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(Stock Exchange Code: 6383)
June 6, 2019

To Shareholders with Voting Rights:

Hiroshi Geshiro
President and CEO
Daifuku Co., Ltd.
3-2-11 Mitejima, Nishiyodogawa-ku
Osaka, Japan

**NOTICE OF
THE 103RD ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

You are cordially invited to attend the 103rd Ordinary General Meeting of Shareholders of Daifuku Co., Ltd. (the "Company"). The Meeting will be held for the purposes described below.

If you are unable to attend the Meeting, you can exercise your voting rights in writing or via the Internet, etc. Please review the attached Reference Documents for the General Meeting of Shareholders and, following the guidance below, exercise your voting rights no later than 5 p.m. on Thursday, June 20, 2019, Japan time.

- 1. Date and Time:** Friday, June 21, 2019, at 10 a.m. Japan time
- 2. Place:** The Company's headquarters building No. 2, Conference Room on 3rd floor, 3-2-11 Mitejima, Nishiyodogawa-ku, Osaka, Japan
- 3. Meeting Agenda**
Matters to be reported:
 1. The Business Report, the Consolidated Financial Statements for the Company's 103rd Fiscal Year (April 1, 2018 – March 31, 2019) and the results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
 2. Non-Consolidated Financial Statements for the Company's 103rd Fiscal Year (April 1, 2018 – March 31, 2019)

Proposals to be resolved:

- Proposal 1. Election of Eleven (11) Directors
- Proposal 2. Election of One (1) Audit & Supervisory Board Member

Other Matters Regarding This Notice of Convocation

Pursuant to the relevant laws and regulations and the provision of Article 16 of the Articles of Incorporation, the Notes to the Consolidated Financial Statements and the Notes to the Non-consolidated Financial Statements are disclosed on the Company's website (<https://www.daifuku.com/jp/ir/stock/shareholders/>) and are not included in the attached documents that concern the matters to be reported.

Should any amendments occur to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements and/or the Non-consolidated Financial Statements by the day before the Meeting's date, the amended documents will be posted on the Company's website (<https://www.daifuku.com/jp/>).

Guidance on the Exercise of Voting Rights

- **Attending the Meeting**
When attending the Meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk. To save paper resources, you are kindly requested to bring this Notice. Please come by 10 a.m. on Friday, June 21, 2019, Japan time.
- **Exercise of voting rights in writing**
Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it by mail so that it arrives no later than 5 p.m. on Thursday, June 20, 2019, Japan time.
- **Exercise of voting rights via the Internet, etc.**
If you choose to exercise your voting rights via the Internet, etc., please exercise your voting rights no later than 5 p.m. on Thursday, June 20, 2019, Japan time.

If you have exercised your voting rights both in writing and via the Internet, only the vote via the Internet shall be deemed effective. If you have exercised your voting rights more than once via the Internet, etc., or both via PC and cell phone, only the last vote shall be deemed effective.

Proposals and References

Proposal 1: Election of Eleven (11) Directors

The term of office of all ten (10) Directors will expire at the conclusion of the Meeting. The Company therefore proposes the election of eleven (11) Directors.

Regarding the policy and process of electing nominees for Director, the Company submits the names of qualified persons who would be able to fulfill the duties and responsibilities to the Advisory Committee as those who could assume the fiduciary responsibility entrusted by the shareholders in view of their respective personality and insight, and the Board of Directors made final decision on such persons as nominees.

The nominees for Director are as follows. Seven (7) Internal Directors contribute to achieving operating performance by leveraging their abundant experience in charge of their respective business fields. Four (4) Outside Directors contribute to improving management transparency and protecting stakeholders' interests based on their valuable expertise in legal and accounting affairs.

Nominee No.	Name		Current positions and major duties in the Company	Attendance rate at meetings of the Board of Directors (number of attendance) for the fiscal year ended March 31, 2019
1	Akio Tanaka	Reappointed	Chairman	94% (17/18 times)
2	Hiroshi Geshiro	Reappointed	President and Chief Executive Officer (CEO)	100% (18/18 times)
3	Mikio Inohara	Reappointed	Executive Vice President, Chief Financial and Risk Officer (CFO and CRO)	100% (18/18 times)
4	Shuichi Honda	Reappointed	Director, Senior Managing Officer, General Manager of ATec Global Operations	100% (18/18 times)
5	Hidenori Iwamoto	Reappointed	Director, Managing Officer, General Manager of AFA Global Operations	94% (17/18 times)
6	Yoshiyuki Nakashima	Reappointed	Director, Managing Officer, Chairman of Daifuku (China) Co., Ltd.	100% (18/18 times)
7	Seiji Sato	Reappointed	Director, Managing Officer, General Manager of eFA Global Operations	100% (18/18 times)
8	Yoshiaki Ozawa	Reappointed Outside Director, Independent Officer	Outside Director	100% (18/18 times)

9	Mineo Sakai	Reappointed Outside Director, Independent Officer	Outside Director	100% (13/13 times)
10	Kaku Kato	Newly Appointed Outside Director, Independent Officer	—	—
11	Keiko Kaneko	Newly Appointed Outside Director	—	—

(Note) A total of 18 (12 ordinary and 6 extraordinary) Board of Directors meetings were held during the fiscal year ended March 31, 2019. In addition, Mr. Mineo Sakai's attendance rate covers his attendance at ordinary and extraordinary Board of Directors meetings held after June 22, 2018, the day he assumed the office.

No.	Name (Date of birth)	Career summary, positions and duties in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares held
1	Akio Tanaka (January 19, 1951) Reappointed	<p>April 1973 Joined Daifuku Machinery Works Co., Ltd. (now Daifuku Co., Ltd.)</p> <p>July 2004 Administration Officer with director status</p> <p>June 2006 Director, member of the board General Manager of the Sales Division, FA&DA Operations</p> <p>April 2010 Managing Director General Manager of FA&DA Operations</p> <p>June 2011 Director, Managing Officer with an introduction of corporate officer system</p> <p>April 2012 Director, Senior Managing Officer COO of FA&DA Operations</p> <p>April 2013 Senior Managing Director</p> <p>April 2014 Executive Vice President COO of all business operations Supervisor of Daifuku (Thailand) Ltd., Daifuku Mechatronics (Singapore) Pte. Ltd., Daifuku (Malaysia) Sdn. Bhd., and Daifuku (China) Co., Ltd.</p> <p>April 2018 Chairman (to present)</p>	23,700
<p>[Reason for nomination as Director]</p> <p>Mr. Akio Tanaka has abundant experience and a good track record in business management concerning the Company's mainstay material handling systems for general manufacturers and distributors, and is in a position to supervise the Daifuku Group's entire business operations. The Company reappoints him as a nominee for Director based on its judgement that he is qualified for this position for the above reasons.</p>			

(Note) There are no significant conflicts of interest between the nominee and the Company.

No.	Name (Date of birth)	Career summary, positions and duties in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares held
2	Hiroshi Geshiro (June 13, 1958) Reappointed	<p>April 1983 Joined Daifuku Machinery Works Co., Ltd. (now Daifuku Co., Ltd.)</p> <p>April 2012 Corporate Officer General Manager of the Sales Division, FA&DA Operations</p> <p>April 2014 Managing Officer General Manager of FA&DA Global Operations</p> <p>April 2015 General Manager of FA&DA Operations</p> <p>June 2015 Director, member of the board, Managing Officer</p> <p>April 2016 General Manager of the International Division, FA&DA Operations</p> <p>April 2018 President and CEO (to present)</p>	7,800
	<p>[Reason for nomination as Director]</p> <p>Mr. Hiroshi Geshiro has abundant experience and a good track record in the field of mainstay material handling systems for general manufacturers and distributors in Japan and overseas. The Company reappoints him as a nominee for Director based on its judgement that he is qualified for this position as he endeavors to realize the Group strategy toward further business growth and the improvement of operating performance and that he plays a key role in the decision making in the Group management.</p>		

(Note) There are no significant conflicts of interest between the nominee and the Company.

No.	Name (Date of birth)	Career summary, positions and duties in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares held
3	Mikio Inohara (May 5, 1950) Reappointed	<p>April 1969 Joined Daifuku Machinery Works Co., Ltd. (now Daifuku Co., Ltd.)</p> <p>July 2004 Administration Officer with director status</p> <p>June 2005 Director, member of the board General Manager of the Business Support Operations</p> <p>April 2008 General Manager of the Finance and Accounting Division</p> <p>April 2009 Managing Director</p> <p>April 2010 Chief Financial Officer (CFO)</p> <p>June 2011 Director, Managing Officer with an introduction of corporate officer system</p> <p>April 2012 Senior Managing Director CFO and CRO</p> <p>April 2013 CFO and CRO (to present)</p> <p>April 2014 Executive Vice President (to present) Supervisor of Daifuku Business Service Corporation, Hiniaratakan Corporation, and Daifuku Manufacturing Technology Co., Ltd.</p>	51,100
<p>[Reason for nomination as Director]</p> <p>Mr. Mikio Inohara has a high level of knowledge in the accounting and financial fields, and serves as CFO and CRO of the Group based on his abundant experience and achievements in corporate management. The Company reappoints him as a nominee for Director based on its judgement that he is qualified for this position for the above reasons.</p>			

(Note) There are no significant conflicts of interest between the nominee and the Company.

No.	Name (Date of birth)	Career summary, positions and duties in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares held
4	Shuichi Honda (January 8, 1957) Reappointed	<p>April 1979 Joined The Dai-Ichi Kangyo Bank, Limited (now Mizuho Financial Group, Inc.)</p> <p>March 2006 Executive Officer and General Manager of Business Administration Division, Corporate Officer of Corporate Banking Unit, and General Manager for Human Resource Management Division, Mizuho Corporate Bank, Ltd.</p> <p>June 2011 Managing Director and Chief Strategy Officer Chief Risk Officer, Chief Operations Officer, Mizuho Corporate Bank, Ltd.</p> <p>April 2012 Joined Daifuku Co., Ltd. as a corporate adviser</p> <p>June 2013 Director, member of the board, Managing Officer COO of Corporate Affairs General Manager of the Corporate Social Responsibility Division General Manager of the Business Continuity Plan Promotion Division</p> <p>April 2014 Director, Senior Managing Officer (to present) General Manager of the Global Strategy Department</p> <p>April 2015 General Manager of the Corporate Business Development Division General Manager of ABH Global Operations</p> <p>April 2016 General Manager of ATec Global Operations (to present)</p> <p>October 2018 General Manager of ATec Operations (to present)</p>	10,500
<p>[Reason for nomination as Director] Mr. Shuichi Honda has been involved in the management of a megabank and has extensive international experience with a good track record. The Company reappoints him as a nominee for Director based on its judgement that he is qualified for this position as he is in charge of establishing management strategies and ATec (Airport Technologies) business based on the aforesaid experience and achievements.</p>			

(Note) There are no significant conflicts of interest between the nominee and the Company.

No.	Name (Date of birth)	Career summary, positions and duties in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares held
6	Yoshiyuki Nakashima (September 16, 1955) Reappointed	<p>April 1980 Joined Daifuku Machinery Works Co., Ltd. (now Daifuku Co., Ltd.)</p> <p>July 2008 Administration Officer with director status</p> <p>June 2010 Director, member of the board General Manager of the Corporate Social Responsibility Division</p> <p>June 2011 Managing Officer with an introduction of corporate officer system</p> <p>April 2012 General Manager of the Business Continuity Plan Promotion Division</p> <p>April 2013 Chairman of Daifuku (China) Co., Ltd. (to present)</p> <p>June 2015 Director, Managing Officer (to present)</p> <p>Significant concurrent positions Chairman of Daifuku (China) Co., Ltd.</p>	13,400
<p>[Reason for nomination as Director]</p> <p>Mr. Yoshiyuki Nakashima has extensive experience and a good track record in the fields of human resources and general affairs and serves as Chairman of a Group company in China, the world's largest market after Japan and North America. The Company reappoints him as a nominee for Director based on its judgement that he is qualified for this position for the above reasons.</p>			

(Note) There are no significant conflicts of interest between the nominee and the Company.

No.	Name (Date of birth)	Career summary, positions and duties in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares held
7	Seiji Sato (January 15, 1960) Reappointed	<p>April 1983 Joined Daifuku Machinery Works Co., Ltd. (now Daifuku Co., Ltd.)</p> <p>April 2008 General Manager of the Semiconductor Division, eFA Operations</p> <p>June 2010 Director, member of the board</p> <p>June 2011 Managing Officer with an introduction of corporate officer system</p> <p>April 2015 General Manager of eFA Global Operations (to present)</p> <p> General Manager of eFA Operations (to present)</p> <p>June 2015 Director, Managing Officer (to present)</p>	42,100
<p>[Reason for nomination as Director]</p> <p>Mr. Seiji Sato has abundant experience and a good track record in business management concerning the material handling systems for semiconductor and flat-panel display factories in Japan and overseas. The Company reappoints him as a nominee for Director based on its judgement that he is qualified for this position for the above reasons.</p>			

(Note) There are no significant conflicts of interest between the nominee and the Company.

No.	Name (Date of birth)	Career summary, positions and duties in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares held
8	<p>Yoshiaki Ozawa (May 31, 1954) Reappointed</p> <p>Outside Director, Independent Officer</p> <p>Period of service as Outside Director: Five (5) years</p>	<p>July 1978 Joined PricewaterhouseCoopers (PwC) Osaka Office October 1979 Joined Chuo Accounting Corporation Osaka Office August 1982 Registered as a Japanese certified public accountant (CPA) October 1985 Worked at Coopers & Lybrand New York Office July 1990 Registered as a U.S. CPA (New York) July 1995 Senior partner, Chuo Shinko Audit Corporation July 2005 Worked at the PwC New York Office as the partner overseeing all Japanese clients in the U.S. July 2007 Joined PwC Arata January 2008 Senior partner, PwC Arata April 2009 Specially-appointed professor at Kansai University April 2012 Professor at St. Andrew's University (to present) September 2012 Left PwC Arata June 2014 Outside Director of Daifuku Co., Ltd. (to present) June 2018 Outside Audit & Supervisory Board Member, Daido Life Insurance Company (to present)</p> <p>Significant concurrent positions Professor at St. Andrew's University Outside Audit & Supervisory Board Member, Daido Life Insurance Company</p>	—

		<p>[Reasons for nomination as Outside Director]</p> <p>Mr. Yoshiaki Ozawa has considerable knowledge in financial and accounting matters and experience working abroad for about six years. As a university professor teaching accounting, he has been working on a research centering on the concept of audit evidence in the analysis of financial statements.</p> <p>His abundant experience and extensive knowledge make us confident that he is capable of fulfilling the duties of Outside Director. To obtain professional advice and counsel from him for helping us to promote globalization of the Daifuku Group and secure the transparency of management and enhance the supervision thereof, we would like him to continuously assume the office of Outside Director. Although he has not been involved in corporate management in a way other than being an outside director or an outside auditor, for the above reasons we believe that he is capable of properly executing the duties of Outside Director. He once served as a representative partner of PricewaterhouseCoopers Aarata—the Accounting Auditor of the Company, but since he resigned from said audit firm in September 2012, there have been no business transactions between him and the Company. Accordingly, he satisfies the requirements set forth in the “Independence Standards for Outside Directors and Outside Members of the Audit & Supervisory Board” stipulated by the Company (page 25). The Company designated him as an independent officer as stipulated by the rules of the Tokyo Stock Exchange and provided such notification thereto. If he is reappointed as originally proposed, he will remain an independent officer.</p>	
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(Notes) 1. There are no significant conflicts of interest between the nominee and the Company.

2. As Mr. Ozawa is currently an Outside Director of the Company, the Company has a limited liability agreement with him to limit the liability for damages to the amount set by law, pursuant to Article 27 of the Company’s Articles of Incorporation. If he is reappointed, the Company will continue said agreement with him.

No.	Name (Date of birth)	Career summary, positions and duties in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares held
9	<p>Mineo Sakai (May 13, 1951) Reappointed</p> <p>Outside Director, Independent Officer</p> <p>Period of service as Outside Director: One (1) year</p>	<p>April 1974 Joined Kanematsu-Gosho, Ltd. (now Kanematsu Corporation)</p> <p>April 1997 General Manager of Finance Department, Kanematsu Corporation</p> <p>April 2004 Corporate Officer, General Manager of Finance and Accounting Department, Kanematsu Corporation</p> <p>June 2004 Director, member of the board of Kanematsu Electronics Ltd.</p> <p>June 2005 Managing Director, Kanematsu Electronics Ltd.</p> <p>April 2008 Executive Vice President, Kanematsu Electronics Ltd.</p> <p>April 2014 Chairman, Kanematsu Electronics Ltd.</p> <p>April 2016 Chairman and CEO, Kanematsu Electronics Ltd.</p> <p>April 2018 Director and Senior Adviser, Kanematsu Electronics Ltd. (to present)</p> <p>April 2018 Audit & Supervisory Board Member, KEL Technical Service Ltd.</p> <p>April 2018 Audit & Supervisory Board Member, Nippon Office Systems Ltd.</p> <p>April 2018 Audit & Supervisory Board Member, i-NOS Corporation</p> <p>June 2018 Outside Director of Daifuku Co., Ltd. (to present)</p> <p>Significant concurrent positions Director and Senior Adviser, Kanematsu Electronics Ltd.</p>	—

		<p>[Reasons for nomination as Outside Director]</p> <p>Mr. Mineo Sakai has abundant experience and extensive knowledge in corporation management that he has cultivated through the positions as the Chairman and Chief Executive Officer (CEO) of Kanematsu Electronics Ltd. and that makes us confident that he is capable of fulfilling the duties of Outside Director.</p> <p>Kanematsu Electronics Ltd. has an IT infrastructure business as its base and also focuses on rapidly growing business areas such as virtualization and security. To obtain his professional advice and counsel from IT perspective, which is an important issue for both the Company and its customers, as well as advice on general management, for helping us secure the transparency of management and enhance the supervision thereof, we would like him to continuously assume the office of Outside Director. In addition, he satisfies the requirements set forth in the "Independence Standards for Outside Directors and Outside Members of the Audit & Supervisory Board" stipulated by the Company (page 25), and it is therefore determined that his independence from the Company is sufficiently ensured. Although there are transactions concerning information and communications, etc. between the Company and Kanematsu Electronics Ltd. where he belongs, the amount of the transactions is less than 1% of the consolidated net sales of either company. The Company designated him as an independent officer as stipulated by the rules of the Tokyo Stock Exchange and provided such notification thereto. If he is reappointed as originally proposed, he will remain an independent officer.</p>	
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(Notes) 1. There are no significant conflicts of interest between the nominee and the Company.

2. As Mr. Sakai is currently an Outside Director of the Company, the Company has a limited liability agreement with him to limit the liability for damages to the amount set by law, pursuant to Article 27 of the Company's Articles of Incorporation. If he is reappointed, the Company will continue said agreement with him.

No.	Name (Date of birth)	Career summary, positions and duties in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares held
10	<p>Kaku Kato (October 24, 1954) Newly appointed</p> <p>Outside Director, Independent Officer</p>	<p>April 1978 Joined Mitsui & Co., Ltd.</p> <p>April 2008 General Manager of Legal Division, Mitsui & Co., Ltd.</p> <p>April 2011 Associate Officer; General Manager of Legal Division, Mitsui & Co., Ltd.</p> <p>April 2012 Managing Officer; General Manager of Internal Auditing Division, Mitsui & Co., Ltd.</p> <p>April 2015 Executive Officer; Chief Compliance Officer (CCO) and in charge of Corporate Governance, Health, Safety and Environment (HSE), Mitsui Oil Exploration Co., Ltd.</p> <p>June 2016 Managing Executive Officer; CCO and in charge of Corporate Governance, Human Resources & General Affairs, HSE, Mitsui Oil Exploration Co., Ltd.</p> <p>June 2018 Adviser, Mitsui Oil Exploration Co., Ltd. (to present)</p> <p>Significant concurrent positions Adviser, Mitsui Oil Exploration Co., Ltd.</p>	—

	<p>[Reasons for nomination as Outside Director]</p> <p>Mr. Kaku Kato has abundant experience and extensive knowledge in corporation management that he has cultivated through the positions as Managing Officer of Mitsui & Co., Ltd. and Managing Executive Officer of Mitsui Oil Exploration Co., Ltd. and that makes us confident that he is capable of fulfilling the duties of Outside Director.</p> <p>The Daifuku Group is increasing its presence and public awareness as a company providing logistics as a social infrastructure and is expected from various stakeholders to further fulfill its corporate social responsibilities. For this, it is important to diversify the Board of Directors. Mitsui Oil Exploration Co., Ltd. is a global company actively working on HSE (Health, Safety and Environment: protecting health and safety of all the people involved in its operation while preserving the environment). Not only to obtain his professional advice and counsel concerning the general management but also to bring in perspectives which we value the most—safety, ESG (environment, society, governance), compliance and internal control—we would like him to assume the office of Outside Director to help us secure the transparency of management and enhance the supervision thereof.</p> <p>In addition, he fully satisfies the requirements set forth in the “Independence Standards for Outside Directors and Outside Members of the Audit & Supervisory Board” stipulated by the Company (page 25), and it is therefore determined that his independence from the Company is sufficiently ensured. There is no business transaction between Mitsui Oil Exploration Co., Ltd., where he belongs, and the Company. If he is appointed as originally proposed, the Company intends to designate him as an independent officer as stipulated by the rules of the Tokyo Stock Exchange.</p>	
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- (Notes) 1. There are no significant conflicts of interest between the nominee and the Company.
2. If Mr. Kato is appointed as Outside Director of the Company as originally proposed, the Company will enter into a limited liability agreement with him to limit the liability for damages to the amount set by law, pursuant to Article 27 of the Company’s Articles of Incorporation.

No.	Name (Date of birth)	Career summary, positions and duties in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares held
11	Keiko Kaneko (November 11, 1967) Newly appointed Outside Director	<p>April 1991 Joined Mitsubishi Corporation</p> <p>April 1999 Registered as an attorney, belonging to Daini Tokyo Bar Association</p> <p>April 1999 Joined Anderson Mori & Tomotsune</p> <p>January 2007 Partner, Anderson Mori & Tomotsune (to present)</p> <p>April 2007 Visiting Associate Professor at Graduate School of Law of the University of Tokyo</p> <p>November 2012 External Statutory Auditor, Fast Retailing Co., Ltd. (to present)</p> <p>November 2012 Statutory Auditor, UNIQLO Co., Ltd. (to present)</p> <p>June 2013 External Statutory Auditor, The Asahi Shimbun Company (to present)</p> <p>Significant concurrent positions External Statutory Auditor, Fast Retailing Co., Ltd. Statutory Auditor, UNIQLO Co., Ltd. External Statutory Auditor, The Asahi Shimbun Company</p>	—

	<p>[Reasons for nomination as Outside Director]</p> <p>Ms. Keiko Kaneko has experienced working at a trading company and as an associate professor of a graduate school. Currently as a lawyer, she is actively involved in areas such as follows.</p> <ul style="list-style-type: none"> - Cases of business acquisition, merger, company split, etc. - General advice on daily transactions and management of business enterprises and advice on labor disputes - Advice on regulations in the field of natural resources, automotive, pharmaceutical and food <p>The Daifuku Group is increasing its presence and public awareness as a company providing logistics as a social infrastructure and is expected from various stakeholders to further fulfill its corporate social responsibilities. For this, it is important to diversify the Board of Directors. Her abundant experience and extensive knowledge make us confident that she is capable of fulfilling the duties of Outside Director. Not only to obtain professional advice and counsel but also to bring a new perspective, we would like her to assume the office of Outside Director to help us secure the transparency of management and enhance the supervision thereof. Although she has not been involved in corporate management in a way other than being an outside director or an outside auditor, for the above reasons we believe that she is capable of properly executing the duties of Outside Director.</p> <p>Although the Company may outsource individual cases to Anderson Mori & Tomotsune where she belongs, there is no advisory contract and the amount of the transactions is less than 1% of the consolidated net sales of either company. In line with the policy of Anderson Mori & Tomotsune, the Company will not designate her as an independent officer as stipulated by the rules of the Tokyo Stock Exchange. However, she fully satisfies the requirements set forth in the "Independence Standards for Outside Directors and Outside Members of the Audit & Supervisory Board" stipulated by the Company (page 25), and it is therefore determined that her independence from the Company is sufficiently ensured.</p>	
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(Notes) 1. There are no significant conflicts of interest between the nominee and the Company.

2. If Ms. Kaneko is appointed as Outside Director of the Company as originally proposed, the Company will enter into a limited liability agreement with her to limit the liability for damages to the amount set by law, pursuant to Article 27 of the Company's Articles of Incorporation.

Proposal 2: Election of One (1) Audit & Supervisory Board Member

The term of office of Audit & Supervisory Board Member Mr. Isao Kitamoto will expire at the conclusion of the Meeting. The Company therefore proposes the election of one (1) Audit & Supervisory Board Member.

This proposal has already gained the consent of the Audit & Supervisory Board.

The nominee for Audit & Supervisory Board Member is as follows.

No.	Name (Date of birth)	Career summary, positions and duties in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares held
1	<p>Nobuo Wada (March 17, 1953) Newly appointed</p> <p>Outside Member of the Audit & Supervisory Board, Independent Officer</p>	<p>April 1980 Encouraging Researcher of Japan Society for the Promotion of Science</p> <p>March 1981 Research Associate of Faculty of Science at Hokkaido University</p> <p>December 1989 Associate Professor of College of Arts and Sciences at the University of Tokyo</p> <p>April 1994 Assistant Professor of Graduate School of Arts and Sciences Department of Basic Science of the University of Tokyo</p> <p>April 2001 Professor of Graduate School of Science, Division of Material Science (Physics), at Nagoya University</p> <p>April 2018 Emeritus Professor of Nagoya University, Lecturer (part-time) at Nagoya University (to present)</p> <p>[Reasons for nomination as Outside Director] Mr. Nobuo Wada has long been a professor at Nagoya University majoring in experimental research of condensed matter physics. The Company receives highly advanced requests related to physics and chemistry especially from customers in electronics business. To obtain professional advice and counsel from his abundant experience and extensive knowledge as an academic expert, we would like him to assume the office of Outside Member of the Audit & Supervisory Board to help us secure the transparency of management and enhance the supervision thereof. Although he has not been involved in corporate management in a way other than being an outside director or an outside auditor, for the above reasons we believe that he is capable of properly executing the duties of Outside Member of the Audit & Supervisory Board.</p> <p>In addition, he fully satisfies the requirements set forth in the "Independence Standards for Outside Directors and Outside Members of the Audit & Supervisory Board" stipulated by the Company (page 25), and it is therefore determined that his independence from the Company is sufficiently ensured. If he is appointed as originally proposed, the Company intends to designate him as an independent officer as stipulated by the rules of the Tokyo Stock Exchange.</p>	—

(Notes) 1. There are no significant conflicts of interest between the nominee and the Company.

2. If Mr. Wada is appointed as Outside Member of the Audit & Supervisory Board of the Company as originally proposed, the Company will enter into a limited liability agreement with him to limit the liability for damages to the amount set by law, pursuant to Article 35 of the Company's Articles of Incorporation.

[References]

Correspondence to the revision of the Corporate Governance Code (the Management Team)

The Daifuku Group has established "Daifuku Corporate Governance Guidelines." The full text of these Guidelines is available on our website.

<https://www.daifuku.com/jp/ir/policy/governance/> (Revised on November 16, 2018)

The purpose of these Guidelines is for the Group to strive to improve its corporate governance so as to ensure its sustainable growth and create corporate value for the medium to long terms, and to continue to improve the effectiveness of its corporate governance in keeping with the spirit of the Company Creed and Management Philosophy.

In November 2018, these Guidelines were revised in line with the revision of Japan's Corporate Governance Code. The main revisions concerning the management team (directors and corporate officers) are as follows.

<Roles of the Advisory Committee>

- An optional Advisory Committee has been established to strengthen the independence, objectivity and accountability of the Board of Directors' functions on the matters of the nomination or removal and the remuneration of the management team. The Advisory Committee is comprised of representative directors and outside directors, and meets at least three times a year.

(Note 1) The Advisory Committee is chaired by one of the outside directors.

(Note 2) A total of three (3) Advisory Committee meetings were held during the fiscal year ended March 31, 2019.

- The remuneration for the management team will be resolved by the Board of Directors after the Advisory Committee has examined it based on remuneration evaluation criteria and made a report.
- The Advisory Committee shall examine matters such as the proposal of a succession plan, the identification of the qualities required for a successor, and the selection and evaluation of successor candidates, and report its findings to the Board of Directors.

< Remuneration of management team members >

- The remuneration for the management team members shall consist of base salary, bonus (a short-term performance-linked compensation), and a performance-linked equity compensation.
- The remuneration for the management team will be resolved by the Board of Directors after the Advisory Committee has examined it based on remuneration evaluation criteria and made a report.

< Appointment, removal and development of senior management members >

- The Board of Directors shall spend sufficient time actively, continuously supervising the development of candidates for CEO and other management team members, including the provision of training.
- The CEO shall be appointed by resolution of the Board of Directors following examination by the Advisory Committee based on objective criteria taking the qualities of candidates into consideration.
- If, for example, the incumbent CEO comes to lack the qualities of a CEO he or she possessed at the time of election, the CEO shall be removed by resolution of the Board of Directors following examination by the Advisory Committee based on objective criteria.

<Composition of Board of Directors>

- The Company will continuously examine the ratio of outside directors in light of future changes in the management environment.
- The Board of Directors shall continue to discuss the diversity and size of the overall Board of Directors including gender and international aspects, in consideration of changes in the business environment, the Group's management policies, management plans, among others.

Skill matrix of the Board of Directors after the conclusion of this ordinary general meeting of shareholders (planned)

(Note 3) If all the candidates listed in this notice of the ordinary general meeting of shareholders are elected as proposed, the diversity of the Board of Directors will be as shown in the following table. It will be more balanced, as the gender diversity, which was one of the future issues the Company had in the Corporate Governance Report submitted on November 16, 2018, will be realized.

	Independent (outside officers)	Corporate manage- ment	Knowledge about the Company's business	Overseas assignment	Expertise	Gender
Akio Tanaka		✓	✓			Male
Hiroshi Geshiro		✓	✓	✓		Male
Mikio Inohara		✓	✓		Finance/ Accounting	Male
Shuichi Honda		✓ (Bank)	✓	✓		Male
Hidenori Iwamoto		✓	✓	✓		Male
Yoshiyuki Nakashima		✓	✓	✓	HR/General Affairs	Male
Seiji Sato		✓	✓	✓		Male
Yoshiaki Ozawa	✓			✓	Finance/ Accounting	Male
Mineo Sakai	✓	✓ (IT company)		✓	Finance/ Accounting	Male
Kaku Kato	✓	✓ (Trading company, energy)		✓	Legal	Male
Keiko Kaneko	✓				Legal	Female

(Note 4) Regarding the evaluation of the Board of Directors' effectiveness, the Company has a basic policy of striving for improvements by continuously implementing the PDCA cycle. The Company conducts questionnaire surveys concerning the Board of Directors' effectiveness, using an external organization, taking in the perspective of comparison with other companies.

[References]

Independence standards for outside directors and outside members of the Audit & Supervisory Board

At Daifuku, outside directors and outside members of the Audit & Supervisory Board are considered independent if they do not fall under any of Articles 1 to 5 below.

Article 1

A person who falls or fell under any of the following in the last three years:

- 1) An officer or employee of a company, etc. that is a key customer of Daifuku or whose key business partner is Daifuku (*1)
- 2) A lawyer who belongs to a law firm that has concluded an advisory contract with Daifuku or its subsidiary and who was actually in charge of legal business for Daifuku, a certified public accountant (or a certified tax accountant) who was an accounting auditor or accounting adviser of Daifuku or its subsidiary, or an employee, partner, or staff member who belongs to an auditing firm (or tax accountant corporation) that is an accounting auditor or accounting adviser of Daifuku or its subsidiary and who was actually in charge of the auditing service for Daifuku
- 3) A lawyer, certified public accountant, or certified tax accountant, if not applicable to the above item 2, who provides specialized services, etc. to Daifuku by receiving a large amount (*2) of money or assets other than remuneration for an officer, directly from the company
- 4) An officer or employee of a company, etc. that is a major shareholder (*3) of Daifuku

Article 2

An officer or employee of Daifuku's subsidiary or a person who held such a position during the ten years before being appointed as such status

Article 3

An executive board member or any other person who executes business of an organization that receives donations or grants exceeding a certain amount (*4) from Daifuku (such as a public interest incorporated foundation, a public interest incorporated association, or a non-profit corporation)

Article 4

The spouse or a relative within the second degree of relationship of a person who falls under any of Articles 1 to 3 above, or a relative living together with such a person

Article 5

A person who does not fall under any of Articles 1 to 4 above, but who is deemed likely to have a virtual conflict of interest with Daifuku due to their relationship with the company

(Notes)

- *1: A customer from whom Daifuku received payment of at least 2% of the amount of Daifuku's annual consolidated net sales in the most recent fiscal year, or a business partner who received payment from Daifuku of at least 2% of the amount of its annual consolidated net sales in the most recent fiscal year
- *2: The annual average for the last three years of 10 million yen or more
- *3: A shareholder with 10% or more of the voting rights
- *4: The annual average for the last three years of 10 million yen or more, or 30% of the average total annual expenditure of the organization, whichever is larger