

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 65th ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 65th 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., Tuesday, December 19, 2017.

- 1. Date and Time** 10:00 a.m., Wednesday, December 20, 2017
(Reception starts at 9.00 a.m.)
- 2. Place** Room 2-3, 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 65th Fiscal Term (from October 1, 2016 to September 30, 2017) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Board of Corporate Auditors
 2. Non-consolidated Financial Statements for the 65th Fiscal Term (from October 1, 2016 to September 30, 2017)

Proposals to be resolved:

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Partial Amendments to the Articles of Incorporation
- Proposal No. 3:** Election of Three Directors
- 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 (<https://www.toyo.co.jp>).

Please be aware that the Company will not provide gifts to shareholders attending the meeting. We appreciate your understanding.

(Attached documents)

Business Report

(From October 1, 2016 to September 30, 2017)

Business Overview of the Company and affiliated companies (the “Group”)

Business Performance

Progress and Results of Operations

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 not only in Asian markets, mainly China, but also in the U.S. market.

As a result of the above, consolidated net sales decreased by 0.4% year on year to ¥21,586 million, of which domestic sales were ¥20,395 million and overseas sales mainly to China and South Korea were ¥1,190 million.

Operating income decreased by 2.9% year on year to ¥1,278 million, ordinary income decreased by 25.7% year on year to ¥1,036 million as a result of the recording of share of loss of entities accounted for using equity method pertaining to an overseas affiliate of ¥372 million under non-operating expenses, and net income attributable to owners of parent decreased by 44.1% year on year to ¥495 million.

Results by business segment were as follows:

Effective from the current fiscal year, in order to more appropriately reflect the results by reportable segment, the Group reviewed the allocation standard for corporate expenses and changed the calculation method of segment income (loss).

Additionally, “Security & Lab Company,” which has been included in “Information & Communications Technologies,” is shown as a separate reportable segment in line with the launch of the cybersecurity service business from the current fiscal year.

The segment information for the previous fiscal year has been prepared based on the new calculation method of income (loss).

Additionally, as some product lines were transferred from “Information & Communications Technologies” to “Security & Lab Company,” the information provided herein has been prepared based on the new segment classification.

(Information & Communications Technologies)

In the Information & Communications Technologies business, sales of testing equipment for network and security, and the products manufactured by U.S.-based Spirent Communications were all on par with the previous fiscal year, on the back of the domestic carriers’ efforts toward automated verification of virtualization network and orders received for professional services, respectively. The in-house developed packet capture products named “Synesis” grew steadily in China, in addition to the favorable domestic market, while the High performance network recorder “Synesis” 40GbE Portable model were delivered to a major carrier in Australia for the first time. As a result, net sales decreased by 3.0% year on year to ¥4,672 million, while operating income decreased by 18.5% year on year to ¥382 million.

(Materials / Energy)

In the Materials / Energy business, sales of evaluation system for next-generation batteries and charging stations for the automobile industry were favorable, which along with the high competitiveness of new products we started handling, enabled the segment to achieve profit. On the other hand, projects for governments and other public offices which are our main sales destinations of material analysis systems remained inactive. Consequently, net sales increased by 5.5% year on year to ¥2,969 million, while operating income increased by 74.8% year on year to ¥171 million.

(Nano Imaging)

In the Nano Imaging business, as a fierce price competition has been continuing, profit was not recorded despite our cost cutting efforts. As a result, net sales decreased by 2.0% year on year to ¥1,267 million, whereas operating loss amounted to ¥43 million, in comparison with operating loss of ¥80 million in the previous fiscal year. Additionally, the subsidy income of ¥74 million recorded under non-operating income in the Consolidated Statements of Income will be appropriated for the research and development for this segment. The said research and development is projected to contribute to the growth of the Nano Imaging business in the future.

(Electromagnetic Compatibility / Antenna Systems)

In the Electromagnetic Compatibility business, results were inactive as sales to automotive companies, our main customer, and sales of large-scale Electromagnetic Compatibility Systems both slowed down. The Antenna Systems business failed to secure budget due to the continuing government budget cut. As a result, net sales decreased by 9.8% year on year to ¥3,140 million, while operating income decreased by 79.4% year on year to ¥75 million.

(Mechatronics / Noise & Vibration)

In the Mechatronics / Noise & Vibration business, sales grew slightly on the back of favorable sales of measurement systems mainly for automobile development market. However, expenses increased due to making large capital investments with an eye to the future, among other factors. Consequently, net sales increased by 2.3% year on year to ¥4,949 million, while operating income decreased by 11.7% year on year to ¥1,209 million.

(Ocean / Defense & Security)

In the Ocean / Defense & Security business, sales were favorable mainly in large-scale projects for public agencies. Demand from private companies also increased, against the backdrop of “i-Construction” (efforts toward raising productivity in the construction and production systems using measurement technologies and IoT technology) led by the Ministry of Land, Infrastructure, Transport and Tourism. As a result, net sales increased by 51.7% year on year to ¥1,943 million, while operating income increased by 320.2% year on year to ¥595 million.

(Software Quality & Productivity)

In the Software Quality & Productivity business, sales of existing static analysis tools remained robust as demand for secure coding increased, including compliance with the CERT-C coding standard in the automobile industry. Additionally, in the enterprise market, demand for vulnerability assessment tools for enhancing application security was driven, and we sold the tools to several major system integrators in Japan. Furthermore, to meet the demand from numerous software houses nationwide, preparations are underway toward offering the on-demand service using the cloud version of the said product. Consequently, net sales increased by 27.1% year on year to ¥1,081 million, while operating income increased by 99.9% year on year to ¥249 million.

(Medical Systems)

In the Medical Systems business, OEM products for medical equipment manufacturers in Japan, our key products, and liquid crystal display evaluation systems for China were both weak, causing delays in sales. Regarding the export business to Korea, outlook is uncertain, and we are scaling down the business based on the judgment that it would be difficult to create the Company's values and generate profit. As a result, net sales decreased by 26.7% year on year to ¥1,231 million, while operating income decreased by 51.7% year on year to ¥95 million.

(Security & Lab Company)

In the Security & Lab Company, orders for DDoS threat management products were favorable, but sales

of testing services for mobile terminals, a category transferred from the Information & Communications Technologies, decreased significantly, while expenses increased in the cybersecurity service business because it is in the start-up period, including the development of TOYO Cloud. Consequently, net sales decreased by 47.1% year on year to ¥330 million, while operating loss amounted to ¥361 million, in comparison with operating loss of ¥184 million in the previous fiscal year.

Business segment	Sales	Orders received
	Thousands of yen	Thousands of yen
Information & Communications Technologies	4,672,188	4,624,478
Materials / Energy	2,969,131	3,548,314
Nano Imaging	1,267,368	822,990
Electromagnetic Compatibility / Antenna Systems	3,140,979	3,297,148
Mechatronics / Noise & Vibration	4,949,264	5,384,434
Ocean / Defense & Security	1,943,882	2,896,709
Software Quality & Productivity	1,081,112	1,048,502
Medical Systems	1,231,403	1,232,196
Security & Lab Company	330,670	780,119

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

Consolidated Balance Sheets

(As of September 30, 2017)

(Thousands of yen)

Account Title	Amount	Account Title	Amount
(Assets)		(Liabilities)	
Current assets	12,802,097	Current liabilities	3,817,436
Cash and deposits	2,530,863	Notes and accounts payable - trade	1,738,652
Notes and accounts receivable - trade	4,340,831	Income taxes payable	441,522
Securities	3,953,078	Provision for bonuses	581,578
Merchandise and finished goods	1,201,182	Provision for directors' bonuses	48,500
Deferred tax assets	420,767	Other	1,007,183
Other	359,059	Non-current liabilities	765,837
Allowance for doubtful accounts	(3,685)	Net defined benefit liability	610,768
Non-current assets	20,922,221	Deferred tax liabilities	82,709
Property, plant and equipment	8,720,741	Other	72,359
Buildings and structures	2,282,190	Total liabilities	4,583,274
Vehicles	14,035	(Net assets)	
Tools, furniture and fixtures	809,943	Shareholders' equity	28,371,644
Land	5,607,940	Capital stock	4,158,000
Construction in progress	6,631	Capital surplus	4,603,500
Intangible assets	1,503,127	Retained earnings	21,155,881
Goodwill	153,492	Treasury stock	(1,545,736)
Software	420,487	Accumulated other comprehensive income	652,062
Software in progress	913,340	Valuation difference on available-for-sale securities	665,079
Other	15,807	Deferred gains or losses on hedges	14,739
Investments and other assets	10,698,351	Foreign currency translation adjustments	(77,583)
Investment securities	8,220,706	Remeasurements of defined benefit plans	49,827
Net defined benefit asset	476,088	Subscription rights to shares	117,336
Long-term time deposits	1,200,000		
Other	895,856		
Allowance for doubtful accounts	(94,300)	Total net assets	29,141,044
Total assets	33,724,318	Total liabilities and net assets	33,724,318

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

Consolidated Statements of Income

(From October 1, 2016 to September 30, 2017)

(Thousands of yen)

Account Title	Amount	
Net sales		21,586,001
Cost of sales		11,773,487
Gross profit		9,812,513
Selling, general and administrative expenses		8,534,277
Operating income		1,278,236
Non-operating income		
Interest income	33,034	
Dividend income	54,993	
Foreign exchange gain	40,763	
Subsidy income	74,068	
Other	40,032	242,891
Non-operating expenses		
Interest expenses	3,494	
Share of loss of entities accounted for using equity method	372,415	
Provision of allowance for doubtful accounts	68,500	
Other	40,293	484,703
Ordinary income		1,036,424
Extraordinary income		
Gain on sales of non-current assets	41,376	41,376
Extraordinary losses		
Loss on disposal of non-current assets	4,136	4,136
Income before income taxes		1,073,664
Income taxes - current	754,668	
Income taxes - deferred	(176,161)	578,506
Net income		495,157
Net income attributable to owners of parent		495,157

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

Consolidated Statements of Changes in Net Assets

(From October 1, 2016 to September 30, 2017)

(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	23,606,039	(3,798,476)	28,569,063
Changes of items during the period					
Dividends of surplus			(691,891)		(691,891)
Net income attributable to owners of parent			495,157		495,157
Purchase of treasury stock				(686)	(686)
Disposal of treasury stock			(2,249)	2,251	2
Retirement of treasury shares			(2,251,174)	2,251,174	—
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	—	(2,450,158)	2,252,739	(197,418)
Balance at the end of current period	4,158,000	4,603,500	21,155,881	(1,545,736)	28,371,644

	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	408,658	(21,334)	(142,743)	(18,383)	226,196	88,616	28,883,875
Changes of items during the period							
Dividends of surplus							(691,891)
Net income attributable to owners of parent							495,157
Purchase of treasury stock							(686)
Disposal of treasury stock							2
Retirement of treasury shares							—
Net changes of items other than shareholders' equity	256,421	36,074	65,159	68,210	425,866	28,720	454,587
Total changes of items during the period	256,421	36,074	65,159	68,210	425,866	28,720	257,168
Balance at the end of current period	665,079	14,739	(77,583)	49,827	652,062	117,336	29,141,044

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

Non-consolidated Balance Sheets

(As of September 30, 2017)

(Thousands of yen)

Account Title	Amount	Account Title	Amount
(Assets)		(Liabilities)	
Current assets	12,415,755	Current liabilities	3,691,604
Cash and deposits	2,191,526	Notes payable - trade	281,370
Notes receivable - trade	381,998	Accounts payable - trade	1,455,319
Accounts receivable - trade	3,964,216	Accounts payable - other	545,535
Securities	3,953,078	Income taxes payable	441,522
Merchandise	1,161,801	Advances received	193,317
Advance payments - trade	171,894	Provision for bonuses	580,000
Deferred tax assets	420,767	Provision for directors' bonuses	48,500
Other	174,158	Other	146,040
Allowance for doubtful accounts	(3,685)	Non-current liabilities	720,249
Non-current assets	21,475,617	Provision for retirement benefits	599,430
Property, plant and equipment	8,707,931	Deferred tax liabilities	60,718
Buildings	2,270,737	Other	60,100
Structures	11,453	Total liabilities	4,411,853
Vehicles	14,035	(Net assets)	
Tools, furniture and fixtures	797,132	Shareholders' equity	28,682,871
Land	5,607,940	Capital stock	4,158,000
Construction in progress	6,631	Capital surplus	4,603,500
Intangible assets	1,349,154	Legal capital surplus	4,603,500
Software	420,005	Retained earnings	21,467,108
Software in progress	913,340	Legal retained earnings	581,208
Other	15,807	Other retained earnings	20,885,900
Investments and other assets	11,418,531	General reserve	17,000,000
Investment securities	7,650,089	Retained earnings brought forward	3,885,900
Shares of subsidiaries and associates	683,286	Treasury stock	(1,545,736)
Investments in capital of subsidiaries and associates	695,793	Valuation and translation adjustments	679,309
Long-term loans receivable	101,400	Valuation difference on available-for-sale securities	664,570
Insurance funds for directors	550,365	Deferred gains or losses on hedges	14,739
Prepaid pension cost	392,932	Subscription rights to shares	117,336
Long-term time deposits	1,200,000		
Other	238,965	Total net assets	29,479,518
Allowance for doubtful accounts	(94,300)		
Total assets	33,891,372	Total liabilities and net assets	33,891,372

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

Non-consolidated Statements of Income

(From October 1, 2016 to September 30, 2017)

(Thousands of yen)

Account Title	Amount	
Net sales		21,317,186
Cost of sales		11,682,069
Gross profit		9,635,117
Selling, general and administrative expenses		8,112,075
Operating income		1,523,041
Non-operating income		
Interest income	7,340	
Interest on securities	25,474	
Dividend income	54,993	
Foreign exchange gain	33,667	
Subsidy income	74,068	
Other	33,498	229,043
Non-operating expenses		
Interest expenses	3,494	
Provision of allowance for doubtful accounts	68,500	
Settlement package	37,000	
Other	3,292	112,287
Ordinary income		1,639,798
Extraordinary income		
Gain on sales of non-current assets	41,376	41,376
Extraordinary losses		
Loss on disposal of non-current assets	4,136	
Loss on valuation of shares of subsidiaries and associates	375,950	
Loss on valuation of investments in capital of subsidiaries and associates	223,000	603,086
Income before income taxes		1,078,087
Income taxes - current	754,400	
Income taxes - deferred	(176,161)	578,238
Net income		499,849

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

Non-consolidated Statement of Changes in Net Assets

(From October 1, 2016 to September 30, 2017)

(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	1,331,366	23,912,574	(3,798,476)	28,875,598
Changes of items during the period								
Dividends of surplus					(691,891)	(691,891)		(691,891)
Net income					499,849	499,849		499,849
Purchase of treasury stock							(686)	(686)
Disposal of treasury stock					(2,249)	(2,249)	2,251	2
Retirement of treasury shares					(2,251,174)	(2,251,174)	2,251,174	—
Reversal of general reserve				(5,000,000)	5,000,000			—
Net changes of items other than shareholders' equity								
Total changes of items during the period	—	—	—	(5,000,000)	2,554,533	(2,445,466)	2,252,739	(192,727)
Balance at the end of current period	4,158,000	4,603,500	581,208	17,000,000	3,885,900	21,467,108	(1,545,736)	28,682,871

	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	408,658	(21,334)	387,323	88,616	29,351,538
Changes of items during the period					
Dividends of surplus					(691,891)
Net income					499,849
Purchase of treasury stock					(686)
Disposal of treasury stock					2
Retirement of treasury shares					—
Reversal of general reserve					—
Net changes of items other than shareholders' equity	255,912	36,074	291,986	28,720	320,706
Total changes of items during the period	255,912	36,074	291,986	28,720	127,979
Balance at the end of current period	664,570	14,739	679,309	117,336	29,479,518

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 net income attributable to owners of parent based on maintaining a sound financial structure.

Based on this policy, the Company proposes that the appropriation of surplus in the current fiscal year be 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: 345,963,660 yen
- (3) Effective date of distribution of surplus
December 21, 2017

(Note) Dividends for the fiscal year ended September 30, 2017

If this proposal is approved, combined with the interim dividend of 8 yen already disbursed, the total amount of the annual dividends for the fiscal year ended September 30, 2017 will be 22 yen per share.

Proposal No. 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the amendments

(1) To correspond to the terms set forth in the “Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical devices,” amendments are being made to the wording in Article 2, Paragraph 1 of the Company’s Articles of Incorporation.

(2) To further strengthen the management framework by increasing the number of Directors with an aim to quickly respond to changes in the business environment with broader knowledge, necessary amendments are being made to Article 18, Paragraph 2 of the Articles of Incorporation.

2. The details of the amendments

The details of the amendments are as follows.

(Underlined parts are amended.)

Current Articles of Incorporation	Proposed amendments
<p>Article 2 (omitted)</p> <p>1. Export and import, domestic sales, manufacture, leasing and maintenance, as well as commission merchant business, brokerage business and agency business concerning the items stated below.</p> <p>(1) Machinery, instruments, tools, electronic appliances or instruments, telecommunications appliances or instruments, <u>medical equipment</u>, <u>medical equipment</u> for animals, iron and steel, non-ferrous metal, ores, vehicles, marine vessels, materials for civil engineering and construction, fertilizers, foodstuffs, alcohol products, agricultural and livestock products, feedstuff and other daily necessities and miscellaneous goods</p> <p>(2) (omitted)</p>	<p>Article 2 (same as current)</p> <p>1. Export and import, domestic sales, manufacture, leasing and maintenance, as well as commission merchant business, brokerage business and agency business concerning the items stated below.</p> <p>(1) Machinery, instruments, tools, electronic appliances or instruments, telecommunications appliances or instruments, <u>medical devices</u>, <u>medical devices</u> for animals, iron and steel, non-ferrous metal, ores, vehicles, marine vessels, materials for civil engineering and construction, fertilizers, foodstuffs, alcohol products, agricultural and livestock products, feedstuff and other daily necessities and miscellaneous goods</p> <p>(2) (same as current)</p>
<p>Article 18 (omitted)</p> <p>2. The Company shall have <u>eight (8)</u> or fewer Directors. Resolutions for election of Directors shall be adopted by a majority of the voting rights of the shareholders present at a meeting where the shareholders holding one third or more of the voting rights of the shareholders who are entitled to exercise their voting rights are present. However, resolutions for election of Directors shall not be effected by cumulative voting.</p>	<p>Article 18 (same as current)</p> <p>2. The Company shall have <u>ten (10)</u> or fewer Directors. Resolutions for election of Directors shall be adopted by a majority of the voting rights of the shareholders present at a meeting where the shareholders holding one third or more of the voting rights of the shareholders who are entitled to exercise their voting rights are present. However, resolutions for election of Directors shall not be effected by cumulative voting.</p>

Proposal No. 3: Election of Three Directors

Messrs. Toshiya Kohno and Nobuyuki Okubo will complete their term of office at the closing of this General Meeting of Shareholders. Consequently, to strengthen the management structure, the Company proposes the election of three (3) Directors, subject to the approval and resolution of the Proposal No.2: Partial Amendments to the Articles of Incorporation.

The candidates for Directors are as follows:

(* indicates a newly appointed candidate.)

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)	<p>March 1989 Joined the Company</p> <p>October 2005 Division Manager, EMC & Microwave Systems of the Company</p> <p>April 2008 Executive Officer of the Company</p> <p>October 2010 Managing Director of TOYO Corporation China</p> <p>December 2013 Director of the Company (current position)</p> <p>(Responsibilities in the Company) EMC & Microwave Systems Division, Marketing Communication Division, Global Business, Global Business Promotion Division and One Technologies Company</p>	10,000 shares
*2	Yasushi Kumagawa (January 25, 1960)	<p>March 2009 Joined the Company</p> <p>October 2015 Division Manager, Sensor Solutions of the Company</p> <p>October 2016 Senior Division Manager, Sensor Solutions of the Company (current position)</p>	12,000 shares
3	Nobuyuki Okubo (February 18, 1947)	<p>April 1987 Professor, Faculty of Science and Engineering of Chuo University</p> <p>November 2005 Executive Director of Chuo University</p> <p>April 2009 Head of the Chuo University Liaison and Intellectual Property Management Office</p> <p>December 2015 Outside Director of the Company (current position)</p>	0 shares

- Notes: 1. No conflict of interest exists between the Company and the above candidates for Directors.
2. Number of shares of the Company held by the candidates for Directors is the status as of September 30, 2017. In addition, the shares of the Company held by Mr. Yasushi Kumagawa is the shareholding through TOYO Employee Stockholding Association. If this proposal is approved and resolved and he assumes the office of Director, membership cancellation procedures will be undertaken, including the withdrawal of such holding pursuant to the regulations of TOYO Employee Stockholding Association.
3. Mr. Nobuyuki Okubo is a candidate for Outside Director.
4. The Company has registered Mr. Nobuyuki Okubo as an Independent Director pursuant to the rules of Tokyo Stock Exchange. If he is reelected, the Company intends to continue to designate him as an Independent Director.
5. Mr. Nobuyuki Okubo, as a specialist in automotive vibration analysis field, has long experience and extensive expertise. The Company proposes his election as Outside 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 Outside Director, comprehensively taking into account his experience in management of Chuo University as an Executive Director, etc.
6. Mr. Nobuyuki Okubo is an incumbent Outside Director of the Company. He will have held the position of Outside Director for two (2) years at the closing of this General Meeting of Shareholders.
7. If Proposal No. 2 and this proposal are approved and resolved as originally proposed, the number of Directors will be nine (9) (of which two (2) are Outside Directors).

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 Head, Corporate Auditor's Office 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 to be held on December 20th, 2017 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="checkbox"/> Agree	<input type="checkbox"/> Disagree
Resolution 2)	<input type="checkbox"/> Agree	<input type="checkbox"/> Disagree
Resolution 3)	<input type="checkbox"/> Agree	<input type="checkbox"/> Disagree
Resolution 4)	<input type="checkbox"/> Agree	<input type="checkbox"/> Disagree

Dated: _____

Signature of shareholder: _____

Name of shareholder in print: _____

Number of shares: _____

Disclaimer

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