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Securities Code: 7971  
May 31, 2018

To Shareholders

Motohiro Nagashima

President and Representative Director

**TOLI Corporation**

5-125, Higashi-Arioka, Itami-shi, Hyogo Prefecture, Japan

## NOTICE OF THE 154th ORDINARY GENERAL MEETING OF SHAREHOLDERS

TOLI Corporation would like to express particular thanks for the support of our shareholders.

Notice is hereby given that the 154th Ordinary General Meeting of Shareholders of TOLI Corporation (hereinafter referred to as “the Company”) will be held as indicated below.

**If you are unable to attend the Meeting, you are entitled to exercise your voting rights in writing. In this case, please study the attached “Reference Materials for the General Meeting of Shareholders,” indicate your preferences for each agenda item on the enclosed Voting Form, and return the Form by post to be received no later than 5:40 p.m. on June 19, 2018 (Tuesday) (Japan time).**

1. **Date & Time:** 10:00 a.m. on June 20, 2018 (Wednesday) (Japan time)
2. **Venue:** The Conference Room  
TOLI Corporation Head Office  
5-125, Higashi-Arioka, Itami-shi, Hyogo Prefecture, Japan  
(Please refer to the venue’s access information on the last page.)
3. **Agenda:**
  - Items for Reporting:**
    - Item No. 1: Business Report and Consolidated Financial Statements for the 154th Business Term (from April 1, 2017 to March 31, 2018), as well as Audit Reports for Consolidated Financial Statements by the Accounting Auditor and Audit & Supervisory Board
    - Item No. 2: Financial Statements for the 154th Business Term (from April 1, 2017 to March 31, 2018)
  - Items for Resolution:**
    - Proposal No.1: Appropriation of Earned Surplus
    - Proposal No.2: Election of Four Directors
4. **Arrangements in Convening the Meeting**

If you wish to exercise your voting rights by proxy, you can appoint one of the other shareholders of the Company who is entitled to vote and ask that person to attend the General Meeting of Shareholders as your proxy. In this case, please be advised that a document evidencing his/her appointment as proxy shall need to be submitted.

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- ◎ Shareholders attending the Meeting are requested to submit the enclosed Voting Form to the reception desk.
  - ◎ Attachment documents of this notice are included in the enclosed Business Report for the 154th Business Term.
  - ◎ The Notes to Consolidated Financial Statements and Notes to Financial Statements are provided on the Company’s website (<http://www.toli.co.jp>) pursuant to laws and regulations and the Company’s Articles of Incorporation. Therefore, they are not included in the Business Report for the 154th Business Term. The documents included in the Business Report for the 154th Business Term are a part of the documents audited by the Company’s Audit & Supervisory Board Members and Accounting Auditors when the Auditor’s Report was prepared.
  - ◎ In the event that any amendment is made to the Reference Materials for the General Meeting of Shareholders, Business Report, Financial Statements or Consolidated Financial Statements, the Company will disclose the amended matter on its website (<http://www.toli.co.jp>).

## Reference Materials for the General Meeting of Shareholders

### Items for Resolution and Reference Materials

#### **Proposal No.1:** Appropriation of Earned Surplus

The Company recognizes that appropriation of profit to shareholders is one of the most critical corporate missions, and considers that its basic policy is to continue distributing stable dividends.

Based on this basic policy, the Company proposes to pay out a cash dividend of 8 yen per share, in consideration of business results for the current fiscal year and future business environment.

Accordingly, the annual dividend for the current fiscal year including the interim dividend of 2 yen per share already distributed, is 10 yen per share.

- (1) Type of dividend assets  
Cash
- (2) Allocation of dividend to shareholders and total amount  
8 yen per share of common stock      Total amount of dividends: 493,511,464 yen
- (3) Effective date of distribution of dividend surplus  
June 21, 2018

**Proposal No.2: Election of Four Directors**

The terms of three Directors will expire at the close of this General Meeting of Shareholders.

Accordingly, we would like to propose the election of a total of four Directors including one Outside Director in order to further reinforce the management structure of the Company by increasing the number of Directors by one.

The following are the candidates for Directors.

Candidate No.	Name (Date of Birth)	Brief Personal History, Position and Representative Status in Other Companies			Number of the Company's Shares Held
1	Motohiro Nagashima (December 1, 1959)	April 1982	Joined the Company		20,900 shares
		April 2003	General Manager, General Planning Department		
		June 2007	Executive Officer, General Manager, Management Planning Department & General Manager, General Affairs and Personnel Department		
		June 2008	Director		
		April 2012	President and Representative Director (present)		
(Reason for appointment as a candidate for Director) As Mr. Motohiro Nagashima has led the management of the Group as President and Representative Director since April 2012 and has an abundant experience and a broad knowledge across the business, the Company judges the candidate to be capable of contributing to the Company's management. Accordingly, the Company proposes him as a candidate for Director.					
2	Jiro Yasujima (October 24, 1955)	April 1981	Joined the Company		15,700 shares
		April 2007	General Manager, the Second Engineering Section, Production and Engineering Department		
		April 2010	Executive Officer, General Manager, Production and Engineering Department (Carpets)		
		June 2014	Director		
		April 2016	Director, Deputy Manager, Manufacturing Headquarters & General Manager, Production and Engineering Department (Carpets) (present)		
(Reason for appointment as a candidate for Director) As Mr. Jiro Yasujima has served in important positions in Production and Engineering Department for carpets and has extensive work experience and broad knowledge across production and also has already been well informed not only about his department but also about the entire business of the Company as a Director, the Company judges the candidate to be capable of contributing to the Company's management. Accordingly, the Company proposes him as a candidate for Director.					

Candidate No.	Name (Date of Birth)	Brief Personal History, Position and Representative Status in Other Companies	Number of the Company's Shares Held
3	<b>Newly nominated</b> <b>Masayuki Hashimoto</b> (June 16, 1960)	<p>April 1983 Joined Nissho Iwai Corporation (the current Sojitz Corporation)</p> <p>April 2009 General Manager, Osaka Chemicals Department, Chemicals Unit, Sojitz Corporation</p> <p>April 2016 Vice COO, Chemicals Division, Sojitz Corporation</p> <p>April 2018 Full-time Advisor of the Company (present)</p> <p>(Reason for appointment as a candidate for Director) As Mr. Masayuki Hashimoto has extensive work experience and broad knowledge of a general trading company, the Company judges the candidate to be capable of promoting the global strategy of the Group and contributing to the Company's management in general. Accordingly, the Company proposes him as a candidate for Director.</p>	0 shares
4	<b>Outside Director</b> <b>Independent Officer</b> <b>Eri Yokota</b> (August 25, 1960)	<p>February 1997 Obtained a Ph.D. in Business Administration from Keio University</p> <p>April 2005 Appointed as a professor of Faculty of Business and Commerce, Keio University (present)</p> <p>June 2014 Director of the Company (present) Outside Director of Idemitsu Kosan Co., Ltd. (present)</p> <p>(Reason for appointment as a candidate for Outside Director) In order for Ms. Eri Yokota to play a role through monitoring and supervising the management by other Directors, offering opinions from an objective point of view, and participating in important decision making concerning management based on her deep insight and broad experience as a university professor, she remains as a candidate for Outside Director. It is to be noted that although the candidate does not have past experience in directly being involved in corporate management, the Company judges the candidate to be capable of appropriately undertaking the duties of Outside Director from the reasons mentioned above.</p>	2,400 shares

- Notes:
1. There are no special interests between the Company and the candidates.
  2. Ms. Eri Yokota is a candidate for Outside Director.
  3. The Company has concluded an agreement with Ms. Eri Yokota in accordance with the Companies Act, Article 427, Paragraph 1, which limits Outside Directors' indemnity liability provided for in the Companies Act, Article 423, Paragraph 1 to the amount defined under laws and regulations. If her reappointment proposal is approved, the Company plans to continue the liability limitation agreement described hereto with her.
  4. The Company registered Ms. Eri Yokota as independent officer under the provisions of the Tokyo Stock Exchange.
  5. Ms. Eri Yokota has been serving as the Company's Outside Director for four years as of the closing of this General Meeting of Shareholders.