

Daido Metal Co., Ltd.

Seigo Hanji
Chairman and Chief Executive Officer

(For inquiry)
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Notice on Decision Concerning Acquisition of Shares for Stock-based Remuneration Scheme

Daido Metal Co., Ltd. (hereinafter the “Company”) resolved at a board of directors’ meeting held on May 24, 2019, to introduce a stock-based remuneration scheme for Directors of the Company, (excluding Outside Directors, the same applying hereinafter), (hereinafter the “Stock-based Remuneration Scheme for Directors”; the trust established for which scheme is referred to as the “Board Benefit Trust for Directors”), and the proposal was approved at the 111th Annual Shareholders’ Meeting held on June 27, 2019.

Furthermore, today, the Company resolved at a board of directors’ meeting to introduce a stock-based remuneration scheme for Executive Officers of the Company, (excluding Executive Officers concurrently serving as Directors, the same applying hereinafter), (hereinafter the “Stock-based Remuneration Scheme for Executive Officers”; the trust established for which scheme is referred to as the “Benefit Trust for Executive Officers”) and decided on matters concerning the acquisition of the Company’s shares to be carried out by the trustee of the Board Benefit Trust for Directors and Benefit Trust for Executive Officers (hereinafter collectively the “Trusts”). The details are as follows.

1. Overview of the Trusts

	Stock-based Remuneration Scheme for Directors	Stock-based Remuneration Scheme for Executive Officers
(1) Name	Board Benefit Trust for Directors	Benefit Trust for Executive Officers
(2) Trustor	The Company	
(3) Trustee	Sumitomo Mitsui Trust Bank, Limited (Re-trustee: Japan Trustee Services Bank, Ltd.)	
(4) Beneficiaries	Directors who satisfy beneficiary requirements	Executive Officers who satisfy beneficiary requirements
(5) Administrator of Trusts	Third party having no conflict of interest with the Company	

(6) Exercise of voting rights	Not to be exercised during trust period.	Trust administrator to provide instructions on the exercise of voting rights.
(7) Type of Trusts	Trust of money other than money trust (third-party-benefit trust)	
(8) Date of trust agreements	Thursday, November 28, 2019 (Plan)	
(9) Date money is contributed to Trusts	Thursday, November 28, 2019 (Plan)	
(10) Termination date of Trusts	Friday, August 30, 2024 (Plan)	

2. Matters on acquisition of the Company's shares by the trustee of the Trusts

	Board Benefit Trust for Directors	Benefit Trust for Executive Officers
(1) Class of shares to be acquired	Common shares	
(2) Money put in trust by the Company as share acquisition funds	220,000,000 yen	110,000,000 yen
(3) Total number of shares to be acquired	294,000 shares (max)	155,000 shares (max)
(4) Method of share acquisition	Purchase from the market (including after-hour trading)	
(5) Period of share acquisition	Thursday, November 28, 2019 to Monday, December 30, 2019 (Plan)	

This is a translation of the Japanese press release for reference purposes only. In the event of any discrepancy, the Japanese original shall prevail.