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Securities code: 1878

June 13, 2022

To Our Shareholders

Katsuma Kobayashi
President and Representative Director,
Chief Executive Officer
Daito Trust Construction Co., Ltd.
16-1, Konan 2-chome, Minato-ku, Tokyo

Notice of Convocation of the 48th Ordinary General Meeting of Shareholders

We hereby inform you that the 48th Ordinary General Meeting of Shareholders of the Company will be held as described below.

The Company decided to hold this meeting upon taking appropriate infection preventive measures, as in the previous year. From the perspective of preventing the spread of infection, shareholders are recommended to refrain from attending the meeting and exercise your voting rights in advance via postal mail or the Internet.

Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:00 p.m. on June 27, 2022 (Monday).

- 1. Date and Time:** June 28, 2022 (Tuesday) 11:00 a.m. (Reception desk opens at 10:00 a.m.)
- 2. Place:** 4-1, Shinonome 1-chome, Koto-ku, Tokyo
ROOFLAG Rental Housing Exhibition Hall

3. Agenda for the Meeting:

Matters to be reported:

1. The Business Report, the Consolidated Financial Statements and the audit results of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board for the 48th Fiscal Term (April 1, 2021 to March 31, 2022)
2. The Non-consolidated Financial Statements for the 48th Fiscal Term (April 1, 2021 to March 31, 2022)

For the treatment of matters to be reported, please see “Holding of the Continuing Meeting of the 48th Ordinary General Meeting of Shareholders” on page 2.

Matters to be resolved:

- Proposal No. 1:** Appropriation of Surplus for the 48th Fiscal Term
Proposal No. 2: Partial Amendment to the Articles of Incorporation

Holding of the Continuing Meeting of the 48th Ordinary General Meeting of Shareholders

At the 48th Ordinary General Meeting of Shareholders (hereinafter, the “Meeting”) scheduled to be held on June 28, 2022, the Company planned to report to shareholders “The Business Report, the Consolidated Financial Statements and the audit results of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board for the 48th Fiscal Term (April 1, 2021 to March 31, 2022)” and “The Non-consolidated Financial Statements for the 48th Fiscal Term (April 1, 2021 to March 31, 2022)” (hereinafter, the “Financial Results of the 48th Fiscal Term”), which constitute matters to be reported as part of the agenda for the Meeting.

However, as stated in the “Notice of investigation regarding improper accounting treatment of our consolidated subsidiary” which was disclosed on May 24, 2022, we have set up a research team including outside experts, which is currently conducting an internal investigation on the issue. The investigation, along with the account closing procedures, and audit procedures by the Accounting Auditor, are expected to take longer than initially expected. As a result, the Company is unable to provide the Business Report, the Consolidated Financial Statements, the Non-consolidated Financial Statements and the audit report, etc. for the 48th Fiscal Term, all of which shall be attached to the notice of convocation of this Meeting, and thus it is impossible to report at the Meeting the Financial Results of the 48th Fiscal Term.

Therefore, we are planning to seek shareholders’ approval at the Meeting to hold a separate meeting of the Meeting (hereinafter, the “Continuing Meeting”), where we will report the Financial Results of the 48th Fiscal Term. In this regard, we also propose that the decision on the date, time and place of the Continuing Meeting be left to the Board of Directors’ discretion (hereinafter collectively, the “Proposal”).

If approval for the Proposal is obtained at the Meeting, the Company will again send to shareholders a convocation notice of the Continuing Meeting by attaching thereto the Business Report, the Consolidated Financial Statements, the Non-consolidated Financial Statements, the audit report by the Accounting Auditor, and the audit report by the Audit & Supervisory Board for the 48th Fiscal Term, and then hold the Continuing Meeting.

Since the Continuing Meeting is part of the Meeting, the shareholders who can attend the Continuing Meeting are the same as the shareholders who can exercise their voting rights at the Meeting.

We sincerely apologize for causing a great deal of inconvenience and concern to our shareholders, investors, and other related parties.

Notes:

1. For those attending, please present the enclosed Voting Rights Exercise Form to the receptionist on arriving at the meeting. You are also requested to bring this document with you to the meeting for your reference.
2. If you vote by proxy, please make sure your proxy presents the Letter of Attorney along with the Voting Rights Exercise Form to the receptionist. In addition, pursuant to the provisions of the Articles of Incorporation of the Company, only one (1) shareholder holding the voting right of the Company is entitled to exercise a proxy voting right on your behalf.
3. If there are any amendments to the Reference Documents for the General Meeting of Shareholders, the revised version will be posted on our website (<https://www.kentaku.co.jp/corporate/ir/kabunushi.html>).
4. As part of our efforts to be environmentally friendly, the attending officers and the meeting staff of the Company will dress in a “cool biz” style (without jacket and tie). Please dress lightly upon attending the meeting.

Reference Documents for the General Meeting of Shareholders

Proposals and references:

Proposal No. 1: Appropriation of Surplus for the 48th Fiscal Term

Appropriation of surplus for the 48th Fiscal Term is reported as follows:

Year-End Dividend

The Company recognizes adequate profit return to shareholders as one of the most important management matters and practices it. For dividends, the Company, while taking the basic policy stance of providing stable dividends through ongoing reinforcement of our business foundation, aims to set the payout ratio at 50%, and includes a basic dividend of 100 yen and the profit return based on consolidated business performance.

In light of these standards, the Company will set a dividend of 275 yen per share for the year-end dividend of the 48th Fiscal Term.

The annual dividend to be paid would be 511 yen per share (up 56 yen per share from the previous fiscal year) including the interim dividend of 236 yen per share paid in November last year.

(1) Type of dividend property

Cash

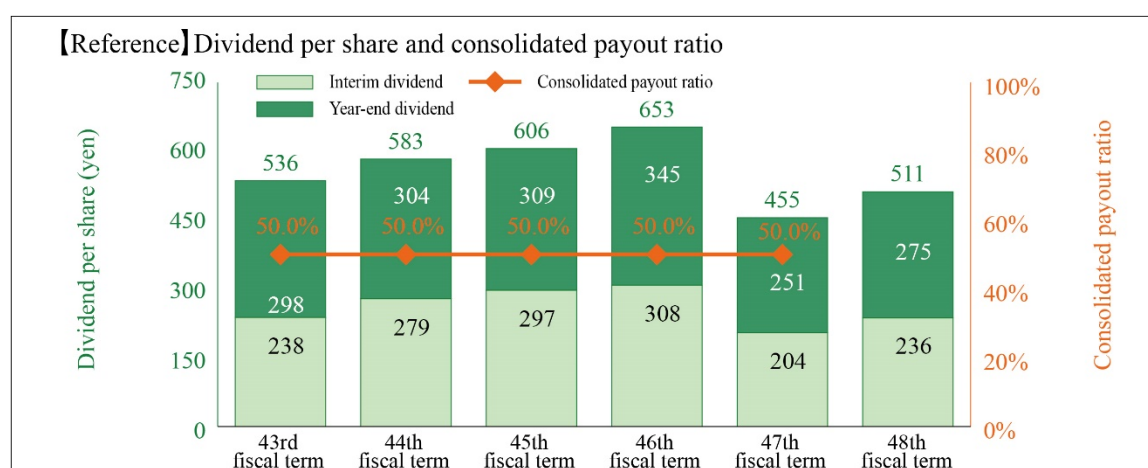
(2) Matters regarding dividend property's allocation to shareholders and total amount

Cash payment of dividend per share: 275 yen per common share of the Company

Total amount: 18,938,481,650 yen

(3) Effective date of dividend payment

June 29, 2022



Note: The consolidated payout ratio for the 48th fiscal term is not presented as the consolidated business performance for the term is undetermined at this point.

Proposal No. 2: Partial Amendment to the Articles of Incorporation

1. Reasons for the amendment

(1) Addition of business purposes

Following business purposes shall be added to Article 2 (Purpose) of the current Articles of Incorporation in order to prepare for diversification of the Group’s business.

- i. The proposed Article 2, Item 41 pertains to the launch of “ruum,” our online platform service that provides useful information and services for daily life.
- ii. The proposed Article 2, Item 42 pertains to the full-scale entry into the franchising business of our “e-Heya Net” brand engaged in brokerage and mediation of rental buildings, etc.
- iii. The proposed Article 2, Item 43 pertains to the launch of a staffing business targeted at our construction partner companies and others.

(2) Introduction of the system for electronic provision of materials for general meetings of shareholders

The amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) will be enforced on September 1, 2022. Accordingly, in order to prepare for the introduction of the system for electronic provision of materials for general meetings of shareholders, the Articles of Incorporation of the Company shall be amended as follows.

- i. The proposed Article 16, Paragraph 1 provides that information contained in the reference documents for the general meeting of shareholders, etc. shall be provided electronically.
- ii. The purpose of the proposed Article 16, Paragraph 2 is to establish a provision to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.
- iii. The provisions related to the Internet disclosure and deemed provision of the reference documents for the general meeting of shareholders, etc. (Article 16 of the current Articles of Incorporation) will become unnecessary and will therefore be deleted.
- iv. In line with the above establishment and deletion of the provisions, supplementary provisions related to the effective date, etc. shall be established.

2. Description of the Amendment

Description of amendment is as follows:

(Amended part is underlined.)

Current Articles of Incorporation	Proposed Amendments
<p>(Purpose) Article 2 The purpose of the Company shall be to operate the following businesses and to control and manage the business activities of relevant companies by owning shares or equity interests in companies engaged in the following businesses:</p>	<p>(Purpose) Article 2 (Unchanged)</p>

Current Articles of Incorporation	Proposed Amendments
<p>1-40. (Omitted)</p> <p style="text-align: center;"><Newly established></p> <p style="text-align: center;"><Newly established></p> <p style="text-align: center;"><Newly established></p> <p><u>41.</u> Any and all businesses incidental or related to any of the business specified under the foregoing items.</p> <p><u>(Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.)</u></p> <p><u>Article 16</u> The Company may, when <u>convening a general meeting of shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference documents for the general meeting of shareholders, business report, non-consolidated financial statements, and consolidated financial statements, by disclosing such information through the Internet in accordance with the provisions provided in the Ordinance of the Ministry of Justice.</u></p> <p style="text-align: center;"><Newly established></p>	<p>1-40. (Unchanged)</p> <p><u>41. Businesses related to management and operation of portal sites and e-commerce sites using the Internet, etc., and businesses related to other various information services</u></p> <p><u>42. Franchise business related to real estate</u></p> <p><u>43. Job placement business</u></p> <p><u>44.</u> (Unchanged)</p> <p style="text-align: center;"><Deleted></p> <p><u>(Measures for Electronic Provision, Etc.)</u></p> <p><u>Article 16</u> The Company shall, when <u>convening a general meeting of shareholders, provide information contained in the reference documents for the general meeting of shareholders, etc. electronically.</u></p> <p><u>2. Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p><Newly established></p>	<p>(Supplementary provisions)</p> <ol style="list-style-type: none"> <li data-bbox="826 286 1430 792">1. <u>The deletion of Article 16 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) of the current Articles of Incorporation and the establishment of the proposed Article 16 (Measures for Electronic Provision, Etc.) shall come into effect on the date of enforcement of the amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (the “Effective Date”).</u> <li data-bbox="826 801 1430 1048">2. <u>Notwithstanding the provisions of the preceding paragraph, Article 16 of the current Articles of Incorporation shall remain in force with respect to a general meeting of shareholders to be held on a date within six months from the Effective Date.</u> <li data-bbox="826 1057 1430 1270">3. <u>These supplementary provisions shall be deleted after the lapse of six months from the Effective Date or the lapse of three months from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</u>