

March 13, 2020

To whom it may concern:

Company name: TOLI Corporation
Representative: Motohiro Nagashima,
President and Representative Director
(Securities code: 7971;
Tokyo Stock Exchange, First Section)
Inquiries: Masayuki Hashimoto, Director,
Executive Officer
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Notice Regarding Joint Venture for Vinyl Floor Tiles in China (Jiangsu Province)

TOLI Corporation is pleased to announce that it has reached a basic agreement with a corporate group to which vinyl floor tile manufacturers in Taiwan and China (Shanghai) belong for a joint venture for the manufacture and sales of vinyl floor tiles in China (Jiangsu Province). TOLI, at its Board of Directors meeting held today, decided to invest in Jiangsu Changlong Decorative Material Technical Co., Ltd., which is an operating company of the above-mentioned corporate group, and operate business in a joint venture form, with an eye to powerfully advancing its global strategy for its core business.

1. Summary of Joint Venture

<Background>

TOLI had entered into a product supply partnership with Handsome Plastics Co., Ltd. (Taiwan), which undertakes the business of manufacturing and selling vinyl floor tiles, and Shanghai Changlong Plastics Co., Ltd. (China), which belongs to the same corporate group as Handsome Plastics Co., Ltd. TOLI has decided to invest in Jiangsu Changlong Decorative Material Technical Co., Ltd. (China), one of the affiliated companies of the corporate group to which the aforementioned two companies belong, with the aim of strengthening technology and business collaboration with the group mainly in vinyl floor tiles (hereinafter referred to as LVT (Luxury Vinyl Tile)) with potential for growth in global demand.

<Purpose>

By combining the management resources of joint venture parties, we will strive to expand business in China and overseas markets, mainly for high-quality and cost competitive LVT, etc., and work to enhance the position of the TOLI brand in the global market.

Under the joint venture TOLI will provide assistance to the joint venture company by introducing high-efficiency production technologies and establishing a quality control system, while working to promote the development of new products with high added value by utilizing production facilities of the joint venture company. We will aim to achieve qualitative and quantitative expansion of our global business through alliances with overseas companies to lead such efforts to the sustainable growth and development of the TOLI Group.

2. Details of Joint Venture Company
Name: Jiangsu Changlong Decorative Material Technical Co., Ltd.
Address: GROUP 10, TANGANG VILLAGE, GAOXIN DISTRICT, HAIAN TOWN, NANTONG, JIANGSU, CHINA
Representative: Lin Wanhui
Description of business: Manufacturing and sales of LVT and other ornament materials
Capital: USD 33,580,000
Date of establishment: June 15, 2017
Fiscal year-end: December

3. Details of investment
TOLI Corporation: USD 11,220,000 (investment ratio: 33.4%)
Global Affluence International Limited: USD 22,360,000 (investment ratio: 66.6%)

4. Details of co-investor
Name: Global Affluence International Limited
*One of the holding companies that belong to the alliance partner group
Address: 582-592, NATHAN RD., MONGKOK, KOWLOON, HONG KONG
Representative: Lin Wanhui
Capital: USD 17,951,500
Date of establishment: August 29, 2017
Relationships between the listed company and the said company:
Capital relationship...Not applicable
Personnel relationship...Not applicable
Business relationship... Not applicable
Applicable matters of related party...Not applicable

5. Outlook for the future
The impact of the joint venture on TOLI's consolidated earnings for the fiscal year ending March 31, 2020 will be insignificant. Should any matter requiring disclosure arise, we will make a public announcement immediately.