

*Note: This document is a translation of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.*

May 27, 2022

**Daido Metal Co., Ltd.**

Seigo Hanji

Chairman and Chief Executive Officer

(Code) 7245 Prime Market of TSE

Premier Market of NSE

(For inquiry)

Hiroki Iwakura

Executive Officer

Head of Corporate Planning Division

(TEL: +81-52-205-1400)

**Notice on Partial Amendments to the Articles of Incorporation**

At the Board of Directors meeting held on May 27, 2022, Daido Metal Co., Ltd. (hereinafter “the Company”) resolved to submit an agenda item “Partial Amendments to the Articles of Incorporation” to the 114th Annual Shareholders’ Meeting to be held on June 29, 2022 as follows.

1. Reasons for the Amendments

- (1) The Company intends to add a business purpose to Article 2 (Purpose) of the current Articles of Incorporation to prepare for future business development.
- (2) Since the revised provisions set forth in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) will come into force on September 1, 2022, the Company proposes to make the following changes to its Articles of Incorporation in preparation for an introduction of the system for electronically providing informational materials, etc., for the Shareholders’ Meeting:
  - (i) Article 15, paragraph (1) of the proposed amendments will stipulate that the Company shall take measures to electronically provide information contained in reference documents for the Shareholders’ Meeting, etc.;
  - (ii) Article 15, paragraph (2) of the proposed amendments will establish a provision to limit the scope of items to be stated in paper-based documents to be delivered to shareholders who ask for them;
  - (iii) Since the provisions for internet-based disclosure and deemed provision of reference documents for Shareholders’ Meeting (Article 16 of the current Articles of Incorporation) will become unnecessary, they will be deleted;
  - (iv) Due to the abovementioned establishment and deletion of provisions, supplementary provisions on effective dates, etc., will be established.
- (3) To make our capital and dividend policies flexible, the Company intends to establish Article 43 (Decision-Making Bodies for Dividends of Surplus, Etc.) and Article 44 (Record Date for Dividend of Surplus) as shown in the proposed amendments so that

dividend of surplus, etc., can be paid by resolution of not only the Shareholders' Meeting but also of the Board of Directors in accordance with the provision of Article 459, paragraph (1) of the Companies Act. In addition, the Company will delete the provisions of Article 7 of the current Articles of Incorporation (Purchase of Company's Own Shares) and Article 44 (Record Date for Dividend of Surplus), and Article 45 (Interim Dividend) that will be redundant.

- (4) Due to the abovementioned amendments, the number of articles will be revised as required.

## 2. Details of the Amendments

Details of the amendments are as follows.

(The underlined parts indicate the amendments.)

Current Articles of Incorporation	Proposed amendments
(Purpose) Article 2 The Company aims to engage in the following undertakings: 1. - 18. (Omitted) (Newly established) <u>19.</u> Any and all business incidental to each business listed in the preceding items.	(Purpose) Article 2 The Company aims to engage in the following undertakings: 1. - 18. (Unchanged) <u>19. Telecommunication business</u> <u>20.</u> (Unchanged)
<u>(Purchase of Company's Own Shares)</u> <u>Article 7 The Company may, by a resolution of the Board of Directors, purchase its own shares through market transactions or other permitted methods in accordance with the provision of Article 165, paragraph (2) of the Companies Act.</u>	(Deleted)
Articles <u>8</u> - <u>15</u> (Omitted)	Articles <u>7</u> - <u>14</u> (Unchanged)
<u>(Internet-based Disclosure and Deemed Provision of Reference Documents for Shareholders' Meeting)</u> <u>Article 16 The Company, in convening a Shareholders' Meeting, may be deemed to have provided its shareholders with information on the matters that should be stated or displayed in the reference documents of the Shareholders' Meeting including business reports, financial statements, and consolidated financial statements by disclosing the said information through the Internet pursuant to the provisions stipulated</u>	(Deleted)

Current Articles of Incorporation	Proposed amendments
<u>in the applicable Ordinance of the Ministry of Justice.</u>	
(Newly established)	<p><u>(Measures, etc. for Providing Information in Electronic Format)</u>  <u>Article 15</u>  (1) <u>When the Company convenes a Shareholders' Meeting, it shall take measures for providing information that constitutes the content of reference documents for the Shareholders' Meeting, etc. in electronic format.</u>  (2) <u>Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u></p>
Articles <u>17</u> - <u>43</u> (Omitted)	Articles <u>16</u> - <u>42</u> (Unchanged)
<p><u>(Record Date for Dividend of Surplus)</u>  <u>Article 44</u>  (1) <u>The record date for the year-end dividend of the Company shall be March 31 of each year.</u>  (2) <u>In addition to the record date provided for in the preceding paragraph, the Company may prescribe a record date and distribute the dividend of surplus.</u></p>	(Deleted)
<p><u>(Interim Dividend)</u>  <u>Article 45 The Company, subject to a resolution of the Board of Directors, may distribute an interim dividend as of the record date of September 30 of each year.</u></p>	(Deleted)

Current Articles of Incorporation	Proposed amendments
(Newly established)	<p><u>(Decision-Making Bodies for Dividends of Surplus, Etc.)</u>  <u>Article 43 Unless otherwise provided for by laws and regulations, the Company may, by resolution of the Board of Directors, determine dividends of surplus and other matters set forth in the items of Article 459, paragraph (1) of the Companies Act.</u></p>
(Newly established)	<p><u>(Record Date for Dividend of Surplus)</u>  <u>Article 44</u>  <u>(1) The record date for the year-end dividend of the Company shall be March 31 of each year.</u>  <u>(2) The record date for the interim dividend of the Company shall be September 30 of each year.</u>  <u>(3) In addition to the record date provided for in the preceding paragraphs, the Company may prescribe a record date and distribute the dividend of surplus.</u></p>
Article <u>46</u> (Omitted)	Article <u>45</u> (Unchanged)
(Newly established)	<p><u>(Supplementary Provisions)</u>  <u>(1) The deletion of Article 16 (Internet-based Disclosure and Deemed Provision of Reference Documents for Shareholders' Meeting) in the pre-amended Articles of Incorporation and the establishment of the new Article 15 (Measures, etc. for Providing Information in Electronic Format) in the amended Articles of Incorporation shall be effective from September 1, 2022, which is the date of enforcement of the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (hereinafter referred to as the "Date of Enforcement").</u>  <u>(2) Notwithstanding the provision of the preceding paragraph, Article 16 of the pre-amended Articles of Incorporation shall remain effective regarding any Shareholders' Meeting held on a date</u></p>

Current Articles of Incorporation	Proposed amendments
	<p><u>within six months from the Date of Enforcement.</u></p> <p><u>(3) These Supplementary Provisions shall be deleted on the date when six months have elapsed from the Date of Enforcement or three months have elapsed from the date of the Shareholders' Meeting in the preceding paragraph, whichever is later.</u></p>

### 3. Schedule

Date of holding the Shareholders' Meeting intended to amend the Articles of Incorporation: Wednesday, June 29, 2022

Effective date of the amendments to the Articles of Incorporation:

Wednesday, June 29, 2022

Nevertheless, the deletion of Article 16 from the current Articles of Incorporation, and establishment of Article 15 in the proposed amended Articles of Incorporation, will each come into effect on a date specified in the Supplementary Provisions of the "2. Details of the Amendments" section.