

Securities code: 5310
March 14, 2016

To Our Shareholders,

Akira Noami,
President
Toyo Tanso Co., Ltd.
5-7-12 Takeshima, Nishiyodogawa-ku, Osaka

Notice of the 74th Ordinary General Shareholders Meeting

You are cordially invited to attend the 74th 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 Reference Documents for the General Shareholders Meeting and exercise your voting rights by 5:30 p.m. on Tuesday, March 29, 2016 (JST).

Details

- 1. Date and time:** Wednesday, March 30, 2016, at 10:00 a.m.
- 2. Venue:** Room “Naniwa,” 20th floor, Hotel Granvia Osaka
3-1-1 Umeda, Kita-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 74th term (from January 1, 2015 to December 31, 2015)
2. Report on the Non-consolidated Financial Statements for the 74th term (from January 1, 2015 to December 31, 2015)

Matters to be resolved:

<Proposals by the Company (Proposals 1 to 3)>

- Proposal 1:** Appropriation of surplus
Proposal 2: Election of eight (8) Directors
Proposal 3: Election of one (1) substitute Auditor

<Proposal by shareholder (Proposal 4)>

- Proposal 4:** Election of Directors

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 (<http://www.evotep.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 no later than 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” of the proposals by the Company and “disapproval” of the proposal by the shareholder.
- (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.

5. Notes on the Exercise of Voting Rights

A proposal by a shareholder was made at this General Shareholders Meeting. The details of this proposal are presented as Proposal 4 on page 12 through page 15 of the appended Reference Documents for the General Shareholders Meeting. However, the Board of Directors opposes this shareholder’s proposal, and has stated its reason for opposing the proposal in the Opinion of the Board of Directors on the proposal by the proposing shareholder on page 15 of the Reference Documents for the General Shareholders Meeting.

The election of Directors is proposed in Proposal 4, which is the shareholder’s proposal, in addition to Proposal 2, which is the Company’s proposal. However, as some parts of these proposals are mutually incompatible and one of the candidates for Director is put forward in both proposals, it is requested that you review the following notes (1) and (2) before exercising your voting rights.

- (1) Note on the Exercise of Voting Rights on Proposal 2 and Proposal 4 Regarding the Election of Directors
The Company’s Articles of Incorporation stipulate, “The number of the Company’s Directors shall be not more than eight.” However, Proposal 2, which is the Company’s proposal, and Proposal 4, which is the shareholder’s proposal, each propose the election of eight Directors, and if all the candidates in both proposals are elected (the total number of candidates is 15 as there is one candidate put forward in both proposals), the prescribed number of Directors stipulated in the Articles of Incorporation will be exceeded. Thus, the two proposals are partially incompatible.
Therefore, the Company asks you to be aware that if you indicate “approval” of more than eight candidates from Proposal 2 and Proposal 4, all votes relating to Proposal 2 and Proposal 4 shall be treated as invalid.

(2) Treatment of Candidate Put Forward in Both Proposal 2 and Proposal 4

Of the candidates for Directors in Proposal 4, which is the shareholder's proposal, Candidate No. 2 Takashi Konishi is also proposed as a candidate for Director in Proposal 2, which is the Company's proposal.

Therefore, in order to avoid double-counting votes for the same candidate, please take adequate care to ensure that your indications of either "approval" or "disapproval" for Proposal 2 and Proposal 4 are not mutually contradictory when voting rights are exercised by mailing the Voting Card or by electronic or magnetic means (e.g., via the Internet). With regards to the approval or disapproval of Takashi Konishi from among the candidates in Proposal 4, which is the shareholder's proposal, approval of Takashi Konishi in either Proposal 2 or Proposal 4 or in both of them shall be treated as approval. (Please note that you are deemed to indicate "approval" of Takashi Konishi if you indicate your approval only in one of Proposal 2 or Proposal 4. In the event that more than eight candidates are deemed to be approved as a result of such treatment, all votes relating to Proposal 2 and Proposal 4 shall be treated as invalid.)

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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

<Proposals by the Company (Proposals 1 to 3)>

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 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 ¥25 per share for the current term.

<Year-end dividend>

(1) Type of dividend property

Cash

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

¥25 per share of common stock of the Company

Total amount: ¥518,337,975

(3) Effective date of dividends from surplus

March 31, 2016

Proposal 2: Election of eight (8) Directors

The terms of office of all of the eight (8) Directors will expire at the conclusion of this meeting. Accordingly, we propose the election of eight (8) Directors. To further strengthen its corporate governance system, we propose an increase of one (1) Outside Director. 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	Takashi Konishi (Jun. 17, 1960)	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 (incumbent) Aug. 2010 Director (incumbent) Director of Division, Production Division General Manager, Production Department Mar. 2015 Representative Director, President, Totan Kako Co., Ltd. (incumbent) 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 (incumbent) <i><Important concurrent positions></i> Representative Director, President, Totan Kako Co., Ltd. Representative Director, President, Ohwada Carbon Industrial Co., Ltd. President, Toyo Tanso Taiwan Co., Ltd.	2,300
Reasons for nomination as Director Takashi Konishi has profound knowledge of and experience with the Company's carbon products manufacturing business and an extensive understanding of the Company's overall management from his experience as a Director and an Executive Officer of the Company. In addition, he has developed strong relationships of trust with a wide range of employees of Toyo Tanso Group and is sufficiently equipped with the necessary qualities to act resolutely as a leader in the painful structural reform of the Company's business. Therefore, the Company has nominated him for the position of Director.			

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*	Naruhito Ishihata (Jun. 3, 1962)	<p>Apr. 1987 Joined The Nikko Securities Co., Ltd. (current SMBC Nikko Securities Inc.)</p> <p>Sep. 1998 Joined JPMorgan Securities Asia Pte. Limited Vice President, Capital Markets Division, JPMorgan Securities Asia Pte. Limited</p> <p>Dec. 2002 Joined NIDEC CORPORATION Deputy General Manager, Finance Department and Assistant Advisor, Corporate Planning Department, NIDEC CORPORATION</p> <p>Feb. 2005 Joined OMRON Corporation General Manager of Business Development, Group Strategy Department, OMRON Corporation</p> <p>Sep. 2008 Joined GE International, Inc. Senior Executive Officer, Business Development Division, GE International, Inc.</p> <p>Jun. 2009 Joined Nissen Holdings Co., Ltd. Executive Officer, Finance Division</p> <p>Mar. 2012 Executive Officer, CFO, Nissen Holdings Co., Ltd.</p> <p>Oct. 2013 Chairman and Representative Director, GE Nissen Credit Co., Ltd.</p> <p>Jan. 2016 Joined the Company Executive Officer (incumbent)</p>	0
<p>Reasons for nomination as Director</p> <p>Naruhito Ishihata joined the Company as an Executive Officer on January 16, 2016 in order to strengthen the Company's Finance Division. It is expected that he will apply his wealth of knowledge and past experience at financial institutions, major companies in Japan and overseas, and a major listed company as a CFO to oversee the Company's financial management and provide support for structural reform of the Company's business on the financial front. Therefore, the Company has nominated him for the position of Director.</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
3	Zhan GuoBin (Jul. 20, 1962)	<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, the Company (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. (incumbent)</p> <p><Important concurrent positions></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> <p>Chairman and President, JIAXIANG TOYO TANSO CO., LTD.</p>	0
<p>Reasons for nomination as Director</p> <p>Zhan GuoBin presides over the Company's overseas business as a representative of subsidiaries in China, an important business region for the Company. In addition, he assists the President as a Director and an Executive Officer and has worked as a cornerstone of the Company's management based on strong relationships of trust with the Company's customers and business partners. Going forward, he will be an invaluable human resource to preside in an appropriate manner over the overseas markets that occupy an extremely key strategic position for the Company. Therefore, the Company has nominated him for the position of Director.</p>			
4	Arno Cloos (Feb. 19, 1960)	<p>Sep. 1983 Joined SCHUNK KOHLENSTOFF TECHNIK GMBH</p> <p>Sep. 1992 Joined GTD GRAPHIT TECHNOLOGIE GMBH</p> <p>Jun. 1998 President, GTD GRAPHIT TECHNOLOGIE GMBH (incumbent)</p> <p>Aug. 2011 Executive Officer, the Company (incumbent)</p> <p>Aug. 2012 Director, the Company (incumbent)</p> <p>Jan. 2015 Representative Director, Chairman, TOYO TANSO USA, INC. (incumbent)</p> <p>Apr. 2015 President, TOYO TANSO EUROPE S.P.A. (incumbent)</p> <p>Jun. 2015 President, TOYO TANSO FRANCE S.A. (incumbent)</p> <p><Important concurrent positions></p> <p>Representative Director, Chairman, TOYO TANSO USA, INC.</p> <p>President, TOYO TANSO EUROPE S.P.A.</p> <p>President, TOYO TANSO FRANCE S.A.</p> <p>President, GTD GRAPHIT TECHNOLOGIE GMBH</p>	125
<p>Reasons for nomination as Director</p> <p>Arno Cloos presides over the Company's overseas business as a representative of the subsidiaries in the United States and Europe, an important business region for the Company. In addition, he assists the President as a Director and an Executive Officer and has worked as a cornerstone of the Company's management based on strong relationships of trust with the Company's customers and business partners. Going forward, he will be an invaluable human resource to preside in an appropriate manner over the overseas markets that occupy an extremely key strategic position for the Company. Therefore, the Company has nominated him for the position of Director.</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
5*	Hiroki Tsutsumi (Aug. 8, 1962)	<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. (incumbent)</p> <p>Sep. 2010 Director and President, Shinano Kenshi (Hong Kong) Co., Ltd.</p> <p> 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>	0
<p>Reasons for nomination as Director</p> <p>Hiroki Tsutsumi has served as an executive officer at a manufacturer of electronic equipment, and, in addition to having a wealth of global business experience, including in China, he has also played a key role in management restructuring. It is expected that he will apply this knowledge and experience to strongly promote the structural reform of the Company's business. Therefore, the Company has nominated him for the position of Director.</p>			
6	Shogo Yamada (Jan. 25, 1966)	<p>Apr. 1988 Joined Matsushita Electric Industrial Co., Ltd. (current Panasonic Corporation)</p> <p>Sep. 1992 Joined Aoyama Audit Corporation</p> <p>Apr. 1996 Registered as certified public accountant</p> <p>Aug. 2005 Registered as certified public tax accountant</p> <p>Sep. 2005 Representative Partner, Zeirishi-Hojin PricewaterhouseCoopers</p> <p>Jul. 2013 Established Shogo Yamada Certified Tax Accountant Office (to the present)</p> <p>Mar. 2014 Auditor, the Company</p> <p>Mar. 2015 Director, the Company (incumbent)</p> <p><Important concurrent positions></p> <p>Director, Shogo Yamada Certified Tax Accountant Office</p> <p>Outside Director, CONTEC Co., Ltd.</p>	100
<p>Reasons for nomination as Outside Director</p> <p>Although Shogo Yamada does not have experience in corporate management other than as an Outside Auditor/Outside Director, he has already served as an Outside Director of the Company for one year. Apart from having sufficient knowledge of and experience with the Company's business, he has knowledge of and experience with corporate law cultivated over many years as a certified public accountant and a certified public tax accountant. Moreover, he possesses a high level of independence as an Outside Director. Accordingly, he is expected to appropriately fulfill the role of overseeing the execution of business and contribute to strengthening the Company's corporate governance as an Outside Director. Therefore, the Company has nominated him for the position of Outside Director. At the conclusion of this General Shareholders Meeting, it will be one year since he assumed office as an Outside Director of the Company.</p> <p>Shogo Yamada is concurrently engaged as Director of Shogo Yamada Certified Tax Accountant Office and serving as 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>			

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company and important concurrent positions	Number of the Company's shares held
7*	Mune Iwamoto (Jan. 3, 1949)	<p>Apr. 1976 Joined Mitsui Toatsu Chemicals, Inc. (current Mitsui Chemicals, Inc.)</p> <p>Jun. 1995 General Manager, Polymers Division, Osaka R&D Center, Mitsui Toatsu Chemicals, Inc.</p> <p>Oct. 1997 Assistant to General Manager, Polymeric Planning & Coordination Division, Mitsui Chemicals, Inc.</p> <p>Jul. 1999 Director, General Manager, ABS Marketing & Sales Division, NIPPON A&L INC.</p> <p>Jun. 2001 General Manager, Specialty Resins Division, Functional Materials Business Group, Mitsui Chemicals, Inc.</p> <p>Jun. 2003 Senior Director, Mitsui Chemicals, Inc. Vice President, Japan Polystyrene, Inc.</p> <p>Jun. 2004 President & CEO, Japan Polystyrene, Inc.</p> <p>Apr. 2010 Councillor, Production & Technology Center, Mitsui Chemicals, Inc.</p> <p><Important concurrent positions> Outside Director, Takiron Co., Ltd.</p>	0
<p>Reasons for nomination as Outside Director</p> <p>Mune Iwamoto has experience serving in research roles and on the management at major chemicals manufacturers, and based on his wealth of knowledge concerning international activities, including the management and rebuilding of an overseas subsidiary, 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, as an Outside Director on the Board of Directors. Therefore, the Company has nominated him for the position of Outside Director.</p> <p>Mune Iwamoto is concurrently serving as an Outside Director at Takiron Co., Ltd. There is no particular information that must be reported concerning the relationship between the Company and the aforementioned company.</p>			
8*	Yasuo Yamagata (Jun. 27, 1971)	<p>Apr. 2000 Registered as lawyer Joined Kansai Law & Patent Office</p> <p>Mar. 2003 Auditor, MonotaRO Co., Ltd.</p> <p>Apr. 2005 Staff lawyer, Kansai Law & Patent Office (incumbent)</p> <p><Important concurrent positions> Staff lawyer, Kansai Law & Patent Office Outside Director, MonotaRO Co., Ltd. Outside Corporate Director, Osaka City Dome Co., Ltd.</p>	0
<p>Reasons for nomination as Outside Director</p> <p>Although Yasuo Yamagata does not have experience in corporate management other than as an Auditor/Outside Director, he has knowledge of and experience with corporate law cultivated over many years as a lawyer in the area of corporate law. Moreover, he possesses a high level of independence as an Outside Director. Accordingly, he is expected to appropriately fulfill the role of overseeing the execution of business and contribute to strengthening the Company's corporate governance as an Outside Director. Therefore the Company has nominated him for the position of Outside Director.</p> <p>Yasuo Yamagata is concurrently working as a staff lawyer at Kansai Law & 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. The candidates marked with an asterisk (*) are new candidates.
2. There is no special interest between the candidates and the Company.
3. Shogo Yamada, Mune Iwamoto and Yasuo Yamagata are candidates for Outside Directors.
4. Matters concerning the candidates for Outside Directors are as follows:
- (1) Liability limitation agreement with candidate for Outside Director
- 1) The Company has concluded a contract with Shogo Yamada for limitation of liability as provided for in Article 423, paragraph 1 of the Companies Act. The amount of liability for damages under such an agreement is the higher of 5,000,000 yen or the minimum liability amount as provided for by the laws and regulations. In the event that he is re-elected, the Company intends to continue the agreement that it has concluded with him.
- 2) If Mune Iwamoto and Yasuo Yamagata are elected as Directors, the Company intends to conclude a contract with them for limitation of liability as provided for in Article 423, paragraph 1 of the Companies Act. The amount of liability for damages under such an agreement is the higher of 5,000,000 yen or the minimum liability amount as provided for by the laws and regulations.

(2) Independence of candidates for Outside Directors

- 1) The Company has notified Shogo Yamada as an independent officer as prescribed by the Tokyo Stock Exchange. If he is re-elected, we plan to maintain his position as an independent officer. Until June 2013, Shogo Yamada was involved in the execution of business at Zeirishi-Hojin PricewaterhouseCoopers. The Company and the aforementioned company have concluded a consulting agreement. However, Shogo Yamada retired from the aforementioned company in July 2013. Moreover, in the 74th fiscal year (from January 1, 2015 to December 31, 2015), the amount of transactions between the Company and the aforementioned tax accountancy firm was limited to about 3,000,000 yen, 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.
- 2) Mune Iwamoto and Yasuo Yamagata satisfy the requirements for independent officers under the regulations of the Tokyo Stock Exchange. Therefore, if they are elected as Directors, the Company will notify the Tokyo Stock Exchange of their designation as independent officers.

Proposal 3: 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 Mar. 2014 Substitute Auditor, the Company (to the present) <i><Important concurrent positions></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	2,500
Reasons for nomination as substitute Auditor 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, he currently serves as the Company's substitute Auditor, and 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. Therefore, the Company has nominated him for the position of substitute 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:

Liability limitation agreement with candidate for substitute Outside Auditor

If Tadashi Edo assumes office as Auditor, the Company intends to conclude a contract 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 an agreement is the higher of 5,000,000 yen or the minimum liability amount as provided for by the laws and regulations.

<Proposal by shareholder (Proposal 4)>

Proposal 4 is a proposal made by one (1) shareholder.

The number of voting rights held by the proposing shareholder is 460 units.

The summary of and the reasons for the proposal are stated below as they are described in the shareholder's proposal letter submitted by the shareholder.

The opinion of the Board of Directors on the proposal by the proposing shareholder is described after Proposal 4.

Proposal 4: Election of Directors

(1) Summary of the proposal

The following eight (8) candidates for Directors shall be elected as Directors in a lump.

Candidate No. 1

Junko Morita (Date of birth: Jun. 17, 1956)

[Career summary and concurrent positions]

Apr. 1979 Joined the Company

Aug. 2000 Director, General Manager, Strategic Planning Department

Aug. 2001 Senior Managing Director

Jul. 2003 Senior Vice President

Aug. 2004 Representative Director (incumbent)

Aug. 2007 President, Executive President

Aug. 2009 Chairperson (incumbent)

[Number of the Company's shares held]

3,418,900 shares

Candidate No. 2

Takashi Konishi (Date of birth: Jun. 17, 1960)

[Career summary and concurrent positions]

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 (incumbent)

Aug. 2010 Director (incumbent)

Director of Division, Production Division (incumbent)

General Manager, Production Department (incumbent)

[Number of the Company's shares held]

2,000 shares

Candidate No. 3

Makoto Kitabatake (Date of birth: Jan. 21, 1956)

[Career summary and concurrent positions]

- Apr. 1988 Joined Matsushita Electric Industrial Co., Ltd. (current Panasonic Corporation)
- Apr. 2002 Councilor, Technology Division, Matsushita Electric Industrial Co., Ltd. (current Panasonic Corporation) (incumbent)
- Apr. 2007 Visiting Professor, Partner Graduate School, Kobe University (incumbent)
- Jun. 2010 Group Leader of Common Base Evaluation Technology Development, “New Material Power Semiconductor Project for Achieving a Low-Carbon Society,” Ministry of Economy, Trade and Industry (incumbent)
- Mar. 2015 Director, the Company (incumbent)
Executive Officer, the Company (incumbent)
Director of Division, Research & Development Division (incumbent)
General Manager, Planning Section (incumbent)
Unit General Manager, Porous Carbon Business Unit (incumbent)
General Manager, Advanced Carbon Technology Development Department (incumbent)
General Manager, Analysis Technology Development Department (incumbent)
General Manager, Intellectual Property Department (incumbent)

[Number of the Company’s shares held]

0 shares

Candidate No. 4

Toshimi Boki (Date of birth: –)

[Career summary and concurrent positions]

- Aug. 2006 Executive Officer, the Company
- Sep. 2009 General Manager, Finance and Accounting Department, General Administration Division (incumbent)
- Oct. 2014 Deputy Director General, General Administration Division (incumbent)

[Number of the Company’s shares held]

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Candidate No. 5

Shigeo Yoshida (Date of birth: May 30, 1950)

[Career summary and concurrent positions]

- Apr. 1974 Joined The Sanwa Bank, Ltd. (current The Bank of Tokyo-Mitsubishi UFJ, Ltd.)
- Jan. 2006 Executive Operating Officer, Osaka Sales Headquarter, The Bank of Tokyo-Mitsubishi UFJ, Ltd.
- Jun. 2008 Stationed in Osaka, Executive Operating Officer, Mitsubishi UFJ Securities Co., Ltd.
- Dec. 2008 President and Managing Director, MUS Principal Investments Co., Ltd.
- Jun. 2010 Chairman and Representative Director, Keystone Partners Co., Ltd. (incumbent)
- Jul. 2010 Advisor, TOW CO., LTD
- Sep. 2010 Audit & Supervisory Board Member, TOW CO., LTD
- Sep. 2015 Director (Audit and Supervisory Committee Member), TOW CO., LTD (incumbent)

[Number of the Company’s shares held]

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Candidate No. 6

Kaneyoshi Saito (Date of birth: Apr. 22, 1948)

[Career summary and concurrent positions]

Apr. 1973 Joined The Nippon Fudosan Bank, Limited (current Aozora Bank, Ltd.)
Sep. 1997 Executive Director, Tokyo Office, Russell Reynolds Associates Inc.
Apr. 1999 Director, Manager of Corporate Planning Office, SOFTBANK Publishing Inc.
Apr. 2000 Director, Manager of Corporate Planning Office, SOFTBANK Media & Marketing Corp.
Jun. 2005 Full-time Audit & Supervisory Board Member, SOFTBANK ZDnet Inc. (current ITmedia Inc.)

[Number of the Company's shares held]

0 shares

Candidate No. 7

Hisatoshi Fujito (Date of birth: Sep. 30, 1968)

[Career summary and concurrent positions]

Apr. 1993 Joined the National Police Agency
Jun. 2000 Resigned from the National Police Agency
Apr. 2005 Joined the Legal Training and Research Institute
Oct. 2006 Registered with Aichi Bar Association
Apr. 2009 Transferred registration to Dai-ni Tokyo Bar Association
Apr. 2010 Partner, Shiba Management Legal Office (incumbent)
Mar. 2014 Outside Auditor, Kozosushi Co., LTD. (incumbent)
Aug. 2014 Director, Gyosei International School (incumbent)
Apr. 2015 Outside Auditor, Partner Agent Inc. (incumbent)
Nov. 2015 Outside Director, Miyako Capital (incumbent)

[Number of the Company's shares held]

0 shares

Candidate No. 8

Hiroyoshi Akimoto (Date of birth: Mar. 4, 1976)

[Career summary and concurrent positions]

Oct. 2003 Joined ChuoAoyama PwC Consulting Inc. (current Mirai Consulting Inc.)
Oct. 2005 Director, General Manager, Administration Department, SASLITE Corp.
May 2007 General Manager, Administration Department, Entermotion Inc.
Jan. 2008 Registered as certified public accountant
Feb. 2008 Joined M.K.C. associates Limited
Nov. 2015 Joined Healthcare Assurance Japan Co., Ltd. (incumbent)

[Number of the Company's shares held]

0 shares

- Notes: 1. There is no special interest between the candidates for Directors and the Company.
2. Shigeo Yoshida, Kaneyoshi Saito, Hisatoshi Fujito and Hiroyoshi Akimoto are candidates for Outside Directors.
3. Reasons for nomination of candidates for Outside Directors
 Shigeo Yoshida is proposed as a candidate for Outside Director in the belief that he will be able to provide appropriate supervision of and advice to management from a broad perspective based on his wealth of expertise as a person with a background in financial institutions.
 Kaneyoshi Saito is proposed as a candidate for Outside Director in the belief that he will be able to provide appropriate supervision of and advice to management based on his wealth of experience in financial institutions and operating companies and his expertise.
 Hisatoshi Fujito is proposed as a candidate for Outside Director in the belief that he will be able to provide appropriate supervision of and advice to management from the perspective of strengthening the corporate governance of the Board of Directors based on his wealth of expertise as a lawyer.

Hiroyoshi Akimoto is proposed as a candidate for Outside Director in the belief that he will be able to provide appropriate supervision of and advice to management from the perspective of strengthening the corporate governance of the Board of Directors based on his wealth of expertise as a certified public accountant.

4. If the election of Shigeo Yoshida, Kaneyoshi Saito, Hisatoshi Fujito and Hiroyoshi Akimoto is approved, the Company intends to conclude a contract with them for limitation of liability as provided for in Article 423, paragraph 1 of the Companies Act in accordance with Article 427, paragraph 1 of the Companies Act and the Articles of Incorporation of the Company. The amount of liability under such an agreement is limited to the amount as provided for by the laws and regulations.

(2) Reasons for the proposal

The business results of Toyo Tanso Co., Ltd. have compared unfavorably with its competitors over the immediate past few years, and the stock price has continued to perform poorly. The current management team should be rebuilt quickly as it is difficult to argue that it understands the expectations of shareholders and is implementing management that will contribute to an increase in corporate value.

Moreover, it has to be said that there are grave shortcomings in corporate governance at Toyo Tanso Co., Ltd. As an example, although Keystone Partners pointed out the existence of improper practices at an overseas subsidiary at the social gathering for shareholders in June 2015 and demanded that a third party committee be set up and an investigation through the committee be implemented, there has been no response whatsoever from the Company as yet. In particular, the two Outside Directors who have an obligation to seriously consider the views of shareholders and supervise Inside Directors fairly from an objective perspective, have simply repeated statements in defense of Inside Directors without demonstrating any objective evidence at the social gathering for shareholders, and have a grave responsibility for the shortcomings described above.

In addition, the emergence of a struggle for control between the major shareholders has significantly undermined corporate value. In order to resolve these problems simultaneously, the objective of this proposal is to unite the management team and shareholders with the aim of increasing corporate value over the medium to long term through the renewal of some of the current Directors, including Outside Directors, and the participation in management of both Junko Morita and Keystone Partners, the two biggest major shareholders.

<Opinion of the Board of Directors on the proposal by the proposing shareholder>

The Board of Directors opposes Proposal 4.

The Company's Board of Directors believes that the candidates for Directors in Proposal 2 (the Company's proposal) form the optimum and adequate composition to achieve continuous improvement in the Company's corporate value and thus the common interests of shareholders and meet its responsibilities to the mandate of shareholders by soundly implementing the structural reform of the Company's business.

Moreover, in terms of the improper practices at an overseas subsidiary that the proposing shareholder points out, the Company considers there are no issues that should be investigated again or reviewed, and it does not perceive the existence of any problems with the Company's governance structure.

The Company has confirmed with each person that the proposing shareholder has not provided any explanation to Junko Morita, Takashi Konishi, Makoto Kitabatake and Toshimi Boki regarding their nomination as candidates in the shareholder's proposal and that they do not support the shareholder's proposal.

Furthermore, as far as the Company could confirm at the time the Board of Directors decided to oppose the shareholder's proposal, Candidate No. 5, Shigeo Yoshida, has not agreed to accept a position as a Director of the Company.