

To Our Shareholders

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

**Notice of Convocation
of
the 68th Ordinary General Meeting of Shareholders**

You are cordially informed of the details of the 68th Ordinary General Meeting of Shareholders of Nichia Steel Works, Ltd. (hereinafter referred to as the “Company”) to be held as detailed below.

To avoid the risk of Coronavirus (COVID-19) infections at the 68th Ordinary General Meeting of Shareholders, we strongly encourage our shareholders to refrain from attending the meeting in person, instead, we strongly recommend our shareholders to exercise your voting rights in writing. Please review the Reference Documents for the Ordinary General Meeting of Shareholders below and send us the completed Voting Rights Form to reach us no later than Thursday, June 25, 2020 at 5:30 p.m. (local Japanese time). Please indicate your approval or disapproval on the form for each item on the agenda.

In view of the spread of Coronavirus, we would like to ask those shareholders who plan to attend the Ordinary General Meeting of Shareholders in person to please refer to the updated information of the pandemic, and assess your own health prior to your attendance. If you decide to attend after that, we will appreciate your efforts to prevent the spread of infection such as wearing a mask at all times. Please use the hand sanitizer provided, which will be located at the entrance door to the meeting room. In addition, we have cancelled the customary distribution of souvenirs for this meeting. We very much appreciate your kind understanding.

1. **Date and Time:** Friday, June 26, 2020, starting at 10:00 a.m. (local Japanese time)

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 68th Business Term (from April 1, 2019 to March 31, 2020) 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 68th Business Term (from April 1, 2019 to March 31, 2020).

Items subject to resolutions:

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

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 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 68th 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: 145,193,088 yen

(3) Effective Date of Dividends from Surplus:

June 29, 2020

Agenda Item 2: Election of Three Board Members

Mr. Hiroaki Nagaoka will resign as Board Member at the time of the close of this General Meeting of Shareholders. Therefore, you are requested to elect one Board Member as a successor. We plan to increase two Board Members with the aims of improving and enhancing our management system. Therefore you will be requested to elect three Board Members in total.

The term of office of the Board Members elected at the 68th Ordinary General Meeting of Shareholders shall expire at the same time at which the term of office of Board Members who are currently in position is due to expire, in accordance with the provision set forth in the Articles of Association of the Company.

The particulars of the candidates for the positions of 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	[Newly elected] Toshinori Onishi (Feb. 25, 1963)	Apr. 1986:	Joined Nippon Steel Corporation	— shares
		Apr. 2011:	General Manager of Materials Sheets Dept. of above Company	
		Oct. 2012:	General Manager of Materials Sheets Planning Div., Materials Sheets Dept. of Nippon Steel & Sumitomo Metal Corporation (currently Nippon Steel Corporation)	
		Apr. 2015:	General Manager of Materials Sheets Sales Div., Material Sheets Dept. of above Company	
		Apr. 2017:	Advisor to above Company (in charge of Osaka Office Deputy Branch Manager)	
		Apr. 2018:	Executive Officer of above Company (in charge of Osaka Office Deputy Branch Manager)	
		Apr. 2019:	Executive Officer of Nippon Steel Corporation (in charge of General Manager of Titanium Div.)	
		Apr. 2020:	Executive Officer of above Company (Assistant to President) (current) (due to retire in Jun. 2020)	
		Apr. 2020:	Advisor to Company (current)	

2	[Newly elected] Hideaki Gotoda (Jul. 1, 1964)	Apr. 1989:	Joined Nippon Steel Corporation	– shares
		Nov. 2000:	Leader of Billet Management Group, Iron Manufacturing Dept. of Kimitsu Works of above Company	
		Oct. 2002:	Leader of Iron Manufacturing Technology Group and Billet Management Group, Iron Manufacturing Dept. of Kimitsu Works of above Company	
		Oct. 2003:	Plant Manager of Iron Manufacturing Factory No.1, Iron Manufacturing Dept. of Kimitsu Works of above Company	
		Feb. 2006:	Leader of Billet Management Group, Iron Manufacturing Dept. of Kimitsu Works of above Company	
		Apr. 2010:	Leader of Lines Materials Management Group, Lines Materials Factory of Kimitsu Works of above Company	
		Apr. 2016:	General Manager of Lines Materials Dept., Kimitsu Works of Nippon Steel & Sumitomo Metal Corporation (currently Nippon Steel Corporation)	
		Mar. 2020:	Resigned from Nippon Steel Corporation	
		Apr. 2020:	Advisor to Company (current)	
3	[Newly elected] [External Officer] [Independent Officer] Yoshiro Nakatani (Feb. 5, 1960)	Apr. 1983:	Joined The Sanwa Bank, Limited (currently MUFG Bank, Ltd.)	– shares
		Jan. 1999:	Assistant Branch Manager of Kyoto Branch of above Bank	
		May 2004:	General Manager of Corporate Sales Fourth Department, Osaka Branch Office of The UFJ Bank, Ltd. (currently MUFG Bank, Ltd.)	
		May 2006:	Branch Office Manager of Imazato Branch Office of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (currently MUFG Bank, Ltd.)	
		May 2008:	Branch Office Manager of Abenobashi Branch Office of above Bank	
		Mar. 2012:	Resigned from above Bank	
		Apr. 2012:	Administration General Manager of Asahi Woodtec Corporation	
		Jul. 2012:	Board Member and Administration General Manager of above Company	
		Jul. 2019:	Director of Internal Audit Office of above Company	
Mar. 2020:	Resigned from above Company (current)			

Notes:

1. No candidate has any special interest in the Company, and vice-versa.
2. Mr. Yoshiro Nakatani is a candidate for the position of External Board Member.
3. Mr. Yoshiro Nakatani has served successively as an officer in various companies and has vast experience in company management. 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.
4. When Mr. Yoshiro Nakatani is assigned as the office of Board Member, we make and enter into an agreement with him under the provision set forth in Article 427.1 of the Companies Act for limiting 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.
5. We have registered Mr. Yoshiro Nakatani at Tokyo Stock Exchange, Inc. as an independent

officer. When his election is approved, we plan his registration there as an independent officer.

Agenda Item 3: Election of Two Statutory Auditors

The term of office of Mr. Hiroyuki Shitatoku and Mr. Nobuhiko Ohnishi as Statutory Auditors shall expire at the time of the close of this General Meeting of Shareholders. Therefore, you are requested to elect two Statutory Auditors.

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:

Candidate No.	Name (Date of Birth)	Brief Personal Record, Position and Status of Important Concurrent Posts		Number of Shares in the Company held by Candidate
1	Hiroyuki Shitatoku (Dec. 18, 1951)	Mar. 1970:	Joined Company	47,000 shares
		Apr. 1996:	General Manager of Accounting Dept. and General Manager of Company Systems Dept.	
		Apr. 2004:	Deputy Director of Administrative Dept. and General Manager of Company Accounting Dept.	
		Mar. 2005:	Director of Company Administrative Dept.	
		Jun. 2005:	Board Member and Director of Company Administrative Dept.	
		Jun. 2014:	Statutory Auditor of Company (current)	
2	[External Officer] [Independent Officer] Nobuhiko Ohnishi (Jun. 27, 1958)	Sep. 1985:	Joined Seiwa Accounting Firm (currently Deloitte Touche Tohmatsu LLC)	- shares
		Mar. 1989:	Registered as certified public accountant (CPA)	
		Aug. 1989:	Registered as licensed tax accountant	
		Jun. 2002:	Resigned from Seiwa Accounting Firm (currently Deloitte Touche Tohmatsu LLC)	
		Jul. 2002:	Became established as Certified Public Accountant, Ohnishi Firm (current)	
		Jun. 2017:	Statutory Auditor of Company (current)	

Notes:

- No candidate has any special interest in the Company, and vice-versa.
- Mr. Nobuhiko Ohnishi is a candidate for the position of newly elected External Statutory Auditor.
- Mr. Nobuhiko Ohnishi has qualified as a licensed tax accountant and a certified public accountant, and we consider that he is a suitable to give advice to us about the correct way to settle accounts, and the appropriateness of the financial report from a professional viewpoint on taxation and accounting affairs. Therefore, you are requested to elect him as External Statutory Auditor.
- We have made and entered into an agreement under the provision set forth in Article 427.1 of the Companies Act with Mr. Nobuhiko Ohnishi for limiting the liability for damages set forth in Article 423.1 of the Act. When his election is approved, we plan again 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.
- We have registered Mr. Nobuhiko Ohnishi at Tokyo Stock Exchange, Inc. as an independent officer. When his election is approved, we plan to register him as an independent officer.

Agenda Item 4: Election of One Reserve Statutory Auditor

The effect of the election of Mr. Shoji Kitabatake, Reserve Statutory Auditor elected at the 67th Ordinary General Meeting of Shareholders held on June 27, 2019, will expire at the time

of opening of this General Meeting of Shareholders. Therefore, you are requested 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	— shares
	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 Accountancy Firm (current)	
	Jul. 2007:	Advisory Licensed Tax Accountant of Company (current)	

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 accountancy with the Kitabatake Licensed Tax Accountancy 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 invited 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 Members

We would like to grant a resignation bonus to Mr. Hiroaki Nagaoka, who resigns as a Board Member at the time of the close of this General Meeting of Shareholders, to reward him for the distinguished services he has rendered during his terms of office, such bonuses to be within reasonable extent in accordance with the standards of the Company.

You are requested to entrust to the resolution of the Board of Directors for the concrete details of the amount, time, method, etc. of the grant of such bonuses.

Brief personal record of resigning Board Member is as follows:

Name	Brief Personal Record
Hiroaki Nagaoka	Jun. 2015: Board Member of Company (current)

Concluded