

To Those Shareholders with Voting Rights

Masaru Gomi
President and Chief Executive Officer
TOYO Corporation
1-6, Yaesu 1-chome, Chuo-ku, Tokyo

NOTICE OF THE 63rd ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 63rd Ordinary General Meeting of Shareholders of TOYO Corporation (the “Company”). The meeting will be held as described below.

If you are unable to attend the meeting, you can exercise your voting rights in writing. Please review the Reference Documents for the General Meeting of Shareholders, and return the enclosed Voting Rights Exercise Form with your selections to reach us no later than 5:30 p.m., Monday, December 21, 2015.

- 1. Date and Time** 10:00 a.m., Tuesday, December 22, 2015
(Reception starts at 9.00 a.m.)
- 2. Place** Room 1-3, BELLESALLE Yaesu 3F
(Yaesu First Financial Building)
3-7, Yaesu 1-chome, Chuo-ku, Tokyo
- 3. Agenda of the Meeting:**
Matters to be reported:
 1. Business Report and Consolidated Financial Statements for the 63rd Fiscal Term (from October 1, 2014 to September 30, 2015) and results of audits by the Accounting Auditor and the Board of Corporate Auditors of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the 63rd Fiscal Term (from October 1, 2014 to September 30, 2015)

Proposals to be resolved:

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Election of Two Directors
- Proposal No. 3:** Election of One Corporate Auditor
- Proposal No. 4:** Election of One Substitute Corporate Auditor

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- Notes: 1. If you plan to attend the meeting, please hand in your Voting Rights Exercise Form at the front desk when you arrive at the venue. Please bring this “Notice of Ordinary General Meeting of Shareholders” with you to save resources.
2. Subsequent amendments to the Reference Documents for the General Meeting of Shareholders, Business Report, Non-consolidated Financial Statements and Consolidated Financial Statements will be listed on the Company’s website (<http://www.toyo.co.jp>).

Business Report

(From October 1, 2014 to September 30, 2015)

1. Business Overview of the Group

(1) Business Performance

(a) Progress and Results of Operations

During the fiscal year ended September 30, 2015, the Japanese economy remained on a very moderate recovery track. Thanks to the government's economic stimulus measures and the Bank of Japan's additional monetary easing measures, there were signs of improvement in corporate earnings and employment and income environments, and improvement of deflationary situation was seen despite sluggish personal consumption. Meanwhile, as for the overseas economies, the U.S. economy maintained its recovery trend with signs of improvement in employment, and the European economies have been on a moderate recovery track supported by monetary easing and the depreciation of the euro despite various issues that the EU is facing. However, there is a concern over a downside risk of overall global economy driven by decline in resource prices and slowdown trend of the Chinese economy.

In such an economic environment, the Group has been focusing on the R&D market, while maintaining the business concept based on "Measurement Technology." Also, the Group has been working to introduce the advance measurement technologies and instruments mainly from Europe and the U.S. and to enhance self-developed systems centered on software, in order to play a part in "development of new technologies and products" which enables domestic industries to achieve new growth. Furthermore, the Group has been working to acquire new users of our products with a focus on expanding its business in Asian markets, mainly in China.

As a result, consolidated net sales decreased by 11.7% year on year to ¥20,996 million, of which domestic sales were ¥19,878 million and overseas sales mainly to China and South Korea were ¥1,118 million.

Operating income decreased by 52.2% year on year to ¥1,259 million, ordinary income decreased by 40.9% year on year to ¥1,676 million, and net income decreased by 43.6% year on year to ¥1,008 million.

Results by business segment were as follows:

In line with the organizational revision, the Group changed its reportable segment classification effective from the current fiscal year. A part of Other Measurement Systems Business and business segments previously not included in the reportable segments and classified as Other were transferred to Material Analysis Systems Business.

The segment information for the previous fiscal year has been prepared based on the new segment classification, and the figures for the previous fiscal year have been restated to enable year-on-year comparisons described below.

(Material Analysis Systems Business)

In Material Analysis Systems Business, for many of the projects of governments and other public agencies, which include national projects such as material analysis and performance tests in fundamental research of the energy field including next-generation batteries, as well as microscopes for analysis of surface, the annual budgets were not obtained. Furthermore, due to continued competitive advantage of domestic companies on the back of the depreciation of the yen, net sales decreased by 4.7% year on year to ¥4,896 million, while operating income decreased by 66.6% year on year to ¥130 million.

(Network Evaluation and Monitoring Tools Business)

In Network Evaluation and Monitoring Tools Business, demand in testing services for mobile devices achieved growth and demand in security tests has recovered, while investment in LTE and core network leading to brisk sales has been completed. However, investment in operation and monitoring of network as well in next-generation networking such as virtualization technologies was lower than expected. Net sales decreased by 5.7% year on year to ¥5,533 million, while operating income decreased by 67.5% to ¥151 million.

(Noise/Vibration Analysis Business)

In Noise/Vibration Analysis Business, investment in research and development of automotive industry as a

primary industry has been on recovery track. As a result, net sales increased by 24.0% year on year to ¥4,679 million, while operating income increased by 47.2% year on year to ¥1,186 million.

(EMC Measurement Systems Business)

In EMC Measurement Systems Business, the Group captured large-scale orders in antenna field in the previous fiscal year, however, there were no such orders in the current fiscal year. In addition, many of the EMC projects in China were postponed due to restrained capital investment in the Chinese economy. As a result, net sales decreased by 37.4% year on year to ¥2,862 million, while operating income decreased by 75.2% year on year to ¥100 million.

(Marine and Ocean Measurement Systems Business)

In Marine and Ocean Measurement Systems Business, the Group captured large-scale orders in the previous fiscal year, however there were no such orders in the current fiscal year. As a result, net sales decreased by 55.4% year on year to ¥1,267 million, while operating income decreased by 81.3% year on year to ¥137 million.

(Other Measurement Systems Business)

In Other Measurement Systems Business encompassing a wide array of measurement systems fields, sales in the software solution field remained robust. Due to the large impact from the depreciation of the yen against the British pound, net sales increased by 10.3% year on year to ¥1,758 million, while operating income decreased by 23.5% year on year to ¥220 million.

Business segment	Sales	Orders received
	Thousands of yen	Thousands of yen
Material Analysis Systems Business	4,896,061	4,688,040
Network Evaluation and Monitoring Tools Business	5,533,179	5,481,989
Noise/Vibration Analysis Business	4,679,207	4,945,184
EMC Measurement Systems Business	2,862,052	3,500,462
Marine and Ocean Measurement Systems Business	1,267,811	1,279,757
Other Measurement Systems Business	1,758,219	2,025,024

(Note) The above amounts do not include consumption taxes, etc.

Consolidated Balance Sheets

(As of September 30, 2015)

(Thousands of yen)

Account Title	Amount	Account Title	Amount
(Assets)		(Liabilities)	
Current assets	15,206,866	Current liabilities	3,821,874
Cash and deposits	2,657,694	Notes and accounts payable - trade	2,048,733
Notes and accounts receivable - trade	3,938,446	Income taxes payable	75,304
Securities	6,714,522	Provision for bonuses	480,000
Merchandise and finished goods	1,178,842	Provision for directors' bonuses	49,000
Deferred tax assets	270,331	Other	1,168,837
Other	447,429	Non-current liabilities	720,382
Allowance for doubtful accounts	(400)	Net defined benefit liability	555,425
Non-current assets	19,562,731	Deferred tax liabilities	124,047
Property, plant and equipment	8,474,876	Other	40,910
Buildings and structures	2,267,885	Total liabilities	4,542,257
Vehicles	3,287	(Net assets)	
Tools, furniture and fixtures	606,919	Shareholders' equity	29,619,973
Land	5,596,785	Capital stock	4,158,000
Intangible assets	410,089	Capital surplus	4,603,500
Investments and other assets	10,677,764	Retained earnings	24,628,519
Investment securities	5,422,757	Treasury stock	(3,770,046)
Net defined benefit asset	397,651	Accumulated other comprehensive income	534,926
Long-term time deposits	4,100,000	Valuation difference on available-for-sale securities	516,244
Other	783,155	Deferred gains or losses on hedges	(13,356)
Allowance for doubtful accounts	(25,800)	Foreign currency translation adjustments	30,201
		Remeasurements of defined benefit plans	1,836
		Subscription rights to shares	72,439
		Total net assets	30,227,339
Total assets	34,769,597	Total liabilities and net assets	34,769,597

Note: Amounts are rounded down to the nearest thousand yen.

Consolidated Statements of Income

(From October 1, 2014 to September 30, 2015)

(Thousands of yen)

Account Title	Amount	
Net sales		20,996,532
Cost of sales		12,375,935
Gross profit		8,620,597
Selling, general and administrative expenses		7,360,755
Operating income		1,259,841
Non-operating income		
Interest income	69,247	
Dividend income	50,875	
Foreign exchange gain	270,788	
Share of profit of entities accounted for using equity method	16,843	
Other	24,598	432,353
Non-operating expenses		
Interest expenses	4,215	
Loss on sales of securities	4,450	
Commission for purchase of treasury stock	6,736	
Other	58	15,460
Ordinary income		1,676,734
Extraordinary income		
Gain on sales of non-current assets	69,760	69,760
Extraordinary losses		
Loss on disposal of non-current assets	1,438	1,438
Income before income taxes and minority interests		1,745,056
Income taxes - current	539,000	
Income taxes - deferred	197,491	736,491
Income before minority interests		1,008,564
Net income		1,008,564

Note: Amounts are rounded down to the nearest thousand yen.

Consolidated Statements of Changes in Net Assets

(From October 1, 2014 to September 30, 2015)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	4,158,000	4,603,500	24,837,680	(1,992,815)	31,606,364
Cumulative effects of changes in accounting policies			(55,380)		(55,380)
Restated balance	4,158,000	4,603,500	24,782,299	(1,992,815)	31,550,984
Changes of items during the period					
Dividends of surplus			(1,148,824)		(1,148,824)
Net income			1,008,564		1,008,564
Purchase of treasury stock				(1,803,414)	(1,803,414)
Disposal of treasury stock			(13,520)	26,184	12,663
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	—	(153,780)	(1,777,230)	(1,931,010)
Balance at the end of current period	4,158,000	4,603,500	24,628,519	(3,770,046)	29,619,973

	Accumulated other comprehensive income					Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	166,961	26,006	27,633	(44,194)	176,406	68,273	31,851,044
Cumulative effects of changes in accounting policies							(55,380)
Restated balance	166,961	26,006	27,633	(44,194)	176,406	68,273	31,795,663
Changes of items during the period							
Dividends of surplus							(1,148,824)
Net income							1,008,564
Purchase of treasury stock							(1,803,414)
Disposal of treasury stock							12,663
Net changes of items other than shareholders' equity	349,283	(39,362)	2,568	46,031	358,520	4,166	362,686
Total changes of items during the period	349,283	(39,362)	2,568	46,031	358,520	4,166	(1,568,324)
Balance at the end of current period	516,244	(13,356)	30,201	1,836	534,926	72,439	30,227,339

Note: Amounts are rounded down to the nearest thousand yen.

Non-consolidated Balance Sheets

(As of September 30, 2015)

(Thousands of yen)

Account Title	Amount	Account Title	Amount
(Assets)		(Liabilities)	
Current assets	15,118,677	Current liabilities	3,824,601
Cash and deposits	2,558,594	Notes payable - trade	208,651
Notes receivable - trade	214,287	Accounts payable - trade	1,894,337
Accounts receivable - trade	3,757,200	Accounts payable - other	699,167
Securities	6,714,522	Income taxes payable	75,304
Merchandise	1,175,368	Advances received	230,031
Advance payments - trade	131,758	Provision for bonuses	480,000
Deferred tax assets	270,331	Provision for directors' bonuses	49,000
Other	297,013	Other	188,109
Allowance for doubtful accounts	(400)	Non-current liabilities	720,085
Non-current assets	19,638,480	Provision for retirement benefits	556,002
Property, plant and equipment	8,467,697	Deferred tax liabilities	123,172
Buildings	2,252,526	Other	40,910
Structures	15,358	Total liabilities	4,544,686
Vehicles	3,287	(Net assets)	
Tools, furniture and fixtures	599,739	Shareholders' equity	29,637,143
Land	5,596,785	Capital stock	4,158,000
Intangible assets	409,203	Capital surplus	4,603,500
Investments and other assets	10,761,578	Legal capital surplus	4,603,500
Investment securities	4,948,947	Retained earnings	24,645,689
Shares of subsidiaries and associates	460,169	Legal retained earnings	581,208
Investments in capital of subsidiaries and associates	110,259	Other retained earnings	24,064,481
Long-term loans receivable	51,400	General reserve	22,000,000
Insurance funds for directors	497,125	Retained earnings brought forward	2,064,481
Prepaid pension cost	395,516	Treasury stock	(3,770,046)
Long-term time deposits	4,100,000	Valuation and translation adjustments	502,888
Other	223,961	Valuation difference on available-for-sale securities	516,244
Allowance for doubtful accounts	(25,800)	Deferred gains or losses on hedges	(13,356)
		Subscription rights to shares	72,439
		Total net assets	30,212,471
Total assets	34,757,158	Total liabilities and net assets	34,757,158

Note: Amounts are rounded down to the nearest thousand yen.

Non-consolidated Statements of Income

(From October 1, 2014 to September 30, 2015)

(Thousands of yen)

Account Title	Amount	
Net sales		20,837,788
Cost of sales		12,332,561
Gross profit		8,505,226
Selling, general and administrative expenses		7,238,433
Operating income		1,266,793
Non-operating income		
Interest income	18,268	
Interest on securities	50,734	
Dividend income	50,875	
Foreign exchange gain	270,927	
Other	20,103	410,909
Non-operating expenses		
Interest expenses	4,215	
Loss on sales of securities	4,450	
Commission for purchase of treasury stock	6,736	
Other	46	15,447
Ordinary income		1,662,254
Extraordinary income		
Gain on sales of non-current assets	69,760	69,760
Extraordinary losses		
Loss on disposal of non-current assets	1,438	1,438
Income before income taxes		1,730,576
Income taxes - current	539,000	
Income taxes - deferred	223,865	762,865
Net income		967,711

Note: Amounts are rounded down to the nearest thousand yen.

Non-consolidated Statement of Changes in Net Assets

(From October 1, 2014 to September 30, 2015)

(Thousands of yen)

	Shareholders' equity							
	Capital stock	Capital surplus		Retained earnings			Treasury stock	Total shareholders' equity
		Legal capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings		
				General reserve	Retained earnings brought forward			
Balance at the beginning of current period	4,158,000	4,603,500	581,208	22,000,000	2,314,494	24,895,703	(1,992,815)	31,664,387
Cumulative effects of changes in accounting policies					(55,380)	(55,380)		(55,380)
Restated balance	4,158,000	4,603,500	581,208	22,000,000	2,259,114	24,840,322	(1,992,815)	31,609,007
Changes of items during the period								
Dividends of surplus					(1,148,824)	(1,148,824)		(1,148,824)
Net income					967,711	967,711		967,711
Purchase of treasury stock							(1,803,414)	(1,803,414)
Disposal of treasury stock					(13,520)	(13,520)	26,184	12,663
Net changes of items other than shareholders' equity								
Total changes of items during the period	—	—	—	—	(194,633)	(194,633)	(1,777,230)	(1,971,863)
Balance at the end of current period	4,158,000	4,603,500	581,208	22,000,000	2,064,481	24,645,689	(3,770,046)	29,637,143

	Valuation and translation adjustments			Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance at the beginning of current period	166,961	26,006	192,967	68,273	31,925,628
Cumulative effects of changes in accounting policies					(55,380)
Restated balance	166,961	26,006	192,967	68,273	31,870,247
Changes of items during the period					
Dividends of surplus					(1,148,824)
Net income					967,711
Purchase of treasury stock					(1,803,414)
Disposal of treasury stock					12,663
Net changes of items other than shareholders' equity	349,283	(39,362)	309,920	4,166	314,087
Total changes of items during the period	349,283	(39,362)	309,920	4,166	(1,657,776)
Balance at the end of current period	516,244	(13,356)	502,888	72,439	30,212,471

Note: Amounts are rounded down to the nearest thousand yen.

Reference Documents for the General Meeting of Shareholders

Proposal No. 1: Appropriation of Surplus

The Company regards the return of profits to shareholders as an important management priority, and intends to positively distribute dividends with due regard for the business environment, while setting a minimum dividend payout ratio to approximately 60% of the consolidated net income based on maintaining a sound financial structure.

Based on this policy, the Company proposes the year-end dividend as follows.

Year-End Dividend

- (1) Type of dividend property
Cash
- (2) Appropriation of dividend property to shareholders and total amount
Payment of 14 yen per common share (Note)
Total amount of dividend: 361,341,148 yen
- (3) Effective date of distribution of surplus
December 24, 2015

(Note) Dividends for the fiscal year ended September 30, 2015

If this proposal is approved, combined with the interim dividend of 16 yen already disbursed, the total amount of the annual dividends for the fiscal year ended September 30, 2015 will be 30 yen per share.

Proposal No. 2: Election of Two Directors

Mr. Toshiya Kohno will complete his term of office at the closing of this General Meeting of Shareholders. Consequently, the Company proposes the election of two (2) Directors in order to strengthen the management structure.

The candidates for Directors are as follows (* indicates newly appointed candidates.):

Candidate No.	Name (Date of Birth)	Career summary and positions and areas of responsibility in the Company [Significant concurrent positions]	Number of shares of the Company held
1	Toshiya Kohno (December 30, 1958)	March 1989 Joined the Company October 2005 Division Manager, EMC & Microwave Systems of the Company April 2008 Executive Officer of the Company October 2010 Managing Director of TOYO Corporation China December 2013 Director of the Company (current position)	10,000 shares
*2	Nobuyuki Okubo (February 18, 1947)	April 1987 Professor, Faculty of Science and Engineering of Chuo University (current position) November 2005 Executive Director of Chuo University April 2009 Head of the Chuo University Liaison and Intellectual Property Management Office [Significant concurrent position] Professor, Faculty of Science and Engineering of Chuo University	0 shares

Notes: 1. No conflict of interest exists between the Company and the above candidates for Directors.

2. Mr. Nobuyuki Okubo is the candidate for External Director.

3. Mr. Nobuyuki Okubo is the candidate for an independent director pursuant to the rules of Tokyo Stock Exchange.

4. Mr. Nobuyuki Okubo, as a specialist in automotive vibration analysis field, has long experience and extensive expertise. The Company proposes his election as External Director as the Company expects him to appropriately provide advice to the Board of Directors. The Company has judged that he is capable of appropriately executing his duties as External Director, comprehensively taking into account his experience in management of Chuo University as an Executive Director, etc.

5. If this proposal is approved, the number of the Company's Directors will be eight (8) (of which two (2) are External Directors).

Proposal No. 3: Election of One Corporate Auditor

Mr. Naoshi Kiyono will complete his term of office and resign at the closing of this General Meeting of Shareholders. Furthermore, Mr. Masaki Uchiyama will resign at the closing of this General Meeting of Shareholders. Consequently, the Company proposes the election of one (1) Corporate Auditor.

The Board of Corporate Auditors has already approved this proposal.

The candidate for Corporate Auditor is as follows:

Name (Date of Birth)	Career summary and positions in the Company [Significant concurrent positions]	Number of shares of the Company held
Shigehisa Horinokita (December 29, 1951)	August 1982 Registered as a certified public accountant June 2003 Representative Partner of Asahi & Co. (currently KPMG AZSA LLC) July 2014 Established CPA Shigehisa Horinokita Office (current position) June 2015 External Director of Sanyo Industries, Ltd. (current position) [Significant concurrent positions] Head of CPA Shigehisa Horinokita Office External Director of Sanyo Industries, Ltd.	0 shares

- Notes: 1. No conflict of interest exists between the Company and the above candidate for Corporate Auditor.
 2. Mr. Shigehisa Horinokita is the candidate for External Corporate Auditor.
 3. Mr. Shigehisa Horinokita is the candidate for an independent corporate auditor pursuant to the rules of Tokyo Stock Exchange.
 4. The Company proposes his election as External Corporate Auditor, as the Company expects him to make use of his detailed expertise and experience he cultivated as a certified public accountant for strengthening the Company's audit system. Although Mr. Shigehisa Horinokita has never been involved in corporate management other than having served as an external director, the Company has judged that he is capable of appropriately executing his duties as External Corporate Auditor for the aforementioned reason.
 5. If this proposal is approved, the number of the Company's Corporate Auditors will be three (3) (all of which are Outside Corporate Auditors).

Proposal No. 4: Election of One Substitute Corporate Auditor

To prepare for a contingency in which the Company does not have the number of Corporate Auditors required by laws and regulations, the Company proposes the election of one (1) Substitute Corporate Auditor.

The Board of Corporate Auditors has already approved this proposal.

The candidate for Substitute Corporate Auditor is as follows:

Name (Date of Birth)	Career summary [Significant concurrent positions]	Number of shares of the Company held
Shigeo Yamazaki (October 13, 1951)	October 2002 Deputy Head, Corporate Auditor's Office of Japan Airlines Co., Ltd. April 2006 Branch Manager, Asahikawa Branch of Japan Airlines Corporation (currently Japan Airlines Co., Ltd.) July 2008 General Manager for Corporate Auditors of Japan Airlines International Co., Ltd. (currently Japan Airlines Co., Ltd.) September 2010 Joined the Company Manager, Audit Division of the Company	0 shares

Note: No conflict of interest exists between the Company and the above candidate for Substitute Corporate Auditor.

Voting Rights Exercise 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 22nd, 2015 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:

Resolution 1)	<input type="radio"/> Agree	<input type="radio"/> Disagree
Resolution 2)	<input type="radio"/> Agree	<input type="radio"/> Disagree
Resolution 3)	<input type="radio"/> Agree	<input type="radio"/> Disagree
Resolution 4)	<input type="radio"/> Agree	<input type="radio"/> Disagree

Dated: _____

Signature of shareholder: _____

Name of shareholder in print: _____

Number of shares: _____

Disclaimer

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