

To Our Shareholders

Nichia Steel Works, Ltd.

19, Nakahama-cho, Amagasaki, Hyogo, Japan

Jun Kunimine

Representative Director & President

**Notice of Convocation
of
the 65th Ordinary General Meeting of Shareholders**

You are cordially invited by this notice of convocation to attend the 65th 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 28, 2017 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 29, 2017, 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

3. Purposes:

Items to be reported:

1. Reports on the contents of the Business Report and Consolidated Financial Statements for the 65th Business Term (from April 1, 2016 to March 31, 2017) 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 65th Business Term (from April 1, 2016 to March 31, 2017).

Items subject to resolutions:

- Agenda Item 1:** Appropriation of Surplus
Agenda Item 2: Election of Eight 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 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 the shareholder exercising his or her voting right by a 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 taking comprehensively into account the business results and the state of the equity capital of our shareholders, etc. during each business term.

Regarding the term-end dividends for the 65th business term, we would like to make the following payment as a result of taking comprehensively into account this policy, the actual payments of dividends during these years, and the business results during the current business term, etc.

- (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: 145,199,755 yen
- (3) Effective Date of Dividends from Surplus:
June 30, 2017

Agenda Item 2: Election of Eight Board Members

The term of all of the Board Members (seven members) will expire at the time of the close of this General Meeting of Shareholders. We are going to increase one Board Member, and you are therefore invited to elect eight Board Members including one External Board Member.

The particulars of the candidates for the positions of Board Members 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	Jun Kunimine (Oct. 29, 1955)	<p>Apr. 1978: Joined Nippon Steel Corporation (currently Nippon Steel & Sumitomo Metal 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 & Sumitomo Metal Products Co., Ltd.) (temporarily transferred)</p> <p>Jun. 2008: Director of above Company (appointed to Manager of Planning Financial Department)</p> <p>Dec. 2008: Resigned from Nippon Steel Corporation (currently Nippon Steel & Sumitomo Metal Corporation)</p> <p>Jun. 2011: Executive Managing Director of Nippon Steel & Sumitomo Metal Products Co., Ltd. (Planning Finance, in charge of affairs relating to business management, appointed to Leader of Taiwan project promotion team)</p>	28,548 shares

		<p>Jun. 2013 Executive Managing Director of above Company (appointed to 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 & Sumitomo Metal Products Co., Ltd.</p> <p>Jun. 2014 Representative Director & President of Company (current)</p>	
2	Akira Teramae (Jan. 29, 1957)	<p>Apr. 1981: Joined Nippon Steel Corporation (currently Nippon Steel & Sumitomo Metal Corporation)</p> <p>Apr. 1997: Factory Manager of Hikari Works Stainless Lines Materials Factory of above Company</p> <p>Sep. 2003: Resigned from above Company</p> <p>Oct. 2003: Factory Manager of Straight Line Works of Nippon Steel & Sumikin Stainless Steel Corporation</p> <p>Jun. 2006: Manager of Manufacturing Technology Div., Manufacturing Technology Headquarters of Suzuki Metal Industry Co. Ltd. (temporarily transferred)</p> <p>Jun. 2009: Executive Officer of above Company (temporarily transferred)</p> <p>Mar. 2010: Resigned from Nippon Steel & Sumikin Stainless Steel Corporation</p> <p>Apr. 2010: Executive Officer of Suzuki Metal Industry Co. Ltd.</p> <p>Apr. 2010: Managing Executive Officer of Suzuki-Sumiden Stainless Steel Wire Co., Ltd. (temporarily transferred)</p> <p>Jun. 2013: Resigned from Suzuki Metal Industry Co. Ltd.</p> <p>Jun. 2013: Board Member and Director of Manufacturing Dept. of Company</p> <p>Jul. 2013: Board Member, Director of Manufacturing Dept. and General Manager of Equipment Div. of Company</p> <p>Apr. 2015: Executive Managing Director of the Board Member, Director of Manufacturing Dept. and General Manager of Equipment Div. of Company</p> <p>Oct. 2016: 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>	14,258 shares
3	Naoki Terakawa (May 7, 1962)	<p>Apr. 1985: Joined Kobe Shinkin Bank</p> <p>Sep. 1991: Resigned from above Bank</p> <p>Oct. 1991: Joined Company</p> <p>Apr. 1998: Manager of Nagoya Sales Office of Company</p> <p>Jul. 2000: General Manager of Accounting Div. of Company</p> <p>Dec. 2002: General Manager of Wire Products and Plates Sales of Company</p> <p>Jan. 2008: Director of Sales and Marketing Dept. of Company</p> <p>Jun. 2008: Board Member and Director of Sales and Marketing Dept. of Company</p> <p>Apr. 2012: Board Member of Company (current)</p> <p>May 2012: Board Member and Vice President of TSN Wires Co., Ltd. (current)</p>	57,262 shares
4	Toshio Takama (Feb. 5, 1964)	<p>Apr. 1989: Joined Company</p> <p>Apr. 2002: General Manager of Research Development Div. of Company</p> <p>Jul. 2005: General Manager of Accounting Div. of Company</p> <p>Oct. 2006: General Manager of Technology Planning Div. of Company</p> <p>Jun. 2009: Board Member, Director of Technology Dept., General Manager of Technology Planning Div. and Quality Assurance Div. of Company</p> <p>Nov. 2011: Board Member, Director of Technology</p>	45,765 shares

		Oct. 2014:	Dept. and General Manager of Technology Planning Div. of Company Board Member and Director of Technology Dept. of Company (current)	
5	Takehiko Michimori (Aug. 16, 1958)	Apr. 1977: Oct. 1995: Dec. 1999: Apr. 2012: Jun. 2012: Oct. 2012: Apr. 2017:	Joined Company Manager of Hokuriku Sales Office of Company Manager of Nagoya Sales Office of Company Director of Sales and Marketing Dept. and General Manager of Special Wire Sales Div. of Company Board Member, Director of Sales and Marketing Dept. and General Manager of Special Wire Sales Div. of Company Board Member, Director of Sales and Marketing Dept. and General Manager of Special Wire Products Sales Div. of Company Board Member and Director of Sales and Marketing Dept. of Company (current)	41,158 shares
6	Yoshihiro Okigaki (Dec. 26, 1962)	Apr. 1985: May 1992: Jun. 1994: Jul. 1998: Aug. 2006: Jul. 2008: Oct. 2012: Apr. 2014: Jun. 2014:	Joined Nippon Steel Corporation (currently Nippon Steel & Sumitomo Metal Corporation) Assistant Manager of General Affairs Office, General Affairs Dept. of Sakai Works of above Company Assistant Manager of Materials Sheets Office, Sheets Sales Dept. of above Company Group Leader of Labor Relations and Human Resources of Labor Dept., Nagoya Works of above Company Manager of Second Sheets Group, Sheets Sales Dept. of above Company Sheets Group Leader of Nagoya Branch of above Company Director of Sheets Office of Nagoya Branch of above Company Advisor to Company (temporarily transferred) Board Member and Director of Administrative Dept. of Company (temporarily transferred) (current)	11,697 shares
7	[Newly elected] Takeshi Itagaki (Jul. 31, 1957)	Apr. 1980: Sep. 1993: Sep. 1997: Apr. 2003: Apr. 2010: Aug. 2011: Feb. 2014: Jan. 2017: Mar. 2017 Apr. 2017:	Joined Nippon Steel Corporation (currently Nippon Steel & Sumitomo Metal Corporation) Deputy General Manager of Beijing Office of above Company International Sales Group Manager of Tinplate Sales Dept., Sheets Sales Div. of above Company Chief Executive Officer of Guangzhou Pacific Tinplate Co., Ltd. (temporarily transferred) Director of Global Business Planning Dept. of Nippon Steel Corporation (currently Nippon Steel & Sumitomo Metal Corporation) General Manager of Wuhan Tinplate Project Team of above Company Chief Executive Officer of WISCO-NIPPON STEEL Tinplate Co., Ltd. (temporarily transferred) Senior Chief Manager of Global Business Support Center, Global Business Development Sector of Nippon Steel & Sumitomo Metal Corporation Resigned from above company Advisor to Company (current)	- shares
8	[External Officer] [Independent Officer] Hiroaki Nagaoka	Apr. 1976: Oct. 1994: Jun. 1997: Apr. 1998:	Joined The Sanwa Bank, Limited (currently The Bank of Tokyo-Mitsubishi UFJ, Ltd.) Branch Manager of Nerimafujimidai Branch of above Bank Examiner of Examination Dept., Tokyo Operations Headquarters of above Bank Branch Manager of Kugayama Branch of	- shares

	(Aug. 20, 1951)	Dec. 2000:	above Bank Branch Manager of Akihabara Branch of above Bank	
		Apr. 2002:	Managing Board Member of UFJ Credit Guarantee Co., Ltd. (temporarily transferred)	
		Apr. 2005:	Resigned from UFJ Bank Limited (currently The Bank of Tokyo-Mitsubishi UFJ, 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 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, 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 two years at the time of the close 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 reelection 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.
5. We have registered Mr. Hiroaki Nagaoka at Tokyo Stock Exchange, Inc. as an independent officer. When his reelection is approved, we plan to register him there again as an independent officer.

Agenda Item 3: Election of Two Statutory Auditors

Mr. Noriyuki Nakatani will resign as Statutory Auditor at the time of the close of this General Meeting of Shareholders, and the term of office of Mr. Hiroaki Matsuoka as Statutory Auditor will expire at the time of the close of this General Meeting of Shareholders. Therefore, you are invited to elect two Statutory Auditors.

Since Mr. Nobuhiko Ohnishi, candidate for Statutory Auditor, is to be elected to fill the vacancy caused by the resignation of Statutory Auditor Mr. Noriyuki Nakatani, the term of office of Mr. Ohnishi shall expire at the time when the term of office of the resigning Statutory Auditor is due to expire, 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 candidates 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	[External Officer] Hiroaki Matsuoka (Aug. 31, 1960)	Apr. 1985: Joined Nippon Steel Corporation (currently Nippon Steel & Sumitomo Metal Corporation) Nov. 2010: Leader of Personnel Group of Personnel and Labor Affairs Dept. of above Company Apr. 2011: General Manager of General Affairs Dept. of Muroran Works of Straight Line Div. of above Company Apr. 2014: General Manager of Straight Line Sales Dept. of Straight Line Div. of above Company Apr. 2016: Executive Officer of above Company (in charge of Director of Straight Line Div.) (current) Jun. 2016: Statutory Auditor of Company (current)	- shares
2	[Newly elected] [External Officer] [Independent Officer] Nobuhiko Ohnishi (Jun. 27, 1958)	Sep. 1985: Joined Seiwa Accounting Firm (currently Deloitte Touche Tohmatsu LLC) 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)	- shares

Notes:

- No candidate has any special interest in the Company, and vice-versa.
- Mr. Hiroaki Matsuoka is a candidate for the position of External Statutory Auditor.
- Mr. Nobuhiko Ohnishi is a candidate for the position of newly elected External Statutory Auditor.
- You are invited to elect Mr. Hiroaki Matsuoka 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. The duration of the current term of office of Mr. Matsuoka as our External Statutory Auditor will have been a year at the time of the close of this General Meeting of Shareholders.
- Mr. Nobuhiko Ohnishi has qualified as a licensed tax accountant and a certified public accountant, and is judged by us to be 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 invited to elect him as External Statutory Auditor.

6. We have made and entered into an agreement under the provision set forth in Article 427.1 of the Companies Act with Mr. Hiroaki Matsuoka for limiting the liability for damages set forth in Article 423.1 of the Act. When his reelection 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. When the election of Mr. Nobuhiko Ohnishi is approved, we plan to make and enter into a similar agreement with him for limiting such liability.
7. 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 64th Ordinary General Meeting of Shareholders held on June 29, 2016, will expire at the time of the opening of this General Meeting of Shareholders. Therefore, you are requested to elect one more Reserve Statutory Auditor to prevent the Auditors' number 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
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 Accountancy 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 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 impact on the independence of the External Statutory Auditor or the

governance system.

4. Mr. Shoji Kitabatake has no experience in 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 the 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 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.

Agenda Item 5: Grant of Resignation Bonus to Resigning Statutory Auditor

We would like to grant a resignation bonus to Mr. Noriyuki Nakatani, who resigns as Statutory Auditor at the time of the close of this General Meeting of Shareholders, to reward him for the distinguished services he has rendered during his term of office, such bonus to be within equivalent extent in accordance with the standards of the Company.

You are requested to entrust the Statutory Auditors with the discussion and decision upon the concrete details of the amount, time, method, etc. of the grant of such bonus.

The personal record of the resigning Statutory Auditor is as shown in brief below:

Name	Brief Personal Record
Noriyuki Nakatani	Jun. 2012: Statutory Auditor of Company (current)

Concluded