings

–

Career summary and positions in the Company

Feb. 1997	Registered as a certified tax accountant
Jul. 1997	Established Kiyoshi Watanabe Certified Tax Accountant Office (incumbent)

Reasons for nomination as candidate for Outside Corporate Auditor

Mr. Kiyoshi Watanabe has gained longstanding practical experience as a certified tax accountant and a management consultant, and he has extensive insight as a tax accounting specialist. The Company therefore wishes for such expertise to be reflected in the Company's auditing and puts him forward as a new candidate for service as an Outside Corporate Auditor.
Although Mr. Watanabe has not been involved in corporate management in the past, the Company has judged that he will be able to appropriately carry out his duties as Outside Corporate Auditor for the above reasons.

Notes:
1. Messrs. Shigeyuki Moriuchi and Kiyoshi Watanabe are candidates for Outside Corporate Auditor.
2. Mr. Shigeyuki Moriuchi serves as Partner of Grant Thornton Taiyo LLC, Outside Director (Audit and Supervisory Committee Member) of KOSHIDAKA HOLDINGS Co., LTD., and Outside Corporate Auditor of KATO SANGYO CO., LTD. There are no special interests between the Company and Grant Thornton Taiyo LLC and KOSHIDAKA HOLDINGS Co., LTD. The Company does have a trading relationship with KATO SANGYO CO., LTD., however for the past three years, the amount of such trade was less than 2% of the consolidated net sales of either the Company or KATO SANGYO CO., LTD., and accordingly, KATO SANGYO CO., LTD. is not considered a major business partner of the Company. There are no special interests between candidates other than Mr. Shigeyuki Moriuchi and the Company.
3. The Company has concluded agreement with Mr. Kazuyoshi Hasegawa pursuant to the provisions of Article 427, paragraph (1) of the Companies Act to limit the amount of his liability to damages as provided for in Article 425, paragraph (1) of the same Act. If the reelection of Mr. Kazuyoshi Hasegawa is approved, Company plans to extend the same agreement. In addition, if the elections of Messrs. Shigeyuki Moriuchi and Kiyoshi Watanabe are approved, the Company plans to conclude the same agreements.
4. If the elections of Messrs. Shigeyuki Moriuchi and Kiyoshi Watanabe are approved, the Company plans to notify them as independent officers as prescribed by the Tokyo Stock Exchange.

(Reference) Independence Standards for Outside Directors/Corporate Auditors

The Company has established the following standards to govern the independence of its Outside Directors/Corporate Auditors.

1. Candidates may not be an individual with responsibility over operations (*1) of the DyDo Group;
2. Candidates may not have the DyDo Group as a major business partner (*2) or be an individual with responsibility over operations of a company that has the DyDo Group as a major business partner;
3. Candidates may not be a major business partner of the DyDo Group, or an individual with responsibility over operations of a major business partner of the DyDo Group;
4. Candidates may not be a consultant, accounting specialist, or legal specialist who receives a large amount of money (*3) or other assets apart from officer compensation from the DyDo Group;
5. Candidates may not be a trustee or an individual with responsibility over operations of an organization that receives donations or subsidies in excess of a certain amount (*4) from the DyDo Group;
6. Candidates may not be a major shareholder of the Company (*5) or an individual with responsibility over operations of a major shareholder of the Company;
7. Candidates may not be an individual with responsibility over operations of a certain other company if an Executive Director or full-time Corporate Auditor of the Company is concurrently serving as an outside director or outside corporate auditor of that company;
8. Candidates must not have fallen under the statuses described in 1 through 7 above at any time during the last three years, and;
9. Candidates must not be a close relative (*6) of an individual who falls under any of the statuses described in 1 through 8 above (however, this applies only to an individual deemed an important employee (*7) with respect to an employee described in 1 above).

*1 In this context, an individual with responsibility over operations refers to an Executive Director or executive officer of the Company, or another company's company officer with responsibility over that company's business operations, or individuals or employees with the same responsibilities.

*2 In this context, a major business partner refers to a business partner whose payments or receipts with respect to transactions with the DyDo Group have exceeded 2% of its total annual consolidated net sales during the most recent fiscal year.

*3 In this context, a large amount of money refers to an amount, when averaged over the last three years, that is ¥10 million or more per year (for individuals), or, over 2% of an organization's consolidated net sales when averaged over the last three fiscal years (for organizations).

*4 In this context, a certain amount refers to an amount, when averaged over the last three fiscal years, that is either ¥10 million per year or 30% of the average annual total expenses of the organization, whichever is larger.

*5 In this context, a major shareholder of the Company refers to a shareholder who directly or indirectly holds 10% or more of voting rights of the Company.

*6 In this context, a close relative refers to a spouse, a relative within the second degree of kinship, or a relative residing in the same household.

*7 In this context, an important employee refers to an employee of the rank of General Manager or above.