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Securities Code: 3101

June 5, 2018

To our shareholders:

Seiji Narahara
Director, President
Toyobo Co., Ltd.
2-2-8 Dojima Hama, Kita-ku, Osaka

Notice of the 160th Annual General Meeting of Shareholders

You are cordially invited to attend the 160th Annual General Meeting of Shareholders of Toyobo Co., Ltd. (the “Company”), which will be held as follows.

Note that if you are unable to attend on the day of the event, your voting right can be exercised in writing or over the internet. In that case, please consider the subsequent Reference Documents for General Meeting of Shareholders, and exercise your voting right by the end of business hours at 5:30 p.m. on Tuesday, June 26, 2018 (JST).

- 1. Date and Time:** Wednesday, June 27, 2018, at 10:00 a.m. (JST) (Reception will begin at 9:00 a.m.)
- 2. Venue:** 12th Floor Main Hall, Head Office
2-2-8 Dojima Hama, Kita-ku, Osaka

3. Purpose of the Meeting

Matters to be reported:

1. Business Report, Consolidated Financial Statements for the 160th term (April 1, 2017 to March 31, 2018), and audit results of the Consolidated Financial Statements by the Financial Auditor and the Board of Corporate Auditors
2. Non-consolidated Financial Statements for the 160th term (April 1, 2017 to March 31, 2018)

Matters to be resolved:

- | | |
|-----------------------|----------------------------------------------|
| Proposal No. 1 | Appropriation of Surplus |
| Proposal No. 2 | Election of Nine Directors |
| Proposal No. 3 | Election of One Corporate Auditor |
| Proposal No. 4 | Election of One Substitute Corporate Auditor |

4. Matters Decided on Regarding the Convocation

If multiple votes are exercised in writing, over the internet, etc., the vote exercised over the internet, etc., will be counted as the valid vote. In addition, if multiple votes are exercised through the same method, the last vote exercised will be counted as the valid vote.

- Please bring the enclosed voting form for submission at reception desk when you attend on the day of the meeting.
- As the following items are posted on our website on the internet (<http://www.toyobo.co.jp/>), based on laws and regulations and the provisions of Article 18 of the Company’s Articles of Incorporation, they are not described in the materials attached to this convocation notice.
 - 1) Consolidated Statements of Changes in Equity in the Consolidated Financial Statements
 - 2) Accompanying notes to the Consolidated Financial Statements
 - 3) Statements of Changes in Equity in the Non-consolidated Financial Statements
 - 4) Accompanying notes to the Non-consolidated Financial Statements

Accordingly, the Consolidated Financial Statements and the Non-consolidated Financial Statements that were audited when the Corporate Auditors prepared the audit report and the Financial Auditor prepared the independent audit report include both items described in the materials attached to this convocation notice and items posted on the Company’s website.

- Note that if there are any modifications in the Business Report, the Consolidated Financial Statements, the Non-consolidated Financial Statements, or the Reference Documents for General Meeting of Shareholders, they will be posted on our website on the internet (<http://www.toyobo.co.jp/>).

- Please be advised that the results of the resolutions will be posted on the Company's website at the URL stated above in lieu of the mailing of a written resolution notification.

Reference Documents for General Meeting of Shareholders

Proposals and reference items

Proposal No. 1 Appropriation of Surplus

The Company proposes the appropriation of surplus as follows:

Year-end dividends

The Company views the provision of appropriate profit returns to shareholders as one of the most important management issues, and dividends are determined through an overall judgment that takes into consideration matters such as sustainable profit levels, retained earnings for future investments, and improvements to our financial position, while setting the continuation of stable dividend as our basic policy, with a target total return ratio of 30%. In consideration of our business performance for the current fiscal year as stated in the business report, the year-end dividend for the current fiscal year shall increase as follows.

(1) Type of dividend property

Cash

(2) Allotment of dividend property to shareholders and their aggregate amount

¥40 per common share for a total of ¥3,550,785,840

Note: The Company conducted a share consolidation on October 1, 2017, in which 10 ordinary shares became one share. If the annual dividend for the previous fiscal year is converted to the figures after said share consolidation, it is equivalent to ¥35 per share, and so the dividend for this fiscal year is substantially ¥5 higher than that for the previous fiscal year.

(3) Effective date of dividends of surplus

June 28, 2018

Proposal No. 2 Election of Nine Directors

At the conclusion of this meeting, the terms of office of all nine Directors will expire. Therefore, the Company proposes the election of nine Directors.

Furthermore, if this proposal is passed as originally proposed, the number of outside Directors will increase by one to a total of three, and the ratio of outside Directors in Directors of the Company will be 1 in 3.

The candidates for Director are as follows:

Candidate No.	Name		Position and responsibility at the Company	Attendance at meetings of the Board of Directors
1	Ryuzo Sakamoto	Reelection	Director and Chairman	100% (17/17)
2	Seiji Narahara	Reelection	Director, President (Chief Operating Officer) Controlling Supervisor of Internal Audit Department and KAERU Project	100% (17/17)
3	Masaru Watanabe	Reelection	Director (Corporate Senior Executive Officer) Controlling Supervisor of Finance Department, Accounting and Control Department, Procurement & Logistics Department, and Human Resources Department; Supervisor of KAERU Project	100% (17/17)
4	Shigeo Takenaka	Reelection	Director (Corporate Executive Officer) Head of Plastics Division; Head of Specialty Chemical Division; Controlling Supervisor of Tsuruga Research and Production Center	100% (14/14)
5	Hitoshi Ueno	New election	Corporate Executive Officer Head of Healthcare Division; Head of Bio-Science & Medical Division	—
6	Shigeo Nishiyama	New election	Corporate Officer Head of Fibers, Textiles & Functional Products Division; Head of Fibers, Textiles & Trading Division; Controlling Supervisor of Iwakuni Production Center	—
7	Taketoshi Oka	Reelection Outside Independent	Director	100% (17/17)
8	Masaru Nakamura	Reelection Outside Independent	Director	100% (14/14)
9	Takafumi Isogai	New election Outside Independent	—	—

Note: For the attendance status at meetings of Board of Directors of Shigeo Takenaka and Masaru Nakamura, only the meetings held since their appointment on June 28, 2017 are included.

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	Ryuzo Sakamoto (November 20, 1947) Reelection	Apr. 1972 Joined the Company June 2002 Director June 2005 Director, President and Chief Operating Officer Apr. 2014 Director and Chairman (current position) [Significant concurrent positions outside the Company] Director and Chairman of Sennikaikan Co., Ltd.	21,608 shares
2	Seiji Narahara (October 17, 1956) Reelection	Jan. 1988 Joined the Company Apr. 2010 Corporate Officer June 2011 Director and Corporate Officer Apr. 2014 Director, President and Chief Operating Officer (current position) (Currently Controlling Supervisor of Internal Audit Department and KAERU Project)	15,306 shares
3	Masaru Watanabe (December 24, 1956) Reelection	Apr. 1979 Joined the Company Mar. 1999 Manager of Funds Management Department July 2007 General Manager of Plastics Management Office Oct. 2009 Deputy Director, General Manager of Plastics Operation Planning Office, and General Manager of Plastics Management Office Apr. 2014 Corporate Officer June 2016 Director and Corporate Officer Apr. 2017 Director and Corporate Executive Officer Apr. 2018 Director and Corporate Senior Executive Officer (current position) (Currently Controlling Supervisor of Finance Department, Accounting and Control Department, Procurement & Logistics Department, and Human Resources Department; Supervisor of KAERU Project)	3,980 shares
4	Shigeo Takenaka (October 16, 1958) Reelection	Apr. 1981 Joined the Company Sep. 2004 Manager of America Office July 2006 General Manager of Vylon Department Apr. 2010 Deputy Director and General Manager of Vylon Department Apr. 2012 Deputy Director, General Manager of Functional Polymers Operating Department, and General Manager of Functional Polymers Technology & Development Department Apr. 2013 Corporate Officer Apr. 2017 Corporate Executive Officer June 2017 Director and Corporate Executive Officer (current position) (Currently Head of Plastics Division; Head of Specialty Chemical Division; Controlling Supervisor of Tsuruga Research and Production Center)	3,104 shares

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
5	Hitoshi Ueno (June 6, 1954) New election	<p>June 1989 Joined the Company</p> <p>Oct. 2009 Deputy Director, Head of Corporate Research Center, and Deputy General Manager of Business Development Planning Office</p> <p>Apr. 2013 Corporate Officer</p> <p>Apr. 2017 Corporate Executive Officer (current position)</p> <p>(Currently Head of Healthcare Division. Head of Bio-Science & Medical Division)</p> <p>[Significant concurrent positions outside the Company]</p> <p>Director and Chairman of Spinreact, S.A.U.</p>	3,355 shares
6	Shigeo Nishiyama (June 26, 1959) New election	<p>Apr. 1983 Joined the Company</p> <p>Apr. 2007 General Manager of Textile Production Technology Department and Manager of Textile Procurement Group, Textile Production Planning Department</p> <p>Apr. 2014 Deputy Director, General Manager of Textile Production & Development Operating Department, General Manager of Textile Production Technology and Development Department, and seconded to TOYOBO STC CO., LTD.</p> <p>Apr. 2017 Corporate Officer (current position)</p> <p>(Currently Head of Fibers, Textiles & Functional Products Division; Head of Fibers, Textiles & Trading Division; Controlling Supervisor of Iwakuni Production Center)</p> <p>[Significant concurrent positions outside the Company]</p> <p>President and Chief Operating Officer of TOYOBO STC CO., LTD.</p>	1,710 shares
7	Taketoshi Oka (September 19, 1945) Reelection Outside Independent	<p>Apr. 1974 Registered as an attorney at law</p> <p>Apr. 1996 Vice Chairman of Osaka Bar Association</p> <p>July 2003 Established Kinki Chuou Law Office; Representative Partner (current position)</p> <p>June 2015 Director of the Company (current position)</p> <p>[Significant concurrent positions outside the Company]</p> <p>Representative Partner of Kinki Chuou Law Office</p>	0 shares
8	Masaru Nakamura (September 3, 1953) Reelection Outside Independent	<p>Apr. 1977 Joined Sumitomo Corporation</p> <p>Apr. 2006 Corporate Officer</p> <p>Apr. 2008 Executive Officer</p> <p>Apr. 2010 Managing Executive Officer</p> <p>Apr. 2012 Senior Managing Executive Officer</p> <p>Apr. 2016 Adviser (current position)</p> <p>June 2017 Director of the Company (current position)</p>	0 shares

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
9	Takafumi Isogai (April 4, 1949) New election Outside Independent	<p>Jan. 1987 Assistant Professor of Faculty of Liberal Arts of Osaka University</p> <p>Apr. 1996 Assistant Professor of Graduate School of Engineering Science of Osaka University</p> <p>Apr. 2002 Professor of Faculty of Mercantile Marine of Kobe University of Mercantile Marine</p> <p>Oct. 2003 Professor of Faculty of Maritime Sciences of Kobe University</p> <p>Apr. 2013 Professor of School of Commerce of University of Marketing and Distribution Sciences</p> <p>Apr. 2018 Part Time Lecturer of University of Marketing and Distribution Sciences (current position)</p>	0 shares

- Notes:
1. There is no special interest between any of the candidates and the Company.
 2. Taketoshi Oka, Masaru Nakamura, and Takafumi Isogai are candidates for outside Director.
 3. Remarks related to the candidates for outside Director are as follows.
 - (1) Reasons for nomination as candidates for outside Director
 - We propose the nomination of Taketoshi Oka so that his extensive experience and wide-ranging knowledge as an attorney at law can be leveraged to provide advice and supervision concerning the Company's management from an objective and specialist perspective. Note that while he has never in the past been involved in the management of a company except as an outside Director or outside Corporate Auditor, the Company judges that he will appropriately fulfill his duties as an outside Director based on the above reasons. It should be noted that he served as a member of the Independence Committee prescribed in the Company's Takeover Defense Measures from June 2008 to June 2014.
 - We propose the nomination of Masaru Nakamura so that his extensive experience and wide-ranging knowledge as a manager can be leveraged to provide advice and supervision concerning the Company's management from an objective and specialist perspective.
 - We propose the nomination of Takafumi Isogai so that his extensive experience and wide-ranging knowledge as an academic specializing in the quality control field can be leveraged to provide advice and supervision concerning the Company's management from an objective and specialist perspective. Note that while he has never in the past been involved in the management of a company except as an outside Director or outside Corporate Auditor, the Company judges that he will appropriately fulfill his duties as an outside Director based on the above reasons.
 - (2) Tenure as outside Director of the Company

At the conclusion of this meeting, Taketoshi Oka's tenure as outside Director of the Company will have been three years.

At the conclusion of this meeting, Masaru Nakamura's tenure as outside Director of the Company will have been one year.
 - (3) Limited liability agreements with outside Directors

Article 28 of the Articles of Incorporation stipulates that the Company may enter into agreements with outside Directors limiting liability for damage for failure to perform duties, and the Company has entered into limited liability agreements with both Taketoshi Oka and Masaru Nakamura limiting liability to the amount stipulated by laws and regulations. If their election is approved, the Company plans to renew the aforementioned agreements with them. If the election of Takafumi Isogai is approved, the Company plans to enter into the same agreement with him.
 - (4) Matters concerning independence
 - Taketoshi Oka, Masaru Nakamura and Takafumi Isogai satisfy the requirements of the Independence Standards for outside Officers stipulated by the Company.
 - The Company does not have a trading relationship with Kinki Chuou Law Office, at which Taketoshi Oka is engaged in his significant concurrent position.
 - Although the Company does have a trading relationship with Sumitomo Corporation, at which Masaru Nakamura served as an individual who executed business in the past, the volume of such transactions represents less than 1% of both companies' consolidated sales in the most recent fiscal year.
 - The Company does not have a trading relationship with University of Marketing and Distribution Sciences, at which Takafumi Isogai is engaged in his significant concurrent position.
 - The Company has notified the Tokyo Stock Exchange of Taketoshi Oka and Masaru Nakamura's appointments as outside Officer as provided for by the aforementioned exchange. In addition, if the election of Takafumi

Isogai is approved, the Company plans to notify the aforementioned exchange of his appointment as outside Officer.

Proposal No. 3 Election of One Corporate Auditor

At the conclusion of this meeting, the term of office of Corporate Auditor Hisao Nishinaka will expire. Therefore, the Company proposes the election of one Corporate Auditor.

In addition, the consent of the Board of Corporate Auditors has been obtained for this proposal.

The candidate for Corporate Auditor is as follows:

Name (Date of birth)	Career summary, position in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
Yasuhiro Iizuka (July 1, 1958) New election	Apr. 1981 Joined the Company Apr. 2006 General Manager of AC Department Apr. 2009 General Manager of AC Operating Department Apr. 2011 Deputy Director and General Manager of AC Operating Department Apr. 2015 Corporate Officer Apr. 2018 Advisor (current position)	1,971 shares

Note: There is no special interest between the candidate and the Company.

Proposal No. 4 Election of One Substitute Corporate Auditor

The Company requests approval for the election of one substitute Corporate Auditor to be ready to fill a vacant position should the number of Corporate Auditors fall below the number required by laws and regulations. In addition, the consent of the Board of Corporate Auditors has been obtained for this proposal.

The candidate for substitute Corporate Auditor is as follows:

Name (Date of birth)	Career summary and significant concurrent positions outside the Company	Number of the Company's shares owned
Yoshinori Satoï (December 10, 1962)	Apr. 1996 Registered as an attorney at law Apr. 1996 Joined Takagi Motaichi Law Office Feb. 2006 Outside Corporate Auditor of Zojirushi Corporation June 2015 Outside Corporate Auditor of NCS&A CO., LTD. June 2015 Outside Corporate Auditor of the Company Dec. 2016 Joined Yasaka Law Office (current position) [Significant concurrent positions outside the Company] Attorney at law of Yasaka Law Office	0 shares

- Notes:
1. Although the Company has paid compensation to Yoshinori Satoï as an outside advisor on compliance for the Company, the amount of such compensation in the most recent fiscal year was a trivial amount of ¥0.1 million, and he has no special interest relationship with the Company other than this. In addition, the Company does not have a trading relationship with Yasaka Law Office, at which he is engaged in his significant concurrent position.
 2. Yoshinori Satoï is a candidate for substitute outside Corporate Auditor. He satisfies the requirements of the Independence Standards for outside Officers stipulated by the Company, as well as requirements for an independent officer as provided for by the Tokyo Stock Exchange.
 3. Reasons for nomination as candidate for substitute outside Corporate Auditor
 We propose the nomination of Yoshinori Satoï so that his extensive experience and wide-ranging knowledge as an attorney at law can be leveraged for and reflected to the Company's audits. Furthermore, he served as an outside Corporate Auditor of the Company from June 2015 until June 2017, and due to having sufficient knowledge of the Group's business content and audit system, etc., the Company has determined that he would perform duties appropriately if the number of corporate auditors falls below the number prescribed by laws and regulations. Note that while he has never in the past been involved in the management of a company except as an outside Director or outside Corporate Auditor, the Company judges that he will appropriately fulfill his duties as an outside Corporate Auditor based on the above reasons.
 4. Limited liability agreements with outside Corporate Auditors
 Article 36 of the Articles of Incorporation stipulates that the Company may enter into agreements with outside Corporate Auditors limiting liability for damage for failure to perform duties. If Yoshinori Satoï assumes the office of outside Corporate Auditor, the Company plans to enter into such limited liability agreement with him limiting liability to the amount stipulated by laws and regulations.

[Reference] Independence Standards for Outside Officers

The Company has deemed that if none of the attributes in the following items apply, the outside Director or outside Corporate Auditor (or the candidate for outside Director or outside Corporate Auditor) has a high degree of independence from the Company, and there are no concerns of conflicts of interest with general shareholders.

- (1) A major shareholder in the Company (refers to a shareholder with a voting rights ownership ratio of 10% or more; the same applies below) or an individual who executes business for the shareholder
- (2) An individual who executes business for a company of which the Company is a major shareholder
- (3) A business partner of the Company for which the Company is a major partner (refers to a party that provides products or services to the Company for which the average annual transaction amount for the past three fiscal years is over 2% of that business partner's annual gross sales) or an individual who executes business for that company
- (4) A major business partner of the Company (refers to a party that the Company provides products or services to for which the average annual transaction amount for the past three fiscal years is over 2% of the Company's annual gross sales) or an individual who executes business for that company
- (5) An individual who executes business as an employee of a financial institution that is a major lender to the Company (refers to a lender for which the loan balance amount is equivalent to over 2% of the Company's total assets)
- (6) An individual who obtains over ¥10 million per year in cash or other assets in profit from the Company as a specialist, such as a consultant, accountant, or attorney at law, other than officers' compensation (or an individual who belongs to a corporation, etc., that obtains over ¥100 million per year in this matter)
- (7) An individual for which any item in (1) to (6) above has applied within the past three years
- (8) A relation within the second degree of an individual for which any item in (1) to (7) above applies

Note: Even if none of the attributes above apply, in some cases it may be deemed that there is no independence in consideration of matters such as transaction volumes at a Group company of the Company or a Group company of a business partner.