

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Securities Code: 3101

June 2, 2020

To our shareholders:

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

Notice of the 162nd Annual General Meeting of Shareholders

The 162nd Annual General Meeting of Shareholders of Toyobo Co., Ltd. (the “Company”) will be held as follows. Note that your voting right can be exercised in writing or over the internet instead of attending on the day of the event. 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 23, 2020 (JST).

- 1. Date and Time:** Wednesday, June 24, 2020, 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 162nd term (April 1, 2019 to March 31, 2020), 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 162nd term (April 1, 2019 to March 31, 2020)

Matters to be resolved:

- | | |
|-----------------------|--|
| Proposal No. 1 | Appropriation of Surplus |
| Proposal No. 2 | Election of Ten Directors |
| Proposal No. 3 | 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 (<https://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 StatementsAccordingly, 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 (<https://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 Company proposes to pay year-end dividend for the current fiscal year of ¥40 per share.

- 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 ¥3,552,447,280
- 3 Effective date of dividends of surplus
June 25, 2020

Proposal No. 2 Election of Ten Directors

At the conclusion of this meeting, the terms of office of all ten Directors will expire. Therefore, the Company proposes the election of ten Directors (including four outside Directors).

The candidates for Director are as follows:

Candidate No.	Name		Position at the Company	Attendance at meetings of the Board of Directors
1	Seiji Narahara Male	Reelection	Representative Director, President and Chief Operating Officer	100% (19/19)
2	Masaru Watanabe Male	Reelection	Representative Director and Senior Managing Executive Officer	100% (19/19)
3	Ikuo Takeuchi Male	New election	Managing Executive Officer	—
4	Hiroshi Otsuki Male	New election	Executive Officer	—
5	Yoshio Araki Male	New election	Executive Officer	—
6	Masakatsu Shirai Male	New election	Executive Officer	—
7	Masaru Nakamura Male	Reelection Outside Independent	Director	100% (19/19)
8	Takafumi Isogai Male	Reelection Outside Independent	Director	84% (16/19)
9	Kimie Sakuragi Female	Reelection Outside Independent	Director	100% (15/15)
10	Masaaki Harima Male	New election Outside Independent	—	—

- Notes:
1. For the attendance status at meetings of Board of Directors of Kimie Sakuragi, only the meetings held since her appointment on June 25, 2019 are included.
 2. The nomination of each candidate is decided on in consideration of the report of Nomination Committee, which is an advisory body for the Company's Board of Directors.

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	Seiji Narahara (October 17, 1956) Male Reelection	Jan. 1988 Joined the Company Apr. 2010 Executive Officer June 2011 Director and Executive Officer Apr. 2014 Representative Director, President and Chief Operating Officer (current position) (Currently Controlling Supervisor of Internal Audit Department and KAERU Project)	23,873 shares
2	Masaru Watanabe (December 24, 1956) Male Reelection	Apr. 1979 Joined the Company Oct. 2009 Deputy Director, General Manager of Plastics Operation Planning Office, and General Manager of Plastics Management Office Apr. 2014 Executive Officer June 2016 Director and Executive Officer Apr. 2017 Director and Managing Executive Officer Apr. 2018 Representative Director and Senior Managing Executive Officer (current position) (Currently Controlling Supervisor of Sales and Marketing Division)	8,496 shares
3	Ikuo Takeuchi (October 15, 1962) Male New election	Apr. 1985 Joined the Company Oct. 2014 General Manager of Corporate Planning Office Oct. 2015 Deputy Director, General Manager of Corporate Planning Office May 2017 Deputy Director, served in Global Business Planning Department and seconded to TOYOBO (SHANGHAI) CO., LTD., TOYOBO CHINA CO., LTD. Apr. 2018 Executive Officer Apr. 2020 Managing Executive Officer (current position) (Currently Controlling Supervisor of Corporate Planning Division. Supervisor of KAERU Project)	10,018 shares
4	Hiroshi Otsuki (February 19, 1961) Male New election	Nov. 1987 Joined the Company June 2010 General Manager of Finance Department and Senior Coordinator of Corporate Planning Office Apr. 2014 General Manager of Plastics Planning and Management Office, and Manager of Film Business Management Office Oct. 2014 Deputy Director, General Manager of Plastics Planning and Management Office, and Manager of Film Business Management Office Apr. 2017 Executive Officer (current position) (Currently Controlling Supervisor of Management and Administration Division)	5,834 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	Yoshio Araki (February 22, 1960) Male New election	Apr. 1984 Joined the Company Jan. 2008 General Manager of Polymer Production Technology Department and Manager of Corporate Research Center Project D Oct. 2013 Deputy Director, General Manager of Plastics Production Technology Department Apr. 2018 Executive Officer (current position) (Currently Controlling Supervisor of Production Technology Innovation and Quality Assurance Division)	9,351 shares
6	Masakatsu Shirai (September 6, 1962) Male New election	Apr. 1985 Joined the Company Apr. 2012 General Manager of HR Labor Administration Department Oct. 2016 Deputy Director, General Manager of Human Resources Department May 2017 Deputy Director, seconded to Toyobo Information System Create Co., Ltd. Apr. 2018 Executive Officer (current position) (Currently Controlling Supervisor of HR and Sustainability Planning Division. Supervisor of Internal Audit Department)	7,551 shares
7	Masaru Nakamura (September 3, 1953) Male Reelection Outside Independent	Apr. 1977 Joined Sumitomo Corporation Apr. 2006 Corporate Officer Apr. 2008 Executive Officer Apr. 2010 Managing Executive Officer Apr. 2012 Senior Managing Executive Officer Apr. 2016 Adviser June 2017 Director of the Company (current position)	0 shares
Reasons for nomination as candidates for outside Director 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.			
8	Takafumi Isogai (April 4, 1949) Male Reelection Outside Independent	Jan. 1987 Assistant Professor of Faculty of Liberal Arts of Osaka University Apr. 1996 Assistant Professor of Graduate School of Engineering Science of Osaka University Apr. 2002 Professor of Faculty of Mercantile Marine of Kobe University of Mercantile Marine Oct. 2003 Professor of Faculty of Maritime Sciences of Kobe University Apr. 2013 Professor of School of Commerce of University of Marketing and Distribution Sciences Apr. 2018 Part Time Lecturer of University of Marketing and Distribution Sciences June 2018 Director of the Company (current position)	0 shares
Reasons for nomination as candidates for outside Director 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.			

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	Kimie Sakuragi (September 6, 1958) Female Reelection Outside Independent	<p>Mar. 1981 Joined Fukutake Publishing Co., Ltd. (current Benesse Holdings, Inc.)</p> <p>Apr. 1995 Supervisor of Book Businesses in Publishing Division</p> <p>Nov. 1998 Chief of Business Ethics and Compliance Office</p> <p>Jan. 2003 Manager of Business Ethics and Compliance Office</p> <p>June 2003 Standing Audit & Supervisory Board member</p> <p>Apr. 2007 Adjunct Professor of the University of Aizu Graduate School (current position)</p> <p>June 2019 Outside Director of the Company (current position)</p> <p>[Significant concurrent positions outside the Company] Adjunct Professor of the University of Aizu Graduate School</p>	0 shares
<p>Reasons for nomination as candidates for outside Director</p> <p>We propose the nomination of Kimie Sakuragi so that her extensive experience and wide-ranging knowledge in the fields of corporate ethics, compliance, and CSR can be leveraged to provide advice and supervision concerning the Company's management from an objective and specialist perspective.</p>			
10	Masaaki Harima (December 9, 1950) Male New election Outside Independent	<p>Apr. 1977 Assistant Judge at Osaka District Court</p> <p>Apr. 1980 Fukushima District / Family Court Assistant Judge, Fukushima Summary Court Judge</p> <p>May 1981 Registered as an attorney at law (Osaka Bar Association)</p> <p>Sep. 1987 Founded Harima Law Office (current Fushimimachi Lawyer's Office)</p> <p>Apr. 2010 Chairman of Osaka City Fair Work Committee</p> <p>June 2011 Outside Corporate Auditor of Ishihara Sangyo Kaisha, Ltd. (current position)</p> <p>Mar. 2014 Chairman of Osaka Prefecture Labor Relations Board</p> <p>June 2014 Independence Committee of the Company (current position) (scheduled to resign in June 2020)</p> <p>Nov. 2018 Member of Osaka Prefecture Pollution Examination Committee (current position)</p> <p>Oct. 2019 Sakai City Audit Committee Member (current position)</p> <p>[Significant concurrent positions outside the Company] Attorney at Fushimimachi Lawyer's Office Outside Corporate Auditor of Ishihara Sangyo Kaisha, Ltd. Member of Osaka Prefecture Pollution Examination Committee Sakai City Audit Committee Member</p>	0 shares
<p>Reasons for nomination as candidates for outside Director</p> <p>We propose the nomination of Masaaki Harima 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 has served as a member of the Independence Committee prescribed in the Company's Takeover Defense Measures from June 2014.</p>			

- Notes:
1. There is no special interest between any of the candidates and the Company.
 2. Masaru Nakamura, Takafumi Isogai, Kimie Sakuragi, and Masaaki Harima are candidates for outside Director.
 3. Remarks related to the candidates for outside Director are as follows.

- (1) Tenure as outside Director of the Company
 - At the conclusion of this meeting, Masaru Nakamura's tenure as outside Director of the Company will have been three years.
 - At the conclusion of this meeting, Takafumi Isogai's tenure as outside Director of the Company will have been two years.
 - At the conclusion of this meeting, Kimie Sakuragi's tenure as outside Director of the Company will have been one year.
- (2) Limited liability agreements with outside Directors

Article 28 of the Articles of Incorporation stipulates that the Company will enter an agreement with outside Directors limiting liability for damage for failure to perform duties, and the Company has entered into a limited liability agreements with Masaru Nakamura, Takafumi Isogai, and Kimie Sakuragi limiting liability to the limit stipulated by laws and regulations. If their election is approved, the Company plans to renew the aforementioned agreements with them. If the election of Masaaki Harima is approved, the Company plans to enter into the same agreement with him.
- (3) Matters concerning independence
 - Masaru Nakamura, Takafumi Isogai, Kimie Sakuragi, and Masaaki Harima satisfy the requirements of the Independence Standards for outside Officers stipulated by the Company.
 - 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 served as a professor in the past.
 - The Company does not have a trading relationship with Benesse Holdings, Inc., at which Kimie Sakuragi has previously served as an Audit & Supervisory Board member. In addition, the Company does not have a trading relationship with the University of Aizu, at which she is engaged in her significant concurrent position.
 - Although the Company employs Masaaki Harima as a member of the Independence Committee who is an attorney at law with a high degree of independence, the annual amount of such compensation was a trivial amount of ¥1.0 million, which is not significant enough to give rise to a special interest relationship. In addition, the Company does not have a trading relationship with Fushimimachi Lawyer's Office or Ishihara Sangyo Kaisha, Ltd., at which he is engaged in his significant concurrent position.
 - The Company has notified the Tokyo Stock Exchange of Masaru Nakamura, Takafumi Isogai, and Kimie Sakuragi's appointments as outside Officer as provided for by the aforementioned exchange. In addition, if the election of Masaaki Harima is approved, the Company plans to notify the aforementioned exchange of his appointment as outside Officer.

Proposal No. 3 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
<p>Yoshinori Sato (December 10, 1962) Male</p> <p>Outside Independent</p>	<p>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</p>	<p>0 shares</p>

Reasons for nomination as candidate for substitute outside Corporate Auditor

We propose the nomination of Yoshinori Sato 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, while he has never in the past been involved in the management of a company except as an outside Director or outside Corporate Auditor, 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.

- Notes:
1. Although the Company has paid compensation to Yoshinori Sato 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 ¥0.5 million, which is not significant enough to give rise to a special interest relationship.
 2. Yoshinori Sato is a candidate for substitute outside Corporate Auditor.
 3. Remarks related to the candidates for substitute outside Corporate Auditor are as follows.
 - (1) 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 Sato 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.
 - (2) Matters concerning independence
 - The Company may outsource individual cases to Yasaka Law Office, at which Yoshinori Sato is engaged in his significant concurrent position, but he satisfies the requirements of the Independence Standards for outside Officers stipulated by the Company as the Company has not concluded an advisory contract with the law office.
 - If he assumes the office of outside Corporate Auditor, the Company plans to notify the Tokyo Stock Exchange of his appointment as an outside Officer as provided for by the aforementioned exchange.

[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.