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(Securities Code: 5632)

May 29, 2015

To Our Shareholders

Nobumichi Ono, President
Mitsubishi Steel Mfg. Co., Ltd.
2-22, Harumi 3-chome,
Chuo-ku, Tokyo

Notice of Convocation of the 91st Ordinary General Meeting of Shareholders

You are cordially invited to attend the 91st Ordinary General Meeting of Shareholders of the Company. The meeting will be held as described below.

If you are unable to attend the meeting in person, you may exercise your voting rights in writing. Please review the attached Reference Documents for the General Meeting of Shareholders and indicate your vote for or against the proposals in the enclosed Voting Form and send it back to us, making sure that it arrives by June 18, 2015 (Japan time).

1. Date and Time: Friday, June 19, 2015 at 10:00 a.m.

2. Venue: 2F (Heian), Hotel Mariners' Court Tokyo
4-7-28 Harumi, Chuo-ku, Tokyo
(Please see Venue Map at the end of this document.)

3. Agenda of the Meeting:

Matters to be reported: Business Report and Consolidated Financial Statements for the 91st Fiscal Year (from April 1, 2014 to March 31, 2015), results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Board of Corporate Auditors, and Non-consolidated Financial Statements

Proposals to be resolved:

Proposal No. 1: Appropriation of Surplus

Proposal No. 2: Partial Amendment to the Articles of Incorporation

Proposal No. 3: Election of Eight Directors

Proposal No. 4: Election of Three Corporate Auditors

- If you are attending the Meeting in person, please submit the enclosed Voting Form to the receptionist at the venue.
- The following matters are posted on the Company's website pursuant to the provisions of laws, regulations and Article 14 of the Company's Articles of Incorporation.
  (i) Notes to the Consolidated Financial Statements
  (ii) Notes to the Non-consolidated Financial Statements

Of note, the Consolidated Financial Statements and the Non-consolidated Financial Statements audited by the Accounting Auditor and Corporate Auditors consist of the documents included in the Appendix to this Notice of Convocation of the General Meeting of Shareholders, as well as the Notes to the Consolidated Financial Statements and the Notes to the Non-consolidated Financial Statements posted on the Company's website.

- If any amendments are made to the Business Report, Non-consolidated Financial Statements, Consolidated Financial Statements and/or Reference Documents for the General Meeting of Shareholders, such amendments will be posted on the Company's website.
- After the close of the General Meeting of Shareholders, we plan to hold a gathering in a separate room to give a presentation on the businesses and products of the Company to our shareholders.

[Company's website] http://www.mitsubishisteel.co.jp/

(Appendix)

Business Report

(from April 1, 2014 to March 31, 2015)

1. Matters concerning Current State of the Group

(1) Business Progress and Results of the Group

In terms of the Group's operating environment in the fiscal year under review (From April 2014 to March 2015), the automobile industry, despite being impacted by the backlash to the last-minute demand ahead of the consumption tax hike in Japan, remained strong overseas mainly in North America. Meanwhile the construction machinery, industrial machinery and machine tools industries witnessed an overall recovery in demand.

Under such circumstances, the Group posted consolidated net sales of ¥ 118,739 million, an increase of ¥7,164 million (6.4% year-on-year); consolidated operating income of ¥4,933 million, an increase of ¥184 million (3.9% year-on-year); and consolidated net income of ¥3,545 million.

The Company proposes a year-end dividend of 3.5 yen per share, bringing the annual dividend to 6 yen per share including the interim dividend of 2.5 yen per share.

Segment results Millions of yen

	Fiscal year ended March 31, 2015		Fiscal year ended March 31, 2014		Year-on-year change	
	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Special Steel Bars Business	50,503	2,586	47,425	1,767	3,077 (up 6.5%)	819 (up 46.4%)
Springs Business	50,104	1,041	47,283	1,871	2,821 (up 6.0%)	(830) (down 44.4%)
Formed& Fabricated Products Business	10,386	541	9,695	368	690 (up 7.1%)	172 (up 46.9%)
Machinery Business	9,346	554	8,685	681	661 (up 7.6%)	(126) (down 18.6%)
Other Businesses	3,741	185	3,403	178	337 (up 9.9%)	7 (up 4.4%)
Subtotal	124,082	4,909	116,494	4,866		
Adjustments	(5,343)	23	(4,919)	(117)		
Total	118,739	4,933	111,575	4,748	7,164 (up 6.4%)	184 (up 3.9%)

(Note) Previously, segment income figures were presented on an ordinary income basis. However, starting from the consolidated fiscal year under review, the Company has changed the basis of presentation from ordinary income to operating income in order to present its business performance based on operating activities more appropriately.

a. Special Steel Bars Business

The Special Steel Bars Business posted net sales of ¥50,503 million, an increase of ¥3,077 million (6.5% year-on-year), thanks to the overall recovery in demand led by the construction machinery, industrial machinery and machine tools industries; and operating income of ¥2,586 million, an increase of ¥819 million (46.4% year-on-year), due to increased sales and stepped-up efforts to cut back costs.

b. Springs Business

The Springs Business, despite being impacted by the backlash to the last-minute demand ahead of the consumption tax hike in Japan, managed to post net sales of ¥50,104 million, an increase of ¥2,821 million (6.0% year-on-year), thanks to robust overseas demand and the effects of the exchange rates. Operating income decreased by ¥830 million (44.4% year-on-year) to ¥1,041 million, due to sluggish sales in Japan and the effects of production trouble on the part of a local material manufacturer in the procurement of materials in North America.

c. Formed＆Fabricated Products Business

The Formed＆Fabricated Products Business posted net sales of ¥10,386 million, an increase of ¥690 million (7.1% year-on-year), due to sales of special steels and increased sales of precision castings and special alloy powders; and operating income of ¥541 million, an increase of ¥172 million (46.9% year-on-year), due to increased sales and stepped-up efforts to cut back costs.

d. Machinery Business

Even with the ongoing tough times for the forging machine industry, the main pillar of the machinery business, thanks to the recovery of the orders for steel fabrication, in particular the power generation related products, managed to post net sales of ¥9,346 million. This is an increase of ¥661 million compared to the last fiscal year (7.6% year-on-year). Despite the increase in sales, the operating income decreased by ¥126 million (18.6% year-on-year) to ¥554 million, because of the reduced profit due to lower selling prices.

e. Other Businesses

Other Businesses, including distribution and service businesses, posted net sales of ¥3,741 million, an increase of ¥337 million (9.9% year-on-year), and operating income of ¥185 million, an increase of ¥7 million (4.4% year-on-year).

(2) Issues to be Addressed by the Group

As the Group's business environment is such that it can no longer hope for growth in domestic demand, more and more of the Group's customers are expected to expand overseas and competition is expected to intensify amid this globalization. In order to respond to these changes in the business environment, the Group will focus on the following:

1. Reinforcing its domestic operating base;
   The Group will solidify its base as the mother plant, and enhance its domestic cost competitiveness, new product development and technological capabilities based on the collaborative efforts of the marketing, manufacturing and technology divisions.
2. Accelerating its overseas development;
   The Group will reinforce its overseas base, make efforts to strengthen its supply capabilities in the emerging markets and expand its sales area, and capitalize on growing demand.
3. Pursuing synergy of its four businesses
   The Group will pursue synergy of its four businesses by leveraging its integrated production capabilities that covers every step from materials to finished products.
4. Nurturing and utilizing human resources,

By doing so, the Group will aim to enhance its corporate value as a "Company that manufactures and processes special steel."

The priority initiatives of each business are as follows:

[Special Steel Bars Business]

Mitsubishi Steel Muroran Inc. will proactively engage in the renewal of its facilities as part of efforts to reduce costs, while focusing on cultivating new customers both in Japan and overseas in order to ensure healthy sales volume. In addition, the Group will step up its current efforts to establish production and sales structures for spring steel in Indonesia, while aiming for early establishment of such structures for special steel bars as well.

[Springs Business]

In Japan, the Group will strengthen the development system of Chiba Works in an effort to develop new technology and pursue cost competitiveness. Overseas, the Group will continue making improvements to cost in its businesses in North America and China, and focus on expanding order intake. Furthermore, it will make efforts to strengthen its supply capabilities and expand its sales areas in the emerging markets by setting its newly-established, Indian joint venture on track.

[Formed＆Fabricated Products Business]

The Group will focus on the improvement and development of production technology and expand sales to new products and segments. In addition, it will make efforts to promptly set MSM (THAILAND) CO., LTD.'s newly-established turbine wheel plant on track and expand order intake.

[Machinery Business]

At Mitsubishi Nagasaki Machinery Mfg. Co., Ltd. our goals are globalization and the development of new technology, while expanding our business size and increasing our cost competitiveness. To achieve this we will proactively pursue development and capital investment to achieve sustainable growth as an integrated engineering company.

The Group will work on the aforementioned priority initiatives and expedite globalization. The Group will also continue to vigorously enhance its business foundations into the future, while acknowledging that compliance and corporate social responsibility are critical issues.

We look forward to your continued guidance and support as our shareholder.

(3) Trends in Assets and Income Status of the Group and the Company

[The Group]

Classification	88th Fiscal Year (Apr. 1, 2011 – Mar. 31, 2012)	89th Fiscal Year (Apr. 1, 2012 – Mar. 31, 2013)	90th Fiscal Year (Apr. 1, 2013 – Mar. 31, 2014)	91st Fiscal Year (under review) (Apr. 1, 2014 – Mar. 31, 2015)
Consolidated net sales (millions of yen)	132,862	106,155	111,575	118,739
Consolidated operating income (millions of yen)	11,096	2,872	4,748	4,933
Consolidated ordinary income (millions of yen)	10,781	3,721	5,915	5,824
Consolidated net income (millions of yen)	3,171	1,072	3,373	3,545
Consolidated net income per share (yen)	20.59	6.97	21.90	23.03
Total assets (millions of yen)	119,911	112,591	115,120	123,453

[The Company]

Classification	88th Fiscal Year (Apr. 1, 2011 – Mar. 31, 2012)	89th Fiscal Year (Apr. 1, 2012 – Mar. 31, 2013)	90th Fiscal Year (Apr. 1, 2013 – Mar. 31, 2014)	91st Fiscal Year (under review) (Apr. 1, 2014 – Mar. 31, 2015)
Net sales (millions of yen)	83,897	61,267	65,535	69,540
Operating income (millions of yen)	5,346	3,144	3,068	3,411
Ordinary income (millions of yen)	5,087	2,829	3,237	3,345
Net income (millions of yen)	53	1,167	1,545	1,700
Net income per share (yen)	0.34	7.58	10.03	11.05
Total assets (millions of yen)	84,093	74,674	76,793	80,436

(4) The Group's Financing Status

Equipment funds and operating funds during the period under review were sourced from the Group's own funds and borrowings.

(5) Major Lenders to the Group (as of March 31, 2015)

Lender	Amount of borrowings (outstanding balance)
	millions of yen
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	5,888
Mitsubishi UFJ Trust and Banking Corporation	3,568
Development Bank of Japan Inc.	3,056

(6) Capital Investment Status of the Group

Capital investments made during the period under review totaled 2,276 million yen.

Main capital investments

Segment	Location	Item
Special Steel Bars Business	Mitsubishi Steel Muroran Inc.	System renewal
		Renewal of manufacturing facilities
Springs Business	Chiba Works	Introduced manufacturing facilities
Formed & Fabricated Products Business	MSM (THAILAND) CO., LTD.	Introduced manufacturing facilities

(7) Status of Significant Subsidiaries and Business Combinations

a. Status of significant subsidiaries

Company name	Capital	Investment ratio	Description of main business
MSSC CANADA INC.	CAD5,000,000	% 87.1	Manufacturing and sale of springs for automobiles
MSSC US INC.	USD2,000	89.3	Manufacturing and sale of springs for automobiles
MSM NINGBO SPRING CO., LTD.	USD24,200,000	100.0	Manufacturing and sale of springs for automobiles and construction machinery
MSM CEBU, INC.	PHP24,000,000	100.0	Manufacturing and sale of precision springs and module products
MSM (THAILAND) CO., LTD.	THB154,200,000	100.0	Manufacturing and sale of precision castings, cast magnets, precision forgings
Mitsubishi Steel Muroran Inc.	JPY3,000 million	70.0	Manufacturing and sale of special steel bars and steel ingot
Mitsubishi Nagasaki Machinery Mfg. Co., Ltd.	JPY900 million	60.8	Manufacturing and sale of steel fabrication, industrial machinery and application equipment
Ryokoh Express Co., Ltd.	JPY99 million	78.2	Maritime transport, cargo transportation by trucks and warehouses

(Note) As at the end of the period under review, the Company's consolidated subsidiaries and affiliates accounted for under the equity method totaled 14 and 4, respectively.

b. Status of significant business combinations, etc.

(a) Effective April 5, 2014, the Company and Stumpp Schuele & Somappa Springs Pvt. Ltd. in India (hereinafter referred to as "SSSS") established MSM Spring India Pvt. Ltd., a joint venture manufacturer-distributor of recoil springs for construction machinery and train cars capitalized at INR50,000,000, of which the Company and SSSS contributed 90% and 10%, respectively. On the same date, the Company and SSSS also established Stumpp Schuele & Somappa Auto Suspension Systems Pvt. Ltd., a joint venture manufacturer-distributor of automotive coil springs and stabilizer bars capitalized at INR10,000,000, of which the Company and SSSS contributed 26% and 74%, respectively.

(b) Effective March 31, 2015, MSM Spring India Pvt. Ltd. was recapitalized from INR50,000,000 to INR200,000,000 by capital enhancement. The Company's ratio of investment in MSM Spring India Pvt. Ltd. after the capital enhancement remains unchanged.

(c) Effective August 25, 2014, the Company made an investment in PT. JATIM TAMAN STEEL MFG. in Indonesia, with which it had concluded a technical assistance agreement on special steel manufacturing technology, bringing its investment ratio to 34%. By enhancing its partnership through equity participation, the Company will adapt to the local procurement of materials, etc. in conjunction with the

increase in demand in the ASEAN region including Indonesia where market growth is expected, as well as the expansion of overseas production by its major clients, namely, automakers and construction machinery manufacturers.

(8) Description of the Group's Main Businesses

Segment	Major products
Special Steel Bars Business	Steel bars (Alloy steels for machinery structure, carbon steels for machinery structure, spring steels, tool steels, non-heated steels, free-cutting steels, bearing steels, etc.)
Springs Business	Coil springs, stabilizer bars, leaf springs, torsion bars, coiled wave springs, precision springs, various hinges, precision press products, plastic molded products, press assemblies, built-in antennas, rubber track pads for shoe plates, tire protectors, tire chains and other various repair parts and products for automobiles and construction machinery
Formed&Fabricated Products Business	Castings, precision castings, precision forgings, general forgings, special alloy materials, special alloy machinery products, permanent magnets, parts using permanent magnets, special alloy powder and fine special alloy powder
Machinery Business	Forging machinery, general industrial machinery, steel fabrication, environmental equipment, magnetic separators, conveying equipment, weighing instruments and anti-vibration equipment
Other Business	Maritime transport, cargo transportation by trucks, warehouses

(9) The Group's Principal Places of Business

a. The Company

Name	Location	Name	Location
Head/sales offices		Manufacturing sites	
Head Office	Chuo-ku, Tokyo	Chiba Works	Ichihara City, Chiba Prefecture
Chubu Office	Nagoya City, Aichi Prefecture	Hirota Works	Aizuwakamatsu City, Fukushima Prefecture
Osaka Office	Osaka City, Osaka Prefecture		
Fukuoka Office	Fukuoka City, Fukuoka Prefecture		
Hiroshima Office	Hiroshima City, Hiroshima Prefecture		

b. Name of subsidiaries

Name	Location
Special Steel Bars Business	
Mitsubishi Steel Muroran Inc.	Muroran City, Hokkaido Prefecture
Springs Business	
MSSC CANADA INC.	Chatham, Ontario, Canada
MSSC US INC.	Hopkinsville, Kentucky, U.S.A.
MSM NINGBO SPRING CO., LTD.	Ningbo, Zhejiang, China
MSM CEBU, INC.	Lapu-Lapu City, Cebu, Philippines
Formed&Fabricated Products Business	
MSM (THAILAND) CO., LTD.	Amphur Sriracha, Chonburi, Thailand
Machinery Business	
Mitsubishi Nagasaki Machinery Mfg. Co., Ltd.	Nagasaki City, Nagasaki Prefecture
Other Businesses	
Ryokoh Express Co., Ltd.	Ichikawa City, Chiba Prefecture

(10) Status of Employees of the Group and the Company (as of March 31, 2015)

a. Status of the Group's Employees

Segment	Number of employees
Special Steel Bars Business	269 persons
Springs Business	1,651
Formed & Fabricated Products Business	1,137
Machinery Business	324
Other Businesses	104
Group-wide (common)	121
Total	3,606

(Notes) 1. The number of employees of the Group increased by 202 persons from the end of the previous period.

2. The number of employees shown in "Group-wide (common)" refers to employees who cannot be categorized into any specific segment.

b. Status of the Company's Employees

Number of employees	Increase (decrease) from end of previous period	Average age	Average number of years of service
762 persons	(23) persons	43.5 years old	21.3 years

2. Matters concerning the Company's Shares (as of March 31, 2015)

(1) Total number of shares authorized to be issued: 360,000,000 shares

(2) Total number of shares outstanding 156,556,683 shares

(3) Number of shareholders: 12,433 persons

(4) Major shareholders:

Name of shareholder	Number of shares held(Thousands)	Shareholding ratio
Mitsubishi Heavy Industries, Ltd.	10,000	6.5 %
Meiji Yasuda Life Insurance Company	7,152	4.6
STATE STREET BANK AND TRUST COMPANY 505223	4,845	3.1
Japan Trustee Services Bank, Ltd. (trust account)	4,318	2.8
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	4,293	2.8
The Master Trust Bank of Japan, Ltd. (trust account)	3,550	2.3
Mitsubishi UFJ Trust and Banking Corporation	3,420	2.2
Tokio Marine & Nichido Fire Insurance Co., Ltd.	3,412	2.2
Mitsubishi Corporation	3,352	2.2
CBNY DFA INTL SMALL CAP VALUE PORTFOLIO	2,981	1.9

(Note) The shareholding ratio is calculated by excluding 2,692 thousand treasury shares.

3. Matters concerning Subscription Rights to Shares, etc. of the Company (as of March 31, 2015)

There are no subscription rights to shares, etc. issued at this point in time.

4. Matters concerning Officers of the Company

(1) Directors and Corporate Auditors (as of March 31, 2015)

Position	Name	Assignment and Significant Concurrent Positions
* President	Nobumichi Ono	
* Managing Director	Hiroshi Sato	In charge of Accounting Department, Strategic Planning Department and Purchasing Department
Managing Director	Motoyuki Sato	In charge of Steel Bars Business, Springs Business, Parts Sales Business and Technical Administration Department Chairman, MSM NINGBO SPRING CO., LTD.
Director	Masayuki Takashima	President & Representative Director, Yokohama Port Corporation
Director	Akira Hishikawa	Executive Corporate Adviser, Mitsubishi Heavy Industries, Ltd.
Director	Shigeru Takagawa	Manager, Overseas Planning Department Chairman of the Board, MSSC CANADA INC. Chairman of the Board, MSSC US INC.
Director	Tsuneo Hosoi	In charge of Formed&Fabricated Products Business
Director	Hitoshi Yamaguchi	In charge of General Affairs & Human Resources Department
Corporate Auditor	Toshiaki Yora	
Corporate Auditor	Kenji Madarame	
Corporate Auditor	Shuichiro Sekine	Certified Public Accountant

(Notes)
1. Persons marked with an asterisk (*) are representative directors.
2. Director Akira Hishikawa retired from Director and Corporate Officer and took office as Executive Corporate Adviser at Mitsubishi Heavy Industries, Ltd. on June 26, 2014.
3. Mr. Mitsuo Minami resigned from the position of Corporate Auditor on August 22, 2014.
4. Directors Masayuki Takashima and Akira Hishikawa are Outside Directors as defined in Article 2 (xv) of the Companies Act, and are notified by the Company as independent officers to Tokyo Stock Exchange, Inc.
5. Corporate Auditors Toshiaki Yora and Shuichiro Sekine are Outside Corporate Auditors as defined in Article 2 (xvi) of the Companies Act, and are notified by the Company as independent officers to Tokyo Stock Exchange, Inc.
6. Corporate Auditors Toshiaki Yora and Kenji Madarame are standing Corporate Auditors.
7. Corporate Auditor Kenji Madarame has many years of experience in the accounting division of the Company, and has considerable financial and accounting expertise.
8. Corporate Auditor Shuichiro Sekine is a qualified Certified Public Accountant, and has considerable financial and accounting expertise.

(2) Total amount of compensation, etc. of Directors and Corporate Auditors

Classification	Number of persons paid	Total amount of compensation, etc.
Directors	8 persons	183 million yen
Corporate Auditors	4	50
Total (including outside officers)	12	233
(Outside officers [included above])	(5)	(37)

(Note) The above amount of compensation paid to Corporate Auditors includes the amount paid to one Corporate Auditor who has resigned.

(3) Policy for determining amount of compensation, etc. for officers

The policy for determining the amount of compensation, etc. for officers is to determine the amount of compensation, etc. for Directors and Corporate Auditors in decisions in the Board of Directors and in discussions among the Corporate Auditors, respectively. The respective amounts of compensation for Directors and Corporate Auditors are determined within the limit of the total amount of compensation for Directors and Corporate Auditors decided at the General Meeting of Shareholders; the amount of compensation for each Director is determined by the President authorized by the Board of Directors on the basis of certain criteria established with respect to each job title, and the amount of compensation for each Corporate Auditor is determined in discussions among Corporate Auditors.

(4) Matters concerning outside officers

a. Relationship between the Company and entity where significant concurrent positions are held

Name of outside officer	Entity where concurrent position is held and description of such position
Masayuki Takashima	President & Representative Director, Yokohama Port Corporation
Akira Hishikawa	Executive Corporate Adviser, Mitsubishi Heavy Industries, Ltd.

(Notes) 1. There is no special relationship between the Company and Yokohama Port Corporation.

2. While there are business transactions between the Company and Mitsubishi Heavy Industries, Ltd., such transactions are miniscule in amount; there is no other special relationship between the two.

b. Status of main activities in the fiscal year under review

Classification	Name of outside officer	Attendance at meetings of Board of Directors	Attendance at meetings of Board of Corporate Auditors
Director	Masayuki Takashima	12 out of 13 meetings	
	Akira Hishikawa	12 out of 13 meetings	
Corporate Auditor	Toshiaki Yora	13 out of 13 meetings	13 out of 13 meetings
	Shuichiro Sekine	13 out of 13 meetings	13 out of 13 meetings

(Note) Corporate Auditor Mitsuo Minami resigned due to personal reasons on August 22, 2014; he attended 0 out of 5 meetings of the Board of Directors and 1 out of 5 meetings of the Board of Corporate Auditors.

[Meetings of the Board of Directors]

The outside officers actively asked questions, made suggestions from their respective standpoints and sufficiently fulfilled their management monitoring functions.

[Meetings of the Board of Corporate Auditors]

The Outside Corporate Auditors executed their duties in accordance with the audit policy established by the Board of Corporate Auditors, and made reports to the Board of Corporate Auditors.

c. Overview of limited liability agreement

The Company has concluded an agreement with each Outside Director and Outside Corporate Auditor to limit his liability for damages referred to in Article 423 (1) of the Companies Act pursuant to the provision of Article 427 (1) of said Act. The maximum amount of liability for damages prescribed in such agreement is the sum of the amounts stipulated in the items of Article 425 (1) of said Act.

5. Matters concerning Accounting Auditor

(1) Name of Accounting Auditor

Deloitte Touche Tohmatsu LLC (as of March 31, 2015)

(2) Amount of Fees, etc. of Accounting Auditor

a. Amount of fees, etc. payable by the Company: ¥39 million

b. Total amount of money payable by the Company and its subsidiaries: ¥57 million

(Notes) 1. Under the audit agreement between the Company and the Accounting Auditor, the amount of fees, etc. for audits under the Companies Act and the amount of fees, etc. for audits under the Financial Instruments and Exchange Act are not distinguished from each other; accordingly, the amount stated in a. is the sum of these amounts.

2. Among the Company's significant subsidiaries, overseas subsidiaries are audited by an audit corporation other than the Company's Accounting Auditor.

(3) Policy for Determination of Dismissal or Non-reappointment of Accounting Auditor

If the Accounting Auditor is deemed to fall under any of the items of Article 340 (1) of the Companies Act, the Board of Corporate Auditors will dismiss the Accounting Auditor based on the consent of all Corporate Auditors. If the Accounting Auditor is deemed to have any difficulties in performing its duties properly, or if it is otherwise deemed necessary, the Board of Corporate Auditors will decide to dismiss or decide not to reappoint the Accounting Auditor as a matter of policy.

6. Basic Policy for Internal Controls

The Company's basic policy for internal controls resolved at the meeting of the Board of Directors is as follows.

(1) System to ensure execution of duties by Directors of the Company and directors of its subsidiaries in compliance with laws, regulations and the Articles of Incorporation and in an efficient manner

The Company has established the "Corporate Behavior Guidelines For Mitsubishisteel Mfg.Co.,Ltd.Group Companies" for the purpose of fulfilling its social responsibility in pursuit of becoming an enterprise trusted by society. The Company's system places importance on *the functional enhancement of the institutions of the Board of Directors and the Board of Corporate Auditors* as well as *deliberations on the execution of operations by the Management Committee and enhancement of compliance and crisis management*, while the Guidelines are shared among all officers of the Group.

The meeting of the Board of Directors is where the direction of management strategies for the Group as a whole is determined. While giving consideration to speedy decision-making, the Board of Directors formulates basic management policies, determines matters stipulated in laws, regulations and the Articles of Incorporation and other important management-related matters, and supervises Directors in executing operations.

The Board of Directors shall be of minimum size necessary, and have a system that enables speedy and efficient decision-making. In regards to policies, etc. determined by the Board of Directors, the Director in charge responsibly gives instructions to the respective General Managers of Divisions and the respective Managers of the Managing Support Divisions, and said General Managers and Managers execute the operations.

Also, Outside Directors and Outside Corporate Auditors attend the meetings of the Board of Directors and ensure fairness and transparency in the decisions on the execution of operations. The Board of Corporate Auditors audits the Group as a whole, including compliance and crisis management in accordance with the audit policy and segregation of operations, and ensures that Directors comply with laws, regulations and the Articles of Incorporation in executing their duties.

Furthermore, meetings of the Management Committee are convened periodically, on a weekly basis as a general rule (and are convened whenever necessary), where its members including Directors, Corporate Auditors, Fellows, General Managers of Divisions and the respective Managers of the Managing Support Divisions deliberate and deal with the execution of important operations, compliance and crisis management of the Group.

In subsidiaries, a system to execute duties in a proper and efficient manner is ensured by making the Company's Directors, Corporate Auditors or employees concurrently serve as directors or corporate auditors of subsidiaries as a general rule.

In the Corporate Behavior Guidelines For Mitsubishisteel Mfg.Co.,Ltd.Group Companies, the Group declares to have absolutely no relationship with any antisocial forces, and has a system in place to collaborate with outside specialized institutions such as police and lawyers and take a resolute stance when it receives unreasonable demands from antisocial forces.

(2) System for preservation and management of information on execution of duties by Directors

In regards to preserving and managing information on the execution of duties, Directors properly preserve and manage the minutes of the Board of Directors and other such important documents and information in accordance with laws, regulations and internal rules.

(3) Regulations and other systems to manage risk of loss of the Company and its subsidiaries

A system is established for the Management Committee of the Company to discuss problems that may expose the Company and its subsidiaries to the risk of loss, and to identify and properly manage the risk of loss arising in domestic as well as global business activities. There is also a system in place for the Management Committee and the Board of Directors of the Company to deliberate important cases regarding subsidiaries pursuant to the Rules on the Board of Directors and thereby prevent loss from arising.

(4) System to ensure execution of duties by employees of the Company and its subsidiaries in compliance with laws, regulations and the Articles of Incorporation

In the Company, the Internal Audit Department—which reports directly to the President—conducts audits as the internal auditing division to determine whether or not operations are executed by employees in an appropriate and lawful manner, in addition to supervision by Directors and operational audits by the Corporate Auditors.

In subsidiaries, a system to ensure properness and efficiency in employees' duties and to prevent them from violating laws and regulations, etc. is ensured by making the Company's Directors, Corporate Auditors or employees concurrently serve as directors or corporate auditors as a general rule.

Efforts are also made to instill compliance in each and every employee by enhancing training aimed at making employees become more aware of the importance of compliance and deepening their understanding of the Corporate Behavior Guidelines For Mitsubishisteel Mfg.Co.,Ltd.Group Companies. Moreover, a system to prevent violations of law and regulations is ensured by establishing a whistle-blowing system in which members of the Internal Audit Department and a corporation lawyer can be reached.

(5) System to ensure properness of operations in the Group and system to report matters regarding execution of duties by directors of subsidiaries to the Company

The respective directors of subsidiaries execute operations and supervise their employees in accordance with policies decided by the Board of Directors and the Management Committee of the Company. In

addition to audits conducted by the respective corporate auditors of subsidiaries, Directors, Corporate Auditors or employees of the Company concurrently serve as directors and corporate auditors of major consolidated subsidiaries and supervise and audit them, and exchange information periodically with directors and corporate auditors of each subsidiary while collaborating with the Internal Audit Department and the Accounting Auditor, thereby ensuring the properness of operations of the Group as a whole.

Furthermore, a system to have a grasp of important matters concerning subsidiaries at all times is ensured through the Divisions as well as Managing Support Divisions, on top of the receipt of reports by the Directors and Corporate Auditors of the Company at the meetings of the board of directors, etc. of the subsidiaries.

Internal controls are put in place and implemented properly to ensure appropriateness and reliability of the Group's financial reporting.

(6) Matters concerning employees who should assist Corporate Auditors' duties

Staff who concurrently serve as assistants to Corporate Auditors are appointed and assist in the Corporate Auditors' work, and Corporate Auditors properly confirm and give guidance on the staff's work, thereby ensuring the effectiveness of instructions.

(7) System for Directors and employees of the Company and directors and employees of its subsidiaries to report to the Corporate Auditors of the Company and other systems for reporting to Corporate Auditors, and system to ensure any person who made such report is not treated unfairly on the grounds of making such report

Directors and employees of the Company and directors and employees of its subsidiaries report the status of execution of operations to Corporate Auditors as appropriate (including making reports at important meetings attended by Corporate Auditors), and promptly make a report to the Corporate Auditors on matters with the risk of inflicting serious damage to the Company, acts in violation of laws, regulations or the Articles of Incorporation and other matters on which the Corporate Auditors demand a report.

The content of whistle-blowing by officers and employees of the Company and domestic subsidiaries is reported to Corporate Auditors.

Also, the Whistle-blowing Rules stipulate that no one will be treated unfairly on the grounds of making such report, and an explanation is provided at in-house workshops that there will be no unfair treatment.

(8) Matters concerning procedures for prepayment or reimbursement of expenses incurred in the execution of duties by Corporate Auditors of the Company and other policies for processing expenses and liabilities incurred in the execution of such duties

Directors properly pay Corporate Auditors as necessary with respect to expenses incurred in audits, etc. with full understanding of the importance of audits conducted by Corporate Auditors.

(9) Other systems to ensure effective auditing by Corporate Auditors

Corporate Auditors effectively audit the execution status of operations by such means as periodically exchanging information with Directors including the Representative Director, the Internal Audit Department and the Accounting Auditor, and receiving reports from Divisions as well as Managing Support Divisions after having identified management problems at the meetings of the Board of Directors and the Management Committee in the early stages, and attending important meetings convened monthly at each place of business and subsidiary as appropriate.

(Note) Amounts and the number of shares stated in this Business Report are rounded down to the nearest unit of presentation. Ratios are rounded off to the second decimal place.

Consolidated Balance Sheet

(as of March 31, 2015)

Account	Amount	Account	Amount
Assets	(Millions of yen)	**Liabilities**	(Millions of yen)
Current assets	**66,105**	**Current liabilities**	**33,439**
Cash and deposits	11,453	Notes and accounts payable – trade	17,284
Notes and accounts receivable – trade	23,830	Short-term loans payable	10,186
Electronically recorded monetary claims - operating	1,986	Lease obligations	130
Securities	11,500	Income taxes payable	995
Merchandise and finished goods	7,733	Accrued consumption taxes	40
Work in process	4,714	Asset retirement obligations	404
Raw materials and supplies	3,189	Other	4,397
Deferred tax assets	890	**Non-current liabilities**	**24,129**
Other	964	Long-term loans payable	8,546
Allowance for doubtful accounts	(156)	Lease obligations	198
Non-current assets	**57,347**	Deferred tax liabilities	4,170
Property, plant and equipment	**25,932**	Net defined benefit liability	10,883
Buildings and structures	9,452	Provision for directors' retirement benefits	106
Machinery, equipment and vehicles	8,212	Negative goodwill	65
Land	6,141	Other	159
Leased assets	466	**Total liabilities**	**57,568**
Construction in progress	1,288	**Net Assets**	
Other	370	**Shareholders' equity**	**55,233**
Intangible assets	**2,578**	Capital stock	9,924
Software	1,329	Capital surplus	3,605
Goodwill	639	Retained earnings	42,812
Other	609	Treasury shares	(1,110)
Investments and other assets	**28,836**	**Accumulated other comprehensive income**	**4,592**
Investment securities	24,154	Valuation difference on available-for-sale securities	6,853
Long-term loans receivable	178	Foreign currency translation adjustment	(240)
Net defined benefit asset	1,385	Remeasurements of defined benefit plans	(2,021)
Deferred tax assets	2,163	**Minority interests**	**6,059**
Other	954		
Allowance for doubtful accounts	(1)	**Total net assets**	**65,884**
Total assets	**123,453**	**Total liabilities and net assets**	**123,453**

(Note) Amounts shown are rounded down to the nearest million yen.

Consolidated Statement of Income

(April 1, 2014 – March 31, 2015)

Account	Amount	
	(Millions of yen)	(Millions of yen)
Net sales		118,739
Cost of sales		101,283
Gross profit		**17,456**
Selling, general and administrative expenses		12,522
Operating income		**4,933**
Non-operating income		
Interest and dividend income	354	
Foreign exchange gains	946	
Other	483	1,784
Non-operating expenses		
Interest expenses	288	
Share of loss of entities accounted for using equity method	248	
Other	355	892
Ordinary income		**5,824**
Extraordinary losses		
Loss on disposal of non-current assets	40	40
Income before income taxes and minority interests		**5,784**
Income taxes – current	1,581	
Income taxes – deferred	476	2,057
Income before minority interests		**3,726**
Minority interests in income (loss)		181
Net income		**3,545**

(Note) Amounts shown are rounded down to the nearest million yen.

Consolidated Statement of Changes in Equity

(April 1, 2014 – March 31, 2015)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
	(millions of yen)	(millions of yen)	(millions of yen)	(millions of yen)	(millions of yen)
Balance at beginning of period	9,924	3,605	39,880	(1,069)	52,340
Cumulative effects of changes in accounting policies			157		157
Restated balance	9,924	3,605	40,037	(1,069)	52,498
Changes of items during period					
Dividends from surplus			(769)		(769)
Net income			3,545		3,545
Purchase of treasury shares				(40)	(40)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	2,775	(40)	2,734
Balance at end of period	9,924	3,605	42,812	(1,110)	55,233

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
	(millions of yen)	(millions of yen)	(millions of yen)	(millions of yen)	(millions of yen)	(millions of yen)	(millions of yen)
Balance at beginning of period	4,418	(14)	(589)	(2,066)	1,747	5,671	59,760
Cumulative effects of changes in accounting policies							157
Restated balance	4,418	(14)	(589)	(2,066)	1,747	5,671	59,918
Changes of items during period							
Dividends from surplus					-		(769)
Net income					-		3,545
Purchase of treasury shares					-		(40)
Net changes of items other than shareholders' equity	2,435	14	348	45	2,844	387	3,231
Total changes of items during period	2,435	14	348	45	2,844	387	5,966
Balance at end of period	6,853	-	(240)	(2,021)	4,592	6,059	65,884

(Note) Amounts shown are rounded down to the nearest million yen.

Accounting Auditor's Report on Audit of Consolidated Financial Statements (Copy)

INDEPENDENT AUDITORS' AUDIT REPORT

May 7, 2015

To the Board of Directors of
Mitsubishi Steel Mfg. Co., Ltd.

Deloitte Touche Tohmatsu LLC

Designated Limited Liability Partner, Engagement Partner, Certified Public Accountant	Toshiyuki Ono	[Seal]
Designated Limited Liability Partner, Engagement Partner, Certified Public Accountant	Fukuyuki Nishikawa	[Seal]
Designated Limited Liability Partner, Engagement Partner, Certified Public Accountant	Kazumi Mikura	[Seal]

Pursuant to Article 444(4) of the Companies Act, we have audited the Consolidated Financial Statements—i.e., Consolidated Balance Sheet, Consolidated Statement of Income, Consolidated Statement of Changes in Equity and Notes to the Consolidated Financial Statements—of Mitsubishi Steel Mfg. Co., Ltd. for the consolidated fiscal year from April 1, 2014 to March 31, 2015.

Management's Responsibility for the Consolidated Financial Statements

The management is responsible for the preparation and fair presentation of the Consolidated Financial Statements in accordance with accounting standards generally accepted in Japan, including developing and implementing internal control deemed necessary by the management for the preparation and fair presentation of Consolidated Financial Statements that are free from material misstatement due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Consolidated Financial Statements from an independent standpoint based on the audit we have conducted. We conducted our audit in accordance with auditing standards generally accepted in Japan. The audit standards require that we formulate an audit plan and perform the audit based on such plan to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The audit procedures are selected and applied according to our judgment, based on the assessment of the risks of material misstatement of the Consolidated Financial Statements due to fraud or error. While the audit is not conducted for the purpose of expressing an opinion on the effectiveness of internal control, we consider, upon conducting risk assessment, internal control relevant to the preparation and fair presentation of the Consolidated Financial Statements in order to formulate audit procedures that are appropriate to the circumstances. An audit also includes examining the overall presentation of the Consolidated Financial Statements, including evaluating accounting policies adopted by the management and the method of applying such policies, as well as the estimates made by the management.

We believe we have obtained audit evidence that is sufficient and appropriate as the basis for expressing our opinion.

Audit Opinion

In our opinion, the Consolidated Financial Statements referred to above present fairly, in all material respects, the status of assets and income of the enterprise group consisting of Mitsubishi Steel Mfg. Co., Ltd. and its consolidated subsidiaries for the period subject to the Consolidated Financial Statements in accordance with accounting standards generally accepted in Japan.

Interest

Neither our firm nor any of the Designated Limited Liability Partners has any interest in the Company that needs to be stated under the provisions of the Certified Public Accountants Act.

Non-consolidated Balance Sheet

(as of March 31, 2015)

Account	Amount	Account	Amount
Assets	(Millions of yen)	**Liabilities**	(Millions of yen)
Current assets	**37,277**	**Current liabilities**	**24,246**
Cash and deposits	2,530	Notes payable - trade	113
Notes receivable – trade	681	Accounts payable - trade	15,097
Electronically recorded monetary claims - operating	1,405	Short-term loans payable	6,384
Accounts receivable - trade	14,228	Accounts payable - other	377
Securities	11,500	Income taxes payable	655
Merchandise and finished goods	3,229	Accrued consumption taxes	106
Work in process	898	Accrued expenses	1,459
Raw materials and supplies	278	Other	52
Prepaid expenses	22	**Non-current liabilities**	**10,351**
Deferred tax assets	484	Long-term loans payable	5,251
Short-term loans receivable	286	Deferred tax liabilities	3,112
Accounts receivable - other	1,714	Provision for retirement benefits	1,895
Other	16	Other	92
Non-current assets	**43,158**	**Total liabilities**	**34,598**
Property, plant and equipment	**7,346**		
Buildings	4,236	**Net Assets**	
Structures	175	**Shareholders' equity**	**38,992**
Machinery and equipment	957	**Capital stock**	**9,924**
Vehicles	45	**Capital surplus**	**3,605**
Tools, furniture and fixtures	92	Legal capital surplus	3,605
Land	1,422	**Retained earnings**	**26,572**
Construction in progress	416	Legal retained earnings	809
Intangible assets	**1,347**	Other retained earnings	25,762
Software	1,163	Reserve for advanced depreciation of non-current assets	1,513
Other	183	General reserve	18,855
Investments and other assets	**34,464**	Retained earnings brought forward	5,393
Investment securities	15,371	**Treasury shares**	**(1,110)**
Shares of subsidiaries and associates	13,918		
Investments in capital	4	**Valuation and translation adjustments**	**6,845**
Investments in capital of subsidiaries and associates	2,737	**Valuation difference on available-for-sale securities**	**6,845**
Long-term loans receivable	8,267		
Other	286		
Allowance for doubtful accounts	(6,120)	**Total net assets**	**45,838**
Total assets	**80,436**	**Total liabilities and net assets**	**80,436**

(Note) Amounts shown are rounded down to the nearest million yen.

Non-consolidated Statement of Income

(April 1, 2014 – March 31, 2015)

Account	Amount	
	(Millions of yen)	(Millions of yen)
Net sales		69,540
Cost of sales		60,264
Gross profit		**9,275**
Selling, general and administrative expenses		5,864
Operating income		**3,411**
Non-operating income		
Interest and dividend income	450	
Foreign exchange gains	728	
Other	146	1,325
Non-operating expenses		
Interest expenses	178	
Provision of allowance for doubtful accounts for subsidiaries and associates	980	
Other	232	1,391
Ordinary income		**3,345**
Extraordinary losses		
Loss on disposal of non-current assets	40	40
Income before income taxes		**3,304**
Income taxes – current	1,189	
Income taxes – deferred	414	1,604
Net income		**1,700**

(Note) Amounts shown are rounded down to the nearest million yen.

Non-consolidated Statement of Changes in Equity

(April 1, 2014 – March 31, 2015)

	Shareholders' equity							
		Capital surplus		Retained earnings				
					Other retained earnings			
	Capital stock	Legal capital surplus	Total capital surplus	Legal retained earnings	Reserve for advanced depreciation of non-current assets	General reserve	Retained earnings brought forward	Total retained earnings
	(millions of yen)	(millions of yen)	(millions of yen)	(millions of yen)	(millions of yen)	(millions of yen)	(millions of yen)	(millions of yen)
Balance at beginning of period	9,924	3,605	3,605	809	1,571	18,855	4,257	25,493
Cumulative effects of changes in accounting policies							148	148
Restated balance	9,924	3,605	3,605	809	1,571	18,855	4,405	25,642
Changes of items during period								
Adjustment to reserve due to change in tax rate					72		(72)	-
Reversal of reserve for advanced depreciation of non-current assets					(130)		130	-
Dividends from surplus							(769)	(769)
Net income							1,700	1,700
Purchase of treasury shares								
Net changes of items other than shareholders' equity								
Total changes of items during period	-	-	-	-	(57)	-	988	930
Balance at end of period	9,924	3,605	3,605	809	1,513	18,855	5,393	26,572

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
	(millions of yen)	(millions of yen)	(millions of yen)	(millions of yen)	(millions of yen)	(millions of yen)
Balance at beginning of period	(1,069)	37,954	4,410	(14)	4,396	42,350
Cumulative effects of changes in accounting policies		148				148
Restated balance	(1,069)	38,103	4,410	(14)	4,396	42,499
Changes of items during period						
Adjustment to reserve due to change in tax rate		-				-
Reversal of reserve for advanced depreciation of non-current assets		-				-
Dividends from surplus		(769)				(769)
Net income		1,700				1,700
Purchase of treasury shares	(40)	(40)				(40)
Net changes of items other than shareholders' equity		-	2,435	14	2,449	2,449
Total changes of items during period	(40)	889	2,435	14	2,449	3,339
Balance at end of period	(1,110)	38,992	6,845	-	6,845	45,838

(Note) Amounts shown are rounded down to the nearest million yen.

Accounting Auditor's Audit Report (Copy)

INDEPENDENT AUDITORS' AUDIT REPORT

May 7, 2015

To the Board of Directors of
Mitsubishi Steel Mfg. Co., Ltd.

Deloitte Touche Tohmatsu LLC

Designated Limited Liability Partner, Engagement Partner, Certified Public Accountant	Toshiyuki Ono	[Seal]
Designated Limited Liability Partner, Engagement Partner, Certified Public Accountant	Fukuyuki Nishikawa	[Seal]
Designated Limited Liability Partner, Engagement Partner, Certified Public Accountant	Kazumi Mikura	[Seal]

Pursuant to Article 436(2)(i) of the Companies Act, we have audited the Non-consolidated Financial Statements—i.e., Non-consolidated Balance Sheet, Non-consolidated Statement of Income, Non-consolidated Statement of Changes in Equity, Notes to the Non-consolidated Financial Statements and their supplementary schedules—of Mitsubishi Steel Mfg. Co., Ltd. for the 91st Fiscal Year from April 1, 2014 to March 31, 2015.

Management's Responsibility for the Non-consolidated Financial Statements, etc.

The management is responsible for the preparation and fair presentation of the Non-consolidated Financial Statements and their supplementary schedules in accordance with accounting standards generally accepted in Japan, including developing and implementing internal control deemed necessary by the management for the preparation and fair presentation of Non-consolidated Financial Statements and their supplementary schedules that are free from material misstatement due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Non-consolidated Financial Statements and their supplementary schedules from an independent standpoint based on the audit we have conducted. We conducted our audit in accordance with auditing standards generally accepted in Japan. The audit standards require that we formulate an audit plan and perform the audit based on such plan to obtain reasonable assurance about whether the Non-consolidated Financial Statements and their supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Non-consolidated Financial Statements and their supplementary schedules. The audit procedures are selected and applied according to our judgment, based on the assessment of the risks of material misstatement of the Non-consolidated Financial Statements and their supplementary schedules due to fraud or error. While the audit is not conducted for the purpose of expressing an opinion on the effectiveness of internal control, we consider, upon conducting risk assessment, internal control relevant to the preparation and fair presentation of the Non-consolidated Financial Statements and their supplementary schedules in order to formulate audit procedures that are appropriate to the circumstances. An audit also includes examining the overall presentation of the Non-consolidated Financial Statements and their supplementary schedules, including evaluating accounting policies adopted by the management and the method of applying such policies, as well as the estimates made by the management.

We believe we have obtained audit evidence that is sufficient and appropriate as the basis for expressing our opinion.

Audit Opinion

In our opinion, the Non-consolidated Financial Statements and their supplementary schedules referred to above present fairly, in all material respects, the status of assets and income for the period subject to the Non-consolidated Financial Statements and their supplementary schedules in accordance with accounting standards generally accepted in Japan.

Interest

Neither our firm nor any of the Designated Limited Liability Partners has any interest in the Company that needs to be stated under the provisions of the Certified Public Accountants Act.

Board of Corporate Auditors' Audit Report (copy)

Audit Report

The Board of Corporate Auditors has prepared this Audit Report following deliberations based on the respective audit reports prepared by Corporate Auditors in relation to the execution of duties by Directors for the 91st Fiscal Year from April 1, 2014 to March 31, 2015. The report is as follows.

1. Method and Description of Audit by Corporate Auditors and the Board of Corporate Auditors

The Board of Corporate Auditors determined the audit policy, division of duties, etc., received reports from each Corporate Auditor on the progress and results of his/her audit, in addition to receiving reports from Directors, etc. and the Accounting Auditor on the execution status of their duties, and sought explanations as necessary.

The Corporate Auditors complied with the audit standards for Corporate Auditors established by the Board of Corporate Auditors, followed the audit policy, division of duties, etc., communicated with Directors, the internal auditing division and other employees, etc., endeavored to collect information and develop an environment for the audit, and attended the meetings of the Board of Directors and other important meetings, received reports from Directors, employees, etc. on the execution status of their duties, sought explanations as necessary, reviewed important approval documents, etc., and investigated the status of operations and assets at the head office and principal places of business. We also periodically received reports from Directors and employees, etc. on the establishment and implementation status of the content of the resolution passed by the Board of Directors regarding the development of a system to ensure that the execution of duties by Directors referred to in the Business Report is in compliance with laws, regulations and the Articles of Incorporation and other systems stipulated in paragraphs 1 and 3 of Article 100 of the Ordinance for Enforcement of the Companies Act that are required to ensure properness of operations of a stock company, as well as the status of the system developed pursuant to such resolution (i.e., internal control system), sought explanations as necessary, and expressed our opinion. With respect to subsidiaries, we communicated and exchanged information with the directors, corporate auditors, etc. of the subsidiaries and received reports from subsidiaries on their businesses as necessary. Based on the above methods, we examined the Business Report and the supplementary schedules for the fiscal year under review.

Furthermore, we monitored and verified whether or not the Accounting Auditor had maintained its independence and whether or not it had conducted its audit properly, received reports from the Accounting Auditor on the execution status of its duties, and sought explanations as necessary. In addition, we were notified by the Accounting Auditor that it is equipped with a *system for ensuring that duties are performed properly* (matters listed in the items of Article 131 of the Company Accounting Ordinance) in accordance with the Quality Control Standards for Audits (issued by the Business Accounting Council on October 28, 2005), etc., and sought explanations as necessary. Based on the above methods, we examined the Non-consolidated Financial Statements (i.e., Non-consolidated Balance Sheet, Non-consolidated Statement of Income, Non-consolidated Statement of Changes in Equity and Notes to the Non-Consolidated Financial Statements) and their supplementary schedules as well as the Consolidated Financial Statements (i.e., Consolidated Balance Sheet, Consolidated Statement of Income, Consolidated Statement of Changes in Equity and Notes to the Consolidated Financial Statements) for the fiscal year under review.

2. Audit Results

(1) Results of audit of Business Report, etc.

a. In our opinion, the Business Report and the supplementary schedules are in compliance with laws, regulations and the Articles of Incorporation, and fairly represent the Company's position.
b. In connection with the execution of the duties by Directors, no misconduct or material facts in violation of laws, regulations or the Articles of Incorporation were identified.
c. In our opinion, the Board of Directors' resolution on the internal control system is adequate in content. We found no matters that need to be pointed out in regards to the content of the Business Report or the execution of duties by Directors in relation to said internal control system.

(2) Results of audit of Non-consolidated Financial Statements and their supplementary schedules

In our opinion, the methods and results of the audit conducted by Accounting Auditor Deloitte Touche Tohmatsu LLC are reasonable.

(3) Results of audit of Consolidated Financial Statements

In our opinion, the methods and results of the audit conducted by Accounting Auditor Deloitte Touche Tohmatsu LLC are reasonable.

May 8, 2015

Board of Corporate Auditors, Mitsubishi Steel Mfg. Co., Ltd.

Standing Corporate Auditor (Outside)	Toshiaki Yora	[Seal]
Standing Corporate Auditor	Kenji Madarame	[Seal]
Corporate Auditor (Outside)	Shuichiro Sekine	[Seal]

(Note) Corporate Auditors Toshiaki Yora and Shuichiro Sekine are Outside Company Auditors as defined in Article 2 (xvi) of the Companies Act.

Reference Documents for the General Meeting of Shareholders

Proposal No.1: Appropriation of Surplus

With respect to appropriation of surplus for the period under review, the Company hereby proposes to pay a year-end dividend in the amount of 3.5 yen per share, in consideration of the operating results, financial position and other such factors. This will bring the annual dividend to 6 yen per share, including the interim dividend of 2.5 yen per share.

Matters concerning the year-end dividend

(1) Type of dividend property

Cash

(2) Matters concerning allocation of dividend property and total amount thereof

3.5 yen per share Total amount: ¥538,522,982

(3) Effective date of dividends

June 22, 2015

Proposal No.2: Partial Amendment to the Articles of Incorporation

1. Reason for the Amendment

Pursuant to the Act for Partial Revision of the Companies Act (Act No.90 of 2014), which came into effect on May 1, 2015, the scope of company officers who can enter into a limited liability agreement has been changed. The Company thus proposes that the provisions of Articles 28 and 38(2) of the Articles of Incorporation be amended in order to enable Directors who are not engaged in the execution of operations and Corporate Auditors who are not Outside Corporate Auditors, who can newly enter into a limited liability agreement, to adequately fulfill the roles they are expected to play. Of note, consent has been obtained from all Corporate Auditors for the amendment to Article 28 of the Articles of Incorporation.

2. Description of the Amendment

The amendment is as follows.

(Parts to be amended are underlined.)

Existing Articles of Incorporation	Proposed Amendments
(Directors' Exemption from Liability) Article 28 (Clause omitted) (ii) The Company may enter into an agreement with <u>Outside</u> Directors to limit liability for damages referred to in Article 423(1) of the Companies Act pursuant to the provision of Article 427(1) of said Act; provided, however, that the maximum amount of liability for damages prescribed in such agreement shall be the sum of the amounts stipulated in the items of Article 425(1) of said Act.	**(Directors' Exemption from Liability)** Article 28 (Unchanged) (ii) The Company may enter into an agreement with Directors <u>(excluding those who are executive directors, etc.)</u> to limit liability for damages referred to in Article 423(1) of the Companies Act pursuant to the provision of Article 427(1) of said Act; provided, however, that the maximum amount of liability for damages prescribed in such agreement shall be the sum of the amounts stipulated in the items of Article 425(1) of said Act.
(Corporate Auditors' Exemption from Liability) Article 38 (Clause omitted) (ii) The Company may enter into an agreement with <u>Outside</u> Corporate Auditors to limit liability for damages referred to in Article 423(1) of the Companies Act pursuant to the provision of Article 427(1) of said Act; provided, however, that the maximum amount of liability for damages prescribed in such agreement shall be the sum of the amounts stipulated in the items of Article 425(1) of said Act.	**(Corporate Auditors' Exemption from Liability)** Article 38 (Unchanged) (ii) The Company may enter into an agreement with Corporate Auditors to limit liability for damages referred to in Article 423(1) of the Companies Act pursuant to the provision of Article 427(1) of said Act; provided, however, that the maximum amount of liability for damages prescribed in such agreement shall be the sum of the amounts stipulated in the items of Article 425(1) of said Act.

Proposal No. 3: Election of Eight Directors

The term of office of all of the current eight Directors will expire at the close of this General Meeting of Shareholders. Accordingly, we propose the election of eight Directors. The candidates for Directors are as follows.

No.	Name (Date of birth)	Career summary, position, assignment and significant concurrent positions	Number of shares of the Company held
1	Hiroshi Sato (January 2, 1958)	April 1980 Joined The Mitsubishi Bank, Ltd. (now The Bank of Tokyo-Mitsubishi UFJ, Ltd.) June 2007 Executive Officer and Manager, Loans Department of said Bank June 2008 Standing Corporate Auditor of said Bank June 2011 Representative Director, Managing Director and in charge of Accounting Department and Strategic Planning Department of the Company June 2013 Representative Director, Managing Director and in charge of Accounting Department, Strategic Planning Department and Purchasing Department of the Company (to present)	20,000 shares
2	Motoyuki Sato (December 25, 1954)	April 1978 Joined the Company March 2006 General Manager , Springs Division of the Company June 2006 Director and General Manager , Springs Division of the Company June 2011 Managing Director, General Manager , Springs Division and in charge of Parts Sales Business and Technical Administration Department of the Company June 2013 Managing Director and in charge of Steel Bars Business, Springs Business, Parts Sales Business and Technical Administration Department of the Company (to present) (Significant concurrent positions) Chairman of MSM NINGBO SPRING CO., LTD.	20,000 shares
3	Masayuki Takashima (May 15, 1940)	April 1964 Joined Mitsubishi Corporation June 2002 Representative Director and Senior Executive Vice President, CEO, Metals Group of Mitsubishi Corporation September 2005 Professor, Department of Economics, Teikyo University June 2007 Director of the Company (to present) (Significant concurrent positions) President & Representative Director, Yokohama Port Corporation	32,000 shares

No.	Name (Date of birth)	Career summary, position, assignment and significant concurrent positions	Number of shares of the Company held
4	Akira Hishikawa (September 10, 1951)	April 1976 Joined Mitsubishi Heavy Industries, Ltd. (MHI) June 2009 Director (Member of the Board), Senior Vice President and General Manager, General Machinery & Special Vehicle Headquarters, MHI April 2011 Representative Director (Member of the Board), Executive Vice President and General Manager, Global Strategic Planning & Operations Headquarters, MHI July 2012 Representative Director (Member of the Board), Executive Vice President and General Manager, Machinery & Steel Infrastructure Systems, MHI June 2013 Director of the Company (to present) (Significant concurrent positions) Executive Corporate Adviser, Mitsubishi Heavy Industries, Ltd.	8,000 shares
5	(New Candidate) Hiroshi Sekine (October 8, 1961)	April 1985 Joined the Company September 2004 General Manager , Formed＆Fabricated Products Division and General Manager , Utsunomiya Works of the Company April 2008 Manager , Strategic Planning Department and Manager, Technical Administration Department of the Company October 2010 General Manager , Steel Bars Division of the Company (to present) (Significant concurrent positions) President & Representative Director, Mitsubishi Steel Muroran Inc.	10,000 shares
6	(New Candidate) Hiroshi Amano (July 19, 1958)	April 1983 Joined the Company April 2002 Manager , Spring Manufacturing Department, Chiba Works of the Company January 2004 Manager , Manufacturing Department, Chiba Works of the Company April 2012 General Manager , Chiba Works and Manager , Manufacturing Department, Chiba Works of the Company January 2013 General Manager , Springs Division of the Company (to present)	1,000 shares
7	(New Candidate) Jun Takayama (July 26, 1961)	April 1984 Joined the Company April 2006 Manager , Manufacturing Department, Utsunomiya Works of the Company October 2010 General Manager, Utsunomiya Works of the Company January 2013 Deputy General Manager , Formed＆ Fabricated Products Division of the Company December 2013 General Manager , Formed ＆ Fabricated Products Division of the Company (to present)	0 shares

No.	Name (Date of birth)	Career summary, position, assignment and significant concurrent positions	Number of shares of the Company held
8	(New Candidate) Yasuhiko Iizuka (July 5, 1957)	April 1981 Joined the Company June 2009 General Manager, Utsunomiya Works of the Company October 2010 Manager, Strategic Planning Department of the Company April 2012 Manager, General Affairs & Human Resources Department of the Company (to present)	1,000 shares

(Notes) 1. Masayuki Takashima and Akira Hishikawa are candidates for Outside Directors.
Reason for their nomination: To reflect their broad knowledge and experience in the management.

2. Masayuki Takashima and Akira Hishikawa are independent officers pursuant to the regulations of Tokyo Stock Exchange, Inc. Akira Hishikawa is a Executive Corporate Adviser of Mitsubishi Heavy Industries, Ltd., which is a buyer of the Company's products. Although there are business transactions between the Company and Mitsubishi Heavy Industries, Ltd., such transactions are miniscule in amount relative to the Company's net sales; therefore, no problems are deemed to exist in terms of his independence.

3. The Company has business transactions with MSM NINGBO SPRING CO., LTD., and with Mitsubishi Steel Muroran Inc.

4. Masayuki Takashima and Akira Hishikawa will have served as Outside Directors for eight years and two years, respectively, at the close of this General Meeting of Shareholders.

5. The Company has concluded an agreement with Masayuki Takashima and Akira Hishikawa to limit their respective liabilities for damages referred to in Article 423 (1) of the Companies Act pursuant to the provision of Article 427 (1) of said Act. The maximum amount of liability for damages prescribed in such agreement is the sum of the amounts stipulated in the items of Article 425 (1) of said Act. The Company plans to extend the aforementioned limited liability agreement if their election is approved.

Proposal No. 4: Election of Three Corporate Auditors

The term of office of Corporate Auditors Toshiaki Yora and Kenji Madarame will expire at the close of this General Meeting of Shareholders. Corporate Auditor Mitsuo Minami resigned on August 22, 2014. Accordingly, we propose the election of three Corporate Auditors. The candidates for Corporate Auditors are as follows.

The Board of Corporate Auditors' consent has been obtained for this Proposal.

No.	Name (Date of birth)	Career summary, position and significant concurrent positions		Number of shares of the Company held
1	Toshiaki Yora (February 15, 1954)	April 1977 October 2005 June 2006 June 2007	Joined Mitsubishi Trust and Banking Corporation (now Mitsubishi UFJ Trust and Banking Corporation) Executive Officer and Manager, Stock Transfer Agent Sales Promotion Department of said Corporation Managing Director of Mitsubishi UFJ Asset Management Co., Ltd. Corporate Auditor of the Company (to present)	11,000 shares
2	(New Candidate) Yoshihiro Hayasaka (September 20, 1953)	April 1979 September 2000 March 2009 October 2011 April 2015	Joined the Company Manager, Suspension System Department, Spring Engineering Headquarters of the Company Manager, Quality Assurance Group, Chiba Works of the Company Deputy General Manager, Spring Division and Manager, Quality Assurance Group, Chiba Works of the Company Deputy General Manager, Spring Division of the Company (to present)	0 shares
3	(New Candidate) Tetsuya Nakagawa (September 24, 1951)	April 1977 April 2004 June 2004 (Significant concurrent positions) Corporate Auditor of The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Registered as a lawyer and joined Sanno Law Office (to present) Professor, Law School of Kokugakuin University (to present) Corporate Auditor of The Bank of Tokyo-Mitsubishi, Ltd. (now The Bank of Tokyo-Mitsubishi UFJ, Ltd.) (to present)	0 shares

(Notes) 1. Toshiaki Yora is a candidate for Outside Corporate Auditor. Reason for his nomination: To reflect his broad experience and knowledge in audits.

2. Tetsuya Nakagawa is a candidate for Outside Corporate Auditor. Reason for his nomination: To reflect his expertise and experience over many years as a lawyer in audits, even though he has not been involved in corporate management.

3. Toshiaki Yora will have served as Outside Corporate Auditor for eight years at the close of this General Meeting of Shareholders.

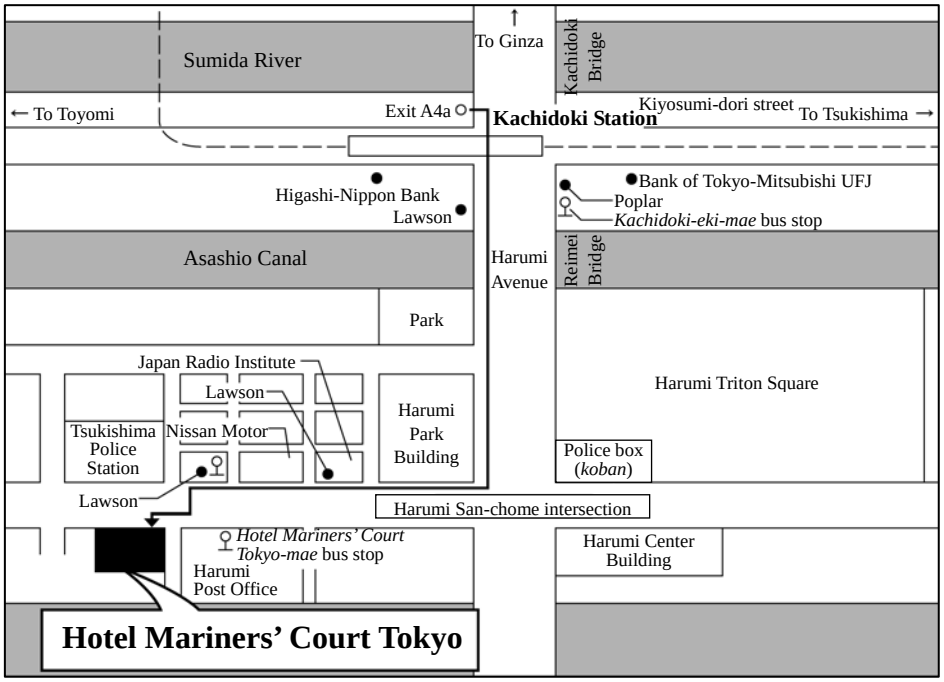
4. The Company has concluded an agreement with Toshiaki Yora to limit his liability for damages referred to in Article 423 (1) of the Companies Act pursuant to the provision of Article 427 (1) of said Act. The maximum amount of liability for damages prescribed in such agreement is the sum of the amounts stipulated in the items of Article 425 (1) of said Act. The Company plans to extend the aforementioned limited liability agreement if his election is approved. The Company also plans to

conclude an agreement with the same terms and conditions with Tetsuya Nakagawa if his election is approved.

5. If *Proposal No.2: Partial Amendment to the Articles of Incorporation* is approved in its original form, and if the election of Yoshihiro Hayasaka under this Proposal is approved, the Company plans to conclude the aforementioned limited liability agreement with him.
6. Toshiaki Yora is an independent officer pursuant to the regulations of Tokyo Stock Exchange, Inc. If the election of Tetsuya Nakagawa under this Proposal is approved, the Company plans to notify Tokyo Stock Exchange, Inc.as an independent officer pursuant to the regulations of Tokyo Stock Exchange, Inc.

[End of document]

Venue Map



Venue: 2F (Heian), Hotel Mariners' Court Tokyo
Address: 4-7-28 Harumi, Chuo-ku, Tokyo **Tel:** +81-3-5560-2525

[Walking from Kachidoki Station]

* Access may vary on the day due to construction work under way at Kachidoki Station's entrance/exit.

15 minutes' walk from Exit A4a of Kachidoki Station (Oedo Line) (— route by foot)

[Traveling by bus]

Nearest train station to bus stop	Kachidoki Station	Tokyo Station	Yurakucho Station	Ginza Station	
	Oedo Line	JR Line Marunouchi Line	JR Line Yurakucho Line	Hibiya Line Ginza Line	Marunouchi Line
Toei Bus number Bound for:	To-03 or To-05	To-05	To-05	To-03 or To-05	
	Harumi-futo (i.e., Harumi Wharf)				
Catch bus at:	*Kachidoki-eki-mae* bus stop (i.e., bus stop in front of Kachidoki Station)	*Tokyo-eki-Marunouchi-Minamiguchi* bus stop (i.e., bus stop at Marunouchi south exit of Tokyo Station)	*Yurakucho-eki-mae* bus stop (i.e., bus stop in front of Yurakucho Station)	*Ginza-Yonchome* bus stop	*Sukiya-bashi* bus stop (i.e., Sukiya Bridge bus stop)
Get off bus at:	*Hotel Mariners' Court Tokyo-mae* bus stop (i.e., bus stop in front of Hotel Mariners' Court Tokyo)				

* Please refrain from driving to the venue. Thank you in advance for your cooperation.