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Securities code: 5310
March 11, 2020

To Our Shareholders

Naotaka Kondo
Representative Director
Chairman & President, CEO
Toyo Tanso Co., Ltd.
5-7-12 Takeshima, Nishiyodogawa-ku, Osaka

Notice of the 78th Ordinary General Shareholders Meeting

You are cordially invited to attend the 78th 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 Thursday, March 26, 2020 (JST).

Details

- 1. Date and time:** Friday, March 27, 2020, at 10:00 a.m. (JST) (Reception starts at 9:00 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 78th term (from January 1, 2019 to December 31, 2019)
 2. Report on the Non-consolidated Financial Statements for the 78th term (from January 1, 2019 to December 31, 2019)
- Matters to be resolved:**
- Proposal 1:** Appropriation of surplus
- Proposal 2:** Election of eight (8) Directors
- Proposal 3:** Election of one (1) substitute Auditor

* If you attend the meeting in person, please present the enclosed Voting Card at the reception desk upon your arrival at the meeting.

* Among the documents to be provided to this notice, the items below are posted on the Company’s Internet website (<https://www.toyotanso.co.jp/>) pursuant to laws and regulations, as well as Article 15 of the Articles of Incorporation of the Company.

(i) “Notes to the Consolidated Financial Statements” and (ii) “Notes to the Non-consolidated Financial Statements”

The above items posted on the Company’s website are included in the scope of audits by the Auditors and Accounting Auditor.

* 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 (<https://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 ¥50 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

¥50 per share of common stock of the Company

Total amount of dividends: ¥1,048,638,650

(3) Effective date of dividends from surplus

March 30, 2020


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. Therefore, we propose the election of eight (8) Directors. Of the eight (8) candidates, three (3) are candidates for Outside Director.

The candidates for Director are as follows:


Candidate No.	Name	Position and responsibilities in the Company	Status of attendance at Board of Directors meetings
1	[Reelection] Naotaka Kondo	Representative Director, Chairman & President, Chief Executive Officer (CEO)	100% (17/17)
2	[Reelection] Shunsaku Hiraga	Director, Executive Officer, Director of Division, Production Division	92% (12/13)
3	[Reelection] Hiroki Tsutsumi	Director, Executive Officer, Director of Division, General Administration Division	100% (17/17)
4	[Reelection] Tatsuro Hamada	Director, Executive Officer, Director of Division, Corporate Planning Division In charge of Global R&D Division	100% (13/13)
5	[Reelection] Zhan GuoBin	Director, Executive Officer, In charge of Global Sales Division	100% (17/17)
6	[Reelection] [Outside] [Independent] Mune Iwamoto	Director	100% (17/17)
7	[Reelection] [Outside] [Independent] Yasuo Yamagata	Director	100% (17/17)
8	[New candidate] [Outside] [Independent] Shusuke Matsuo	—	—% (— / —)


Note: Status of attendance of Shunsaku Hiraga and Tatsuro Hamada includes their attendance to Board of Directors meetings held during the 78th term (from January 1, 2019 to December 31, 2019) since their appointment as Director on March 28, 2019.


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	<p data-bbox="256 674 411 730">Naotaka Kondo (May 5, 1957)</p> <p data-bbox="284 757 384 786">Reelection</p> 	<p data-bbox="464 349 1125 1205"> 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. May 2013 Retired from the Company 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. May 2017 Auditor, Shizen Energy Inc. Mar. 2018 Chairman, the Company (incumbent) Apr. 2018 Representative Director (incumbent), Executive Chairman (incumbent) Chief Executive Officer (CEO) (incumbent) May 2018 President (incumbent) Executive President (incumbent) </p> <p data-bbox="464 1205 1117 1402"> <i><Important concurrent positions></i> Chairman, SHANGHAI TOYO TANSO CO., LTD. Chairman, SHANGHAI TOYO TANSO INDUSTRIAL CO., LTD. Chairman, TOYO TANSO (ZHEJIANG) CO., LTD. Chairman, CHENGDU TOYO TANSO INDUSTRIAL CO., LTD President, TOYO TANSO TAIWAN CO., LTD. Representative Director, NT Corporation </p>	1,216,019
<p data-bbox="220 1417 564 1447">Reasons for nomination as Director</p> <p data-bbox="220 1447 1426 1576">Naotaka Kondo has a wealth of experience and knowledge serving in management positions, exercising strong leadership since being appointed to the office of Representative Director of the Company in 2018, and he has driven initiatives to reinforce corporate governance and to implement the Company's growth strategy. 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
2	<p data-bbox="252 521 419 577">Shunsaku Hiraga (Sep. 24, 1946)</p> <p data-bbox="284 607 387 629">Reelection</p> 	<p data-bbox="467 353 1251 405">Jul. 1971 Joined Mitsubishi Kasei Corporation (current Mitsubishi Chemical Corporation)</p> <p data-bbox="467 412 879 463">Sep. 2003 Joined the Company Managing Executive Officer</p> <p data-bbox="467 470 1007 492">Jan. 2004 Director of Division, Production Division</p> <p data-bbox="467 499 687 521">Aug. 2004 Director</p> <p data-bbox="467 528 1007 551">Aug. 2005 General Manager, Machining Department</p> <p data-bbox="467 557 1007 580">Jan. 2006 General Manager, Production Department</p> <p data-bbox="467 586 1251 638">Apr. 2007 General Manager, Mechanical Carbon Development & Production Department</p> <p data-bbox="467 645 991 667">Jun. 2007 General Manager, Planning Department</p> <p data-bbox="467 674 959 696">Dec. 2007 General Manager, Planning Division</p> <p data-bbox="467 703 863 725">Aug. 2009 Retired from the Company</p> <p data-bbox="467 732 970 784">Oct. 2011 Established CARBON ONE Co., Ltd. Representative Director</p> <p data-bbox="467 790 1134 842">Apr. 2013 Established Carbon Material International Corporation Executive Director (incumbent)</p> <p data-bbox="467 848 948 927">Jul. 2018 Joined the Company Executive Officer (incumbent) Business Unit Management Officer</p> <p data-bbox="467 934 1129 956">Aug. 2018 Director of Division, Production Division (incumbent)</p> <p data-bbox="467 963 810 985">Mar. 2019 Director (incumbent)</p> <p data-bbox="467 992 799 1014"><Important concurrent positions></p> <p data-bbox="467 1021 1023 1043">Representative Director, Chairman, Totan Kako Co., Ltd.</p> <p data-bbox="467 1050 1166 1072">Representative Director, Chairman, Ohwada Carbon Industrial Co., Ltd.</p> <p data-bbox="467 1079 1075 1102">Executive Director, Carbon Material International Corporation</p>	1,587
<p data-bbox="220 1106 564 1128">Reasons for nomination as Director</p> <p data-bbox="220 1135 1385 1245">Shunsaku Hiraga has a wealth of knowledge and experience related to carbon production, and he has contributed to improving production technology and business development initiatives after being appointed as Executive Officer of the Company in 2018. 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
3	<p>Hiroki Tsutsumi (Aug. 8, 1962)</p> <p>Reelection</p> 	<p>Apr. 1985 Joined Shinano Kenshi Co., Ltd.</p> <p>Mar. 2002 General Manager of Personnel 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 Director (incumbent) Executive Officer (incumbent) 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</p> <p>Apr. 2018 Director of Division, Global Quality & Procurement Division</p>	5,491
<p>Reasons for nomination as Director</p> <p>Hiroki Tsutsumi has a wealth of knowledge and experience in management reform, personnel, procurement, and global business management, and since being appointed as Director of the Company, he has contributed to initiatives to improve management capabilities as Director of Division, General Administration Division. 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
4	<p>Tatsuro Hamada (Oct. 30, 1957)</p> <p>Reelection</p> 	<p>Apr. 1983 Joined Bridgestone Corporation</p> <p>Feb. 1995 Lead Advisor, Akron Central Research Center, BRIDGESTONE/FIRESTONE, INC. (current BRIDGESTONE AMERICAS, INC.)</p> <p>Apr. 2004 General Manager, Tire Materials Development Department, Tire Materials Development Division, Bridgestone Corporation</p> <p>Jul. 2007 Director, Tire Materials Development Division, Bridgestone Corporation</p> <p>Jul. 2009 Director, Internal Manufacturing Management Division, Bridgestone Corporation</p> <p>Jul. 2010 Vice President and Officer, In charge of Internal Manufacturing Management, Bridgestone Corporation</p> <p>May 2011 In charge of Tire Research and Material Development, Bridgestone Corporation</p> <p>Jan. 2015 Assistant to Chief Technology Officer, Bridgestone Corporation</p> <p>Jan. 2017 In charge of Central Research, Bridgestone Corporation</p> <p>Sep. 2017 Joined the Company Executive Officer (incumbent) In charge of Technical Development Division</p> <p>Apr. 2018 General Manager, Materials Development Department, Technical Development Division</p> <p>Sep. 2018 Director of Division, Global R&D Division</p> <p>Feb. 2019 Director of Division, Corporate Planning Division (incumbent)</p> <p>Mar. 2019 Director (incumbent) In charge of Global R&D Division (incumbent)</p> <p><Important concurrent position> Representative Director, Chairman, TOYO TANSO EUROPE S.p.A.</p>	610
<p>Reasons for nomination as Director</p> <p>Tatsuro Hamada was involved for many years in the development division of a major tire manufacturer and has experience as both an executive officer and the head of a management division. Since joining the Company, he has contributed to reforms of technical development, business development and promoting management strategy. 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
5	<p>Zhan GuoBin (Jul. 20, 1962)</p> <p>Reelection</p> 	<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</p> <p>Mar. 2017 In charge of Global Sales Division (incumbent)</p> <p><Important concurrent positions></p> <p>President, SHANGHAI TOYO TANSO CO., LTD.</p> <p>President, SHANGHAI TOYO TANSO INDUSTRIAL CO., LTD.</p> <p>President, TOYO TANSO (ZHEJIANG) CO., LTD.</p>	5,250
<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 in charge of Global Sales Division, he has led the sales division and contributed to initiatives 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	<p>Mune Iwamoto (Jan. 3, 1949)</p> <p>Reelection Outside Independent</p> 	<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>Jun. 2014 Director, Takiron Co., Ltd. (current C.I. TAKIRON Corporation) (incumbent)</p> <p>Mar. 2016 Director, the Company (incumbent)</p> <p><Important concurrent position> Outside Director, C.I. TAKIRON Corporation</p>	5,894
<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, 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, and 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 management strategy. Accordingly, the Company has nominated him as a candidate for Outside Director. His term of office as an Outside Director will be four 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
7	<p data-bbox="252 353 419 409">Yasuo Yamagata (Jun. 27, 1971)</p> <p data-bbox="276 439 395 517">Reelection Outside Independent</p> 	<p data-bbox="467 353 951 409">Apr. 2000 Registered as lawyer Joined Kansai Law & Patent Office</p> <p data-bbox="467 409 890 439">Mar. 2003 Auditor, MonotaRO Co., Ltd.</p> <p data-bbox="467 439 1134 468">Apr. 2005 Staff lawyer, Kansai Law & Patent Office (incumbent)</p> <p data-bbox="467 468 1023 497">Sep. 2005 Director, MonotaRO Co., Ltd. (incumbent)</p> <p data-bbox="467 497 1086 526">Sep. 2006 Director, Osaka City Dome Co., Ltd. (incumbent)</p> <p data-bbox="467 526 951 555">Mar. 2016 Director, the Company (incumbent)</p> <p data-bbox="467 555 802 584"><Important concurrent positions></p> <p data-bbox="467 584 874 613">Staff lawyer, Kansai Law & Patent Office</p> <p data-bbox="467 613 842 642">Outside Director, MonotaRO Co., Ltd.</p> <p data-bbox="467 642 906 672">Outside Director, Osaka City Dome Co., Ltd.</p>	0
<p data-bbox="220 819 647 848">Reasons for nomination as Outside Director</p> <p data-bbox="220 848 1430 1014">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 four years at the conclusion of this meeting.</p> <p data-bbox="220 1014 1430 1093">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 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>			

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	Shusuke Matsuo (Dec. 4, 1948) New candidate Outside Independent 	<p>Apr. 1971 Joined Marubeni-Iida Co., Ltd. (current Marubeni Corporation)</p> <p>Apr. 1996 Vice President, Marubeni Germany plc</p> <p>May 2001 Vice President, Marubeni Europe plc President, Marubeni Germany plc</p> <p>May 2003 Joined RIKEN TECHNOS CORPORATION</p> <p>Jun. 2004 Director, General Manager of Film Business, RIKEN TECHNOS CORPORATION</p> <p>Jul. 2009 Joined KUREHA CORPORATION Deputy General Manager of Advanced Materials Division</p> <p>Apr. 2010 Vice President, General Manager of Advanced Materials Division, KUREHA CORPORATION</p> <p>Apr. 2011 Senior Vice President, KUREHA CORPORATION</p> <p>Jun. 2012 Director, KUREHA CORPORATION</p> <p>Apr. 2013 General Manager of PGA Division, KUREHA CORPORATION</p> <p>Apr. 2014 Managing Director of Advanced Materials and PGA Businesses, KUREHA CORPORATION</p> <p>Jun. 2015 Special Advisor, KUREHA CORPORATION</p> <p>Jun. 2017 Retired from KUREHA CORPORATION (to the present)</p>	100
<p>Reasons for nomination as Outside Director</p> <p>In addition to his experience serving in management positions at chemicals manufacturers, Shusuke Matsuo also has experience in management positions at the overseas subsidiaries of a general trading company. Given his wealth of management-related experience and knowledge from a global perspective, he is expected to appropriately fulfill the role of overseeing the execution of business and contribute to strengthening the Company's corporate governance, and the Company has nominated him as a candidate for Outside Director.</p>			

- Notes: 1. (1) Carbon Material International Corporation, where Shunsaku Hiraga concurrently works, operates a consulting business related to carbon production. However, because the company does not produce or sell carbon products, the Board of Directors deems that this position does not constitute a material competitive relationship.
- (2) There is no special interest between any other candidates and the Company.
2. Mune Iwamoto, Yasuo Yamagata and Shusuke Matsuo are candidates for Outside Director.
3. Matters concerning the candidates for Outside Director are as follows:
- (1) Liability limitation agreement with candidates for Outside Director
- (i) The Company has concluded agreements with 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.
- (ii) If Shusuke Matsuo is elected as Outside Director, pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company intends to conclude an agreement with him to limit his liability for damages under Article 423, paragraph 1 of the Companies Act to the minimum liability amount provided for by Article 425, paragraph 1 of the same 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 candidates for Outside Director
- (i) The Company has notified 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.
- (ii) Shusuke Matsuo satisfies the requirements for an independent officer as prescribed by the Tokyo Stock Exchange. If he is elected as Outside Director, the Company intends to notify him as an independent officer. Furthermore, Shusuke Matsuo served at KUREHA CORPORATION, the group company of a client of the Company, but he retired from KUREHA CORPORATION in June 2017. Moreover, in the 78th fiscal year of the Company (from January 1, 2019 to December 31, 2019), the amount of transactions between the Company and the group company was about ¥72,000,000, and the size of this amount is less than 1% of the Company's, the Company's client's, or the group company's net sales. Therefore, it is considered that there is no risk of conflict of interest between Shusuke Matsuo and general shareholders.

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
Kazuhiro Imai (Dec. 12, 1951)	Apr. 1970 Joined Osaka Regional Taxation Bureau Jul. 1999 Deputy District Director, Toyono Tax Office Jul. 2001 Professor, Second Faculty of Education, National Tax College Jul. 2003 District Director, Tanabe Tax Office Jul. 2009 First Deputy Commissioner, Second Taxation Department, Osaka Regional Taxation Bureau Jul. 2011 General Manager, Revenue Management and Collection Department, Osaka Regional Taxation Bureau Aug. 2012 Registered as certified public tax accountant Established Imai Certified Tax Accountant Office (to the present) <Important concurrent position> Certified public tax accountant, Imai Certified Tax Accountant Office	0
<p>Reasons for nomination as substitute Outside Auditor</p> <p>Although Kazuhiro Imai does not have experience being involved in corporate management, he has experience serving as a tax office district director, etc. and diverse knowledge 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. Accordingly, the Company has nominated him as a candidate for substitute Outside Auditor.</p>		

- Notes:
1. There is no special interest between the candidate and the Company.
 2. Kazuhiro Imai 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 Kazuhiro Imai is appointed as Outside Auditor, pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company intends to conclude an agreement with him to limit his liability for damages under Article 423, paragraph 1 of the Companies Act to the minimum liability amount provided for by Article 425, paragraph 1 of the same 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 Outside Auditor
Kazuhiro Imai 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.