

To Our Shareholders

**Nichia Steel Works, Ltd.**  
19, Nakahama-cho, Amagasaki, Hyogo, Japan  
Jun Kunimine  
Representative Director & President

**Notice of Convocation  
of  
the 67<sup>th</sup> Ordinary General Meeting of Shareholders**

You are cordially invited by this notice of convocation to attend the 67<sup>th</sup> Ordinary General Meeting of Shareholders of Nichia Steel Works, Ltd. (hereinafter referred to as the “Company”) to be held as detailed below.

**If you are unable to attend the meeting on the date shown below, you may exercise your voting rights in writing by sending us the Voting Rights Form enclosed herewith, so that the form will reach us not later than Wednesday, June 26, 2019 at 5:30 p.m. (local time in Japan). In this case, you are requested to indicate your approval or disapproval on the form for each item on the agenda, after examining the Reference Documents for Ordinary General Meeting of Shareholders, shown below.**

1. **Date and Time:** Thursday, June 27, 2019, starting at 10:00 a.m. (local time in Japan)

2. **Place:** Grand Hall of the Head Office of Nichia Steel Works, Ltd.  
19, Nakahama-cho, Amagasaki, Hyogo, Japan  
(Please refer to the venue guide map in the postscript)

3. **Purposes:**

**Items to be reported:**

1. Reports on the contents of the Business Report and Consolidated Financial Statements for the 67<sup>th</sup> Business Term (from April 1, 2018 to March 31, 2019) and on the Results of the Audits of the Consolidated Financial Statements by the Accounting Auditors and the Board of Statutory Auditors.
2. Reports on the contents of the Financial Statements for the 67<sup>th</sup> Business Term (from April 1, 2018 to March 31, 2019).

**Items subject to resolutions:**

- Agenda Item 1:** Appropriation of Surplus  
**Agenda Item 2:** Election of Seven Board Members  
**Agenda Item 3:** Election of One Statutory Auditor  
**Agenda Item 4:** Election of One Reserve Statutory Auditor  
**Agenda Item 5:** Grant of Resignation Bonus to Resigning Board Member and Statutory Auditor

4. **Matters Determined for Convocation**

Any shareholder may attend and exercise his or her voting right via a proxy, provided that such a proxy shall be another shareholder of the Company holding a voting right. Please understand that a shareholder exercising his or her voting right by proxy, or such a proxy, shall submit to the Company a written certificate of authority to such a voting right.

Concluded

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- When attending the meeting on this date, you are requested to present the Voting Rights Form enclosed herewith to the receptionist at the meeting.
  - Any amendment to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements or the Financial Statements will be posted on our website on the internet (<http://www.nichiasteel.co.jp/>).

# Reference Documents for Ordinary General Meeting of Shareholders

## Items on Agenda and Reference Matters

### Agenda Item 1: Appropriation of Surplus

Matter relating to Term-End Dividends:

We consider the return of profits to our shareholders to be the vital duty of the management, and we make the continuation of stable payments of dividends our basic policy, while comprehensively taking into account the business results, the dividend payout ratio and the state of the equity capital of our shareholders, etc. during each business term.

Regarding the term-end dividends for the 67<sup>th</sup> business term, we would like to make the following payment as a result of comprehensively taking into account the above policies, recent dividend results and current operating performance.

(1) Type of Property for Dividends:

Cash

(2) Allocation of Property for Dividends to Shareholders and Total Amount Thereof:

3 yen per one common share of the Company:

Total Amount: 145,194,213 yen

(3) Effective Date of Dividends from Surplus:

June 28, 2019

### Agenda Item 2: Election of Seven Board Members

The term of office of all Board Members (eight) ends at the conclusion of this Ordinary General Meeting of Shareholders. Therefore, you are proposed to elect seven Board Members.

The particulars of the candidates for the Board Members are as follows:

Candidate No.	Name (Date of birth)	Brief Personal Record, Position, Responsibility and Status of Important Concurrent Posts	Number of Shares in the Company held by Candidate
1	Jun Kunimine (October 29, 1955)	<p>Apr. 1978: Joined Nippon Steel Corporation</p> <p>Jul. 2000: General Manager of General Affairs Dept. of Kamaishi Works of above Company</p> <p>Jul. 2003: Tohoku Branch Manager of above Company</p> <p>Apr. 2005: Manager of Planning Financial Dept. of Nippon Steel Metal Products Co., Ltd. (currently Nippon Steel Metal Products Co., Ltd.) (temporarily transferred)</p> <p>Jun. 2008: Director of above Company (appointed as Manager of Planning Financial Department)</p> <p>Dec. 2008: Resigned from Nippon Steel Corporation</p> <p>Jun. 2011: Executive Managing Director of Nippon Steel &amp; Sumitomo Metal Products Co., Ltd. (currently Nippon Steel Metal Products Co., Ltd.) (Planning Finance, in charge of affairs relating to business management, appointed as Leader of Taiwan project promotion team)</p> <p>Jun 2013: Executive Managing Director of above Company (appointed as Director of Construction Products Business Div., in charge of affairs relating to business management)</p> <p>Apr. 2014: Advisor to Company</p> <p>Jun 2014: Resigned from Executive Managing Director of Nippon Steel &amp; Sumitomo Metal Products Co., Ltd. (currently Nippon Steel Metal Products Co., Ltd.)</p> <p>Jun. 2014: Representative Director &amp; President of Company (current)</p>	40,330 shares

Candidate No.	Name (Date of birth)	Brief Personal Record, Position, Responsibility and Status of Important Concurrent Posts	Number of Shares in the Company held by Candidate
2	Akira Teramae (Jan. 29, 1957)	<p>Apr. 1981: Apr. 1997:</p> <p>Joined Nippon Steel Corporation Factory Manager of Hikari Works Stainless Lines Materials Factory of above Company</p> <p>Sep. 2003: Oct. 2003:</p> <p>Resigned from above Company Factory Manager of Straight Line Works of Nippon Steel &amp; Sumikin Stainless Steel Corporation</p> <p>Jun. 2006:</p> <p>Manager of Manufacturing Technology Div., Manufacturing Technology Headquarters of Suzuki Metal Industry Co. Ltd. (temporarily transferred)</p> <p>Jun. 2009:</p> <p>Executive Officer of above Company (temporarily transferred)</p> <p>Mar. 2010:</p> <p>Resigned from Nippon Steel &amp; Sumikin Stainless Steel Corporation</p> <p>Apr. 2010:</p> <p>Executive Officer of Suzuki Metal Industry Co. Ltd.</p> <p>Apr. 2010:</p> <p>Managing Executive Officer of Suzuki-Sumiden Stainless Steel Wire Co., Ltd. (temporarily transferred)</p> <p>Jun. 2013:</p> <p>Resigned from Suzuki Metal Industry Co. Ltd.</p> <p>Jun. 2013:</p> <p>Board Member and Director of Manufacturing Div. of Company</p> <p>Jul. 2013:</p> <p>Board Member, Director of Manufacturing Dept. and General Manager of Equipment Div. of Company</p> <p>Apr. 2015:</p> <p>Executive Managing Director of the Board Member, Director of Manufacturing Dept. and General Manager of Equipment Div. of Company</p> <p>Oct. 2016:</p> <p>Executive Managing Director of the Board Member, in charge of Manufacturing Dept. and Technology Dept., and Director of Manufacturing Dept. and Equipment Div. (current)</p>	21,686 shares
3	Naoki Terakawa (May 7, 1962)	<p>Apr. 1985: Sep. 1991: Oct. 1991:</p> <p>Joined Kobe Shinkin Bank Resigned from above Bank Joined Company</p> <p>Apr. 1998:</p> <p>Manager of Nagoya Sales Office of Company</p> <p>Jul. 2000:</p> <p>General Manager of Accounting Dept. of Company</p> <p>Dec. 2002:</p> <p>General Manager of Wire Products and Plates Sales of Company</p> <p>Jan. 2008:</p> <p>Director of Sales and Marketing Dept. of Company</p> <p>Jun. 2008:</p> <p>Board Member and Director of Sales and Marketing Dept. of Company</p> <p>Apr. 2012: May 2012:</p> <p>Board Member of Company (current) Board Member and Executive Director of TSN Wires Co., Ltd. (current)</p>	65,488 shares
4	Toshio Takama (Feb. 5, 1964)	<p>Apr. 1989: Apr. 2002:</p> <p>Joined Company General Manager of Research Development Dept. of Company</p> <p>Jul. 2005:</p> <p>General Manager of Accounting Dept. of Company</p> <p>Oct. 2006:</p> <p>General Manager of Technology Planning Dept. of Company</p> <p>Jun. 2009:</p> <p>Board Member, Director of Technology Dept., General Manager of Technology Planning Dept. and Quality Assurance Dept. of Company</p> <p>Nov. 2011:</p> <p>Board Member, Director of Technology Dept. and General Manager of Technology Planning Dept. of Company</p> <p>Oct. 2014:</p> <p>Board Member and Director of Technology Dept. of Company (current)</p>	53,194 shares

Candidate No.	Name (Date of birth)	Brief Personal Record, Position, Responsibility and Status of Important Concurrent Posts	Number of Shares in the Company held by Candidate
5	Takehiko Michimori (Aug. 16, 1958)	<p>Apr. 1977: Joined Company</p> <p>Oct. 1995: Manager of Hokuriku Sales Office of Company</p> <p>Dec. 1999: Manager of Nagoya Sales Office of Company</p> <p>Apr. 2012: Director of Sales and Marketing Dept. and General Manager of Special Wire Sales Dept. of Company</p> <p>Jun. 2012: Board Member, Director of Sales and Marketing Dept. and General Manager of Special Wire Sales Dept. of Company</p> <p>Oct. 2012: Board Member, Director of Sales and Marketing Dept. and General Manager of Special Wire Products Sales Dept. of Company</p> <p>Apr. 2017: Board Member and Director of Sales and Marketing Dept. of Company</p> <p>Dec. 2017: Board Member, Director of Sales and Marketing Dept. and Sales Administration Planning Dept. of Company</p> <p>Apr. 2019: Board Member and Director of Sales and Marketing Dept. of Company (current)</p>	48,587 shares
6	Yoshihiro Okigaki (Dec. 26, 1962)	<p>Apr. 1985: Joined Nippon Steel Corporation</p> <p>May 1992: Assistant Manager of General Affairs Office, General Affairs Dept. of Sakai Works of above Company</p> <p>Jun. 1994: Assistant Manager of Materials Sheets Office, Sheets Sales Dept. of above Company</p> <p>Jul. 1998: Group Leader of Labor Relations and Human Resources of Labor Dept., Nagoya Works of above Company</p> <p>Aug. 2006: Manager of Second Sheets Group, Sheets Sales Dept. of above Company</p> <p>Jul. 2008: Sheets Group Leader of Nagoya Branch of above Company</p> <p>Oct. 2012: Director of Sheets Office of Nagoya Branch of Nippon Steel &amp; Sumitomo Metal Corporation (currently Nippon Steel Corporation)</p> <p>Apr. 2014: Advisor of Company (temporarily transferred)</p> <p>Jun. 2014: Board Member and Director of Administrative Dept. of Company (temporarily transferred)</p> <p>Dec. 2017: Resigned from Nippon Steel &amp; Sumitomo Metal Corporation (currently Nippon Steel Corporation)</p> <p>Jan. 2018: Board Member and Director of Administrative Dept. of Company</p> <p>Jul. 2018: Board Member and Director of Administrative Dept., Overseas Business Dept., and General Manager of General Affairs Dept. of Company (current)</p>	19,550 shares
7	[External Officer] [Independent Officer] Hiroaki Nagaoka (Aug. 20, 1951)	<p>Apr. 1976: Joined The Sanwa Bank, Limited (currently MUFG Bank, Ltd.)</p> <p>Oct. 1994: Branch Manager of Nerimafujimidai Branch of above Bank</p> <p>Jun. 1997: Examiner of Examination Dept., Tokyo Operations Headquarters of above Bank</p> <p>Apr. 1998: Branch Manager of Kugayama Branch of above Bank</p> <p>Dec. 2000: Branch Manager of Akihabara Branch of above Bank</p> <p>Apr. 2002: Managing Board Member of UFJ Credit Guarantee Co., Ltd. (temporarily transferred)</p>	— shares

	Apr. 2005:	Resigned from UFJ Bank Limited (currently MUFG Bank, Ltd.)
	May 2005:	Executive Officer of UFJ Card Co., Ltd. (currently Mitsubishi UFJ NICOS Co., Ltd.)
	Apr. 2008:	Resigned from above Company
	May 2008:	Board Member of T&T Advertising Co., Ltd.
	Jun. 2013:	Resigned from Board Member of above Company
	Jun. 2013:	Statutory Auditor of Company
	Jun. 2015:	Board Member of Company (current)

Notes:

1. No candidate has any special interest in the Company, and vice-versa.
2. Mr. Hiroaki Nagaoka is a candidate for the position of External Board Member.
3. Mr. Hiroaki Nagaoka has served successively as an officer in various companies and has vast experience in company management, and as the Company's External Statutory Auditor, having thereby gained further understanding of the business content and financial situation, etc. of the Company, he has audited competently from a technical perspective with knowledge of the theory and practical business of internal audits. We consider that he has served properly as the check function for the appropriateness of the Company Board's decision-making as well as the supervisory function for the execution of operations of Board Members, and that he would further improve the Company's corporate governance. For that reason, you are invited this time to elect him as External Board Member. The duration of the current term of office of Mr. Nagaoka as our External Board Member will have been four years at the conclusion of this General Meeting of Shareholders.
4. We have made and entered into an agreement under the provision set forth in Article 427.1 of the Companies Act with Mr. Hiroaki Nagaoka for limiting the liability for damages set forth in Article 423.1 of the Act. When his election is approved, we plan to continue to make and enter into an agreement with him for limiting such liability. The maximum amount of the liability for compensation for damages under such agreement shall be the minimum amount of the liability provided for in laws and regulations.
5. We have registered Mr. Hiroaki Nagaoka at Tokyo Stock Exchange, Inc. as an independent officer. When his election is approved, we plan to continue his registration there as an independent officer.

**Agenda Item 3: Election of One Statutory Auditor**

Mr. Hiroaki Matsuoka will resign as Statutory Auditor at the conclusion of this General Meeting of Shareholders. Therefore, you are proposed to elect one Statutory Auditor.

Since Mr. Kazuhiro Koshikawa, candidate for Statutory Auditor, is to be elected to fill the vacancy caused by the resignation of Statutory Auditor Mr. Hiroaki Matsuoka, the term of office of Mr. Koshikawa ends at the time when the term of office of the resigning Statutory Auditor is due to end, in accordance with the provision set forth in the Articles of Association of the Company.

This item on the agenda has been approved by the Board of Statutory Auditors.

The particulars of the candidate for the positions of Statutory Auditors are as follows:

Name (Date of Birth)	Brief Personal Record, Position and Status of Important Concurrent Posts	Number of Shares in the Company held by Candidate
[Newly elected] [External Officer] Kazuhiro Koshikawa (Aug. 10, 1961)	Apr. 1986: Joined Nippon Steel Corporation Apr. 2004: Leader of Sheets Planning Group, Sheets Sales Dept., Sheets Office of above Company Apr. 2007: Leader of Second Sheets Group, Sheets Sales Dept., Sheets Office of above Company Apr. 2009: Director of Process Operation Office, Hirohata Works of above Company	— shares

	Apr. 2013: Director of Sheets Office, Magnetic Steel Sheet Sales Dept. of Nippon Steel & Sumitomo Metal Corporation (currently Nippon Steel Corporation) Apr. 2017: Advisor to the above Company (appointed as Nagoya Branch) Apr. 2018: Executive Officer of above Company (appointed as Nagoya Branch) Apr. 2019: Executive Officer of above Company (appointed as Straight Line Business Div.) (current)	
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Notes:

1. Mr. Kazuhiro Koshikawa has no special interest in the Company, and vice-versa.
2. Mr. Kazuhiro Koshikawa is a candidate for the position of newly elected External Statutory Auditor.
3. You are proposed to elect Mr. Kazuhiro Koshikawa as External Statutory Auditor so that he can give advice to us about the overall management of the Company by making use of his good discernment in company management.
4. When Mr. Kazuhiro Koshikawa is elected as Statutory Auditor, we plan to make and enter into an agreement under the provision set forth in Article 427.1 of the Companies Act with Mr. Kazuhiro Koshikawa for limiting the liability for damages set forth in Article 423.1 of the Act. The maximum amount of the liability for compensation for damages under such agreement shall be the minimum amount of the liability provided for in laws and regulations.

**Agenda Item 4: Election of One Reserve Statutory Auditor**

The effect of the election of Mr. Shoji Kitabatake, Reserve Statutory Auditor elected at the 66<sup>th</sup> Ordinary General Meeting of Shareholders held on June 28, 2018, ends at the time of opening of this General Meeting of Shareholders. Therefore, you are proposed to elect one Reserve Statutory Auditor to prevent the number of Auditors from falling below the statutory requirement.

This item on the agenda has been approved by the Board of Statutory Auditors.

The particulars of the candidate for the Reserve Statutory Auditor are as follows:

Name (Date of Birth)	Brief Personal Record, Position and Status of Important Concurrent Posts	Number of Shares in the Company held by Candidate
[Outside Officer] Shoji Kitabatake (Feb. 14, 1947)	Apr. 1969: Joined Osaka Regional Taxation Bureau Jul. 1995: National Tax Lawsuit Officer of First Taxation Dept. of Above Bureau Jul. 1999: Controlling National Tax Investigator of Second Investigation Dept. of Above Bureau Jul. 2002: Superintendent of Nagata Taxation Office Jul. 2003: Director of Investigation and Examination Section of First Investigation Dept. of Osaka Regional Taxation Bureau Jul. 2004: Superintendent of Akashi Taxation Office Jul. 2006: Retired from Osaka Regional Taxation Bureau Aug. 2006: Registered as Licensed Tax Accountant Aug. 2006: Became established as Kitabatake Licensed Tax Accountant Firm (current) Jul. 2007: Advisory Licensed Tax Accountant of Company (current)	— shares

Notes:

1. Mr. Shoji Kitabatake has no special interest in the Company, and vice-versa.
2. Mr. Shoji Kitabatake is a candidate for the position of External Reserve Statutory Auditor.
3. We have made and entered into an agreement on advisory licensed tax accountant with the Kitabatake Licensed Tax Accountant Firm represented by Mr. Shoji Kitabatake. The value of the transactions therewith during the current business term is about 0.02% of the consolidated sales expenses and general administrative expenses, which is unlikely to cause any conflict of interest with our shareholders. In addition, we have judged that such amount will not exert any influence on the independence of the External Statutory Auditor or the

governance system.

4. Mr. Shoji Kitabatake has no experience of participating in any corporate management. However, he held increasingly important posts in the Taxation Bureau for many years and has expertise and practical experience as a licensed tax accountant. We have judged that, after assuming the office of Statutory Auditor, he will make good use of his rich store of knowledge in the audit of the Company. Therefore, you are proposed to elect him as the External Reserve Statutory Auditor.
5. When Mr. Shoji Kitabatake assumes the office of External Statutory Auditor, we plan to make and enter into an agreement with him under the provision set forth in Article 427.1 of the Companies Act to limit the liability for compensation for damages set forth in Article 423.1 of the Act. The maximum amount of the liability for compensation for damages under such agreement shall be the minimum amount of the liability provided for in laws and regulations.

**Agenda Item 5: Grant of Resignation Bonus to Resigning Board Member and Statutory Auditor**

We would like to grant a resignation bonus to Mr. Takeshi Itagaki, who resigns as a Board Member and to Mr. Hiroaki Matsuoka, who resigns as Statutory Auditor at the conclusion of this General Meeting of Shareholders, to reward them for the distinguished services they have rendered during their term of office, such bonuses to be within equivalent extent in accordance with the standards of the Company.

You are proposed to entrust to resolution of the Board of Directors and discussion of the Statutory Auditors for the concrete details of the amount, time, method, etc. of the grant of such bonuses.

Brief personal records of resigning Board Member and Statutory Auditor are as follows:

Name	Brief Personal Record
Takeshi Itagaki	Jun. 2017: Board Member of Company (current)
Hiroaki Matsuoka	Jun. 2016: Statutory Auditor of Company (current)

Concluded