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Securities Code: 8920

June 1, 2018

To our shareholders:

Yuichiro Kutsuna  
President  
**TOSHO CO., LTD.**  
1-16-5 Mikawaanjo-cho, Anjo-shi, Aichi

## Notice of the 40th Annual General Meeting of Shareholders

You are cordially invited to attend the 40th Annual General Meeting of Shareholders of TOSHO CO., LTD. (the "Company"), which will be held as described below.

If you are unable to attend the meeting in person, you may exercise your voting rights in writing. Please indicate your vote of approval or disapproval of each proposal on the enclosed voting form and return the form to the Company no later than 6:00 p.m. on Wednesday, June 20, 2018 (JST) after reviewing the attached Reference Documents for General Meeting of Shareholders.

- 1. Date and Time:** Thursday, June 21, 2018, at 10:00 a.m. (JST)
- 2. Venue:** 1F, Special Conference Hall, Hotel Grand Tiara ANJO  
1-8-11 Mikawaanjo Minamimachi, Anjo-shi, Aichi

### 3. Purpose of the Meeting:

#### Matters to be reported:

1. Business Report, Consolidated Financial Statements and audit report of the Consolidated Financial Statements by our Financial Auditor and Audit & Supervisory Board for the 40th fiscal year (From April 1, 2017 to March 31, 2018)
2. Report on the Non-Consolidated Financial Statements for the 40th fiscal year (From April 1, 2017 to March 31, 2018)

#### Matters to be resolved:

- |                       |                                                                 |
|-----------------------|-----------------------------------------------------------------|
| <b>Proposal No. 1</b> | Appropriation of Surplus                                        |
| <b>Proposal No. 2</b> | Election of One Director                                        |
| <b>Proposal No. 3</b> | Payment of Directors' Retirement Benefits for Retired Directors |

You are kindly requested to present the enclosed voting form to the receptionist when you attend the meeting.

If any changes have been made to items in the Reference Documents for General Meeting of Shareholders, Business Report, Non-Consolidated Financial Statements, and Consolidated Financial Statements, such changes will be posted on the Company's website (<http://www.to-sho.net/>).

## Reference Documents for General Meeting of Shareholders

### Proposals and Reference Information

#### Proposal No. 1 Appropriation of Surplus

The Company believes that one of the most important management priorities is to return its profit to its shareholders, and seeks to maintain stable distribution of dividends. However, at the same time, the Company also has a policy to make decisions towards effective use of its internal reserves for future business expansion and enhancement of the business quality.

In accordance with the above policy, the Company proposes to pay a year-end dividend of ¥8 per share for the fiscal year under review, including a commemorative dividend of ¥2 per share as a result of ABHOTEL CO., LTD., a consolidated subsidiary of the Company, becoming newly listed on the JASDAQ Standard of the Tokyo Stock Exchange and on the Second Section of the Nagoya Stock Exchange on December 25, 2017.

##### 1. Year-end dividends

###### (i) Type of dividend property

To be paid in cash.

###### (ii) Allotment of dividend property and their aggregate amount

¥8 per common share of the Company

The total dividends will be ¥306,451,520.

Note: On October 1, 2017, the Company split each common share into two shares, and the interim dividend paid with a record date of September 30, 2017 (¥13 per share) is equal to ¥6.5 after converting to the dividend per share following the split of the shares; therefore, the annual dividend combined with the year-end dividend will be ¥14.5 per share.

###### (iii) Effective date of dividends of surplus

The effective date of dividends shall be June 22, 2018.

##### 2. Other appropriation of surplus

While internal reserves are used in ways such as making investments to enhance the corporate value, the following decisions have been made to strengthen the business foundation for aggressive business expansion henceforth.

###### (i) Item of surplus to be decreased and amount of decrease

Retained earnings brought forward: ¥3,500,000,000

###### (ii) Item of surplus to be increased and amount of increase

General reserve: ¥3,500,000,000

**Proposal No. 2** Election of One Director

The Company proposes the election of one Director, increasing the number of Directors by one to enhance the management system. In addition, as provided for in the Company's Articles of Incorporation, the term of office of the newly elected Director will be until the terms of office of the other currently serving Directors expire.

The candidate for Director is as follows:

Name (Date of birth)	Career summary, and position and responsibilities in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned (Thousands)
Aki Tanizawa (February 19, 1975)	Apr. 1997      Joined the Company Oct. 2004      General Manager of Hotel Department and Manager of Hotel Sunroute Mikawaanjo Jan. 2010      General Manager of Internal Auditing Office Aug. 2010      Chief of General Affairs and Human Resources Section, Administration Department Jan. 2011      General Manager of Internal Control Office Dec. 2016      Executive Officer and General Manager of Secretarial Office and Internal Control Office (current position)	5

(Reasons for nomination as candidate for Director)

Since joining the Company, Aki Tanizawa has been assigned to the main business areas of the Company, such as Holiday Sports Club and AB Hotel, and has gained an abundance of experience in an internal division, the Administration Department, and as the General Manager of Internal Auditing Office and Internal Control Office, and the like. She has been nominated as a candidate for Director because the Company believes that she will be able to provide support for management in the growth stages of the Company Group in the future.

Note: There is no special interest between the candidate and the Company.

**Proposal No. 3**      Payment of Directors' Retirement Benefits for Retired Directors

Mayumi Kutsuna retired as a Director as of February 5, 2018, and Hiroshi Kikuchi, who retired as a Director and had assumed office as an Executive Officer at the conclusion of the 38th Annual General Meeting of Shareholders held on June 14, 2016, retired as an Executive Officer. Thus, in order to reward them for their services during their respective tenures, the Company proposes to pay them retirement benefits within the appropriate range in accordance with certain standards of the Company.

The Company proposes that the specific amount, the time and means of payment of the retirement benefits be entrusted to the Board of Directors.

The career summaries of the retiring Directors are as follows:

Name	Career summary	
Mayumi Kutsuna	Feb. 1989	Director of the Company
	Oct. 1990	Managing Director
	Oct. 1993	Director and Vice President
	June 2017	Director and Vice Chairperson
	Feb. 2018	Resigned as Director and Vice Chairperson
Hiroshi Kikuchi	June 2008	Director of the Company
	June 2016	Resigned as Director