

June 3, 2008

To All Shareholders:

President Katsuaki Watanabe  
**TOYOTA MOTOR CORPORATION**  
1, Toyota-cho, Toyota City, Aichi Prefecture

**Notice of Convocation of FY2008 Ordinary General Shareholders' Meeting**

(Unless otherwise stated, all financial information has been prepared  
in accordance with generally accepted accounting principles in Japan)  
English translation from the original Japanese-language document

Dear Shareholder,

Please refer to the following for information about the upcoming FY2008 Ordinary General Shareholders' Meeting (the "General Shareholders' Meeting"). We hope that you will be able to attend this meeting.

If you are unable to attend the meeting, it would be appreciated if you could take the time to vote "yes" or "no" on the enclosed ballot form after reviewing the enclosed documents and return it to us no later than Monday, June 23, 2008. Thank you very much for your cooperation.

**1. Date and time:** 10:00 a.m., Tuesday, June 24, 2008

**2. Venue:** Toyota Head Office, 1, Toyota-cho, Toyota City, Aichi Prefecture

**3. Meeting Agenda:**

**Reports:**

Reports on business review, unconsolidated and consolidated financial statements for FY2008 (April 1, 2007 through March 31, 2008) and report by Accounting Auditor and the board of Corporate Auditors on the audit results of the consolidated financial statements.

**Resolutions:**

- Proposed Resolution 1: Distribution of Surplus
- Proposed Resolution 2: Election of 30 Directors
- Proposed Resolution 3: Issuance of Stock Acquisition Rights for the Purpose of Granting Stock Options
- Proposed Resolution 4: Acquisition of Own Shares
- Proposed Resolution 5: Payment of the Final Retirement Bonus to Corporate Auditors Due to the Abolishment of the Retirement Bonus System for Corporate Auditors
- Proposed Resolution 6: Revision to the Amount of Remuneration for Corporate Auditors
- Proposed Resolution 7: Payment of Executive Bonuses

Notes: - **If you attend the meeting in person, please submit the enclosed ballot at the reception desk. It will serve as your admission pass.**

- If you intend to engage in split voting, please submit written notice to that effect and the reasons for the split voting at least three days prior to the General Shareholders' Meeting by June 21, 2008.
- If any revisions are made to the reference documents or attachments for the General Shareholders' Meeting, the revisions will be posted on Toyota Motor Corporation's Web site (<http://www.toyota.co.jp>).

## Reference Documents

Proposed resolutions and reference matters

### **Proposed Resolution 1: Distribution of Surplus**

We propose the distribution of surplus as follows:

#### Year-end Dividend

We would like to offer a year-end dividend of 75 yen per share. Combined with the interim dividend, the total amount of the annual dividends for the fiscal year ended March 31, 2008 will be 140 yen per share, and the consolidated payout ratio will be 25.9 %.

#### (1) Type of dividend assets

Cash

#### (2) Allocation of dividend assets and the total amount of dividends

Payment of 75 yen per share of common stock (Total amount of dividends: 236,195,988,900 yen)

#### (3) Effective date of distribution of surplus

June 25, 2008

## Proposed Resolution 2: Election of 30 Directors

All Directors will retire upon the expiration of their term of office at the conclusion of this General Shareholders' Meeting. Accordingly, we hereby request that 30 Directors be elected. The candidates for the positions of Director are as follows:

### Following are the nominees

no.	Name (birth date)	Position and main areas of responsibility at Toyota Motor Corporation ("TMC")	Brief career summary and representative positions in other organizations	No. of TMC's shares owned
1*	Fujio Cho (2/2/1937)	Chairman of the Board	Apr. 1960 Joined TMC Sep. 1988 Director of TMC Dec. 1988 Toyota Motor Manufacturing, U.S.A., Inc. President Sep. 1994 Managing Director of TMC Oct. 1994 Retired from Toyota Motor Manufacturing, U.S.A., Inc. President Jun. 1996 Senior Managing Director of TMC Jun. 1998 Executive Vice President of TMC Jun. 1999 President of TMC Jun. 2005 Vice Chairman of TMC Jun. 2006 Chairman of TMC	40,705
2*	Katsuhiro Nakagawa (3/11/1942)	Vice Chairman	Apr. 1965 Joined the Ministry of International Trade and Industry Jul. 1997 Ministry of International Trade and Industry Vice-Minister for International Affairs Jun. 1998 Retired from Ministry of International Trade and Industry Vice-Minister for International Affairs Jun. 2001 Managing Director of TMC Jun. 2002 Senior Managing Director of TMC Jun. 2003 Executive Vice President of TMC Jun. 2004 Vice Chairman of TMC	34,600
3*	Katsuaki Watanabe (2/13/1942)	President	Apr. 1964 Joined TMC Sep. 1992 Director of TMC Jun. 1997 Managing Director of TMC Jun. 1999 Senior Managing Director of TMC Jun. 2001 Executive Vice President of TMC Jun. 2005 President of TMC	31,871

no.	Name (birth date)	Position and main areas of responsibility at TMC	Brief career summary and representative positions in other organizations		No. of TMC's shares owned
4*	Kazuo Okamoto (2/20/1944)	Executive Vice President  - Research & Development (R & D Management, Technical Administration, Design, Product Development, Vehicle Engineering, Motor Sports) - Technical Administration Group - Design Group - Vehicle Engineering Group - Motor Sports Div.	Apr. 1967 Jun. 1996 Jun. 2001 Jun. 2003 Jun. 2005	Joined TMC Director of TMC Managing Director of TMC Senior Managing Director of TMC Executive Vice President of TMC	25,564
5*	Kyoji Sasazu (6/11/1944)	Executive Vice President  - Business Development - Purchasing - Housing	Apr. 1967 Jun. 1997 Jun. 2001 Jun. 2003 Jun. 2005	Joined Toyota Motor Sales Co., Ltd. Director of TMC Managing Director of TMC Senior Managing Director of TMC Executive Vice President of TMC	28,692
6*	Mitsuo Kinoshita (1/1/1946)	Executive Vice President  - Corporate Planning & Research - Government & Public Affairs - General Management (Global Audit, General Administration & Human Resources, Accounting, Information Systems) - CSR & Environmental Affairs - Information System Group - Global Audit Div.	Apr. 1968 Jun. 1997 Jun. 2001 Jun. 2003 Jun. 2005	Joined TMC Director of TMC Managing Director of TMC Senior Managing Director of TMC Executive Vice President of TMC	27,470
7*	Takeshi Uchiyamada (8/17/1946)	Executive Vice President  - Production - TQM	Apr. 1969 Jun. 1998 Jun. 2001 Jun. 2003 Jun. 2005	Joined TMC Director of TMC Managing Director of TMC Senior Managing Director of TMC Executive Vice President of TMC  (other executive duties) Chairman of Toyota Motor Technical Center (China) Co., Ltd.	28,464

no.	Name (birth date)	Position and main areas of responsibility at TMC	Brief career summary and representative positions in other organizations		No. of TMC's shares owned
8*	Masatami Takimoto (1/13/1946)	Executive Vice President  - Quality - Research & Development (Power Train, Future Project) - Fuel Cell System Development - Fuel Cell System Development Group - Future Project Div.	Apr. 1970 Jun. 1999 Jun. 2002 Jun. 2003 Jun. 2005	Joined TMC Director of TMC Managing Director of TMC Senior Managing Director of TMC Executive Vice President of TMC	29,500
9*	Akio Toyoda (5/3/1956)	Executive Vice President  - Product Management - IT & ITS - Global Planning Operations - Japan Sales Operations - Customer Service - Quality - IT & ITS Group - e-TOYOTA Div.	Apr. 1984 Jun. 2000 Jun. 2002 Jun. 2003 Jun. 2005	Joined TMC Director of TMC Managing Director of TMC Senior Managing Director of TMC Executive Vice President of TMC  (other executive duties) Chairman of Digital Media Asia Pacific Ltd.	4,564,691
10*	Yukitoshi Funo (2/1/1947)	Senior Managing Director  - The Americas Operations Group - Chairman of Toyota Motor Sales, U.S.A., Inc.	Apr. 1970  Jun. 2000 Jun. 2003 Jun. 2003  Jun. 2004 Jun. 2005 Jun. 2005  May 2006  Jun. 2007	Joined Toyota Motor Sales Co., Ltd. Director of TMC Managing Officer of TMC Toyota Motor Sales, U.S.A., Inc. President Director of TMC Senior Managing Director of TMC Toyota Motor Sales, U.S.A., Inc. Chairman Toyota Motor North America, Inc. Chairman Retired from Toyota Motor North America, Inc. Chairman  (other executive duties) Chairman of Toyota Motor Sales, U.S.A., Inc. Vice President of Caltex Design Research, Inc. President of Toyota Motor Personnel Services, U.S.A., Inc.	34,248
11*	Atsushi Niimi (7/30/1947)	Senior Managing Director  - Purchasing Group	Apr. 1971 Jun. 2000 Jun. 2002  Jun. 2003 Jun. 2004 Jun. 2005  Jun. 2005	Joined TMC Director of TMC Toyota Motor Manufacturing North America, Inc. President Managing Officer of TMC Director of TMC Retired from Toyota Motor Manufacturing North America, Inc. President Senior Managing Director of TMC	29,738

no.	Name (birth date)	Position and main areas of responsibility at TMC	Brief career summary and representative positions in other organizations		No. of TMC's shares owned
12*	Hiroshi Takada (12/22/1946)	Senior Managing Director  - Global Planning Operations Group - Product Management Div.	Apr. 1969 Jun. 2001 Jun. 2003 Jun. 2005	Joined Toyota Motor Sales Co., Ltd. Director of TMC Managing Officer of TMC Senior Managing Director of TMC	12,250
13*	Teiji Tachibana (1/18/1947)	Senior Managing Director  - Government & Public Affairs Group - Housing Group	Apr. 1969 Jun. 2001 Jun. 2003 Jun. 2005  (other executive duties) Chairman of Toyota Housing Corporation	Joined TMC Director of TMC Managing Officer of TMC Senior Managing Director of TMC	14,700
14*	Shinichi Sasaki (12/18/1946)	Senior Managing Director  - Quality Group	Apr. 1970 Jun. 2001 Jun. 2003 Jun. 2004  Jun. 2005 Oct. 2005  Oct. 2005 Jul. 2006	Joined TMC Director of TMC Managing Officer of TMC Toyota Motor Engineering & Manufacturing Europe NV/SA President Senior Managing Director of TMC Toyota Motor Europe NV/SA, Toyota Motor Marketing Europe NV/SA and Toyota Motor Engineering & Manufacturing Europe NV/SA merged under the name Toyota Motor Europe NV/SA President Retired from Toyota Motor Europe NV/SA President	11,810
15*	Akira Okabe (9/17/1947)	Senior Managing Director  - Asia, Oceania & Middle East Operations Group	Apr. 1971 Jun. 2001 Jun. 2003 Jun. 2005  (other executive duties) Chairman of Toyota Motor Asia Pacific Pte Ltd.	Joined Toyota Motor Sales Co., Ltd. Director of TMC Managing Officer of TMC Senior Managing Director of TMC	25,300
16*	Yoichiro Ichimaru (10/10/1948)	Senior Managing Director  - Japan Sales Operations Group	Jul. 1971 Jun. 2001 Jun. 2003 Jun. 2005	Joined Toyota Motor Sales Co., Ltd. Director of TMC Managing Officer of TMC Senior Managing Director of TMC	21,268
17*	Shoji Ikawa (9/1/1949)	Senior Managing Director  - Fuel Cell System Development Group - Production Engineering Group	Apr. 1975 Jun. 2001 Jun. 2003 Jun. 2005	Joined TMC Director of TMC Managing Officer of TMC Senior Managing Director of TMC	27,936

no.	Name (birth date)	Position and main areas of responsibility at TMC	Brief career summary and representative positions in other organizations	No. of TMC's shares owned
18*	Koichi Ina (5/6/1948)	Senior Managing Director  - Strategic Production Planning Group - Manufacturing Group - TQM Promotion Div.	Apr. 1973 Joined TMC Jun. 2002 Director of TMC Jun. 2003 Managing Officer of TMC Jun. 2007 Senior Managing Director of TMC  (other executive duties) Chairman of Toyota Motor Asia Pacific Engineering and Manufacturing Co., Ltd. Chairman of Toyota Motor Engineering & Manufacturing North America, Inc.	31,700
19*	Shinzo Kobuki (3/8/1950)	Senior Managing Director  - Power Train Development Group - R&D Management Div.	Apr. 1972 Joined TMC Jun. 2003 Managing Officer of TMC Jun. 2007 Senior Managing Director of TMC	23,900
20*	Akira Sasaki (2/26/1948)	Senior Managing Director  - China Operations Group - Chairman of Toyota Motor (China), Investment Co., Ltd.	Apr. 1970 Joined TMC Jun. 2003 Managing Officer of TMC Aug. 2003 Toyota Motor Technical Center (China) President Jun. 2007 Senior Managing Director of TMC Jun. 2007 Retired from Toyota Motor Technical Center (China) President Jun. 2007 Chairman of Toyota Motor (China), Investment Co., Ltd.  (other executive duties) Chairman of Toyota Motor (China), Investment Co., Ltd. Vice Chairman of FAW Toyota Motor Sales Co., Ltd. Vice Chairman of FAW Toyota (Changchun) Engine Co., Ltd. Chairman of Guangqi Toyota Engine Co., Ltd. Vice Chairman of Guangzhou Toyota Motor Co., Ltd. Vice Chairman of Sichuan FAW Toyota Motor Co., Ltd. Vice Chairman of Tianjin FAW Toyota Engine Co., Ltd. Vice Chairman of Tianjin FAW Toyota Motor Co., Ltd. Chairman of Toyota FAW (Tianjin) Dies Co., Ltd. Vice Chairman of Tong Fang Global Logistics Co., Ltd Vice Chairman of Toyota Motor Technical Center (China) Co., Ltd	17,000



no.	Name (birth date)	Position and main areas of responsibility at TMC	Brief career summary and representative positions in other organizations		No. of TMC's shares owned
21*	Tadashi Arashima (8/14/1949)	Senior Managing Director  - Europe & Africa Operations Group - President of Toyota Motor Europe NV/SA	Apr. 1973	Joined Toyota Motor Sales Co., Ltd.  Jun. 2003 Managing Officer of TMC Jun. 2003 Toyota Motor Marketing Europe NV/SA President Oct. 2005 Toyota Motor Europe NV/SA, Toyota Motor Marketing Europe NV/SA and Toyota Motor Engineering & Manufacturing Europe NV/SA merged under the name Toyota Motor Europe NV/SA Oct. 2005 Toyota Motor Europe NV/SA Executive Vice President Jul. 2006 Toyota Motor Europe NV/SA President Jun. 2007 Senior Managing Director of TMC  (other executive duties) President of Toyota Motor Europe NV/SA	20,781
22*	Mamoru Furuhashi (1/3/1950)	Senior Managing Director  - Government & Public Affairs Group	Apr. 1973	Joined TMC Jun. 2003 Managing Officer of TMC Jun. 2007 Senior Managing Director of TMC	12,700
23*	Satoshi Ozawa (8/5/1949)	Senior Managing Director  - General Administration & Human Resources Group - Corporate Planning Div. - Research Div. - CSR & Environmental Affairs Div.	Apr. 1974	Joined Toyota Motor Sales Co., Ltd. Jun. 2003 Managing Officer of TMC Jun. 2007 Senior Managing Director of TMC  (other executive duties) President of Toyota Personnel Support Corporation President of OJT Solutions Co., Ltd. President of Toyota Loops Co., Ltd.	15,200
24*	Shoichiro Toyoda (2/27/1925)	Honorary Chairman	Jul. 1952	Joined TMC Jul. 1952 Director of TMC Jan. 1961 Managing Director of TMC Oct. 1967 Senior Managing Director of TMC Dec. 1972 Executive Vice President of TMC Jun. 1981 Director of TMC Jun. 1981 Toyota Motor Sales Co., Ltd. President Jul. 1982 President of TMC Sep. 1992 Chairman of TMC Jun. 1999 Honorary Chairman  (other executive duties) Representative Director of Toyota Central Reserch and Development Laboratories, Incorporated Representative Director of Genesis Research Institute, Incorporated Chairman of Towa Real Estate Co., Ltd.	11,176,193

no.	Name (birth date)	Position and main areas of responsibility at TMC	Brief career summary and representative positions in other organizations		No. of TMC's shares owned
25*	Hiroshi Okuda (12/29/1932)	Senior Advisor	Apr. 1955	Joined Toyota Motor Sales Co., Ltd.	64,963
			Jul. 1982	Director of TMC	
			Sep. 1987	Managing Director of TMC	
			Sep. 1988	Senior Managing Director of TMC	
			Sep. 1992	Executive Vice President of TMC	
			Aug. 1995	President of TMC	
			Jun. 1999	Chairman of TMC	
			Jun. 2006	Senior Advisor of TMC	
26	Iwao Nihashi (2/16/1950)	—	Apr. 1970	Joined TMC	12,800
			Jun. 2003	Managing Officer of TMC	
27	Yasuhiko Ichihashi (3/22/1952)	—	Apr. 1974	Joined TMC	22,800
			Jun. 2003	Managing Officer of TMC	
			Jun. 2004	Toyota Technical Center, U.S.A., Inc. President	
			Apr. 2006	Toyota Motor Manufacturing North America, Inc. and Toyota Technical Center, U.S.A., Inc. merged under the name Toyota Motor Engineering & Manufacturing North America, Inc.	
			Apr. 2006	Toyota Motor Engineering & Manufacturing North America, Inc. Executive Vice President	
			(other executive duties) Executive Vice President of Toyota Motor Engineering & Manufacturing North America, Inc.		
28	Tadashi Yamashina (5/8/1951)	—	Apr. 1977	Joined TMC	9,500
			Jan. 2001	Toyota Technical Center, U.S.A., Inc. President	
			Jun. 2003	Managing Officer of TMC	
			Jun. 2004	Retired from Toyota Technical Center, U.S.A., Inc. President	
			Dec. 2006	Toyota Motorsport GmbH Vice Chairman	
			Jun. 2007	Toyota Motorsport GmbH Chairman	
			(other executive duties) Chairman of Toyota Motorsport GmbH		
29	Takahiko Ijichi (7/15/1952)	—	Apr. 1976	Joined TMC	11,000
			Jun. 2004	Managing Officer of TMC	

no.	Name (birth date)	Position and main areas of responsibility at TMC	Brief career summary and representative positions in other organizations	No. of TMC's shares owned
30	Tetsuo Agata (4/26/1953)	—	<p>Apr. 1976    Joined TMC  Jun. 2004    Managing Officer of TMC  Jul. 2006    Toyota Motor Europe NV/SA  Executive Vice President</p> <p>(other executive duties)  Executive Vice President of Toyota Motor Europe  NV/SA  Chairman of Toyota Motor Industries Poland  SP.zo.o.  Chairman of Toyota Motor Manufacturing (UK)  Ltd.  Chairman of Toyota Motor Manufacturing Turkey  Inc.  Chairman of Toyota Motor Manufacturing France  S.A.S</p>	6,793

Note: \* indicates current Director of TMC.

### **Proposed Resolution 3: Issuance of Stock Acquisition Rights for the Purpose of Granting Stock Options**

Pursuant to Articles 236, 238 and 239 of the Corporation Act of Japan, we request authorization (i) to issue "Stock Acquisition Rights" (rights to acquire TMC's shares by making certain specified payments within a certain specified period of time, i.e. Stock Options) without consideration, for the purpose of granting stock options, to Directors, Managing Officers, employees, and other persons in similar positions at TMC and its affiliates, and (ii) to delegate to the Board of Directors the determination of the terms and conditions of the offering of such rights.

Stock Acquisition Rights granted to Directors of TMC without consideration constitute remuneration other than cash of indeterminate value to Directors. Consequently, we also request approval of the calculation method to determine the value of the Stock Acquisition Rights allotted to Directors as remuneration.

In addition, if Proposed Resolution 2 "Election of 30 Directors" is approved, the 30 Directors will receive allotment of the Stock Acquisition Rights, and the maximum number of Stock Acquisition Rights to be allotted to the Directors of TMC shall be 10,100, considering the number of Stock Acquisition Rights granted for the purpose of existing stock options and other various factors.

#### **1. Reason for Issuance of Stock Acquisition Rights without Consideration**

TMC will issue Stock Acquisition Rights to Directors, Managing Officers and employees, etc. of TMC and its affiliates in order to enhance enthusiasm and raise morale for improving business performance and thereby contribute to strengthening TMC's international competitiveness.

#### **2. Summary of Terms of Issuance of Stock Acquisition Rights**

##### **(1) Grantees of the Stock Acquisition Rights**

Directors, Managing Officers and employees, etc. of TMC and its affiliates.

##### **(2) Type and Number of Shares to be Issued or Transferred upon Exercise of Stock Acquisition Rights**

Up to 3,700,000 shares of common stock of TMC.

Provided, however, that if the number of shares to be issued or transferred upon exercise of each Stock Acquisition Right is adjusted in accordance with (3) below, such number of shares to be issued or transferred shall be adjusted to the number obtained by multiplying the number of shares after adjustment by the total number of Stock Acquisition Rights to be issued.

##### **(3) Total Number of Stock Acquisition Rights**

Up to 37,000

The number of shares to be issued or transferred upon exercise of each Stock Acquisition Right (the "Number of Shares to be Granted") shall be 100; provided, however, that if TMC splits its shares (including the allotment of common stock to shareholders without consideration; hereinafter the same shall apply) or consolidates its shares after the allotment date of the Stock Acquisition Rights ("Allotment Date"), the Number of Shares to be Granted shall be adjusted according to the following formula.

$$\begin{array}{ccccc} \text{Number of} & & & & \text{Ratio of split} \\ \text{Shares to be} & = & \text{Number of Shares to} & \times & \text{(or consolidation)} \\ \text{Granted after} & & \text{be Granted before} & & \\ \text{adjustment} & & \text{adjustment} & & \end{array}$$

The adjustment above shall be made only to the unexercised Stock Acquisition Rights remaining at the relevant time. If any fraction less than one (1) share arises as a result of such adjustment, such fraction shall be discarded.

(4) Amount Paid for Issuance of Stock Acquisition Rights

No monetary payment shall be required for Stock Acquisition Rights for which the determination of the terms and conditions of the offering of such rights can be delegated to the Board of Directors at this General Shareholders' Meeting.

(5) Amount of Assets to be Paid upon Exercise of Stock Acquisition Rights (Exercise Price)

The amount of assets to be paid upon exercise of each Stock Acquisition Right shall be the amount obtained by multiplying the amount to be paid per share issued or transferred upon exercise of Stock Acquisition Rights (the "Exercise Price") by the Number of Shares to be Granted. The Exercise Price shall be as follows.

The amount obtained by multiplying the closing price of TMC's common stock in regular trading on the Tokyo Stock Exchange on the Allotment Date (if there is no transaction made on that day, then the closing price of the latest date prior to the Allotment Date on which a transaction was made) by 1.025, and any fraction less than one (1) yen arising therefrom shall be rounded up to the nearest one (1) yen.

In addition, the Exercise Price shall be adjusted as follows:

- (i) If TMC splits or consolidates its shares after the Allotment Date, the Exercise Price shall be adjusted according to the following formula, and any fraction less than one (1) yen arising therefrom shall be rounded up to the nearest one (1) yen.

$$\begin{array}{ccccc} \text{Exercise Price} & = & \text{Exercise Price} & \times & \frac{1}{\text{Ratio of split}} \\ \text{after adjustment} & & \text{before adjustment} & & \text{(or consolidation)} \end{array}$$

- (ii) If TMC issues common stock or sells treasury stock of the common stock at a price below the market price after the Allotment Date, the Exercise Price shall be adjusted according to the following formula, and any fraction less than one (1) yen arising therefrom shall be rounded up to the nearest one (1) yen. No adjustment shall be made, however, in the event that Stock Acquisition Rights are exercised.

$$\begin{array}{ccccccc} \text{Exercise Price} & = & \text{Exercise Price} & \times & \frac{\text{Number of} & + & \text{Number of shares} \times \text{Amount to be} \\ \text{after adjustment} & & \text{before adjustment} & & \text{outstanding shares} & & \text{newly issued} & & \text{paid} \\ & & & & & & \text{Market price} & & \text{per share} \\ & & & & \text{Number of} & + & \text{Number of shares newly issued} & & \\ & & & & \text{outstanding shares} & & & & \end{array}$$

"Number of outstanding shares" provided for in the above formula does not include the number of shares held by TMC as treasury stock and in the case where the treasury stock is to

be sold, "Number of shares newly issued" shall be read as "Number of shares of treasury stock to be sold."

- (iii) In the event that other class of stock is allotted without consideration to the holders of common stock, shares of another company are delivered to the holders of common stock of TMC as dividends, or in any other similar instance where an adjustment of the Exercise Price is required, in each case after the Allotment Date, an appropriate adjustment shall be made to the extent reasonable.

(6) Exercise Period of the Stock Acquisition Rights

From August 1, 2010 to July 31, 2016

(7) Conditions of Exercise of Stock Acquisition Rights

- (i) Each Stock Acquisition Right may not be partially exercised.
- (ii) The grantees of the Stock Acquisition Rights must, at the time of the closing of the ordinary general shareholders' meeting to be held for the last fiscal year ending within two (2) years after the closing of the General Shareholders' Meeting, be a Director, Managing Officer or an employee, etc. of TMC or its affiliates to which he or she belongs at the time such rights are granted.
- (iii) The grantee of the Stock Acquisition Rights may exercise his or her Stock Acquisition Rights for up to two (2) years after the grantee loses his or her position as a Director, Managing Officer or an employee, etc. of TMC or its affiliates to which the grantee belongs at the time such rights are granted. However, if the grantee loses such position due to retirement of office or resignation for personal reasons, or removal from office or dismissal, the Stock Acquisition Rights will expire immediately.
- (iv) Stock Acquisition Rights may not be inherited.
- (v) Other exercise conditions shall be provided for by the resolution of the General Shareholders' Meeting and the resolution of the meeting of the Board of Directors.

(8) Events and Conditions of Acquisition of Stock Acquisition Rights by TMC

Stock Acquisition Rights may be acquired by TMC without consideration, on a date that shall be provided by the Board of Directors, if a proposal on a merger agreement in which TMC will be dissolved, or a proposal on a share exchange agreement or a share transfer by which TMC will become a wholly-owned subsidiary of another company is approved at an ordinary general shareholders' meeting.

(9) Restriction on Transfer of Stock Acquisition Rights

Transfer of Stock Acquisition Rights shall be subject to approval of the Board of Directors.

(10) Matters concerning the Paid-in Capital and Capital Reserve to be Increased due to the Issuance of Shares upon Exercise of Stock Acquisition Rights

- (i) Amount of paid-in capital to be increased due to the issuance of shares upon exercise of the Stock Acquisition Rights shall be half of the maximum amount of paid-in capital increase and others which is calculated in accordance with Article 40, Paragraph 1 of the Corporation Accounting Regulations, and any fraction less than one (1) yen arising therefrom shall be rounded up to the nearest one (1) yen.
- (ii) Amount of capital reserve to be increased due to the issuance of shares upon exercise of the Stock Acquisition Rights shall be an amount determined by subtracting the amount of paid-in capital to be increased provided in the immediately preceding paragraph (i) from the maximum amount of increase in paid-in capital set forth in the immediately preceding paragraph (i).

(11) Handling of Fraction

In the case where the number of shares to be issued or transferred to the grantee includes any fraction less than one (1) share, such fraction shall be rounded down.

(12) Calculation Method of the Fair Value of Stock Acquisition Rights

The fair value of the Stock Acquisition Rights shall be calculated by using the Black-Scholes model based on the various conditions on the Allotment Date.

Reference: The fair value of the Stock Acquisition Rights as of March 31, 2008, calculated in accordance with the Black-Scholes model, is 680 yen per share.

#### **Proposed Resolution 4: Acquisition of Own Shares**

In order to improve capital efficiency and to implement flexible capital policies tailored to the business environment, we request authorization to acquire shares of common stock of TMC up to a maximum of 30 million shares and to a maximum aggregate purchase price of 200 billion yen, pursuant to the provisions of Article 156 of the Corporation Act of Japan during the one-year period from the day immediately following the close of this General Shareholders' Meeting.

#### **Proposed Resolution 5: Payment of the Final Retirement Bonus to Corporate Auditors Due to the Abolishment of the Retirement Bonus System for Corporate Auditors**

By the resolution of the Board of Directors' Meeting held on April 25, 2008, TMC decided to abolish its Retirement Bonus System and Executive Bonuses for Corporate Auditors, effective upon the conclusion of this General Shareholders' Meeting, in order to further strengthen the independence of Corporate Auditors from management.

We propose the payment of the final retirement bonus to the 7 Corporate Auditors currently in office within a range of appropriate amounts to be determined in accordance with standards adopted by TMC for their service through the conclusion of this General Shareholders' Meeting. The amounts and method of payment, etc. will be determined through consultation among Corporate Auditors. Payment will be made at the time of retirement of each Corporate Auditor.

The following is the brief career summary of each Corporate Auditor.

Name	Brief career summary	
Yoshikazu Amano	June 2007	Full-time Corporate Auditor of TMC
Chiaki Yamaguchi	June 2003	Full-time Corporate Auditor of TMC
Masaki Nakatsugawa	June 2006	Full-time Corporate Auditor of TMC
Yoichi Kaya	June 2003	Outside Corporate Auditor of TMC
Yoichi Morishita	June 2006	Outside Corporate Auditor of TMC
Akishige Okada	June 2006	Outside Corporate Auditor of TMC
Kunihiro Matsuo	June 2007	Outside Corporate Auditor of TMC

#### **Proposed Resolution 6: Revision to the Amount of Remuneration for Corporate Auditors**

Remuneration paid to Corporate Auditors was set at a maximum total amount of 13 million yen per month at the Extraordinary General Shareholders' Meeting held on May 13, 1982. However, in light of subsequent changes in economic developments, the abolishment of Retirement Bonus System and Executive Bonuses for Corporate Auditors, and other various circumstances, we propose to increase the maximum total amount of remuneration to be paid to Corporate Auditors to 30 million yen per month. There are currently seven Corporate Auditors.

#### **Proposed Resolution 7: Payment of Executive Bonuses**

Taking into consideration the business results for FY2008 and other factors, the 29 Directors in office as of the end of FY2008, and the 7 Corporate Auditors will be paid a total amount of 1,066,500,000 yen (1,002,000,000 yen for Directors and 64,500,000 yen for Corporate Auditors) as executive bonuses.