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(Stock Exchange Code 6309)  
January 12, 2016

**To Shareholders with Voting Rights:**

Hitoshi Yamamoto  
President  
Tomoe Engineering Co., Ltd.  
5-15 Kitashinagawa 5-chome,  
Shinagawa-ku, Tokyo, Japan

**NOTICE OF  
THE 86TH ANNUAL SHAREHOLDERS MEETING**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

You are cordially invited to attend the 86th Annual Shareholders Meeting of Tomoe Engineering Co., Ltd. (the "Company"). The meeting will be held for the purposes as described below.

**If you are unable to attend the meeting, you can exercise your voting rights in writing. Please review the attached Reference Documents for the Shareholders Meeting, indicate your vote for or against the proposal on the enclosed Voting Rights Exercise Form and return it so that it is received by 5:30 p.m. on Wednesday, January 27, 2016, Japan time.**

- 1. Date and Time:** Thursday, January 28, 2016 at 10:00 a.m., Japan time
  - 2. Place:** Ballroom East, GardenCity Shinagawa on the 1st floor of SHINAGAWA GOOS located at 13-3, Takanawa 3-chome, Minato-ku, Tokyo, Japan
  - 3. Meeting Agenda:**
    - Matters to be reported:** (1) The Business Report, Consolidated Financial Statements for the Company's 86th Fiscal Year (from November 1, 2014 to October 31, 2015) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
    - (2) Non-consolidated Financial Statements for the Company's 86th Fiscal Year (from November 1, 2014 to October 31, 2015)
- Proposals to be resolved:**
- Proposal 1:** Appropriation of Surplus
  - Proposal 2:** Election of One Audit & Supervisory Board Member
  - Proposal 3:** Payment of Bonuses to Officers

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

**Please be advised that no souvenirs will be provided to the shareholders attending the shareholders meeting from this year.**

# Reference Documents for the Shareholders Meeting

## Proposals and References

### Proposal 1: Appropriation of Surplus

1. Matters regarding the year-end dividend

As its basic policy, the Company will implement appropriate and stable dividends while seeking to increase internal reserves to reinforce its financial position and management foundation, and by considering consolidated operating results, the group's medium-term business strategy and other factors in a comprehensive manner.

Based on the above policy, the year-end dividend of 22.50 yen per share for the current fiscal year is proposed by considering the operating results for the fiscal year ended October 31, 2015 and the future outlook.

- (1) Matters regarding the assignment of assets to be distributed to shareholders and the total amount thereof  
22.50 yen per share of the Company's common stock, in a total amount of 224,516,993 yen  
As the Company has already paid the interim dividend of 22.50 yen per share, the annual dividend for the fiscal year ended October 31, 2015 will amount to 45 yen per share.
- (2) The date on which dividends of retained earnings become effective  
January 29, 2016

2. Matters regarding appropriation of surplus

Regarding the internal reserves, the Company proposes as follows to reinforce the management foundation in preparation for the future business development.

- (1) Item of surplus to be increased and the amount thereof  
General reserve of 1,150,000,000 yen
- (2) Item of surplus to be decreased and the amount thereof  
Retained earnings brought forward of 1,150,000,000 yen

## Proposal 2: Election of One Audit & Supervisory Board Member

Of the three Audit & Supervisory Board Members, the term of office of Mr. Toshiharu Murase will expire at the conclusion of this Annual Shareholders Meeting. Accordingly, the election of one Audit & Supervisory Board Member is proposed.

The Audit & Supervisory Board has previously given its approval to this proposal.

The candidate for Audit & Supervisory Board Member is as follows:

| Name<br>(Date of birth)                | Past experience, positions<br>and significant concurrent positions   | Number of<br>shares of the<br>Company held |
|--|--|--|
| Toshiharu Murase<br>(October 16, 1951) | April 1975      Joined The Fuji Bank, Limited<br>April 2002      General Manager of Shinjuku Branch, Mizuho Bank, Ltd.<br>September 2003      Deputy Director-General, Mizuho Corporate Bank, Ltd.<br>June 2005      Executive Officer, TAKACHIHO KOHEKI CO., LTD.<br>June 2008      Director and Vice President, Mizuho Factors, Limited<br>January 2012      Audit & Supervisory Board Member of the Company<br>January 2013      Standing Audit & Supervisory Board Member of the Company<br>(current position) | 2,254                                      |

(Notes)

1. There are no special interests between the candidate and the Company.
2. The number of shares of the Company held by the candidate includes those held by the Tomoe Engineering officers' shareholding association.
3. Mr. Toshiharu Murase is a candidate for Outside Audit & Supervisory Board Member.
4. As Standing Audit & Supervisory Board Member and Outside Audit & Supervisory Board Member, Mr. Toshiharu Murase is auditing the execution of duties by Directors mainly by conducting daily monitoring of the formulation and operating status of internal control system, while actively making proposals by attending Board of Directors meetings and other important meetings, in addition to implementing audits to confirm legality and appropriateness. Also, he has been engaged in corporate management and banking business over the years and has considerable financial and accounting knowledge. In light of such reasons, the Company believes that he is capable of appropriately fulfilling his duties as Outside Audit & Supervisory Board Member and proposes his reelection as Outside Audit & Supervisory Board Member.
5. Mr. Toshiharu Murase has entered into an agreement with the Company to limit his liability pursuant to Article 427 Paragraph 1 of the Companies Act. The outline of the agreement is as follows:
  - In the event that an Outside Audit & Supervisory Board Member causes damage to the Company due to negligence of his/her duties, such Outside Audit & Supervisory Board Member shall be liable for that damage up to the minimum liability amount specified in Article 425, Paragraph 1 of the Companies Act.
  - The aforementioned liability limitation shall be applied only in cases where such Outside Audit & Supervisory Board Member performed his/her duties in good faith and without gross negligence.
6. Mr. Toshiharu Murase satisfies the criteria for independence of the outside officers stipulated by the Company, in addition to the criteria for independent officers stipulated by Tokyo Stock Exchange. Therefore, the Company believes that his independence has been fully secured.
7. Mr. Toshiharu Murase is currently serving as Outside Audit & Supervisory Board Member of the Company. He will have served as Outside Audit & Supervisory Board Member for four years at the conclusion of this Annual Shareholders Meeting.

## Proposal 3: Payment of Bonuses to Officers

By considering the operating results for the fiscal year ended October 31, 2015 and other factors, payment of bonuses to five Directors (of which, one is Outside Director) and three Audit & Supervisory Board Members in the total amount of 39,157,000 yen (26,976,000 yen for Directors excluding Outside Director, 1,607,000 yen for Outside Director, and 10,574,000 yen for Audit & Supervisory Board Members) is proposed.