

June 12, 2018

FOR IMMEDIATE RELEASE

Company name: Toyo Machinery & Metal Co., Ltd.
Representative: Kazunori Sogame, President and Representative Director
(Code number: 6210, Tokyo Stock Exchange)
Contact: Kazumi Sunamoto, Director, General Manager of
Administrative Division
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Supplementary Explanation of
Proposal to Be Submitted to the 144th Annual General Meeting of Shareholders of the
Company

We at Toyo Machinery & Metal Co., Ltd. (the “Company”) would like to express our appreciation for your continued support and patronage.

In response to the main views we have received so far from our shareholders (including proxy advisory firms), we would like to provide you with the following supplementary explanation in regard to the proposal to be submitted at the 144th Annual General Meeting of Shareholders of the Company to be held on June 22, 2018. We humbly request that you check the details below and ask for your kind understanding.

- Proposal 4: Determination of Amount of Compensation, etc. and Content for Grant of Restricted Stock to Directors (Excluding Outside Directors)

The compensation to grant restricted stock is aimed at giving Directors of the Company (excluding Outside Directors, hereinafter referred to as “Eligible Directors”) an incentive for continuing to improve our corporate value and promoting further value sharing between Eligible Directors and shareholders.

Under this system, it is assumed that the three business years’ worth of monetary compensation claim to be granted to Eligible Directors for allocation of restricted stock will, in principle, be paid in a lump sum in the initial year of the three business years covered by the medium-term management plan, for the purpose of setting performance conditions based on return on equity (ROE) under the medium-term management plan and thereby encouraging Eligible Directors to further improve our corporate value with an even stronger will.

Although the upper limit on the number of shares is 150,000 per year, this is only because monetary compensation claim for three business years shall be paid in a lump sum. This is equivalent to a limit of 50,000 shares for one year and 500,000 shares for ten years, and since the dilution ratio in this case is 2.5% or less, we believe that its impact on shareholders will be immaterial.

Please understand that this proposal is aimed at improving our corporate value, which in turn will lead to greater benefits for our shareholders. We ask that you bear this information in mind when examining whether to approve or disapprove the proposal of the Company.