

Greetings To shareholders:

The fiscal year ending in September 2009 was marked by what is called the worst global recession in a century triggered by the collapse of Lehman Brothers in September 2009 in the midst of the financial crisis in the US. The recession was unprecedented in its scale and spread around the world rapidly. It undermined the foundation of major industries in Japan including automobiles, and forced a structural change of the Japanese industry at a level not experienced in the previous cyclical recessions. The transition from quantity to quality and the concentration on selected fields have been the challenges for the Japanese economy for some time. The global recession is forcing such changes immediately.

Under such economic climate, we remained focused on “Measurement Technology”, concentrating on the R&D market. As a trusted partner of our customers, we contributed to the development of new technologies by the Japanese industry for future growth through introduction of advanced measurement technologies from Europe and the US and by offering a wider range of our own measurement systems based on the self-developed software. Especially, our expertise in physical property measurements is highly valued in the increasingly important fields of the environment and new energy such as lithium batteries for electric vehicles and hybrid cars. Our noise/vibration analysis technologies are widely adopted in the fields of wind-power generation and high-speed railway systems, and are most likely to grow in importance. The demand for the new IP network of cloud computing is set to transform the communication network industry, which accounts for a large proportion of our revenue. We have also developed new systems for EMC (electromagnetic compatibility) measurements, another mainstay product line, to comply with the new requirements of the electronic devices industry.

As a result, the consolidated turnover declined by 21.3% from FY 2008 to JPY 18.43 billion, and the net profit decreased by 54.6% from FY 2008 to JPY 900 million.

In FY 1996, we established a rule by which the dividend is determined in proportion to the unconsolidated net profit. Currently, there are two rules that determine the dividend. Firstly, 35% of the unconsolidated net profit is paid out as ordinary dividend. Secondly, the remainder (65%) of the unconsolidated net profit is to be paid out to shareholders as special annual dividends over the following three years. The second rule was introduced in FY 2005, and is based on our view that retained earnings of approx. JPY 25 billion are sufficient for the Company’s operations. This may be reviewed in the event that a large demand for finance arises in the future because of changes in business environment, expansion, or acquisition.

Based on these rules, the dividend for FY 2009 has been calculated as follows: ordinary dividend of JPY 9, special dividend of JPY 14 from FY 2007, and special dividend of JPY 13 from FY 2008. There will be no special dividend from FY 2009, because the retained earnings were less than JPY 25 billion as of the end of FY 2009 and did not satisfy the condition of the second rule above. This brings the total dividend per share in FY 2009 to JPY 36, resulting in a consolidated dividend payout ratio of 116%. Since an interim dividend of JPY 9 per share was already distributed among the shareholders, the dividend per share at the end of FY 2009 will be JPY 27.

We sincerely ask for your continued support, and commit to you our best efforts in serving your interests.

Yousuke Watanabe
President & CEO
TOYO Corporation

NOTICE of regular general meeting of shareholders

TOYO Corporation

Notice is hereby given that the regular general meeting of shareholders of TOYO Corporation will be held on Friday December 18th, 2009 at Bellesalle Yaesu Conference Rooms 1 – 3 at Yaesu First Financial Building (3rd Floor) at 3-7, Yaesu 1-chome, Chuo-ku, Tokyo, Japan, commencing at 10:00 a.m. for the following purposes:

Report-1) To receive the business report and consolidated financial statements for the FY 2009 (October 1, 2008 to September 30, 2009) as well as reports from accounting auditors and the board of corporate auditors regarding the consolidated financial statements;

Report-2) To receive the non-consolidated financial statements for the FY 2009 (October 1, 2008 to September 30, 2009);

Resolution-1) To approve the appropriation of retained earnings;

Resolution-2) To amend the Articles of Incorporation;

Resolution-3) To appoint two directors; and

Resolution-4) To approve the bonuses for the directors.

Should you be prevented from attending the meeting in person, you are invited to exercise your voting rights by way of the enclosed proxy form. The completed proxy form would need to be received at TOYO Corporation by 5:30 p.m. on Thursday December 17th, 2009.

November 24th, 2009

By Order of the Board of Directors

Shuuzou Totoki
Executive Officer

Important information for shareholders / Resolutions

1. Items to report

1) Consolidated balance sheet and consolidated income statement for FY 2009 (October 1, 2008 to September 30, 2009)

Consolidated Balance Sheets

Toyo Corporation and Consolidated Subsidiaries September 30, 2009, 2008 and 2007

ASSETS	Thousands of yen		
	2009	2008	2007
CURRENT ASSETS:			
Cash and cash equivalents	3,404,630	6,149,503	5,367,607
Short-term investments	610,000	310,000	10,000
Marketable securities	5,920,359	5,565,169	5,078,615
Receivables:			
Trade notes and accounts	3,606,326	5,007,951	6,327,271
Other	50,770	121,451	54,908
Allowance for doubtful receivables	(7,700)	(908)	(995)
Inventories	945,246	1,566,561	1,410,109
Income taxes receivable	344,363		
Deferred tax assets	235,869	371,313	387,614
Prepaid expenses and other current assets	155,163	203,025	139,085
Total current assets	15,265,026	19,294,065	18,774,214
PROPERTY AND EQUIPMENT:			
Land	5,635,485	5,595,094	5,595,094
Buildings and structures	4,808,577	4,785,275	4,554,294
Equipment	2,925,674	2,835,811	3,039,844
Construction in progress			75,330
Total	13,369,736	13,216,180	13,264,562
Accumulated depreciation	(4,215,209)	(3,933,807)	(3,994,568)
Net property and equipment	9,154,527	9,282,373	9,269,994
INVESTMENTS AND OTHER ASSETS:			
Investment securities	6,144,419	7,077,862	7,954,080
Investment securities in unconsolidated subsidiaries and affiliate	62,886	54,834	27,794
Accumulated insurance premiums	371,782	383,936	388,714
Goodwill	8,986	16,546	24,623
Prepaid pension cost	361,666	421,502	496,390
Long-term deposit	1,550,000	1,350,000	1,750,000

Deferred tax assets	300,876	416,954	24,038
Other assets	347,333	347,099	427,068
Allowance for doubtful receivables	(25,800)	(25,200)	(25,200)
Total investments and other assets	9,122,148	10,043,533	11,067,507
TOTAL	33,541,701	38,619,971	39,111,715

LIABILITIES AND EQUITY

CURRENT LIABILITIES:

Trade notes and accounts payable	1,650,093	2,580,052	2,537,393
Income taxes payable		810,070	975,889
Short-term bank loans		51,815	34,629
Accrued expenses	455,253	612,282	508,361
Other current liabilities	280,102	303,796	249,779
Total current liabilities	2,385,448	4,358,015	4,306,051

LONG - TERM LIABILITIES:

Liability for retirement benefits	699,087	705,178	840,859
Other long-term liabilities	2,000	2,000	
Total long-term liabilities	701,087	707,178	840,859

EQUITY:

Common stock, authorized, 100,000,000 shares; issued 30,637,000 shares in 2009, 32,637,000 shares in 2008 and 2007	4,158,000	4,158,000	4,158,000
Capital Surplus	4,603,500	4,603,500	4,603,500
Retained earnings	23,594,296	26,784,835	26,662,560
Net unrealized gain(loss) on available-for-sale securities	(30,033)	(34,615)	429,773
Deferred gain(loss) on derivatives under hedge accounting	(3,055)	(1,049)	924
Foreign currency translation adjustments	(261,823)	(99,993)	(54,527)
Treasury stock— at cost 1,564,951 shares in 2009, 2,020,617 shares in 2008 and 2,018,199 shares in 2007	(1,652,632)	(1,917,582)	(1,914,129)
Total	30,408,253	33,493,096	33,886,101
Minority interests	46,913	61,682	78,704
Total equity	30,455,166	33,554,778	33,964,805
TOTAL	33,541,701	38,619,971	39,111,715

Consolidated Statements of Income

Toyo Corporation and Consolidated Subsidiaries Years Ended September 30, 2009, 2008 and 2007

	Thousands of yen		
	2009	2008	2007
NET SALES	18,435,899	23,436,487	25,359,490
COST OF SALES	9,970,308	12,979,874	15,280,945
Gross profit	8,465,591	10,456,613	10,078,545
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	7,376,016	7,327,742	7,315,717
Operating income	1,089,575	3,128,871	2,762,828
OTHER INCOME(EXPENSES):			
Interest and dividend income - net	161,112	190,373	189,756
Gain on sales or disposals of property and equipment - net	47,316	83,514	117,206
Gain on sales of marketable and investment securities-net	43,681	234,918	2,144
Gain on transfer of business	91,209		
Valuation loss on investment securities	(94,559)	(385,777)	
Foreign exchange gain - net	93,567	112,888	136,965
Equity in earnings(loss) of associated companies	(5,410)	11,709	
Other - net	51	3,357	(9,458)
Other income - net	336,967	250,982	436,613
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	1,426,542	3,379,853	3,199,441
INCOME TAXES			
Current	272,065	1,475,279	1,545,686
Deferred	249,756	(56,664)	(104,496)
Total income taxes	521,821	1,418,615	1,441,190
MINORITY INTERESTS IN NET INCOME(LOSS)	(2,587)	27,822	1,304
NET INCOME	902,134	1,989,060	1,759,555

2) Non-consolidated balance sheet and income statement for FY 2009 (October 1, 2008 to September 30, 2009)

Non - Consolidated Balance Sheets

Toyo Corporation September 30, 2009, 2008 and 2007

ASSETS	Thousands of yen		
	2009	2008	2007
CURRENT ASSETS:			
Cash and cash equivalents	2,071,724	3,346,239	2,052,511
Short-term investments	610,000	310,000	10,000
Marketable securities	7,082,653	8,208,268	8,146,907
Receivable:			
Trade notes and accounts	3,547,874	4,963,789	6,210,759
Allowance for doubtful receivables	(7,700)	(52,500)	(600)
Inventories	876,057	1,339,784	1,178,698
Advances to suppliers	70,506	156,608	135,080
Income taxes receivable	344,363		
Prepaid expenses and other current assets	362,473	586,738	510,321
Total current assets	14,957,950	18,858,926	18,243,676
PROPERTY AND EQUIPMENT:			
Land	5,635,485	5,635,485	5,705,334
Buildings and structures	4,806,471	4,777,025	4,546,643
Equipment	2,888,535	2,744,689	2,980,528
Construction in progress			75,330
Total	13,330,491	13,157,199	13,307,835
Accumulated depreciation	(4,204,100)	(3,881,230)	(3,940,395)
Net property and equipment	9,126,391	9,275,969	9,367,440
INVESTMENTS AND OTHER ASSETS:			
Lease deposits	49,696	36,126	33,929
Investment securities	6,144,419	7,077,861	7,954,080
Investment securities in subsidiaries and affiliate	1,768,724	1,757,662	1,782,584
Allowance for doubtful investment securities in subsidiaries	(833,000)	(833,000)	(788,000)
Allowance for doubtful receivables	(25,800)	(28,700)	(25,200)
Prepaid pension cost	361,665	421,502	496,390
Long-term deposit	1,550,000	1,350,000	1,750,000
Deferred tax assets	639,823	844,613	387,550
Other assets	665,608	676,629	691,307
Total investments and other assets	10,321,135	11,302,693	12,282,640
TOTAL	34,405,476	39,437,588	39,893,756

LIABILITIES AND EQUITY

CURRENT LIABILITIES:

Advances from customers on contracts	61,096	70,810	55,519
Trade notes and accounts payable	1,639,965	2,654,234	2,437,970
Income taxes payable		808,667	974,486
Accrued expenses	433,000	486,000	502,000
Other current liabilities	90,300	158,726	85,944
Total current liabilities	2,224,361	4,178,437	4,055,919

LONG - TERM LIABILITIES:

Liability for retirement benefits	699,087	683,479	814,472
Other long-term liabilities	2,000	2,000	
Total long-term liabilities	701,087	685,479	814,472

EQUITY:

Common stock,			
authorized, 100,000,000 shares; issued			
30,637,000 shares in 2009, 32,637,000			
shares in 2008 and 2007	4,158,000	4,158,000	4,158,000
Capital Surplus	4,603,500	4,603,500	4,603,500
Retained earnings :			
Legal reserve	581,209	581,209	581,209
Retained earnings - unappropriated	23,823,039	27,184,209	27,164,088
Net unrealized gain(loss) on available-for-sale securities	(30,033)	(34,615)	429,773
Deferred gain(loss) on derivatives under hedge accounting	(3,055)	(1,049)	924
Treasury stock — at cost			
1,564,951 shares in 2009, 2,020,617			
shares in 2008 and 2,018,199 shares			
in 2007	(1,652,632)	(1,917,582)	(1,914,129)
Total equity	31,480,028	34,573,672	35,023,365
TOTAL	34,405,476	39,437,588	39,893,756

Non - Consolidated Statements of Income

Toyo Corporation Years Ended September 30, 2009, 2008 and 2007

	Thousands of yen		
	2009	2008	2007
NET SALES	17,956,685	22,637,025	24,546,574
COST OF SALES	10,102,810	12,964,537	15,304,346
Gross profit	7,853,875	9,672,488	9,242,228
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	6,763,760	6,552,614	6,249,051
Operating income	1,090,115	3,119,874	2,993,177
OTHER INCOME(EXPENSES):			
Interest and dividend income - net	160,616	188,630	187,159
Gain on sales or disposals of property and equipment - net	33,814	69,667	101,848
Gain on sales of marketable and investment securities-net	43,681	234,918	2,144
Valuation loss on investment securities	(94,559)	(425,077)	
Foreign exchange gain - net	93,567	111,030	138,823
Other - net	30,901	(83,804)	(17,224)
Other income - net	268,020	95,364	412,750
INCOME BEFORE INCOME TAXES	1,358,135	3,215,238	3,405,927
INCOME TAX			
Current	272,000	1,470,000	1,544,000
Deferred	357,826	(141,901)	(112,122)
Total income taxes	629,826	1,328,099	1,431,878
NET INCOME	728,309	1,887,139	1,974,049

2. Resolutions

1) Proposal of Appropriation of Retained Earnings

The basic policy of TOYO Corporation is to increase the profitability to pay dividends to the shareholders in proportion to the profits, to build up retained earnings for an improved financial health which is the basis of our long-term growth, and to ensure the return to shareholders in the form of dividends. In view of the above, we propose to appropriate the retained earnings in FY 2009 as follows.

<End-of-term dividends>

Based on the dividend policy (Note 1) of TOYO Corporation below, the end-of-term dividend in FY 2009 will be as follows.

a) Type of dividend: Japanese yen.

b) Calculation of the dividend and the aggregate amount of the dividend:

The end-of-term dividend will be JPY 27 per common share (special dividend JPY 14 from FY 2007 and special dividend JPY 13 from FY 2008. Please refer to Note 2).

The aggregate amount of the end-of-term dividend will be JPY 784,945,323.

c) The end-of-term dividend will be payable as of December 21, 2009.

(Note 1: Dividend policy)

In FY 2004, we established a policy of maintaining the dividend payout ratio of 35% (ordinary dividend).

In addition, we intend to appropriate the portion of retained earnings exceeding JPY 25 billion for the special annual dividends over the following three years. In subsequent fiscal years, 65% of the net profit for the fiscal year will be divided into three equal parts, each of which will be distributed among shareholders every year as a special dividend over the following three years. Consequently, the retained earnings exceeding JPY 25 billion will eventually be paid out as dividends. This policy may be reviewed in the event of large investments or significant changes in business environment. The interim dividend for the current fiscal year corresponds to 40% of the ordinary dividend for the previous fiscal year.

(Note 2: Dividend in FY 2009)

If this resolution is approved, the total dividend per share for FY 2009 will be JPY 36, of which the ordinary dividend will be JPY 9 and the special dividend will be JPY 27 (JPY 14 from FY 2007 and JPY 13 from FY 2008). The interim dividend of JPY 9 per share was already distributed in June 2009, which constitutes the entire amount of the ordinary dividend for FY 2009. There will be no special

dividend originating from FY 2009.

2) Modification of the Articles of Incorporation

A. Reason for the modification

(a) “Law revising the laws etc. on the transfer of company bonds etc. for the rationalization of settlements in the transaction of shares” (Law number 88 in 2004, hereinafter referred to as “Settlement Rationalization Law”) came into effect on January 5, 2009. In line with this, we need to make the necessary changes to some provisions of the Articles of Incorporation which are based on the existence of share certificates that have been abolished. Pursuant to the “Deemed Modification of the Articles of Incorporation” in the Bylaw Article 6-1 of the Settlement Rationalization Law, Article 8 of the Articles of Incorporation of TOYO Corporation is deemed to have been deleted.

(b) Article 23 of the Articles of Incorporation will be revised in order to increase the number of representative directors to three, in view of the need to reinforce the management.

B. Details of the Modification

The details of the modification are as follows:

Existing articles of incorporation	Proposed modification
<p>Article 8 The Company shall issue share certificates.</p> <p>2. Notwithstanding the foregoing, the Company shall not issue share certificates for the number of shares smaller than one unit.</p>	<p>(Deleted)</p>
<p>Article 9 Subscription warrants may be awarded to the shareholders of the Company by a resolution of the Board of Directors.</p>	<p>(Deleted)</p>
<p>Article 10 (Not translated)</p> <p>2. (Not translated)</p>	<p>Article 8 (The same provisions as the existing Article 10.)</p> <p>2. (The same provisions as the existing</p>

<p>3. The register of the shareholders of the Company (including the register of beneficiary shareholders, the same applies hereinafter), the register for loss of share certificates and the original register of the rights to subscribe for new shares shall be kept at the office of the shareholder register administrator. The shareholder register administrator shall be entrusted to handle the update of the register of shareholders, register for loss of share certificates, and the original register of the rights to subscribe for new shares, registration of a pledge, indication or cancellation of trust assets, issuance of share certificates, registration of loss of share certificates, purchase of a fractional unit of shares, acceptance of notifications, and other matters related to the shares. The Company shall not handle any such procedures.</p> <p>Article 11 Shareholders (including beneficiary shareholders, the same applies hereinafter), registered share pledgees, or their legal representatives shall submit their names, addresses, and</p>	<p>Article 10.)</p> <p>3. The register of the shareholders of the Company and the original register of the rights to subscribe for new shares shall be prepared and kept at the office of the shareholder register administrator. The shareholder register administrator shall be entrusted to handle the update of the register of shareholders and of the original register of the rights to subscribe for new shares, and other matters related to the shares. The Company shall not handle any such procedures.</p> <p>(Deleted)</p>
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seal impressions to the shareholder register administrator. The shareholders, registered share pledgees, or their legal representatives who are resident overseas shall determine a provisional residence in Japan at which they will receive notices from the shareholder register administrator and inform the shareholder register administrator thereof.

2. Shareholders, registered share pledgees, or their legal representatives shall notify the Company of any changes to the information provided to the Company pursuant to the preceding paragraph.

3. The Company shall not be held responsible for any damages caused by the failure to notify the Company of the changes pursuant to the preceding paragraph.

Article 12 Types of share certificates, entering and recording in the register of shareholders and the original register of the rights to subscribe for new shares, registration of pledge, indication or cancellation of trust assets, issuance of share certificates, register for loss of share certificates, purchase of a

Article 9 Entering and recording in the register of shareholders and the original register of the rights to subscribe for new shares, purchase of a fractional unit of shares, and other procedures and commissions on the shares and the rights to subscribe for new shares shall be governed by the laws, ordinances, the Articles of Incorporation, and

<p>fractional unit of shares, and other procedures and commissions on the shares and the rights to subscribe for new shares shall be governed by the laws, ordinances, the Articles of Incorporation, and the Share Handling Rules to be determined by the Board of Directors.</p> <p>Articles 13 through 22 (Not translated)</p> <p>Article 23 The Board of Directors shall appoint two representative directors by a resolution of the Board of Directors.</p> <p>Articles 24 through 44 (Not translated)</p> <p>(The Bylaws will be newly created.)</p>	<p>the Share Handling Rules to be determined by the Board of Directors.</p> <p>Articles 10 through 19 (The same provisions as the existing articles)</p> <p>Article 20 The Board of Directors may appoint three representative directors by a resolution of the Board of Directors.</p> <p>Articles 21 through 41 (The same provisions as the existing articles)</p> <p>Bylaws</p> <p>Article 1 The register for loss of share certificates shall be prepared and kept at the office of the shareholder register administrator. The shareholder register administrator shall be entrusted to handle the update and other procedures concerning the register for loss of share certificates. The Company shall not handle any such procedures.</p> <p>Article 2 Articles 1 and 2 of the Bylaws shall remain effective until January 5, 2010. The Articles 1 and 2 of the Bylaws shall be deleted on January 6, 2010.</p>
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3) Re-election of two directors

* Yousuke Watanabe

Director of TOYO Corporation since December 1987

* Hiroji Kamei

Director of TOYO Corporation since December 1987

4) Directors' bonuses

In view of the business performance in the FY 2009, we propose to pay a total amount of JPY 13 million as bonuses to two of the Directors serving at the end of FY 2009. The above amount is to be divided between the two directors by a resolution of the Board of Directors.

Proxy Form

TOYO Corporation

The undersigned shareholder of TOYO Corporation hereby appoints _____ as the nominee of the undersigned to attend and act for the undersigned at the meeting of shareholders of the Corporation held on December 18, 2009 in Tokyo and at any adjournment of that meeting in the same manner and with the same power, including with respect to voting, as if the undersigned were present in person.

(Optional) The undersigned has instructed his/her nominee to exercise his/her voting rights as follows:

Resolutions:

Item No 1.	Agree	Disagree
Item No 2.	Agree	Disagree
Item No 3.	Agree	Disagree
Item No 4.	Agree	Disagree

Dated:

Signature of Shareholder: _____

Name of Shareholder in print: _____

Number of Shares: _____