Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

(Stock Exchange Code 3433)
June 5, 2018

**To Shareholders with Voting Rights:**

Noriyuki Mifune
President
TOCALO Co., Ltd.
4-4, 6-chome, Minatojima-Minamimachi,
Chuo-ku, Kobe

# NOTICE OF
# THE 67TH 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 67th Annual General Meeting of Shareholders of TOCALO 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. Please review the attached Reference Documents for the General Meeting of Shareholders, indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it so that it is received by 5 p.m. on June 27, 2018, Japan time.

1. **Date and Time:** Thursday, June 28, 2018, at 10 a.m. Japan time (Reception desk opens at 9:30 a.m.)

2. **Place:** "Kairaku" Meeting Room on the Main Building B1 floor of KOBE PORTOPIA HOTEL, located at 10-1, 6-chome, Minatojima Nakamachi, Chuo-ku, Kobe

3. **Meeting Agenda:**

   **Matters to be reported:**
   1. The Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements for the Company's 67th Fiscal Year (April 1, 2017–March 31, 2018)
   2. Results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements for the Company's 67th Fiscal Year (April 1, 2017–March 31, 2018)

   **Proposals to be resolved:**

   **Proposal 1:** Appropriation of Surplus
   **Proposal 2:** Election of Three (3) Directors
   **Proposal 3:** Revision to the Amount of Remuneration for Directors

**4. Exercise of Voting Rights**

You are kindly requested to review the Reference Documents and exercise your voting rights.
You can exercise your voting rights by any of the following three methods.

| | | |
|---|---|---|
| By attending the meeting<br>Date and time of the meeting:<br>10:00 a.m., June 28, 2018 (Japan time) | By postal mail<br>Deadline for exercise:<br>Your ballot must reach us by post no later than 5 p.m. on June 27, 2018 (Japan time). | Via the Internet<br>URL: http://www.evote.jp/<br>Deadline for exercise:<br>Enter your vote by no later than 5 p.m. on June 27, 2018 (Japan time). |

◆ When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk

* For details regarding the exercise of voting rights via the Internet, please refer to pages 7-8.

- Handling in case voting rights are exercised multiple times
  (1) In the event that voting rights are exercised both in writing and via the Internet, the vote via the Internet shall be deemed valid.
  (2) In the event that voting rights are exercised multiple times via the Internet, the most recent vote shall be deemed valid.

◆From among the documents to be provided together with the Notice of the 67th Annual General Meeting of Shareholders, the "Consolidated Statement of Changes in Net Assets," "Notes to the Consolidated Financial Statements," "Statement of Changes in Net Assets" and "Notes to the Non-consolidated Financial Statements" are disclosed on the Company's website (https://www.tocalo.co.jp/) pursuant to the laws, regulations and Article 15 of the Articles of Incorporation of the Company. Therefore, these documents are not included in the documents attached to this Notice. Also, the "Consolidated Statement of Changes in Net Assets," "Notes to the Consolidated Financial Statements," "Statement of Changes in Net Assets" and "Notes to the Non-consolidated Financial Statements" are included in the consolidated financial statements and non-consolidated financial statements audited by the Audit & Supervisory Board Members and the Accounting Auditor to prepare the Audit Reports.

◆ Should the Business Report, the Consolidated Financial Statements, the Non-consolidated Financial Statements and the Reference Documents for the General Meeting of Shareholders require revisions, the revised versions will be posted on the Company's website (https://www.tocalo.co.jp).

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

**Proposal 1:** Appropriation of Surplus

Proposed appropriation of surplus for the 67th fiscal year is as follows:

The Company considers the returning of profits to be one of the most important managerial measures and makes it a basic policy to maintain the stable payment of dividends by reinforcing the corporate structure through the enhancement of earning capacity, while implementing the performance-based distribution of profits.

The year-end dividends for the fiscal year under review are proposed as follows:

1) Type of property for dividends
   Cash

2) Allotment of property for dividends and total amount thereof
   ¥15 per share of the Company’s common stock
   Total amount: ¥911,923,320

   The Company conducted a four-for-one stock split for its common stock, effective March 1, 2018. We paid ¥45 per share as an interim dividend, effective September 30, 2017. This amount per share is, as a result of the stock split, equivalent to ¥11.25 per share. Therefore, the annual dividend, which combines the interim dividend and a year-end dividend, will become ¥26.25 per share for the fiscal year under review.

3) Effective date of distribution of surplus
   June 29, 2018

**Proposal 2:** Election of Three (3) Directors

To further strengthen the management structure of the Company, the election of three (3) additional Directors is proposed. The term of office of Directors to be newly elected will be until the expiration of the term of other Directors currently in office, in accordance with the Company's Articles of Incorporation.

The candidates for Director are as follows:

| No. | Name<br>(Date of birth) | Past experience, positions, responsibilities and significant concurrent positions | Number of shares of the Company held |
|---|---|---|---|
| 1 | Takeshi Miki<br>(April 19, 1958)<br>New appointment<br><br>Term of office as a Director at the conclusion of this Annual General Meeting of Shareholders: — years<br><br>Attendance at meetings of the Board of Directors during fiscal 2017: — | April 2005 General Manager, Mizushima Plant of the Company<br>April 2011 General Manager, Kitakyushu Plant<br>April 2013 Division Manager, Sales Div., Tokyo Plant<br>April 2016 General Manager, Tokyo Plant<br>April 2018 Division Manager, Marketing Planning Div. (to present)<br>[Significant concurrent positions]<br>Number of companies where he concurrently assumes office: 1<br>Director, Japan Coating Center Co., Ltd.<br>[Reason for selection as a candidate for Director]<br>Mr. Takeshi Miki possesses not only a career history mainly in the sales field but also assumed office as General Manager of plants. Based on his broad knowledge and ample experience, we believe he is capable of performing the duties as a Director of the Company appropriately and therefore appoint Mr. Miki as a candidate for Director. | 86,300 |
| 2 | Hiroshi Goto<br>(January 31, 1962)<br>New appointment<br><br>Term of office as a Director at the conclusion of this Annual General Meeting of Shareholders: — years<br><br>Attendance at meetings of the Board of Directors during fiscal 2017: — | April 1984 Joined The Tokai Bank Ltd. (currently MUFG Bank, Ltd.)<br>May 2010 General Manager, Higashi Branch of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (currently MUFG Bank, Ltd.)<br>June 2013 Transferred from The Bank of Tokyo-Mitsubishi UFJ, Ltd. to NACHI-FUJIKOSHI CORP. Corporate Officer; General Manager, Global Finance Department and other posts, NACHI-FUJIKOSHI CORP.<br>April 2016 Joined the Company; Division Manager, Accounting Div.<br>April 2017 Division Manager, Accounting Div., and Division Manager, Corporate Planning Div. (to present)<br>[Significant concurrent positions]<br>Number of companies where he concurrently assumes office: 0<br>None<br>[Reason for selection as a candidate for Director]<br>Mr. Hiroshi Goto possesses a career history including overseas duties and planning and administrative duties for banks and business operating companies. Based on his global perspective and extensive experience, we believe he is capable of performing the duties as a Director of the Company appropriately and therefore appoint Mr. Goto as a candidate for Director. | 65,300 |

| No. | Name<br>(Date of birth) | Past experience, positions, responsibilities and significant concurrent positions | Number of shares of the Company held |
|---|---|---|---|
| 3 | Keiko Takihara<br>(March 13, 1956)<br>New appointment<br><br>Outside Director<br>Independent Officer<br>Term of office as a Director at the conclusion of this Annual General Meeting of Shareholders: — years<br><br>Attendance at meetings of the Board of Directors during fiscal 2017: — | March 1986 Medical Doctor (Osaka University)<br>April 2008 Professor, Osaka University Health Care Center (currently, Health and Counseling Center, Osaka University) and the Department of Cardiovascular Medicine, Osaka University Graduate School of Medicine (to present)<br>April 2012 Director, Health and Counseling Center, Osaka University<br>October 2014 Vice President<br>April 2018 Director, National Cerebral and Cardiovascular Center (to present)<br>[Significant concurrent positions]<br>Number of companies where she concurrently assumes office: 2<br>Professor, National University Corporation Osaka University<br>Director, National Cerebral and Cardiovascular Center<br>[Reason for selection as a candidate for Outside Director]<br>Ms. Keiko Takihara possesses deep insights regarding health improvement as a professor of the health management department of a university. We expect useful opinions from her to promote workstyle reform and women's career advancement. Based on her experience as a medical doctor and her perspectives as a woman, we believe she is capable of performing the duties as an Outside Director of the Company appropriately and therefore appoint Ms. Takihara as a candidate for Outside Director. | 0 |

(Notes)

1. There are no special interests between the Company and each candidate for Director.
2. Ms. Keiko Takihara is a candidate for Outside Director.
3. Ms. Keiko Takihara satisfies the requirements for independent officers prescribed by Tokyo Stock Exchange, Inc. The Company therefore intends to notify said Exchange that she is an independent officer.
4. If the election of Ms. Keiko Takihara is approved, the Company intends to conclude an agreement to limit the liability for damages as set forth in Article 423, Paragraph 1, of the Companies Act with her. The maximum amount of liability under said agreement will be the amount stipulated by law.
5. "Number of shares of the Company held" includes the number of shares (greater than unit shares) held by the employee shareholding association of the Company.

**Proposal 3:** Revision to the Amount of Remuneration for Directors

The aggregate amount of remuneration for the Company's Directors was approved to be within ¥300 million (of which within ¥20 million for Outside Directors) per year at the 64th Annual General Meeting of Shareholders held on June 24, 2015, which is still in effect. Taking into account the increase in the number of Directors, which is on the agenda of this Annual General Meeting of Shareholders, it is also proposed that the aggregate amount of remuneration for the Company's Directors be revised to be within ¥400 million (of which within ¥30 million for Outside Directors) per year, subject to approval at this meeting. This limit of the amount of remuneration for Directors does not include their salaries as the Company's employees, which is the same as before.

Although the number of Directors is currently 11 (including three Outside Directors), if Proposal 2 is approved as proposed, the number of Directors will become 14 (including four Outside Directors).

## ＜Procedure for Exercising Voting Rights via the Internet＞

To exercise your voting rights via the Internet, please carefully read the following items and exercise your voting rights accordingly.

If you attend the 66th Annual General Meeting of Shareholders of the Company, you do not need to send the Voting Rights Exercise Form by mail or undertake the procedure to exercise voting rights via the Internet.

1. Website for Exercising Voting Rights

(1) You may exercise your voting rights via the Internet only through the website for exercising voting rights specified by the Company (https://evote.tr.mufg.jp/) using a personal computer, smartphone or mobile phone (i-mode, EZweb, Yahoo! Mobile)*
(The voting rights exercise service is suspended 2 a.m.–5 a.m. daily.)
*i-mode, EZweb and Yahoo! are trademarks or registered trademarks of NTT Docomo, Inc., KDDI Corporation and Yahoo! Inc. in the United States, respectively.

(2) Please note that the exercise of voting rights using a personal computer or a smartphone may not be available depending on the Internet environment of each shareholder such as usage of a firewall, etc., for Internet access, installation of antivirus software, usage of a proxy server and/or TLS encryption communication not being supported.

(3) Please use one of your mobile web services—i-mode, EZweb or Yahoo! Mobile—to access the voting service website from your mobile phone. To ensure the security of your data transmission, the voting service is not available for mobile phones that do not support TLS encryption communication or data transmission.

(4) The exercise of voting rights via the Internet will be acceptable until 5 p.m. on Wednesday, June 27, 2018 (Japan time). However, we recommend the early exercise of your voting rights well ahead of the deadline. If you have any questions, please contact the Help Desk.

2. Specific Procedures to Exercise Your Voting Rights via the Internet

(1) Access the Website for the Exercise of Voting Rights (https://evote.tr.mufg.jp/). Using the “Log-in ID” and the “Temporary Password,” which are printed on the enclosed Voting Rights Exercise Form, follow the instruction on the screen and enter your vote for or against each proposal.

(2) To prevent unauthorized access (so-called “spoofing”) by any third party other than a qualified shareholder or falsification of data regarding the exercise of voting rights, every shareholder will be requested to change the “Temporary Password” on the Website for the Exercise of Voting Rights.

(3) The Company will inform you of a new “Log-in ID” and “Temporary Password” every time a General Meeting of Shareholders is convened.

3. Handling of Voting Rights Exercised Multiple-Times

(1) In the event that voting rights are exercised both by mailing the voting form and via the Internet, etc.,

the vote via the Internet, etc., shall be deemed valid.

(2) In the event that voting rights are exercised multiple times via the Internet, etc., the most recent vote shall be deemed valid. In case voting rights are exercised using a personal computer, a smartphone and a mobile phone, the most recent vote shall be deemed valid.

4. Charges Incurred to Access the Website for the Exercise of Voting Rights

Any charges that might be required to access the website for the Exercise of Voting Rights (e.g., Internet connection fees) shall be borne by the shareholder. In case of using mobile phones, charges such as packet communication fees and other mobile phone fees to access the voting service website via mobile phones shall also be borne by the shareholder.

Contact for inquiries regarding Systems

Stock Transfer Agency Department (Help Desk), Mitsubishi UFJ Trust and Banking Corporation

・Phone: 0120-173-027 (Hours: 9 a.m. to 9 p.m. (toll-free))

5. Electronic Voting Platform

Institutional investors registered in the name of a trust and custody services bank, etc. (including a standing proxy), may use the “Electronic Voting Platform” operated by ICJ, Inc., as an alternative electromagnetic method other than the use of the Internet as explained above for exercising voting rights at the General Meeting of Shareholders of the Company, provided that the shareholder has already subscribed to use of the platform.