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(Stock Exchange Code: 6383)
June 9, 2020

To Shareholders with Voting Rights:

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

**NOTICE OF
THE 104TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

You are hereby notified that the 104th Ordinary General Meeting of Shareholders of Daifuku Co., Ltd. (the "Company") will be held for the purposes described below.

To prevent the spread of the novel coronavirus (COVID-19), we recommend that you refrain from attending the meeting in person and exercise your voting rights in advance in writing or via the Internet, etc. For exercising such voting rights, 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 25, 2020, Japan time.

- 1. Date and Time:** Friday, June 26, 2020, at 1 p.m. Japan time
- 2. Place:** The Company's headquarters, 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 104th Fiscal Year (April 1, 2019 – March 31, 2020) 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 104th Fiscal Year (April 1, 2019 – March 31, 2020)

Proposals to be resolved:

- Proposal 1. Partial Amendments to the Articles of Incorporation
- Proposal 2. Election of Eight (8) Directors
- Proposal 3. 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, "Consolidated Statement of Changes in Equity and Notes to the Consolidated Financial Statements" and "Non-consolidated Statement of Changes in Equity and 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 1 p.m. on Friday, June 26, 2020, 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 25, 2020, 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 25, 2020, Japan time.

If you have exercised your voting rights both in writing and via the Internet, etc., only the vote via the Internet, etc. 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.

When connection fees charged by Internet service providers, telecommunication fees (call charges) charged by telecommunications carriers, etc. for using the Internet are required, they shall be borne by shareholders.

Proposals and References

Proposal 1: Partial Amendments to the Articles of Incorporation

With a view to responding to new business models, etc. in line with technological evolution, the Company proposes that items be added to Article 2 (Purposes) of the current Articles of Incorporation, and subsequent Articles be renumbered in line with the addition.

Description of the amendments is as follows:

(Amended parts are underlined.)

Current	Proposed amendments
<p>Article 2 (Purpose) The Company shall be organized for the purpose of engaging in the following businesses:</p> <ol style="list-style-type: none"> 1. Manufacture and sale of machinery, equipment, electric machines, and apparatuses; 2. Installation of the said machinery and equipment, civil engineering work, and the sale of accompanying facilities thereof; 3. Architectural engineering, the supervision of construction, and contract construction; 4. Cargo transport handling; 5. Real-estate leasing; <u>and</u> <p>(Newly established)</p> <p>(Newly established)</p> <p><u>6.</u> Any businesses relating to those listed in the above.</p>	<p>Article 2 (Purpose) The Company shall be organized for the purpose of engaging in the following businesses:</p> <ol style="list-style-type: none"> 1. Manufacture and sale of machinery, equipment, electric machines, and apparatuses; 2. Installation of the said machinery and equipment, civil engineering work, and the sale of accompanying facilities thereof; 3. Architectural engineering, the supervision of construction, and contract construction; 4. Cargo transport handling; 5. Real-estate leasing; <u>6. Creation, manufacture and sale of systems, software, intangible merchandise and goods, etc. and provision of other services;</u> <u>7. Personnel dispatching; and</u> <u>8.</u> Any businesses relating to those listed in the above.

Proposal 2: Election of Eight (8) Directors

The term of office of all eleven (11) Directors will expire at the conclusion of the Meeting. The Company therefore proposes the election of eight (8) 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. Four (4) 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 accounting, legal affairs, corporate management, etc.

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, 2020
1	Hiroshi Geshiro	Reappointed	President and Chief Executive Officer (CEO)	100% (18/18 times)
2	Shuichi Honda	Reappointed	Director, Senior Managing Officer, President and CEO of Daifuku North America Holding Company	100% (18/18 times)
3	Seiji Sato	Reappointed	Director, Managing Officer, Cleanroom Global Business Head	100% (18/18 times)
4	Toshiaki Hayashi	Newly Appointed	Managing Officer, Automotive Global Business Head	-
5	Yoshiaki Ozawa	Reappointed Outside Director, Independent Officer	Outside Director	100% (18/18 times)
6	Mineo Sakai	Reappointed Outside Director, Independent Officer	Outside Director	89% (16/18 times)
7	Kaku Kato	Reappointed Outside Director, Independent Officer	Outside Director	100% (13/13 times)
8	Keiko Kaneko	Reappointed Outside Director	Outside Director	100% (13/13 times)

(Notes)

1. A total of 18 (12 ordinary and 6 extraordinary) Board of Directors meetings were held during the

fiscal year ended March 31, 2020. In addition, Mr. Kaku Kato's and Ms. Keiko Kaneko's attendance rate covers his or her attendance at ordinary and extraordinary Board of Directors meetings held after June 21, 2019, the day they assumed the office.

2. The following Global Operations were renamed on April 1, 2020, as follows.

FA&DA Global Operations → Intralogistics Global Business

eFA Global Operations → Cleanroom Global Business

AFA Global Operations → Automotive Global Business

ATec Global Operations → Airport Global Business

AWT Global Operations → Auto Wash Global Business

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	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>	9,800
		<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
2	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</p> <p>October 2018 General Manager of ATec Operations</p> <p>April 2020 President and CEO of Daifuku North America Holding Company (to present)</p> <p>Significant concurrent positions President and CEO of Daifuku North America Holding Company</p>	10,700
[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 has been in charge of establishing management strategies and Airport Technologies business, as well as serving as the chief executive of the Company's subsidiary in North America from this year, based on the aforesaid experience and achievements.			

(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	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 General Manager of eFA Operations</p> <p>June 2015 Director, Managing Officer (to present)</p> <p>April 2020 Cleanroom Global Business Head (to present) Cleanroom Division Manager (to present)</p>	42,400
		<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
4	Toshiaki Hayashi (November 17, 1958) Newly appointed	April 1981 Joined Daifuku Machinery Works Co., Ltd. (now Daifuku Co., Ltd.)	3,700
		April 2013 Corporate Officer, General Manager of the Production Division, AFA Operations	
		April 2016 Chairman of Daifuku (China) Automation Co., Ltd.	
		April 2020 Managing Officer (to present) Automotive Global Business Head (to present) Automotive Division Manager (to present)	
	[Reason for nomination as Director] Mr. Toshiaki Hayashi has abundant experience and a good track record in business management concerning the material handling systems for automobile factories at the Company and its overseas subsidiary. The Company appoints him as a nominee for Director based on its judgement that he is qualified for this position for the above reasons.		

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

		<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 promote globalization of the Daifuku Group and secure the transparency of management and enhance the supervision thereof, the Company 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 member of audit & supervisory board, 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 23). 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
6	<p>Mineo Sakai (May 13, 1951) Reappointed</p> <p>Outside Director, Independent Officer</p> <p>Period of service as Outside Director: Two (2) years</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.</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>June 2019 Adviser, Kanematsu Electronics Ltd. (to present)</p> <p>Significant concurrent positions 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 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, the Company 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 23), and it is therefore determined that his independence from the Company is sufficiently ensured. Although there are transactions concerning information and communications, etc. between Kanematsu Electronics Ltd., where he belongs, and the Company, the amount of the transactions is less than 1% of the consolidated net sales of either company. Additionally, neither the Company nor Kanematsu Electronics Ltd. holds the stocks of its counterpart. 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
7	<p>Kaku Kato (October 24, 1954) Reappointed</p> <p>Outside Director, Independent Officer</p> <p>Period of service as Outside Director: One (1) year</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>June 2019 Outside Director of Daifuku Co., Ltd. (to present)</p> <p>April 2020 Visiting Professor of Faculty of Law and Politics at Rikkyo University (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 the Company values the most—safety, ESG (environment, society, governance), compliance and internal control—the Company 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 23), 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. Additionally, neither the Company nor Mitsui Oil Exploration Co., Ltd. holds the stocks of its counterpart. 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. Kato 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
8	Keiko Kaneko (November 11, 1967) Reappointed Outside Director Period of service as Outside Director: One (1) year	April 1991 Joined Mitsubishi Corporation April 1999 Registered as an attorney, belonging to Daini Tokyo Bar Association April 1999 Joined Anderson Mori & Tomotsune January 2007 Partner, Anderson Mori & Tomotsune (to present) April 2007 Visiting Associate Professor at Graduate School of Law of the University of Tokyo November External Statutory Auditor, Fast Retailing Co., Ltd. (to 2012 present) November Statutory Auditor, UNIQLO Co., Ltd. (to present) 2012 June 2013 External Statutory Auditor, The Asahi Shimbun Company (to present) June 2019 Outside Director of Daifuku Co., Ltd. (to present) Significant concurrent positions Partner, Anderson Mori & Tomotsune External Statutory Auditor, Fast Retailing Co., Ltd. Statutory Auditor, UNIQLO Co., Ltd. External Statutory Auditor, The Asahi Shimbun Company	—

	<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. The Company would like her to assume the office of Outside Director to help us secure the transparency of management and enhance the supervision from a professional perspective. Although she has not been involved in corporate management in a way other than being an outside director or an outside member of audit & supervisory board, for the above reasons the Company believes 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 23), 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. As Ms. Kaneko is currently an Outside Director of the Company, the Company has 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. If she is reappointed, the Company will continue said agreement with her.

Proposal 3: Election of One (1) Audit & Supervisory Board Member

The terms of office of Audit & Supervisory Board Members Messrs. Tatsujiro Kurosaka and Ryosuke Aihara will expire at the conclusion of the Meeting. The Company therefore proposes the election of one (1) Audit & Supervisory Board Member.

Regarding the policy and process of electing nominees for Audit & Supervisory Board Member, 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, and the Board of Directors appoints such persons as nominees upon obtaining the accord of the Audit & Supervisory Board.

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

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

Name (Date of birth)	Career summary and positions (Significant concurrent positions outside the Company)	Number of the Company's shares held	Attendance rate at meetings of the Board of Directors and of the Audit & Supervisory Board (number of attendance) for the fiscal year ended March 31, 2020
<p>Ryosuke Aihara (March 15, 1952) Reappointed</p> <p>Outside Member of Audit and Supervisory Board, Independent Officer</p> <p>Period of service as Outside Member of the Audit & Supervisory Board: Four (4) years</p>	<p>April 1977 Registered as an attorney, belonging to Daini Tokyo Bar Association (to present) Joined Mori Sogo Law Office (now Mori Hamada & Matsumoto)</p> <p>January 1982 Partner, Mori Hamada & Matsumoto Law Office</p> <p>April 2004 Professor of Graduate School of Law at the University of Tokyo</p> <p>April 2007 Adjunct Lecturer of Graduate School of Law at the University of Tokyo</p> <p>June 2015 Outside Member of the Audit & Supervisory Board, Nippon Shuppan Hanbai Inc.</p> <p>March 2016 Left Mori Hamada & Matsumoto Law Office</p> <p>April 2016 Representative, Aihara Law Office (to present)</p> <p>June 2016 Outside Member of the Audit & Supervisory Board of Daifuku Co., Ltd. (to present)</p> <hr/> <p>Significant concurrent positions Representative, Aihara Law Office</p>	<p>—</p>	<p>Board of Directors: 100% (18/18 times)</p> <p>Audit & Supervisory Board: 100% (6/6 times)</p>

	<p>[Reasons for nomination as Outside Member of the Audit & Supervisory Board]</p> <p>Mr. Ryosuke Aihara is a lawyer who for many years has specialized in corporate governance and compliance—significant management issues of the Company. The Company would like him to assume this position in expectation of obtaining advice and counsel regarding overall management to secure the legality of management and enhance the functions of management supervision and auditing from his professional viewpoint as lawyer. Although he has not been involved in corporate management in a way other than being an outside officer, 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, there are no business transactions between him or Aihara Law Office and the Company at present. Despite a delegation agreement between the Company and Mori Hamada & Matsumoto Law Office, with which he had been affiliated until March 2016, he did not engage in any subjects that the Company previously delegated to the law office. Furthermore, the transaction amount between said law office and the Company is insignificantly small, less than 1% of both the annual revenue of the law office and the consolidated net sales of the Company.</p> <p>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 23), and it is therefore determined that his independence from the Company is sufficiently ensured. 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. Aihara is currently an Outside Member of the Audit & Supervisory Board 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 35 of the Company’s Articles of Incorporation. If he is reappointed, the Company will continue said agreement with him

[References]

Correspondence to 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.

www.daifuku.com/jp/ir/policy/governance (Revised on May 26, 2020)

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.

The main content 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 six (6) Advisory Committee meetings were held during the fiscal year ended March 31, 2020.
- 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
Hiroshi Geshiro		✓	✓	✓		Male
Shuichi Honda		✓ (Bank)	✓	✓		Male
Seiji Sato		✓	✓	✓		Male
Toshiaki Hayashi		✓	✓	✓		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) A person who executes business 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