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(Stock Exchange Code 6505)  
August 6, 2018

**To Shareholders with Voting Rights:**

Kenzo Terashima  
President, Representative Director  
Toyo Denki Seizo K.K.  
1-4-16 Yaesu, Chuo-ku, Tokyo

**NOTICE OF  
THE 157th ANNUAL 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 157th Annual General Meeting of Shareholders of Toyo Denki Seizo K.K. (the "Company"). The meeting will be held as described below.

**If you are unable to attend the meeting, you can exercise your voting rights in writing or via the Internet. Please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights no later than 5:00 p.m. on Monday, August 27, 2018, Japan time.**

- 1. Date and Time:** Tuesday, August 28, 2018 at 10:00 a.m. Japan time
- 2. Place:** "Station Conference Tokyo" Meeting Room 501 (5F, Sapia Tower)  
1-7-12 Marunouchi, Chiyoda-ku, Tokyo
- 3. Meeting Agenda:**
  - Matters to be reported:**
    1. The Business Report, Consolidated Financial Statements for the Company's 157th Fiscal Year (June 1, 2017 - May 31, 2018) and results of audits by the Accounting Auditor and the Board of Corporate Auditors of the Consolidated Financial Statements
    2. Non-consolidated Financial Statements for the Company's 157th Fiscal Year (June 1, 2017 - May 31, 2018)
  - Proposals to be resolved:**
    - Proposal 1:** Appropriation of Surplus
    - Proposal 2:** Election of Seven (7) Directors
    - Proposal 3:** Election of Two (2) Corporate Auditors

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- ◎ Of the documents to be provided with this Notice, "Information Concerning Accounting Auditor," "Overview of Systems to Ensure Appropriate Business Operations (Basic Policy for Internal Control Systems) and Operational Status Thereof" and "Basic Policy on Control of the Company" of the Business Report, and the "Consolidated Statements of Changes in Net Assets," "Notes to Consolidated Financial Statements," "Non-consolidated Statements of Changes in Net Assets," and "Notes to Non-consolidated Financial Statements" are posted on the Company's website (<https://www.toyodenki.co.jp>) in accordance with provisions of laws and regulations as well as Article 15 of the Company's Articles of Incorporation and therefore are not provided in this Notice. Furthermore, the aforementioned items posted on the Company's website are part of the documents audited by the Accounting Auditor and the Board of Corporate Auditors when preparing their accounting audit report and audit report, respectively.
- ◎ Should the Business Report, Consolidated Financial Statements, Non-consolidated Financial Statements, or the Reference documents for the General Meeting of Shareholders require revisions, the revised versions will be posted on the Company's website.

Please note that starting from this year, gifts for the shareholders attending the General Meeting of Shareholders will not be provided. We greatly appreciate your understanding.

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal 1: Appropriation of Surplus

With regard to the appropriation of surplus, the Company proposes the following.

[Items related to the year-end dividend]

With regard to the year-end dividend for the fiscal year ended May 31, 2018, upon comprehensively taking into consideration the return of profits to shareholders in a stable and continuous manner, the strengthening of the business structure and other factors the Company proposes the ordinary dividend of 30 yen per share.

The Company marked the 100th anniversary of its founding on June 20, 2018. Accordingly, the Company plans to pay a dividend of 20 yen per share in commemoration of its 100th anniversary to thank shareholders for their support over these long years. The year-end dividend for the fiscal year ended May 31, 2018 is as follows.

- (1) Type of dividend property  
Cash
- (2) Items related to the allocation of dividend property to shareholders and its total amount  
50 yen per share of common stock  
(Ordinary dividend of 30 yen and commemorative dividend of 20 yen)  
Total of 472,154,650 yen
- (3) Effective date of distribution of surplus  
August 29, 2018

**Proposal 2:** Election of Seven (7) Directors

As the terms of office of all eight Directors will expire at the conclusion of this General Meeting of Shareholders, the election of seven Directors (including two Outside Directors), reducing the number of Directors by one in order to promote efficiency of our management structure, is proposed.

The candidates for Directors are as follows.

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Kenzo Terashima (August 18, 1948) <u>Reappointment</u>	<p>April 1972      Joined the Company July 2001      General Manager, International Sales Division, Transportation System Business Unit August 2002    Executive Officer; Deputy General Manager, Sales Division August 2004    Appointed as Director; General Manager, Sales Division August 2006    Director; Division Director, Transportation Business Unit August 2008    Executive Director August 2009    Representative Senior Executive Director August 2012    Vice President, Representative Director August 2013    President, Representative Director (current position)</p> <p>[Reason for nomination as a candidate for Director] Mr. Kenzo Terashima, since joining the Company in 1972, has been mainly engaged in transportation business and has focused his effort toward development of transportation technology. In addition, since his appointment as Representative Director of the Company in 2009, he has demonstrated leadership across overall business fields. Currently he is strongly promoting the new medium-term management plan “Revitalize 2020”. He is nominated as a candidate for Director based on the judgement that he would be able to continue to play a significant role in making decisions regarding important matters and supervising the performance of duties at the Board of Directors of the Company.</p>	12,460
2	Hiroshi Shimotakahara (November 30, 1952) <u>Reappointment</u>	<p>April 1975      Joined The Sanwa Bank, Ltd. May 1990      Deputy General Manager, Security Sales Office, Market Sales Department April 2002      General Manager, Oimachi Corporate Sales Department; General Manager, Oimachi Branch December 2003    Joined the Company June 2005      Group Manager, Business Strategy Group, Business Management Division August 2005    Executive Officer; Office Manager, Business Management Office June 2006      Executive Officer; General Manager, Financial Affairs Division August 2006    Executive Officer; General Manager, Planning Division August 2010    Senior Executive Officer; General Manager, Planning Division; General Manager, Business Development Division August 2011    Appointed as Director; General Manager, Business Development Division August 2014    Executive Director August 2015    Senior Executive Director June 2018      Senior Executive Director and Executive Officer (current position)</p> <p>[Reason for nomination as a candidate for Director] Mr. Hiroshi Shimotakahara, since joining the Company in 2003, has been engaged in management planning and financial affairs, utilizing his abundant experience at a financial institution. In addition, he has served as Director since 2011 in charge of internal control and business development, and therefore has job experience at the Company and insight regarding management as a whole and business administration and operation. He is nominated as a candidate for Director based on the judgement that he would be able to continue to play a significant role in making decisions regarding important matters and supervising the performance of duties at the Board of Directors of the Company.</p>	6,405

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	Kenichi Gotoh (October 31, 1956) <u>Reappointment</u>	<p>April 1980      Joined the Company</p> <p>June 2000      Manager, Design Division, Transportation Systems Works, Transportation Business Unit</p> <p>August 2006    Group Manager, Electrical Design Group, Transportation Systems Works, Transportation Business Unit</p> <p>August 2012    Executive Officer; Works Manager, Transportation Systems Works, Transportation Business Unit</p> <p>August 2013    Executive Officer; Deputy Division Director, Transportation Business Unit; General Manager, Transportation Business Planning Division</p> <p>August 2014    Appointed as Director; Plant Manager, Yokohama Plant</p> <p>August 2017    Executive Director; Plant Manager, Yokohama Plant</p> <p>September 2017 Director; Plant Manager, Yokohama Plant; Plant Manager, Shiga Ryuo Plant</p> <p>June 2018      Executive Director and Executive Officer; Plant Manager, Yokohama Plant (current position)</p> <p>[Reason for nomination as a candidate for Director] Mr. Kenichi Gotoh, since joining the Company in 1980, has been mainly engaged in transportation business. In addition, he has served as Director since 2014 and has thorough knowledge of whole management of plants. He has contributed to production process innovation and reestablishment of production systems. He is nominated as a candidate for Director based on the judgement that he would be able to continue to play a significant role in making decisions regarding important matters and supervising the performance of duties at the Board of Directors of the Company.</p>	5,488
4	Akihiko Ishii (June 22, 1956) <u>Reappointment</u>	<p>April 1981      Joined the Company</p> <p>November 1999 Chief, General Affairs Division</p> <p>June 2008      Deputy Group Manager, Industry Business Planning Group, Industry Business Unit</p> <p>June 2009      Group Manager, Administration Group, Yokohama Plant</p> <p>August 2011    General Manager, Human Resources Division</p> <p>August 2013    Executive Officer; General Manager, Human Resources Division</p> <p>August 2015    Appointed as Director; General Manager, Human Resources Division</p> <p>August 2017    Director</p> <p>June 2018      Executive Director and Executive Officer (current position)</p> <p>[Reason for nomination as a candidate for Director] Mr. Akihiko Ishii, since joining the Company in 1981, has been mainly engaged in general affairs and human resources affairs. In addition, he has served as Director since 2015 in charge of general affairs, human resources and financial affairs. He has abundant job experience at the Company and insight regarding management as a whole and business administration and operation. He is nominated as a candidate for Director based on the judgement that he would be able to continue to play a significant role in making decisions regarding important matters and supervising the performance of duties at the Board of Directors of the Company.</p>	5,767

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
5	Akira Watanabe (November 22, 1959) <u>Reappointment</u>	<p>April 1982      Joined the Company</p> <p>June 2000      Chief, Development Division, Transportation Systems Works, Transportation Business Unit</p> <p>June 2002      Group Manager, Business Creation Group, Development Division</p> <p>June 2003      Deputy Group Manager, Transportation Design Group, Yokohama Plant, Production Division</p> <p>June 2005      Group Manager, Traction Control Design Group, Transportation Systems Works, Yokohama Plant, Production Division</p> <p>August 2008    Deputy Center Manager, Research Center</p> <p>May 2011      Group Manager, EV Systems Group, Business Development Division</p> <p>July 2011      Deputy General Manager, Business Development Division</p> <p>August 2012    Member of the Board; Deputy General Manager, Business Development Division</p> <p>August 2013    Member of the Board; General Manager, Business Development Division</p> <p>August 2015    Executive Officer; General Manager, Management Planning Division</p> <p>August 2016    Appointed as Director; Division Director, Transportation Business Unit</p> <p>June 2018      Executive Director and Executive Officer; Division Director, Transportation Business Unit; General Manager, International Sales Division, Transportation Business Unit (current position)</p> <p>[Reason for nomination as a candidate for Director] Mr. Akira Watanabe, since joining the Company in 1982, has been mainly engaged in transportation business and has served as Director since 2016. He has extensive knowledge and experience in research and development field, as well as high level of insight and experience regarding transportation business as a whole. He is nominated as a candidate for Director based on the judgement that he would be able to continue to play a significant role in making decisions regarding important matters and supervising the performance of duties at the Board of Directors of the Company.</p>	1,826
6	Hirokazu Chinone (March 1, 1944) <u>Reappointment</u> <u>Outside Director</u> <u>Independent Director</u>	<p>April 1969      Registered as a lawyer (Daini Tokyo Bar Association)</p> <p>May 1982      Established Chinone &amp; Haruhara Law Office</p> <p>July 2011      Representative Director, Management and Law Committee</p> <p>March 2013    Trust Administrator, Charitable Trust (Assistance Fund Regarding Disaster Risk Management Measures for Highways of NEXCO and Associated Companies) (current position)</p> <p>April 2014      Director, Public Interest Incorporated Foundations of TETSUDOU KOUSAIKAI (current position)</p> <p>April 2015      Outside Director, Maruzen CHI Holdings Co., Ltd.</p> <p>August 2015    Appointed as Outside Director of the Company (current position)</p> <p>April 2016      Outside Director and Member of the Audit and Supervisory Committee, Maruzen CHI Holdings Co., Ltd. (current position)</p> <p>July 2017      Advisor, Management and Law Committee (current position)</p> <p>[Reason for nomination as a candidate for Outside Director] Mr. Hirokazu Chinone is a qualified lawyer and is nominated as a candidate for Outside Director based on the judgement that he would be able to give advice and make proposals in order to ensure legality and appropriateness of decision making of the Board of Directors of the Company, utilizing his high level of insight and abundant experience in the field of corporate legal practice.</p> <p>[Term of Office as Outside Director] Mr. Hirokazu Chinone currently serves as the Company's Outside Director and his term of office will be three years at the conclusion of this General Meeting of Shareholders.</p>	0

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
7	Takashi Yamagishi (August 3, 1944) <u>Reappointment</u> <u>Outside Director</u> <u>Independent Director</u>	<p>April 1970      Joined TEIJIN LIMITED</p> <p>March 1996     President and Director, Teijin DuPont Films S.A.</p> <p>June 1999      Corporate Officer, TEIJIN Group</p> <p>April 2004      Group Manager, Film Business Group, TEIJIN LIMITED; Vice Chairman and COO, Global Joint Venture, Teijin DuPont Films</p> <p>April 2005      Chief Technology Officer, TEIJIN LIMITED</p> <p>June 2005      Managing Director</p> <p>June 2006      Senior Managing Director</p> <p>June 2008      Executive Vice President</p> <p>June 2009      Vice President, Representative Director of the Board</p> <p>June 2010      Counselor and Chief Engineer</p> <p>June 2012      Counselor (current position)</p> <p>August 2016    Appointed as Outside Director of the Company (current position)</p>	0
		<p>[Reason for nomination as a candidate for Outside Director]</p> <p>Mr. Takashi Yamagishi has abundant experience in corporate management both in Japan and overseas and highly specialized expertise and is nominated as a candidate for Outside Director based on the judgement that he would be able to give advice and make proposals in order to ensure legality and appropriateness of decision making of the Board of Directors of the Company, utilizing his extensive insight and global view.</p>	
		<p>[Term of Office as Outside Director]</p> <p>Mr. Takashi Yamagishi currently serves as the Company's Outside Director and his term of office will be two years at the conclusion of this General Meeting of Shareholders.</p>	

- (Notes)
1. There are no special interests between each candidate for Director and the Company.
  2. Mr. Hirokazu Chinone and Mr. Takashi Yamagishi are candidates for Outside Director as stipulated in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.  
The Company has registered them as independent officers with the Tokyo Stock Exchange.
  3. As to liability of Outside Officers set forth in Article 423, Paragraph 1 of the Companies Act, the Company may enter into an agreement to limit their liability to the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act, when they performed their duties in good faith and without gross negligence, as stipulated in the Articles of Incorporation of the Company. If the proposal is approved and Mr. Hirokazu Chinone and Mr. Takashi Yamagishi are elected, the above-mentioned liability limitation agreements shall retain their effect.

**Proposal 3: Election of Two (2) Corporate Auditors**

As Corporate Auditors Mr. Hiroshi Hamao and Mr. Eiichi Suzuki will resign at the conclusion of this General Meeting of Shareholders upon expiration of their terms, the election of two Corporate Auditors is proposed.

Furthermore, the Board of Corporate Auditors has given its approval to this proposal. The candidates for Corporate Auditor are as follows.

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
1	Toshiaki Akechi (January 27, 1955) <u>New appointment</u> Outside Corporate Auditor	<p>April 1977      Joined Japanese National Railways</p> <p>April 1987      Joined East Japan Railway Company</p> <p>June 1998      General Manager, Equipment Division, Sendai Branch Office</p> <p>June 2002      Managing Director, JR East Logistics Co., Ltd</p> <p>June 2004      General Manager, New York Office, East Japan Railway Company</p> <p>June 2008      General Manager, Large-scale Development Department, Life-style Business Development Headquarters</p> <p>June 2010      President and Representative Director, Kinshicho Station Building Co., Ltd.</p> <p>June 2012      President and Representative Director, JR EAST FOOD BUSINESS CO., LTD.</p> <p>June 2018      Director and Senior Adviser (current position)</p> <p>[Reason for nomination as a candidate for Outside Corporate Auditor] Mr. Toshiaki Akechi had served as President and Representative Director of Kinshicho Station Building Co., Ltd. and JR EAST FOOD BUSINESS CO., LTD., and therefore has abundant experience and knowledge in corporate management. He is nominated as a candidate for Outside Corporate Auditor since the Company expects him to conduct audits and give effective advice, utilizing his experience in corporate management.</p>	0
2	Yasushi Miki (September 21, 1958) <u>New appointment</u> Outside Corporate Auditor	<p>April 1982      Joined The Sanwa Bank, Ltd. (currently MUFG Bank, Ltd.)</p> <p>November 1997      Deputy General Manager, Hong Kong Branch</p> <p>August 2007      Joint General Manager, Global Business Planning Department</p> <p>March 2009      Regional Executive for India</p> <p>October 2011      Senior Manager and Group Head, Business Development and Promotion Group Global Business Strategy Office Corporate Business Strategy Headquarters, Hitachi Chemical Co., Ltd.</p> <p>October 2014      Senior Manager, Business Strategy and Development Dept. Corporate Business Strategy Headquarters. (current position)</p> <p>[Reason for nomination as a candidate for Outside Corporate Auditor] Mr. Yasushi Miki has abundant experience at a financial institution and extensive knowledge in overseas business, and has worked on alliances at Hitachi Chemical Company, Ltd. He is nominated as a candidate for Outside Corporate Auditor since the Company expects him to conduct audits and give effective advice, utilizing his knowledge in financial affairs and global view.</p>	0

- (Notes)
1. There are no special interests between each candidate for Corporate Auditor and the Company.
  2. Mr. Toshiaki Akechi and Mr. Yasushi Miki are candidates for Outside Corporate Auditor as stipulated in Article 2, Paragraph 3, Item 8 of the Ordinance for Enforcement of the Companies Act.
  3. Pursuant to provisions of Article 427, Paragraph 1 of the Companies Act, the Company, as to liabilities for damages set forth in Article 423, Paragraph 1 of the same Act, may enter into agreements with Outside Corporate Auditors to limit their liability to the amount stipulated in laws and regulations. If both candidates for Outside Corporate Auditor are elected, the Company will enter into said liability limitation agreement with them.
  4. Mr. Toshiaki Akechi serves as Adviser and Director of JR EAST FOOD BUSINESS CO., LTD., and is scheduled to retire as Adviser and Director when he takes office as Outside Corporate Auditor of the Company.
  5. Mr. Yasushi Miki serves as General Manager Responsible for Planning, Business Development Office of Hitachi Chemical Company, Ltd., and is scheduled to retire from Hitachi Chemical Company, Ltd., when he takes office as Outside Corporate Auditor of the Company.

<Reference>

■ Standards for Independence of Outside Officers

In addition to fulfilling the criteria in the amended Companies Act, Outside Officers shall also not fall under any of the following items, in accordance with the Tokyo Stock Exchange “Guidelines Relating to Listing Management, etc.”

- (1) In the event that a company where the Outside Officer serves as an executive\* receives payment from the Company or a subsidiary of the Company as consideration for products, components, or services, or makes payment to the Company or a subsidiary of the Company, cases when the amount of such payments exceeds 2% of the consolidated net sales of either company in any fiscal year during the past three fiscal years.
- (2) Cases when the Outside Officer has received compensation exceeding 10 million yen directly from the Company or a subsidiary of the Company as a legal, accounting, or tax specialist or consultant (or in the event of a corporation, a person belonging to that corporation) in any fiscal year during the past three fiscal years.
- (3) Cases when contributions from the Company to a non-profit organization where the Outside Officer serves as an officer executing business operations have exceeded 10 million yen in any fiscal year during the past three fiscal years.
- (4) Cases when the Outside Officer is or has been a major shareholder of the Company or an executive thereof, directly or indirectly holding more than 10% of the Company’s voting rights during the past three years.
- (5) Cases when a relative within the second degree of the Outside Officer falls under the following categories:
  - An executive of the Company or a subsidiary of the Company during the past three years (excluding insignificant persons);
  - A person falling under any of the above items (1) to (4) (excluding insignificant persons).

\* Executive: An executive director, executive officer, operating officer, manager, or other employee