

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.

(Securities Code: 6315)

June 6, 2018

Dear Shareholders:

Hirokazu Okada
President & CEO
TOWA CORPORATION
5, Kamichoshi-cho, Kamitoba,
Minami-ku, Kyoto, Japan

**CONVOCAION NOTICE FOR
THE 40TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Notice is hereby given that the 40th Ordinary General Meeting of Shareholders of TOWA CORPORATION (the “Company”) will be held as detailed below, and your attendance is cordially requested.

In the event you are unable to attend the meeting, you can exercise your voting rights in writing (the Voting Rights Exercise Form). In this case, please examine the Reference Documents for the General Meeting of Shareholders later in this translation, then indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it so that it is received by 5:30 p.m. on Wednesday, June 27, 2018.

1. Date and time: June 28, 2018 (Thursday) 10:00 a.m.
2. Venue: 5, Kamichoshi-cho, Kamitoba, Minami-ku, Kyoto, Japan
Meeting room on the seventh floor of the Company’s HQ building
3. Agenda:
 - Reports 1. Report of the business report, the consolidated financial statement for the 40th fiscal term (from April 1, 2017 to March 31, 2018), and audit reports prepared by the Accounting Auditor and the Audit and Supervisory Committee on the consolidated financial statement
 2. Report of the financial statement for the 40th fiscal term (from April 1, 2017 to March 31, 2018)
 - Proposals 1. Election of Four (4) Directors who are not Audit and Supervisory Committee Members
 2. Election of Three (3) Directors who are Audit and Supervisory Committee Members
 3. Election of One (1) Substitute Director who is an Audit and Supervisory Committee Member

-
- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
 - Should the Reference Documents for the General Meeting of Shareholders require revisions, the revised versions will be posted on the Company’s website (<http://www.towajapan.co.jp>).

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1 Election of Four (4) Directors who are not Audit and Supervisory Committee Members

The terms of office of all four (4) current Directors who are not Audit and Supervisory Committee Members will expire at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, it is proposed that four (4) Directors who are not Audit and Supervisory Committee Members be elected.

The Audit and Supervisory Committee has previously given its opinion to this proposal that all of the candidates are suitable.

The candidates for Directors who are not Audit and Supervisory Committee Members are as follows:

Candidate No.	Name	Current positions and responsibilities at the Company
1	Hirokazu Okada Re-nominated	President & CEO
2	Hiroshi Uragami Re-nominated	Director, Managing Executive Officer (Mold and System Products Division Manager, General Manager, Kyoto East Plant, General Manager, Kyushu Work)
3	Yoshizumi Tamura Re-nominated	Director, Managing Executive Officer (Chief Operating Officer of Administration Division and Corporate Planning Division)
4	Koichi Ishida Re-nominated	Director, Senior Executive Officer (Marketing and Sales Division and New Business Promotion Division Manager)

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities, and significant concurrent positions	Number of shares of the Company in possession
<p>1</p> <p>Re-nominated</p>	<p>Hirokazu Okada (August 11, 1951)</p>	<p>April 1979 Joined the Company</p> <p>March 1988 Director</p> <p>June 2000 Senior Director</p> <p>August 2003 Director</p> <p>November 2005 Director, Department Manager of PM Market Development Dept.</p> <p>June 2006 Director, Managing Executive Officer, Department Manager of PM Market Development Dept.</p> <p>June 2008 Director, Managing Executive Officer, Division Manager of Development Div.</p> <p>April 2010 Executive Director, Chief Operating Officer of Development Div., Marketing and Sales Div. and Bandoh Memorial Research Laboratory</p> <p>April 2012 President & CEO (to present)</p>	<p>162,520</p>
<p>《Reasons for nomination as a candidate for Director》</p> <p>Mr. Okada joined the Company in 1979 and promoted the globalization of the Company's business. After serving as sales department manager, he was promoted to Director. Then he founded the sales and marketing system of TOWA Group's semiconductor equipment business. After that, he was appointed as the head of product development divisions such as the Development Div. After serving as Executive Director, he was promoted to President & CEO in 2012. Through such various experiences in the Company's business, he acquired and possesses abundant ideas in addition to deep insights and wide connections. He continuously exerts leadership as the top management and plays the most important role in passing down the Company's technologies and culture. Therefore, we once again nominate Mr. Okada as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities, and significant concurrent positions	Number of shares of the Company in possession
2 Re-nominated	Hiroshi Uragami (January 31, 1958)	<p>March 1983 Joined the Company</p> <p>June 2013 Director, Executive Officer Division Manager of Development Div.</p> <p>April 2014 Director, Executive Officer, Chief Operating Officer of Development Div. Division Manager of Development Div.</p> <p>April 2016 Director, Managing Executive Officer, Division Manager of System Products Div.</p> <p>October 2017 Director, Managing Executive Officer, Division Manager of Mold Products Div. and System Products Div., General Manager, Kyoto East Plant, General Manager, Kyushu Work (to present)</p>	22,400
<p>《Reasons for nomination as a candidate for Director》</p> <p>Mr. Uragami joined the Company in 1983 and engaged in the design and development of system products for many years. After serving as Division Manager of the Development Div., he was promoted to Director in 2013 and contributed to technology development of the Company. He led planning and development of new products and quality improvement and led technology development based on the Company's corporate philosophy. He possesses abundant experience, achievements and insights in all business areas of the Company. He is suitable to promote R&D activities and enhance corporate value of TOWA Group. Therefore, we once again nominate Mr. Uragami as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities, and significant concurrent positions	Number of shares of the Company in possession
3 Re-nominated	Yoshizumi Tamura (December 5, 1954)	<p>April 1977 Joined The Bank of Kyoto, Ltd.</p> <p>December 2010 Division Manager of Hanshin Area sales Div., Sales Supervising Group, The Bank of Kyoto, Ltd.</p> <p>July 2012 Joined the Company, Department Manager of Administration Dept., Administration Div.</p> <p>June 2013 Director, Chief Operating Officer of Administration Div., Department Manager of Administration Dept., Administration Div.</p> <p>October 2013 Director, Chief Operating Officer of Administration Div., Division Manager of Administration Div., Department Manager of Administration Dept., Administration Div.</p> <p>April 2014 Director, Executive Officer, Chief Operating Officer of Administration Div., Division Manager of Administration Div.</p> <p>April 2016 Director, Senior Executive Officer, Chief Operating Officer of Corporate Planning Div. and Administration Div., Division Manager of Administration Div.</p> <p>April 2017 Director, Managing Executive Officer, Chief Operating Officer of Corporate Planning Div. and Administration Div., Division Manager of Administration Div. (to present)</p>	13,000
<p>《Reasons for nomination as a candidate for Director》</p> <p>Mr. Tamura joined the Company in 2012 and supervises administrative departments by taking advantage of his abundant experience in his former job in the financial institution. He was promoted to Director in 2013 and started corporate management. He acquired deep insights and wide knowledge through his experience in the financial institution and he is suitable to strengthen the organization of the whole TOWA Group and to pursue business effectiveness of the whole TOWA Group. Therefore, we once again nominate Mr. Tamura as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities, and significant concurrent positions	Number of shares of the Company in possession
4 Re-nominated	Koichi Ishida (October 6, 1962)	<p>March 1985 Joined the Company</p> <p>April 2010 Executive Officer, Division Manager of Mold Products Div.</p> <p>April 2014 Executive Officer, Division Manager of Marketing and Sales Div.</p> <p>April 2016 Senior Executive Officer, Division Manager of Marketing and Sales Div. and New Business Promotion Div.</p> <p>June 2017 Director, Senior Executive Officer, Division Manager of Marketing and Sales Div. and New Business Promotion Div.</p> <p>April 2018 Director, Senior Executive Officer, Chief Operating Officer of Marketing and Sales Div. and New Business Promotion Div., Division Manager of New Business Promotion Div. (to present)</p>	6,800
<p>《Reasons for nomination as a candidate for Director》</p> <p>Mr. Ishida joined the Company in 1985 and engaged in manufacturing for many years. From 2010, he has been responsible for planning business strategies and implementing them as Executive Officer and contributed to the reinforcement of the business basis of the Company. He has served as Director since June 2017 and now he heads the Marketing and Sales Div. and New Business Promotion Div. His experience and achievements will continue to contribute significantly to the Company's management and he is considered indispensable to the Company's continuous development. Therefore, we once again nominate Mr. Ishida as a candidate for Director.</p>			

(Notes)

1. There are no special interests between each candidate and the Company.
2. Each candidate's "number of shares of the Company in possession" is as of March 31, 2018.

Proposal 2 Election of Three (3) Directors who are Audit and Supervisory Committee Members

The terms of office of all three (3) current Directors who are Audit and Supervisory Committee Members will expire at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, it is proposed that three (3) Directors who are Audit and Supervisory Committee Members be elected.

The Audit and Supervisory Committee has previously given its approval to this proposal.

The candidates for Directors who are Audit and Supervisory Committee Members are as follows:

Candidate No.	Name	Current positions and responsibilities at the Company
1	Hisayoshi Kobayashi Re-nominated	Director, Full-time Audit and Supervisory Committee Member
2	Hajime Kuwaki Re-nominated Outside Independent Director	Outside Director, Audit and Supervisory Committee Member (Part-time)
3	Daisuke Wake Re-nominated Outside Independent Director	Outside Director, Audit and Supervisory Committee Member (Part-time)

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities, and significant concurrent positions	Number of shares of the Company in possession
1 Re-nominated	Hisayoshi Kobayashi (June 20, 1956)	<p>April 1980 Joined Toyo Umpanki Co., Ltd.</p> <p>January 1985 Joined the Company</p> <p>November 2003 Department Manager of Information System Dept. and Deputy Department Manager of Finance Dept., Administration Div.</p> <p>May 2004 Department Manager of Purchasing Dept., Administration Div.</p> <p>April 2005 Deputy Managing Director, TOWA (Suzhou) Co., Ltd.</p> <p>November 2005 Department Manager of Information System Dept., Administration Div.</p> <p>April 2006 Department Manager of Finance Dept., Administration Div.</p> <p>September 2008 Department Manager of Information System Dept., Administration Div.</p> <p>June 2012 Full-time Auditor</p> <p>June 2016 Director, Full-time Audit and Supervisory Committee Member (to present)</p>	15,300
<p>《Reasons for nomination as a candidate for Director who is an Audit and Supervisory Committee Member》</p> <p>Mr. Kobayashi joined the Company in 1985 and belonged to the Finance Dept. Besides finance and accounting, he engaged in various management and administration jobs. He served as Full-time Auditor from 2012 to 2016 and since 2016, he has served as Director who is a Full-time Audit and Supervisory Committee Member. In addition to long-term business experience, he has enough experience and achievements as a Full-time Auditor and a Director who is an Audit and Supervisory Committee Member. Therefore, we once again nominate Mr. Kobayashi as a candidate for Director who is a member of the Audit and Supervisory Committee because we believe he will suitably perform his duty as a member of the Audit and Supervisory Committee from a fair and objective point of view.</p>			

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities, and significant concurrent positions	Number of shares of the Company in possession
<p>2</p> <p>Re-nominated</p> <p>Outside</p> <p>Independent Director</p>	<p>Hajime Kuwaki (August 5, 1944)</p>	<p>January 1970 Joined Price Waterhouse Accounting Firm</p> <p>November 1977 Joined Chuo Audit Corporation</p> <p>September 1993 Representative of Chuo Audit Corporation</p> <p>June 1994 Representative of Kyoto Office of Chuo Audit Corporation</p> <p>August 2007 Joined Kyoto Audit Corporation (currently PricewaterhouseCoopers Kyoto)</p> <p>September 2009 Established Kuwaki CPA firm, Representative of the firm</p> <p>June 2011 Director</p> <p>June 2016 Director, Audit and Supervisory Committee Member (to present)</p> <p>(Significant concurrent positions)</p> <p>Certified Public Accountant</p> <p>Outside Director, Daibea Co., Ltd.</p> <p>Director, APTJ Co., Ltd.</p>	<p>7,300</p>
<p>《Reasons for nomination as a candidate for Outside Director who is an Audit and Supervisory Committee Member》</p> <p>Mr. Kuwaki has abundant experience and expertise as a CPA and has suitable ability to participate in the Company's management from an objective standpoint. Based on these, though he has no experience participating in the Company's management other than serving as an outside officer, we once again nominate Mr. Kuwaki as a candidate for Outside Director who is a member of the Audit and Supervisory Committee.</p>			

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities, and significant concurrent positions	Number of shares of the Company in possession
3 <input type="checkbox"/> Re-nominated <input type="checkbox"/> Outside <input type="checkbox"/> Independent Director	Daisuke Wake (August 2, 1968)	<p>October 1998 Joined Chuo Audit Corporation</p> <p>January 2005 Established Wake Certified Public Accountant Office, Representative of the office (to present)</p> <p>June 2012 Auditor</p> <p>June 2016 Director, Audit and Supervisory Committee Member (to present)</p> <p>(Significant concurrent positions)</p> <p>Representative of Wake Certified Public Accountant Office</p>	4, 400
<p>《Reasons for nomination as a candidate for Outside Director who is an Audit and Supervisory Committee Member》</p> <p>Mr. Wake, a CPA and licensed tax accountant, has abundant experience and achievements in corporate finance management and so on. Through these experiences, he possesses wide knowledge, deep insights and suitable ability to participate in the Company's management from an objective standpoint. Based on these, though he has no experience participating in the Company's management other than serving as an outside officer, we nominate Mr. Wake as a candidate for Outside Director who is a member of the Audit and Supervisory Committee.</p>			

(Notes)

1. There are no special interests between each candidate and the Company.
2. Mr. Hajime Kuwaki and Mr. Daisuke Wake are candidates for Outside Director.
3. Mr. Hajime Kuwaki and Mr. Daisuke Wake, who are currently serving as Outside Director of the Company, will have served seven (7) years and two (2) years, respectively, as of the end of this General Meeting of Shareholders.
4. The Company has executed a contract for limitation of liability with Mr. Hajime Kuwaki and Mr. Daisuke Wake based on Article 423, Paragraph 1 of the Companies Act of Japan. The maximum amount of liability that each of Mr. Hajime Kuwaki and Mr. Daisuke Wake is held accountable for against the Company shall be the minimum liability amount stipulated in the relevant Article of the Companies Act of Japan. The Company intends to extend this contract if the reappointment of each candidate is approved.
5. The Company reported Mr. Hajime Kuwaki and Mr. Daisuke Wake as independent directors who meet the requirements for the position in accordance with the regulations of the Tokyo Stock Exchange. The Company intends to once again report them as independent directors if the reappointment of each candidate is approved.
6. Though Mr. Hajime Kuwaki once worked for Kyoto Audit Corporation (currently PricewaterhouseCoopers Kyoto) which is the Company's accounting auditor, the audit corporation has conducted the audit from an independent standpoint. Furthermore, he resigned from the audit corporation more than eight (8) years ago, thus there is no influence on the independency.
7. Each candidate's "number of shares of the Company in possession" is as of March 31, 2018.

Proposal 3 Election of One (1) Substitute Director who is an Audit and Supervisory Committee Member

The term of office of Mr. Shozo Nishimura, current Substitute Director who is an Audit and Supervisory Committee Member, will expire at the conclusion of this Ordinary General Meeting of Shareholders. To prepare for the contingency in which the Company does not have the number of Directors who are Audit and Supervisory Committee Members required by laws and ordinances, it is once again proposed that one (1) Substitute Director who is an Audit and Supervisory Committee Member be elected.

The Audit and Supervisory Committee has previously given its approval to this proposal.

The candidate for Substitute Director who is an Audit and Supervisory Committee Member is as follows:

Name (Date of birth)	Career summary, positions and responsibilities, and significant concurrent positions	Number of shares of the Company in possession
Shozo Nishimura (March 3, 1945) <input type="checkbox"/> Re-nominated <input type="checkbox"/> Outside <input type="checkbox"/> Independent Director	April 1970 Joined The Miyake Joint Partnership Law Office April 1979 Established Nishimura Law & Accounting firm, Representative of the firm (to present) April 2011 Legal advisor of the Company (to present) (Significant concurrent positions) Representative of Nishimura Law & Accounting firm Outside Director, Oyama Company, Ltd. Outside Auditor, Ako Kasei Co., Ltd. Outside Auditor, Uehara sei shoji Co., Ltd.	-
<p>《Reasons for nomination as a candidate for Substitute Director who is an Audit and Supervisory Committee Member》</p> <p>Mr. Nishimura has abundant experience as an attorney and, through such experience, possesses expertise in laws and regulations. Therefore, we believe he possesses suitable ability to participate in the Company's management from an objective standpoint. Based on these, though he has no experience participating in the Company's management other than serving as an outside officer, we nominate Mr. Nishimura as a candidate for Substitute Director who is an Audit and Supervisory Committee Member.</p>		

(Notes)

1. The Company has concluded advisory contract with Nishimura Law & Accounting firm; the representative of the firm is Mr. Shozo Nishimura, and Mr. Shozo Nishimura is legal advisor of the Company from April 2011. The fee the Company paid to the firm during FY2017 based on the contract was as small as two million yen (¥2,000,000), thus there is no influence on his independency.
2. Mr. Shozo Nishimura is a candidate for Substitute Outside Director.
3. The Company has executed a contract for limitation of liability with Outside Directors based on Article 423, Paragraph 1 of the Companies Act of Japan. The maximum amount of liability that Mr. Shozo Nishimura is held accountable for against the Company shall be the minimum liability amount stipulated in the relevant Article of the Companies Act of Japan. The Company intends to conclude the same contract with Mr. Shozo Nishimura if he is appointed to Director who is an Audit and Supervisory Committee Member.
4. If Mr. Shozo Nishimura is appointed to Director who is an Audit and Supervisory Committee Member, the Company reports him as an independent director who meets the requirements for the position in accordance with the regulations of the Tokyo Stock Exchange.
5. The candidate's "number of shares of the Company in possession" is as of March 31, 2018.