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(Stock Exchange Code 6505)
August 5, 2019

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 158th 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 158th 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 Tuesday, August 27, 2019, Japan time.

- 1. Date and Time:** Wednesday, August 28, 2019 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 158th Fiscal Year (June 1, 2018 - May 31, 2019) 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 158th Fiscal Year (June 1, 2018 - May 31, 2019)
 - Proposals to be resolved:**
 - Proposal 1:** Appropriation of Surplus
 - Proposal 2:** Election of One (1) Director
 - 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 there will be no gifts for the shareholders attending the General Meeting of Shareholders. 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, 2019, 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.

- (1) Type of dividend property
Cash
- (2) Items related to the allocation of dividend property to shareholders and its total amount
30 yen per share of common stock
Total of 268,261,020 yen
- (3) Effective date of distribution of surplus
August 29, 2019

Proposal 2: Election of One (1) Director

In order to optimize the balance and size of the corporate governance structure and the Board of Directors as a whole in conjunction with the retirement of two Directors, the election of one Director is proposed.

The candidate for Director is as follows. The term of office of the candidate for Director shall be until the expiry of the terms of office of the other serving Directors, as set forth in the Articles of Incorporation of the Company.

Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
Yoshifumi Otsubo (January 9, 1958) <u>New appointment</u>	April 1980 Joined The Sanwa Bank, Ltd. (currently MUFG Bank, Ltd.) June 2004 General Manager, Strategy Development Department; General Manager, Strategy Support Department July 2005 General Manager, Hiroshima Corporate Sales Department January 2006 General Manager, Hiroshima Branch July 2007 General Manager, Corporate Research Department June 2010 Joined the Company; Group Manager, Management Planning Group, Planning Division August 2011 General Manager, Management Planning Division August 2012 Executive Officer; General Manager, Management Planning Division August 2015 Senior Executive Officer; Branch Manager of Osaka Branch August 2016 Senior Executive Officer; General Manager, Ryuo Factory Integration Division; Deputy Division Director, Industry Business Unit December 2017 Senior Executive Officer; Division Director, Industry Business Unit; General Manager, Ryuo Factory Integration Division June 2018 Executive Officer; Division Director, Industry Business Unit June 2019 Executive Officer; Division Director, Industry Business Unit; Branch Manager of Hokkaido Branch (current position)	2,800
	[Reason for nomination as a candidate for Director] Mr. Yoshifumi Otsubo, since joining the Company in 2010, has been engaged in management planning, utilizing his abundant experience at a financial institution, and since 2015, has been overseeing the Osaka Branch and the Industry Business Unit. In addition, he was in charge of establishing the Shiga Ryuo Plant, and therefore has job experience at the Company and insight regarding management as a whole. He is nominated as a candidate for Director based on the judgement that he would be able 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.	

(Note) There are no special interests between the candidate for Director and the Company.

Proposal 3: Election of Two (2) Corporate Auditors

As the terms of office of Corporate Auditors Mr. Yoshihiko Yoshino and Mr. Yoshinori Kawamura will expire at the conclusion of this General Meeting of Shareholders, 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 Auditors are as follows.

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
1	Kenji Ueda (January 20, 1955) <u>New appointment</u>	<p>April 1978 Joined the Company</p> <p>September 2001 General Manager, JR Group Sales Division, Transportation System Business Unit</p> <p>August 2004 Executive Officer; Branch Manager of Nagoya Branch, Sales Division</p> <p>August 2006 Executive Officer; Branch Manager of Osaka Branch</p> <p>August 2008 Appointed as Director; Division Director, Industry Business Unit</p> <p>August 2012 Senior Executive Director, Toyo Sangyo Co., Ltd.</p> <p>August 2013 President, Representative Director</p> <p>August 2018 Advisor (current position)</p> <p>[Reason for nomination as a candidate for Corporate Auditor] Mr. Kenji Ueda, since joining the Company in 1978, has held a number of important positions in transportation business and industry business, and therefore has abundant experience and knowledge regarding the business of the Company. He also has experience in the management of a subsidiary of the Company. He is nominated as a candidate for Corporate Auditor since the Company expects him to provide pertinent opinions as a Corporate Auditor.</p>	5,296
2	Yoshinori Kawamura (February 12, 1967) <u>Reappointment</u> <u>Outside Corporate Auditor</u> <u>Independent Corporate Auditor</u>	<p>April 1996 Full-time Lecturer, Ryukoku University</p> <p>April 2000 Full-time Lecturer, School of Commerce, Waseda University</p> <p>April 2002 Assistant Professor</p> <p>April 2008 Professor, Faculty of Commerce (current position)</p> <p>August 2017 Appointed as Corporate Auditor of the Company (current position)</p> <p>[Reason for nomination as a candidate for Corporate Auditor] In addition to the above, Mr. Yoshinori Kawamura has experience in roles including Secretary and Specialist Committee Member of the Business Accounting Council of the Financial Services Agency, and Committee Member of the Certified Public Accountant Examination Board. We expect him to utilize the high level of insight and abundant experience that he has developed thus far with regard to corporate finance and accounting to provide effective advice on the soundness of finance and accounting matters and the monitoring of management in general, and have thus nominated him as a candidate for Outside Corporate Auditor.</p>	0

- (Notes)
- There are no special interests between each candidate for Corporate Auditor and the Company.
 - Mr. Kenji Ueda serves as Advisor of Toyo Sangyo Co., Ltd., but is scheduled to retire as Advisor at the meeting of the Board of Directors to be held following the Annual General Meeting of Shareholders of Toyo Sangyo Co., Ltd. scheduled for August 23, 2019.
 - Mr. Yoshinori Kawamura is a candidate for Outside Corporate Auditor as stipulated in Article 2, Paragraph 3, Item 8 of the Ordinance for Enforcement of the Companies Act.
 - Mr. Yoshinori Kawamura currently serves as the Company's Outside Corporate Auditor and his term of office will be two years at the conclusion of this General Meeting of Shareholders.
 - In the event that Mr. Yoshinori Kawamura is elected, the Company plans to continue his registration as an independent corporate auditor in accordance with the rules of the Tokyo Stock Exchange.
 - Pursuant to the stipulations of Article 427, Paragraph 1 of the Companies Act, the Company may enter into an agreement with an Outside Corporate Auditor to limit his or her liability as set forth in Article 423, Paragraph 1 of the Companies Act to the amount stipulated by laws and regulations, as set forth in the Articles of Incorporation of the Company. If the proposal is approved and Mr. Yoshinori Kawamura is elected, the above-mentioned liability limitation agreement shall retain their effect.

<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