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Securities code: 5310  
March 13, 2018

To Our Shareholders,

Takashi Konishi,  
President  
**Toyo Tanso Co., Ltd.**  
5-7-12 Takeshima, Nishiyodogawa-ku, Osaka

## Notice of the 76th Ordinary General Shareholders Meeting

You are cordially invited to attend the 76th Ordinary General Shareholders Meeting of Toyo Tanso Co., Ltd. (the “Company”) to be held as described below.

If you are unable to attend the meeting, you may exercise your voting rights either in writing (Voting Card) or electronically or magnetically (e.g., via the Internet). Please read the attached Reference Documents for the General Shareholders Meeting and exercise your voting rights by 5:30 p.m. on Wednesday, March 28, 2018 (JST).

### Details

- 1. Date and time:** Thursday, March 29, 2018, at 10:00 a.m.  
**2. Venue:** ABC Room, Kitahama Forum (3rd floor, Osaka Securities Exchange Building),  
1-8-16 Kitahama, Chuo-ku, Osaka

**3. Purpose of the meeting**

**Matters to be reported:**

1. Report on the Business Report, the Consolidated Financial Statements and audit reports by the Accounting Auditor and the Audit & Supervisory Board for the Consolidated Financial Statements for the 76th term (from January 1, 2017 to December 31, 2017)
2. Report on the Non-consolidated Financial Statements for the 76th term (from January 1, 2017 to December 31, 2017)

**Matters to be resolved:**

- Proposal 1:** Appropriation of surplus  
**Proposal 2:** Election of eight (8) Directors  
**Proposal 3:** Election of three (3) Auditors  
**Proposal 4:** Election of one (1) substitute Auditor  
**Proposal 5:** Revision of remuneration amount for Auditors

#### 4. Guide to the Exercise of Voting Rights

- (1) Instructions on Exercise of Voting Rights in Writing (Voting Card)  
Please indicate your approval or disapproval of each proposal on the enclosed Voting Card and return it so that your vote is received by the aforementioned deadline.
- (2) Instructions on Exercise of Voting Rights by Electronic or Magnetic Means (e.g., via the Internet)  
Please access the website for exercising voting rights (<https://evote.tr.mufg.jp/>) with a personal computer, smartphone, or cellular phone, and use the log-in ID and temporary password shown on the enclosed Voting Card. Follow the on-screen instructions to indicate your approval or disapproval by the aforementioned deadline.

##### [Multiple Exercises of Voting Rights]

- 1) In the event that voting rights are exercised both in writing (Voting Card) and electronically or magnetically (e.g., via the Internet), only the vote submitted electronically or magnetically (e.g., via the Internet) will be deemed valid.
- 2) In the event that voting rights are exercised multiple times electronically or magnetically (e.g., via the Internet), only the last vote will be deemed valid.

##### [TSE Platform for Electronic Voting]

Management trust banks and other nominee shareholders (including standing proxies) who send in applications to use the “Electronic Voting Platform for Institutional Investors” (the “TSE Platform”) operated by ICJ Inc., founded by Tokyo Stock Exchange, Inc. and other entities, in advance, may use the TSE Platform.

- (3) When Handling Voting Cards with No Indication of “Approval” or “Disapproval”  
If a Voting Card is submitted with no indication of either “approval” or “disapproval” of the respective proposals, the shareholders in question shall be deemed to have indicated “approval.”
- (4) Diverse Exercise of Voting Rights  
In the event that you exercise your voting rights diversely, please notify the Company in writing by three days prior to the General Shareholders Meeting stating your intention of diverse exercise and the reasons.

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- \* If you attend the meeting in person, please present the enclosed Voting Card at the reception desk upon your arrival at the meeting.
  - \* If any corrections in the Business Report, Consolidated Financial Statements, Non-consolidated Financial Statements or Reference Documents for the General Shareholders Meeting are determined to be necessary, such corrections will be posted on the Company’s website (<http://www.toyotanso.co.jp>).

# Reference Documents for the General Shareholders Meeting

## Proposals and References

### Proposal 1: Appropriation of surplus

We hereby propose the year-end dividends below.

The Company's basic policy is to make strategic investments in order to strengthen competitiveness and enhance corporate value over the long term, and to distribute profits to shareholders in a continuous and stable fashion with due comprehensive consideration of business results for each fiscal year and funding needs, etc., for the future expansion of business operations and reinforcement of the operating foundations. The Company intends to use internal reserves for capital expenditures for production-related facilities, development of new products and investment in research and development.

Based on the above policy and financial results for the current term, the Company plans to pay a year-end dividend of ¥30 per share for the current term, which is ¥5 higher than for the previous term.

<Year-end dividend>

(1) Type of dividend property

Cash

(2) Allotment of dividend property to shareholders and total amount thereof

¥30 per share of common stock of the Company

Total amount: ¥625,448,070

(3) Effective date of dividends from surplus

March 30, 2018

**Proposal 2: Election of eight (8) Directors**

The terms of office of all of the seven (7) Directors will expire at the conclusion of this meeting. To further enhance the functions of management supervision, we propose the election of eight (8) Directors, increasing the number of Directors by one (1). Of the eight (8) candidates, three (3) are candidates for Outside Directors.

The candidates for Directors are as follows:

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company and important concurrent positions	Number of the Company's shares held
1	Naotaka Kondo (May 5, 1957)  New candidate	Apr. 1980    Joined MITSUI & CO., LTD. Dec. 1985    Joined the Company Mar. 1994    Director Nov. 2000    Managing Executive Officer Aug. 2001    Director Mar. 2002    Managing Director Jul. 2003    Senior Managing Director Sep. 2003    Senior Managing Executive Officer Jan. 2007    Representative Director, NT Corporation (incumbent) Aug. 2007    Representative Director, the Company Senior Vice President Executive Vice President Assistant to President Mar. 2008    Director of Division, Sales Division Aug. 2009    President Executive President Jun. 2012    Senior Advisor Jan. 2013    Director, Shizen Energy Inc. Nov. 2013    Representative Director, Chief Executive Officer, Via Mechanics, Ltd. Dec. 2014    Chairman, Via Mechanics, Ltd. Mar. 2015    Board Director, Japan Investment Adviser Co., Ltd. (incumbent) May 2017    Auditor, Shizen Energy Inc. (incumbent) <Important concurrent positions> Representative Director, NT Corporation Auditor, Shizen Energy Inc. Board Director, Japan Investment Adviser Co., Ltd.	1,214,276
Reasons for nomination as Director In the past, Naotaka Kondo served for eleven years as a Director of the Company and for five years as a Representative Director. During this time, using his strong leadership, he strove to reinforce the operating foundations and improve business results, which included promoting the development of business overseas. Since retiring from the office of Director of the Company, he has made use of this wealth of experience and knowledge while being involved in corporate management, which included being a Director at other companies. Considering the above, the Company has nominated him as a new candidate for Director at this time because he is expected to appropriately execute duties as a Director of the Company and contribute to the increase of corporate value.			

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company and important concurrent positions	Number of the Company's shares held
2	Takashi Konishi (Jun. 17, 1960)  Reelection	Apr. 1983    Joined NIHON YAKIN KAGAKU KOUGYOU CO LTD. Feb. 1985    Joined the Company Jun. 2006    General Manager, Quality Assurance Department General Manager, Atomic Energy Department May 2008    General Manager, Production Division, Production Department Sep. 2009    Executive Officer Aug. 2010    Director Director of Division, Production Division Mar. 2015    Representative Director, President, Totan Kako Co., Ltd. Representative Director, President, Ohwada Carbon Industrial Co., Ltd. (incumbent) President, Toyo Tanso Taiwan Co., Ltd. (incumbent) Jul. 2015    In charge of Global Quality Assurance, In charge of Quality Assurance Department, In charge of Environmental Control Department, the Company Mar. 2016    Representative Director (incumbent) President (incumbent) Executive President (incumbent) <i>&lt;Important concurrent positions&gt;</i> Representative Director, President, Ohwada Carbon Industrial Co., Ltd. President, Toyo Tanso Taiwan Co., Ltd.	13,500
Reasons for nomination as Director Takashi Konishi has profound knowledge of and experience with the Company's carbon products manufacturing business and has made extensive contributions to the Company's overall management as a Director and an Executive Officer of the Company. Since assuming office as Representative Director, he has used his strong leadership to drive efforts to improve business results including structural reform of the Company's business, which is a top priority. In addition to achieving the consolidated operating profit objective, part of the structural reform of the Company's business, a year earlier than planned, he has steadily advanced the establishment of the foundation necessary for ongoing future growth and development. Considering the above, the Company has nominated him as a candidate for Director because he is expected to appropriately execute duties as a Director of the Company and contribute to the increase of corporate value.			

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company and important concurrent positions	Number of the Company's shares held
3	Naruhito Ishihata (Jun. 3, 1962)  Reelection	Apr. 1987 Joined The Nikko Securities Co., Ltd. (current SMBC Nikko Securities Inc.) Sep. 1998 Vice President, Capital Markets Division, JPMorgan Securities Asia Pte. Limited Dec. 2002 Deputy General Manager, Finance Department and Assistant Advisor, Corporate Planning Department, NIDEC CORPORATION Feb. 2005 General Manager of Business Development, Group Strategy Department, OMRON Corporation Mar. 2008 Senior Executive Officer, Business Development Division, GE International, Inc. Jun. 2009 Executive Officer, Finance Division, Nissen Holdings Co., Ltd. Mar. 2012 Executive Officer, CFO, Nissen Holdings Co., Ltd. Oct. 2013 Chairman and Representative Director, GE Nissen Credit Co., Ltd. Jan. 2016 Joined the Company Executive Officer (incumbent) Planning, Finance and Management Mar. 2016 Director (incumbent) In charge of Finance (incumbent), In charge of Planning Department (incumbent) Sep. 2016 In charge of US (incumbent) Representative Director, Chairman, TOYO TANSO USA, INC. (incumbent) <i>&lt;Important concurrent position&gt;</i> Representative Director, Chairman, TOYO TANSO USA, INC.	5,000
Reasons for nomination as Director Naruhito Ishihata has, in addition to experience as a CFO at multiple listed companies, a wealth of knowledge and experience regarding business management and business strategy acquired at financial institutions and major companies in Japan and overseas. Since joining the Company, he has overseen financial management, corporate planning, and a subsidiary in the United States, and contributed to promoting structural reform of the Company's business and efforts to improve business results. Considering the above, the Company has nominated him as a candidate for Director because he is expected to appropriately execute duties as a Director of the Company and contribute to the increase of corporate value through the effective use of shareholders' equity.			

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company and important concurrent positions	Number of the Company's shares held
4	Zhan GuoBin (Jul. 20, 1962)  Reelection	<p>Jul. 1987 Lecturer, Shaanxi Normal University</p> <p>Jul. 1992 Joined China Electronics Import and Export Shaanxi CO., LTD.</p> <p>Mar. 1996 Joined the Company</p> <p>Jul. 1997 Vice President, SHANGHAI TOYO TANSO CO., LTD.</p> <p>Apr. 2003 Director and President, SHANGHAI TOYO TANSO CO., LTD.</p> <p>Sep. 2003 Director and President, SHANGHAI TOYO TANSO INDUSTRIAL CO., LTD.</p> <p>Aug. 2008 Executive Officer, the Company (incumbent)</p> <p>Aug. 2012 Director (incumbent)</p> <p>Sep. 2014 Chairman and President, TOYO TANSO (ZHEJIANG) CO., LTD. (incumbent)</p> <p>May 2015 Chairman and President, SHANGHAI TOYO TANSO CO., LTD. (incumbent)</p> <p>Chairman and President, SHANGHAI TOYO TANSO INDUSTRIAL CO., LTD. (incumbent)</p> <p>Jun. 2015 Chairman and President, JIAXIANG TOYO TANSO CO., LTD.</p> <p>Mar. 2016 In charge of Heat-Technology Material Division, In charge of Asia, the Company (incumbent)</p> <p>Mar. 2017 In charge of Global Sales Division (incumbent)</p> <p>&lt;Important concurrent positions&gt;</p> <p>Chairman and President, SHANGHAI TOYO TANSO CO., LTD.</p> <p>Chairman and President, SHANGHAI TOYO TANSO INDUSTRIAL CO., LTD.</p> <p>Chairman and President, TOYO TANSO (ZHEJIANG) CO., LTD.</p>	3,900
<p>Reasons for nomination as Director</p> <p>Zhan GuoBin has a wealth of management experience and profound knowledge of and experience with the Company's business, acquired while serving as a representative of subsidiaries in China, an important business region for the Company. As a Director of the Company, he has been in charge of global sales, presided over the Company's business in Asia, and contributed to promoting structural reform of the Company's business and to efforts to improve business results. Considering the above, the Company has nominated him as a candidate for Director because he is expected to appropriately execute duties as a Director of the Company and contribute to the increase of corporate value.</p>			
5	Hiroki Tsutsumi (Aug. 8, 1962)  Reelection	<p>Apr. 1985 Joined Shinano Kenshi Co., Ltd.</p> <p>Mar. 2002 General Manager of Personal Development, Business Promotion Division, Shinano Kenshi Co., Ltd.</p> <p>Nov. 2005 Director, Shinano Kenshi Staff Service Co., Ltd.</p> <p>Sep. 2010 Director and President, Shinano Kenshi (Hong Kong) Co., Ltd. Deputy Director General, Global Business Promotion Division, Shinano Kenshi Co., Ltd.</p> <p>Mar. 2013 Deputy Director General, Global Procurement Division, Shinano Kenshi Co., Ltd.</p> <p>Sep. 2015 Executive Officer, Shinano Kenshi Co., Ltd.</p> <p>Mar. 2016 Joined the Company</p> <p>Director (incumbent)</p> <p>Executive Officer (incumbent)</p> <p>Director of Division, General Administration Division (incumbent), General Manager, Personnel Department, In charge of Associated Companies</p> <p>Apr. 2017 In charge of Quality Assurance Department (incumbent)</p>	4,400
<p>Reasons for nomination as Director</p> <p>Hiroki Tsutsumi has a wealth of knowledge and experience regarding management restructuring, personnel, procurement, and global business administration. Since joining the Company, he has overseen the General Administration Division, and contributed to promoting structural reform of the Company's business and efforts to improve business results. Considering the above, the Company has nominated him as a candidate for Director because he is expected to appropriately execute duties as a Director of the Company and contribute to the increase of corporate value.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company and important concurrent positions	Number of the Company's shares held
6	Shogo Yamada (Jan. 25, 1966)  Reelection Outside Independent	Apr. 1988 Joined Matsushita Electric Industrial Co., Ltd. (current Panasonic Corporation) Sep. 1992 Joined Aoyama Audit Corporation Apr. 1996 Registered as certified public accountant Aug. 2005 Registered as certified public tax accountant Sep. 2005 Representative Partner, Zeirishi-Hojin PricewaterhouseCoopers Jul. 2013 Established Shogo Yamada Certified Tax Accountant Office (to the present) Mar. 2014 Auditor, the Company Mar. 2015 Director (incumbent) <i>&lt;Important concurrent positions&gt;</i> Director, Shogo Yamada Certified Tax Accountant Office Outside Director, CONTEC Co., Ltd.	700
<p>Reasons for nomination as Outside Director</p> <p>Although Shogo Yamada does not have experience being involved in corporate management other than being an outside officer, he is expected to appropriately fulfill the role of overseeing the execution of business and contribute to strengthening the Company's corporate governance because he has knowledge of and experience with corporate law cultivated over many years as a certified public accountant and a certified public tax accountant, and experience as an Outside Director at the Company and other companies. Accordingly, the Company has nominated him as a candidate for Outside Director. His term of office as an Outside Director will be three years at the conclusion of this meeting.</p> <p>Shogo Yamada is concurrently engaged as Director of Shogo Yamada Certified Tax Accountant Office and serving as an Outside Director at CONTEC Co., Ltd. There is no particular information that must be reported concerning the relationships between the Company and the aforementioned companies.</p>			
7	Mune Iwamoto (Jan. 3, 1949)  Reelection Outside Independent	Apr. 1976 Joined Mitsui Toatsu Chemicals, Inc. (current Mitsui Chemicals, Inc.) Jun. 1995 General Manager, Polymers Division, Osaka R&D Center, Mitsui Toatsu Chemicals, Inc. Oct. 1997 Assistant to General Manager, Polymeric Planning & Coordination Division, Mitsui Chemicals, Inc. Jul. 1999 Director, General Manager, ABS Marketing & Sales Division, NIPPON A&L INC. Jun. 2001 General Manager, Specialty Resins Division, Functional Materials Business Group, Mitsui Chemicals, Inc. Jun. 2003 Senior Director, Mitsui Chemicals, Inc. Vice President, Japan Polystyrene, Inc. Jun. 2004 President & CEO, Japan Polystyrene, Inc. Apr. 2010 Councillor, Production & Technology Center, Mitsui Chemicals, Inc. Mar. 2016 Director, the Company (incumbent) <i>&lt;Important concurrent position&gt;</i> Outside Director, C.I. TAKIRON Corporation	3,700
<p>Reasons for nomination as Outside Director</p> <p>Mune Iwamoto is expected to offer useful advice for the development of the Company's business including the structural reform of the Company's business, because he has experience serving in research roles and on the management at major chemicals manufacturers, a wealth of knowledge concerning international activities, including the management and rebuilding of overseas subsidiaries, experience as an Outside Director at the Company and other companies, and because he is expected to appropriately fulfill the role of overseeing the execution of business and contribute to the discussion and review of overall sales strategy, including the structural reform of the Company's business. Accordingly, the Company has nominated him as a candidate for Outside Director. His term of office as an Outside Director will be two years at the conclusion of this meeting.</p> <p>Mune Iwamoto is concurrently serving as an Outside Director at C.I. TAKIRON Corporation. There is no particular information that must be reported concerning the relationship between the Company and the aforementioned company.</p>			



No.	Name (Date of birth)	Career summary, position and responsibilities in the Company and important concurrent positions	Number of the Company's shares held
8	Yasuo Yamagata (Jun. 27, 1971)  Reelection Outside Independent	Apr. 2000 Registered as lawyer Joined Kansai Law & Patent Office Mar. 2003 Auditor, MonotaRO Co., Ltd. Apr. 2005 Staff lawyer, Kansai Law & Patent Office (incumbent) Sep. 2005 Director, MonotaRO Co., Ltd. Mar. 2016 Director, the Company (incumbent) <Important concurrent positions> Staff lawyer, Kansai Law & Patent Office Outside Director, MonotaRO Co., Ltd. Outside Corporate Director, Osaka City Dome Co., Ltd.	0
<p>Reasons for nomination as Outside Director</p> <p>Although Yasuo Yamagata does not have experience being involved in corporate management other than being an outside officer, he is expected to appropriately fulfill the role of overseeing the execution of business and contribute to strengthening the Company's corporate governance because he has knowledge of and experience with corporate law cultivated over many years as a lawyer in the area of corporate law, and experience as an Outside Director at the Company and other companies. Accordingly, the Company has nominated him as a candidate for Outside Director. His term of office as an Outside Director will be two years at the conclusion of this meeting.</p> <p>Yasuo Yamagata is concurrently working as a staff lawyer at Kansai Law &amp; Patent Office, serving as an Outside Director at MonotaRO Co., Ltd., and serving as an Outside Corporate Director at Osaka City Dome Co., Ltd. There is no particular information that must be reported concerning the relationships between the Company and the aforementioned companies.</p>			

- Notes:
1. There is no special interest between the candidates and the Company.
  2. Shogo Yamada, Mune Iwamoto and Yasuo Yamagata are candidates for Outside Directors.
  3. Matters concerning the candidates for Outside Directors are as follows:
    - (1) Liability limitation agreement with candidate for Outside Director  
The Company has concluded agreements with Shogo Yamada, Mune Iwamoto and Yasuo Yamagata for limitation of liability as provided for in Article 423, paragraph 1 of the Companies Act. The amount of liability for damages under such agreement is the higher of ¥5,000,000 or the minimum liability amount as provided for by the laws and regulations. In the event that they are reelected, the Company intends to continue the agreements that it has concluded with them.
    - (2) Independence of candidates for Outside Directors  
The Company has notified Shogo Yamada, Mune Iwamoto and Yasuo Yamagata as independent officers as prescribed by the Tokyo Stock Exchange. If they are reelected, the Company plans to maintain their positions as independent officers. Until June 2013, Shogo Yamada was involved in the execution of business at Zeirishi-Hojin PricewaterhouseCoopers, with which the Company has concluded a consulting agreement. However, Shogo Yamada retired from the aforementioned tax accountancy firm in July 2013. Moreover, in the 76th fiscal year of the Company (from January 1, 2017 to December 31, 2017), the amount of transactions between the Company and the aforementioned tax accountancy firm was limited to about ¥54,000,000, and the size of this amount was proportionally insignificant compared with either the Company's net sales or the tax accountancy firm's operating revenue. Therefore, it is considered that there is no risk of conflict of interest between Shogo Yamada and general shareholders.
    - (3) In May 2017, while Shogo Yamada, Mune Iwamoto and Yasuo Yamagata held office, it was discovered that an employee of a French consolidated subsidiary was embezzling tax refunds by improperly reporting France's value added tax. While none of them were aware of this matter prior to its discovery, each of them had already been providing suggestions primarily at the Board of Directors meetings from the viewpoint of legal compliance to ensure the proper execution of business. Also, following the discovery of this matter, an internal investigation committee was established with Yasuo Yamagata as the chairman. Under his direction, Mune Iwamoto joined as a member of the investigation committee and carried out an investigation. In addition, they provided advice regarding establishing preventive measures to avoid future reoccurrences such as administrative reform of the aforementioned French subsidiary and enhancement of the Group's overall management. Through the aforementioned efforts and more, they appropriately perform their duties as Outside Directors.

**Proposal 3: Election of three (3) Auditors**

The terms of office of all of the three (3) Auditors will expire at the conclusion of this meeting. Therefore, we propose the election of three (3) Auditors.

Consent of the Audit & Supervisory Board has been obtained concerning this proposal.

The candidates for Auditors are as follows:

No.	Name (Date of birth)	Career summary, position in the Company and important concurrent positions	Number of the Company's shares held
1	Kazuhiro Maekawa (Sep. 26, 1954)  Reelection	Apr. 1978 Joined the Company May 2008 General Manager, Quality Assurance Department Mar. 2014 Standing Auditor (incumbent)	400
	<p>Reasons for nomination as Auditor</p> <p>Kazuhiro Maekawa has a wealth of knowledge and experience gained while being involved in the carbon products manufacturing business for many years since joining the Company. Since assuming office as an Auditor of the Company, he has secured the soundness of the Company's management with objective audits and worked to improve the effectiveness of audits. Considering the above, the Company has nominated him as a candidate for Auditor because he is expected to appropriately execute duties as an Auditor of the Company.</p>		
2	Koichiro Tanaka (Jul. 6, 1965)  Reelection Outside Independent	Oct. 1987 Joined Tohmatsu Awoki & Sanwa (current Deloitte Touche Tohmatsu LLC) Mar. 1991 Registered as certified public accountant Dec. 2003 Partner, Executive Officer, Corporate Finance Department, Tohmatsu & Co. (current Deloitte Tohmatsu Financial Advisory LLC) Feb. 2005 Registered as authorized tax practitioner Jul. 2014 Established Tanaka Accounting Office (to the present) Mar. 2015 Auditor, the Company (incumbent)  <Important concurrent positions> President, Tanaka Accounting Office Outside Auditor, Saitama Industrial Co., Ltd. Outside Auditor, ODAWARA ENGINEERING CO.,LTD.	0
	<p>Reasons for nomination as Outside Auditor</p> <p>Koichiro Tanaka has extensive knowledge in finance and accounting as a certified public accountant and an authorized tax practitioner, discernment acquired through his abundant business experience at major audit firms, etc. and experience of being stationed overseas. In addition to performing audits based on this knowledge and experience, he provides opinions from an independent standpoint as an Outside Auditor and, as such, adequately conducts audits of the Company's management. Considering the above, the Company has nominated him as a candidate for Outside Auditor because he is expected to appropriately execute duties as an Outside Auditor of the Company. His term of office as an Outside Auditor will be three years at the conclusion of this meeting.</p> <p>Koichiro Tanaka is concurrently engaged as President of Tanaka Accounting Office and serving as an Outside Auditor at Saitama Industrial Co., Ltd. and ODAWARA ENGINEERING CO.,LTD. There is no particular information that must be reported concerning the relationships between the Company and the aforementioned companies.</p>		

No.	Name (Date of birth)	Career summary, position in the Company and important concurrent positions	Number of the Company's shares held
3	Keiko Kosaka (Sep. 20, 1976)  New candidate Outside Independent	Oct. 2002 Registered as lawyer Joined Irokawa Law Office Feb. 2008 Auditor, KAWAKAMI PAINT MFG.CO., LTD Jan. 2009 Partner, Irokawa Law Office (incumbent) Jun. 2010 Auditor, TAIYO, LTD. Jun. 2016 Auditor, Nihon Yamamura Glass Co., Ltd. Jun. 2017 Director, Nihon Yamamura Glass Co., Ltd. (incumbent) <Important concurrent positions> Partner, Irokawa Law Office Outside Director (Audit and Supervisory Committee Member), Nihon Yamamura Glass Co., Ltd. Outside Auditor, Asia and Pacific Trade Center Co.,Ltd.	0
<p>Reasons for nomination as Outside Auditor</p> <p>Although Keiko Kosaka does not have experience being involved in corporate management other than being an outside officer, she has extensive knowledge and experience regarding law, with a focus on corporate law, gained as a lawyer. Accordingly, the Company has nominated her as a candidate for Outside Auditor because she is expected to appropriately execute duties as an Outside Auditor of the Company.</p> <p>Keiko Kosaka is concurrently serving as an Partner at Irokawa Law Office, an Outside Director at Nihon Yamamura Glass Co., Ltd. and serving as an Outside Auditor at Asia and Pacific Trade Center Co.,Ltd. There is no particular information that must be reported concerning the relationships between the Company and the aforementioned companies.</p>			

- Notes:
1. There is no special interest between the candidates and the Company.
  2. Koichiro Tanaka and Keiko Kosaka are candidates for Outside Auditors.
  3. Matters concerning the candidates for Outside Auditors are as follows:
    - (1) Liability limitation agreement with candidate for Outside Auditor  
The Company has concluded an agreement with Koichiro Tanaka for limitation of liability as provided for in Article 423, paragraph 1 of the Companies Act. The amount of liability for damages under such agreement is the higher of ¥5,000,000 or the minimum liability amount as provided for by the laws and regulations. In the event that he is reelected, the Company intends to continue the agreement that it has concluded with him. Moreover, if Keiko Kosaka is elected, the Company intends to conclude a liability limitation agreement of the same content with her.
    - (2) Independence of candidates for Outside Auditors  
The Company has notified Koichiro Tanaka as an independent officer as prescribed by the Tokyo Stock Exchange. If he is reelected, the Company plans to maintain his position as independent officer. Until June 2014, Koichiro Tanaka was involved in the execution of business at Deloitte Touche Tohmatsu LLC, with which the Company has concluded an audit agreement. However, Koichiro Tanaka retired from the aforementioned auditing firm in June 2014. Moreover, in the 76th fiscal year of the Company (from January 1, 2017 to December 31, 2017), the amount of transactions between the Company and the aforementioned auditing firm was limited to about ¥43,000,000, and the size of this amount was proportionally insignificant compared with either the Company's net sales or the auditing firm's operating revenue. Therefore, it is considered that there is no risk of conflict of interest between Koichiro Tanaka and general shareholders. Furthermore, Keiko Kosaka satisfies the requirements for an independent officer as prescribed by the Tokyo Stock Exchange. If she is elected, the Company intends to notify the Tokyo Stock Exchange of her appointment as an independent officer.
    - (3) In May 2017, while Koichiro Tanaka held office, it was discovered that an employee of a French consolidated subsidiary was embezzling tax refunds by improperly reporting France's value added tax. While Koichiro Tanaka was not aware of this matter prior to its discovery, he had already been providing suggestions primarily at the Board of Directors meetings from the viewpoint of legal compliance to ensure the proper execution of business. Also, following the discovery of this matter, Koichiro Tanaka joined as a member of the investigation committee and carried out an investigation. In addition, he provided advice regarding establishing preventive measures to avoid future reoccurrences such as administrative reform of the aforementioned French subsidiary and enhancement of the Group's overall management. Through the aforementioned efforts and more, he appropriately performs his duties as an Outside Auditor.

**Proposal 4:** Election of one (1) substitute Auditor

In order to prepare for a case in which the number of Auditor falls short of the number stipulated by laws and regulations, we propose the election of one (1) substitute Auditor.

Consent of the Audit & Supervisory Board has been obtained concerning this proposal.

The candidate for substitute Auditor is as follows:

Name (Date of birth)	Career summary, position in the Company and important concurrent positions	Number of the Company's shares held
Tadashi Edo (Sep. 16, 1944)	Jul. 2002 General Manager, Second Investigation Department, Osaka Regional Taxation Bureau Jul. 2003 Retired as General Manager, Second Investigation Department, Osaka Regional Taxation Bureau Aug. 2003 Registered as certified public tax accountant Established Tadashi Edo Certified Tax Accountant Office (to the present) Aug. 2006 Auditor, the Company <i>&lt;Important concurrent positions&gt;</i> Certified public tax accountant, Tadashi Edo Certified Tax Accountant Office Outside Auditor, YJS Co., Ltd. Outside Auditor, Hashimoto metal industry Co., Ltd. Outside Auditor, ASAHI WOODTEC CORPORATION Outside Auditor, Doshisha Corporation	1,000
<b>Reasons for nomination as substitute Outside Auditor</b> Although Tadashi Edo does not have experience being involved in corporate management other than being an outside auditor, he has diverse knowledge and experience in finance and accounting as a certified public tax accountant. Moreover, it is considered that he will be able to execute duties as an Outside Auditor appropriately based on his experience of contributing to auditing at the Company as an Outside Auditor from August 2006 to March 2014. Accordingly, the Company has nominated him as a candidate for substitute Outside Auditor.		

- Notes:
1. There is no special interest between the candidate and the Company.
  2. Tadashi Edo is a candidate for substitute Outside Auditor.
  3. Matters concerning the candidate for substitute Outside Auditor are as follows:
    - (1) Liability limitation agreement with candidate for substitute Outside Auditor  
If Tadashi Edo assumes office as Auditor, the Company intends to conclude an agreement with him for limitation of liability as provided for in Article 423, paragraph 1 of the Companies Act. The amount of liability for damages under such agreement is the higher of ¥5,000,000 or the minimum liability amount as provided for by the laws and regulations.
    - (2) Independence of candidate for substitute Outside Auditor  
Tadashi Edo satisfies the requirements for an independent officer as prescribed by the Tokyo Stock Exchange. If he assumes office as Outside Auditor, the Company intends to notify him as an independent officer.

**Proposal 5:** Revision of remuneration amount for Auditors

Although it was approved at the 54th Ordinary General Shareholders Meeting held on August 29, 1996, that the remuneration amount for the Company's Auditors would be 2,000,000 yen or less per month, with the same continuing up to the present, taking into consideration various factors including subsequent changes in economic conditions, the Company proposes the revision of the remuneration amount for Auditors to 3,000,000 yen or less per month.

Please note that the current number of Auditors is three (3) (including two (2) Outside Auditors), and if Proposal 3 is approved as proposed, the number of Auditors will continue to be three (3) (including two (2) Outside Auditors).