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Securities Code: 5632
May 26, 2016

To Our Shareholders

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

Notice of Convocation of the 92nd Ordinary General Meeting of Shareholders

You are cordially invited to attend the 92nd 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 or via the Internet. Please review the attached Reference Documents for the General Meeting of Shareholders and follow the instructions set forth on pages 3 and 4, and exercise your voting rights by 5:40 p.m. on Thursday, June 16, 2016.

1. Date and Time: Friday, June 17, 2016 at 10:00 a.m.

2. Venue: 2F (Heian), Hotel Mariners' Court Tokyo
4-7-28 Harumi, Chuo-ku, Tokyo

3. Agenda of the Meeting:

Matters to be reported: Business Report and Consolidated Financial Statements for the 92nd Fiscal Year (from April 1, 2015 to March 31, 2016), 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: Election of One Corporate Auditor

Proposal No. 3: Revision of Remuneration, etc. for Directors and Corporate Auditors

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- 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

  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 meeting in a separate room to give a presentation to our shareholders on the businesses and products of the Company.

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

Exercise of Voting Rights

If attending the Ordinary General Meeting of Shareholders

Please submit the enclosed Voting Right Exercise Form to the receptionist at the Meeting.

Date and Time: **Friday, June 17, 2016 at 10:00 a.m.**

Venue: 2F (Heian), Hotel Mariners' Court Tokyo

* Please refer to the venue map for the Ordinary General Meeting of Shareholders at the end of this document.

If you are unable to attend the Ordinary General Meeting of Shareholders

Exercise in writing of voting rights

Please indicate your approval or disapproval of each of the proposals in the enclosed Voting Right Exercise Form and return it by mail. If neither approval nor disapproval of each proposal is indicated on the Voting Right Exercise Form, the Company will deem that you have indicated your approval of the proposal.

Deadline **Not later than 5:40 p.m. on Thursday, June 16, 2016**

Exercise of Voting Rights via the Internet

Please use a personal computer, smartphone or cell phone to access the Voting Right Exercise Site designated by the Company, and indicate your approval or disapproval for each agenda item. For details, please refer to the following "Method of Exercise of Voting Rights via the Internet"

Deadline **5:40 p.m. on Thursday, June 16, 2016**

Method of Exercise of Voting Rights via the Internet

Please access http://www.evote.jp/, enter the Login ID and Temporary Password noted on the enclosed Voting Right Exercise Form, follow the instructions on the screen and indicate your approval or disapproval for each agenda item.

Deadline of Exercise of Voting Rights via the Internet

5:40 p.m. on Thursday, June 16, 2016

* However, it is not possible to access the designated website from 2:00 a.m. to 5:00 a.m.

* Please understand that the shareholder is solely responsible for any expenses incurred while accessing the voting website (internet connection fees, call rates, etc.).

* It may not be possible to exercise the voting rights from a personal computer depending on the Internet environment of the shareholder.

* For details, please contact the following help desk.

ID and password

To prevent unauthorized access by parties other than shareholders ("spoofing") and the alteration of shareholder votes, shareholders voting via the Internet will be asked to change their Temporary Password on the Voting Right Exercise Site.

The Company will inform you of the new log-in ID and temporary password at every convocation of general meetings of shareholders.

Treatment if voting right is exercised more than once

If you vote both in writing on the Voting Rights Exercise Form and via the Internet

Only the vote you submitted via the Internet will be valid.

If you submit your vote multiple times via the Internet

Only the last vote will be valid.

Contact

Corporate Agency Division (Help Desk) of

Mitsubishi UFJ Trust and Banking Corporation

Tel: **0120-173-027 (toll free)**

Operating hours: **9:00 a.m. to 9:00 p.m.**

To Institutional investors

You may use the platform for the electronic exercise of voting rights operated by ICJ Inc. as means of exercising your voting rights.

Reference Documents for the General Meeting of Shareholders

Proposal No. 1: Appropriation of Surplus

With respect to the 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: ¥538,511,348

3. Effective date of dividends

   June 20, 2016

Proposal No. 2: Election of One Corporate Auditor

The term of office of Corporate Auditor Shuichiro Sekine will expire at the close of this General Meeting of Shareholders. Accordingly, we propose the election of Corporate Auditor.

The candidate for Corporate Auditor is 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	Shuichiro Sekine (July 2, 1942) (Outside Corporate Auditor / independent officer)	October 1975	Registered as Certified Public Accountant	4,000 shares
		May 2005	Chairman of Management Meeting of Deloitte Touché Tohmatsu (currently Deloitte Touché Tohmatsu LLC) ("Deloitte")	
		December 2007	Resigned Deloitte	
		June 2008	Corporate Auditor of The Nisshin OilliO Group, Ltd.	
		June 2012	Corporate Auditor of the Company (to present)	
		[Reasons for the election of the Outside Corporate Auditor candidate] Mr. Shuichiro Sekine has extensive expertise and knowledge developed through his long experience as Certified Public Accountant though he has never been involved in the management of a company, and we expect him to reflect his insight on the audit of the Company.		

(Notes)

1. Mr. Shuichiro Sekine is a candidate for Outside Corporate Auditor.
2. Mr. Shuichiro Sekine is an independent officer as stipulated by the Tokyo Stock Exchange. He will continue to be an independent officer if his election is approved.
3. Mr. Shuichiro Sekine's tenure as a Corporate Auditor will be four years at the end of this Ordinary General Meeting of Shareholders.
4. Pursuant to Article 427, Paragraph 1 of the Companies Act, Mr. Shuichiro Sekine and the Company entered into agreements to limit liabilities for damages provided for in Article 423, Paragraph 1 of the Companies Act. The maximum amount of liabilities under such agreement is the total amount as stipulated in each item of Article 425, Paragraph 1 of the Companies Act. The agreement will be renewed with Mr. Shuichiro Sekine if his election is approved.

Proposal No. 3: Revision of Remuneration, etc. for Directors and Corporate Auditors

Regarding remuneration, etc. for Directors and Corporate Auditors of the Company, monthly remuneration for Directors of no more than 23 million yen was approved at the 68th annual general meeting of shareholders held on June 26, 1992; and monthly remuneration for Corporate Auditors of no more than 6 million yen was approved at the 87th annual general meeting of shareholders held on June 22, 2011. To encourage Directors to increase annual earnings steadily and in order to allow the Company to provide them with flexible bonuses according to their achievements of their performance, we propose to revise remuneration for Directors to an annual remuneration of no more than 400 million yen (of which, no more than 50 million yen for Outside Directors) and annual remuneration, etc. for Corporate Auditors as no more than 100 million yen.

As usual, remuneration, etc. for Directors shall not include the compensation to be paid as employees if a Director serves concurrently as an employee.

Currently, the Company has eight Directors (of whom two are Outside Directors) and four Corporate Auditors (of whom three are Outside Corporate Auditors). If Proposal No. 2 is approved as requested, the number of Directors and Corporate Auditors will remain unchanged.

(Appendix)

Business Report

from April 1, 2015 to March 31, 2016

1. Matters concerning Current Status 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 2015 to March 2016), the automobile industry experienced a decrease in domestic auto sales though demand in North America increased gradually. Meanwhile the construction machinery industry witnessed the slowdown of demand in both Japan and the Asian region including China.

Under such circumstances and affected by the strong yen toward the end of this fiscal year, the Group posted consolidated net sales of ¥106,539 million, a decrease of ¥12,199 million (10.3% year-on-year) and a consolidated operating income of ¥4,286 million, a decrease of ¥646 million (13.1% year-on-year). Profit attributable to owners of the parent was ¥2,486 million, primarily due to sale of investment securities and the reduction of tax expenses associated with execution of debt-equity swap of receivables though the Group posted extraordinary loss as a result of the review of evaluation of investments in overseas subsidiaries and recognition of impairment loss of non-current assets.

The Company plans to pay a year-end dividend of 3.5 yen per share for the fiscal year ended March 31, 2016. Combined with the interim dividend of 2.5 yen per share, the annual dividend will be 6 yen per share.

[Results by Business]

Special Steel Bars Business

The Special Steel Bars Business posted net sales of ¥40,569 million, a decrease of ¥9,933 million (19.7% year-on-year), largely affected by the drop of sales to the construction machinery industry, our main customer, and also due to the adjustment of the selling price in line with the lowering of material prices. Operating income was ¥1,088 million, a decrease of ¥1,497 million (57.9% year-on-year) as benefits arising from the lowering of material prices and cost improvement were more than offset by a significant decrease in net sales.

Description of main 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

The Springs Business posted net sales of ¥48,162 million, a decrease of ¥1,942 million (3.9% year-on-year). Domestic sales decreased due to the slowdown of demand of construction machinery, and in terms of overseas sales, sales in Asia expanded, but sales in North America declined due to the impact of foreign exchange rates. Operating income increased by ¥464 million (44.6% year-on-year) to ¥1,505 million, due to improvement of profitability in subsidiary in the United States and non-recurrence of expenses associated with material procurement, despite of impact of a decrease in domestic sales.

Description of main 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

The Formed & Fabricated Products Business posted net sales of ¥9,122 million, a decrease of ¥1,264 million (12.2% year-on-year) as increased sales of special alloy powders and precision forgings were more than offset by the impact of a delay of the launch of a new precision castings product and the slowdown in demand for castings for construction machinery. Operating income was ¥471 million, a decrease of ¥69 million (12.9% year-on-year), mainly due to sales decline of precision castings and castings for construction machinery, partially offset by increased sales of special alloy powders and improvement of profitability resulting from the lowering of material prices.

Description of main 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

Net sales increased by ¥418 million (4.5% year-on-year) to ¥9,764 million, driven by increased sales of power generation related products. Operating income was ¥1,006 million, an increase of ¥452 million (81.6% year-on-year), thanks to increased sales of power generation related products and improvement of profitability as well as foreign exchange rates.

Description of main business

Forging machinery, general industrial machinery, steel fabrication, environmental equipment, magnetic separators, conveying equipment, weighing instruments and anti-vibration equipment

Other Business

Other Businesses, including distribution and service businesses, posted net sales of ¥3,374 million, a decrease of ¥366 million (9.8% year-on-year), and operating income of ¥194 million, an increase of ¥8 million (4.5% year-on-year).

Description of main business

Maritime transport, cargo transportation by trucks, warehouses

(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, the Group's customers are expected to expand continuously 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:

a. 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.

b. Accelerating its overseas development

The Group will reinforce its overseas base, make efforts to strengthen its supply capabilities in emerging markets and expand its sales area, and capitalize on growing demand.

c. Building an implementation platform

The Group will promote the streamlining of the business management and planning functions to ensure the implementation of material measures and the resolution of problems.

- An overseas expansion plan shall be led by the headquarters, aiming at adequate risk control and early realization of outcomes.
- The Group will manage flows of materials globally to avoid foreign exchange risk and to create cost advantages.
- The Group will work on improving the personnel affairs and education systems to utilize human resources and activate human resources development.
- The Research and Development Center will put into place a system in which development in line with corporate strategy and development as seeds of growth for the long-term growth can be conducted effectively. In addition, the Group will actively promote industry-university joint research.

d. Exercising internal synergy

The Group will pursue synergy by leveraging its integrated production capabilities which cover every step from materials to finished products among the Group's businesses.

e. Exercising external synergy

For exercising synergy, the Group will enhance alliance with external parties.

By doing so, the Group will aim to enhance its corporate value.

The priority initiatives of each business are as follows:

Special Steel Bars Business

As for the domestic market, demand for construction machinery, our main customer, remains stagnant and the Group endeavors to expand to various industries. As for export, for securing sales volume, the Group will focus on expanding sales to new customers in North America where the auto industry shows strong performance as we cannot expect early recovery in the Asian market.

Meanwhile, in our domestic manufacturing bases, we intend to renew facilities early for cost reduction and quality improvement and continue cost reduction. In addition, with regard to business expansion in Indonesia, we plan to establish the manufacturing and marketing system for special steel bars, including early launch of rolling and finishing facilities which are currently under construction and opening of a branch in Jakarta where many Japanese companies place their business bases, to address requests from our customers for local procurement in Southeast Asia.

Springs Business

In Japan, the Group will focus on new technology development including weight saving and performance advances and strengthen the base as a "Mother Plant" which pursues cost competitiveness.

Overseas, the Group will continue sales expansion and cost improvement in the existing bases such as those in North America, China, India and Philippines. We also plan to promote further business expansion, including the expansion to Mexico and newly advance to Europe as well as introduce auto stabilizer facilities in China, and build a global supply chain. In addition, we endeavor to reduce costs through local procurement of materials and expand sales channel in active cooperation with other business departments.

Formed & Fabricated Products Business

The Group will focus on the improvement and development of production technology and further expand sales of new products and segments.

As for special alloy powder, the Group endeavors to promote further sales expansion in the U.S. and Europe, and to develop and mass-produce soft magnetic powder. As for precision castings, aiming at increasing sales of vacuum melting materials and expanding sales in the turbocharger market, we will make an effort to promptly set MSM (THAILAND) CO., LTD.'s newly-established turbine wheel plant on track, in addition to strengthening capital expenditures and alliances with external partners.

Machinery Business

At Mitsubishi Nagasaki Machinery Mfg. Co., Ltd. our goals are globalization and the development of new technologies, 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

a. Status of the Group

Classification	89th Fiscal Year (2012/4~2013/3)	90th Fiscal Year (2013/4~2014/3)	91st Fiscal Year (2014/4~2015/3)	92nd Fiscal Year (under review) (2015/4~2016/3)
Net sales (million yen)	106,155	111,575	118,739	106,539
Operating income (million yen)	2,872	4,748	4,933	4,286
Ordinary income (million yen)	3,721	5,915	5,824	3,286
Profit attributable to owners of parent (million yen)	1,072	3,373	3,545	2,486
Profit per share (yen)	6.97	21.90	23.03	16.16
Total assets (million yen)	112,591	115,120	123,453	122,464

b. Status of the Company

Classification	89th Fiscal Year (2012/4~2013/3)	90th Fiscal Year (2013/4~2014/3)	91st Fiscal Year (2014/4~2015/3)	92nd Fiscal Year (under review) (2015/4~2016/3)
Net sales (million yen)	61,267	65,535	69,540	58,754
Operating income (million yen)	3,144	3,068	3,411	2,841
Ordinary income (million yen)	2,829	3,237	3,345	3,473
Profit (million yen)	1,167	1,545	1,700	2,635
Profit per share (yen)	7.58	10.03	11.05	17.13
Total assets (million yen)	74,674	76,793	80,436	82,579

(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, 2016)

Lender	Amount of borrowings (outstanding balance)
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	7,657 million yen
Mitsubishi UFJ Trust and Banking Corporation	4,621
Development Bank of Japan Inc.	2,331
Meiji Yasuda Life Insurance Company	1,760

(6) Capital Investment Status of the Group

Capital investments made during the period under review totaled 3,164 million yen.

Main capital investments

Segment	Venue	Item
Special Steel Bars Business	Mitsubishi Steel Muroran Inc.	Renewal of manufacturing facilities
		Installation and renewal of system
Springs Business	Chiba Works	Installation of manufacturing facilities
	MSSC CANADA INC.	Installation of manufacturing facilities
	MSM SPRING INDIA PVT. LTD.	Installation of manufacturing facilities
Machinery Business	Mitsubishi Nagasaki Machinery Mfg. Co., Ltd.	Installation of manufacturing facilities

(7) Status of Significant Subsidiaries and Business Combinations

a. Status of significant subsidiaries

Company name	Capital stock	Investment ratio	Description of main business
MSSC CANADA INC.	Thousands of CAD 5,000	% 87.1	Manufacturing and sale of springs for automobiles
MSSC US INC.	US dollars 100	100.0	Manufacturing and sale of springs for automobiles
MSM NINGBO SPRING CO., LTD.	Thousands of US dollars 24,200	100.0	Manufacturing and sale of springs for automobiles and construction machinery
MSM CEBU, INC.	Thousands of pesos 24,000	100.0	Manufacturing and sale of precision springs and module products
MSM (THAILAND) CO.,LTD.	Thousands of Thai baht 154,200	100.0	Manufacturing and sale of precision castings, cast magnets, and precision forgings Sale of springs for automobiles (leaf spring)
Mitsubishi Steel Muroran Inc.	Million yen 3,000	70.0	Manufacturing and sale of special steel bars and steel ingot
Mitsubishi Nagasaki Machinery Mfg. Co., Ltd.	Million yen 900	60.8	Manufacturing and sale of steel fabrication, industrial machinery and application equipment
Ryokoh Express Co., Ltd.	Million yen 99	78.2	Maritime transport, cargo transportation by trucks, warehouses

(Notes)

1. As of the end of the period under review, the Company's consolidated subsidiaries and associates accounted for under the equity method totaled 14 and 4, respectively.
2. The Group has no specified wholly-owned subsidiary stipulated by Article 118, Paragraph 4 of the Ordinance for Enforcement of the Companies Act as of the end of the period under review.

b. Status of significant business combinations, etc.

(a) Effective December 21, 2015, the Company acquired stocks of MSSC US INC., which was owned by Mitsubishi Corporation, and accordingly its capital contribution ratio increased from 89.3% to 100%. In addition, effective December 31, 2015, as a result of debt-equity swap of receivables of $42.454 million and capital reduction without compensation, MSSC US INC.'s capital decreased from $2,000 to $100.

(b) Effective April 1, 2016, the Company established MSSC MFG MEXICANA, S.A. DE C.V., a subsidiary manufacturing and selling springs for vehicle suspension, with a capital contribution ratio of 100%. The company's capital was 5 million Mexican pesos as of April 1, 2016 and as a result of increase in capital effective April 26, the capital increased to 120 million Mexican pesos.

(8) The Group's Principal Places of Business (as of March 31, 2016)

Domestic Principal Places of Business

The Company (locations)

Name	Location	Name	Location
Head Office	Tokyo Prefecture	Hiroshima Office	Hiroshima Prefecture
Chubu Office	Aichi Prefecture	Chiba Works	Chiba Prefecture
Osaka Office	Osaka Prefecture	Hirota Works	Fukushima Prefecture
Fukuoka Office	Fukuoka Prefecture		

(Note)

Effective April 1, 2016, the Research and Development Center, which consolidated the engineering development function of each business division for reinforcing the research and development system, was established within the Chiba Works.

Subsidiaries (locations)

Name	Location
Mitsubishi Steel Muroran Inc.	Hokkaido Prefecture
Mitsubishi Nagasaki Machinery Mfg. Co., Ltd.	Nagasaki Prefecture
Ryokoh Express Co., Ltd.	Chiba Prefecture

Overseas main base

Subsidiaries (locations)

Name	Location
MSSC CANADA INC.	Canada
MSSC US INC.	U.S.A.
MSM NINGBO SPRING CO., LTD.	China
MSM CEBU, INC.	Philippines
MSM (THAILAND) CO.,LTD.	Thailand

Overseas subsidiaries other than the above

Name	Location
PT.MSM INDONESIA.	Indonesia
MSM SPRING INDIA PVT.LTD.	India
MSSC MFG MEXICANA, S.A. DE C.V.	Mexico

(Note)

Effective April 1, 2016, MSSC MFG MEXICANA, S.A. DE C.V. was established.

(9) Status of Employees of the Group and the Company (as of March 31, 2016)

a. Status of the Group's Employees

Segment	Number of employees
Special Steel Bars Business	282 persons
Springs Business	1,518
Formed & Fabricated Products Business	1,124
Machinery Business	339
Other Business	102
Group-wide (common)	117
Total	3,482

(Notes)

1. The number of employees of the Group decreased by 124 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
737 persons	(25) persons	44.2 years old	19.4 years

2. Matters concerning the Company's Shares (as of March 31, 2016)

(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: 11,470 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
NORTHERN TRUST CO. (AVFC) RE NVI01	4,734	3.1
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	4,293	2.8
The Master Trust Bank of Japan, Ltd. (trust account)	3,860	2.5
Japan Trustee Services Bank, Ltd.(trust account)	3,627	2.4
CBNY DFA INTL SMALL CAP VALUE PORTFOLIO	3,596	2.3
Mitsubishi UFJ Trust and Banking Corporation	3,420	2.2
Mitsubishi Corporation	3,352	2.2
Tokio Marine & Nichido Fire Insurance Co., Ltd.	3,179	2.1

(Note)

The shareholding ratio is calculated by excluding 2,696 thousand treasury shares.

3. Matters concerning Subscription Rights to Shares, etc. of the Company

(as of March 31, 2016)

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, 2016)

Position	Name	Assignment and Significant Concurrent Positions
* President	Motoyuki Sato	
* Managing Director	Hiroshi Sato	In charge of Accounting Department, Strategic Planning Department and Overseas Planning Department
Director	Masayuki Takashima	President & Representative Director, Yokohama Port Corporation
Director	Akira Hishikawa	Executive Corporate Adviser, Mitsubishi Heavy Industries, Ltd.
Director	Hiroshi Sekine	General Manager, Steel Bars Division President & Representative Director, Mitsubishi Steel Muroran Inc.
Director	Hiroshi Amano	General Manager, Springs Division, In charge of Parts Sales Business Chairman of the Board, MSSC CANADA INC. Chairman of the Board, MSSC US INC. Chairman, MSM NINGBO SPRING CO., LTD.
Director	Jun Takayama	General Manager, Formed & Fabricated Products Division, In charge of Technical Administration Department
Director	Yasuhiko Iizuka	Manager, General Affairs & Human Resources Department, In charge of Purchasing Department
Standing Corporate Auditor	Toshiaki Yora	
Standing Corporate Auditor	Yoshihiro Hayasaka	
Corporate Auditor	Shuichiro Sekine	Certified Public Accountant
Corporate Auditor	Tetsuya Nakagawa	Registered Attorney at Law Corporate Auditor of The Bank of Tokyo Mitsubishi UFJ, Ltd.

(Notes)

1. Persons marked with an asterisk (*) are representative directors.
2. On June 19, 2015, Hiroshi Sekine, Hiroshi Amano, Jun Takayama and Yasuhiko Iizuka were newly appointed and took office as Director, and Yoshihiro Hayasaka and Tetsuya Nakagawa were newly appointed and took office as Corporate Auditor.
3. On June 19, 2015, Nobumichi Ono, Shigeru Takagawa, Tsuneo Hosoi and Hitoshi Yamaguchi resigned from the position of Director upon expiration of their terms, and Kenji Madarame resigned from the position of Corporate Auditor upon expiration of his term.

4. During the fiscal year ended March 31, 2016 and effective April 1, 2016, there were changes in positions and responsibilities of Directors as follows:

Name	New	Old	Date of change
Motoyuki Sato	-	In charge of Steel Bars Business, Springs Business, Parts Sales Business and Technical Administration Department	June 19, 2015
Hiroshi Sato	In charge of Accounting Department, Strategic Planning Department and Overseas Planning Department	In charge of Accounting Department, Strategic Planning Department and Purchasing Department	June 19, 2015
Hiroshi Sekine	General Manager, Steel Bars Division	-	June 19, 2015
Hiroshi Amano	General Manager, Springs Division, In charge of Parts Sales Business	-	June 19, 2015
Jun Takayama	General Manager, Formed & Fabricated Products Division, In charge of Technical Administration Department	-	June 19, 2015
	General Manager, Formed & Fabricated Products Division, In charge of Research and Development Center and Technical Administration Department	General Manager, Formed & Fabricated Products Division, In charge of Technical Administration Department	April 1, 2016
Yasuhiko Iizuka	Manager, General Affairs & Human Resources Department, In charge of Purchasing Department	-	June 19, 2015

5. Director Masayuki Takashima resigned as President & Representative Director, Yokohama Port Corporation on March 31, 2016.
6. Director Hiroshi Amano took office as Chairman of the Board of Directors of MSSC MFG MEXICANA, S.A. DE C.V. on April 1, 2016.
7. 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 the Tokyo Stock Exchange, Inc.
8. Corporate Auditors Toshiaki Yora, Shuichiro Sekine and Tetsuya Nakagawa 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.
9. Corporate Auditors Toshiaki Yora and Yoshihiro Hayasaka are standing Corporate Auditors.
10. Corporate Auditor Shuichiro Sekine is a qualified Certified Public Accountant, and has considerable financial and accounting expertise.
11. There is no special relationship between the Company and Yokohama Port Corporation.
12. 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.

13. While the Company has borrowing transactions with The Bank of Tokyo-Mitsubishi UFJ, Ltd., there is no other special relationship between the two.

(2) Overview of Limited Liability Agreement

The Company has concluded an agreement with each Outside Director and 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.

(3) Total Amount of Compensation, etc. of Directors and Corporate Auditors

Classification	Number of persons paid	Total amount of compensation, etc.
Directors	12	155 million yen
Corporate Auditors	5	50
Total	17	205
(Outside officers (included above))	(5)	(39)

(Notes)

1. The above amount of compensation includes the amount paid to four Directors and one Corporate Auditor who have resigned at the close of the 91st Ordinary General Meeting of Shareholders held on June 19, 2015.
2. In addition to the above compensation, the Company paid ¥14 million in employee remuneration paid to five Directors who serve the Company as Directors and employees concurrently (including one Director who resigned at the close of the 91st Ordinary General Meeting of Shareholders held on June 19, 2015).

(4) 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 of the Board of Directors and in discussions among the Corporate Auditors, respectively. The amounts of compensation, etc. for Directors and for Corporate Auditors are determined within the limit of the total amount of compensation, etc. for Directors and Corporate Auditors decided at the General Meeting of Shareholders. The amount of compensation, etc. 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, etc. for each Corporate Auditor is determined by discussions among the Corporate Auditors.

Assuming that Proposal No. 3 on the Agenda is approved, the Company's policy for determining amount of compensation, etc. for officers shall be set as follows:

[Director]

The policy for determining the amount of compensation, etc. for Directors shall be determined by the Board of Directors.

The amount of remuneration, etc. of Directors excluding Outside Directors consists of base compensation (fixed), performance-linked compensation according to achievements of their performance.

As for Outside Directors, the Company asks them to take office to reflect their advice based on their wide variety of insights and experience to the management and accordingly, pays only base compensation (fixed) considering their roles and job descriptions.

The amount of compensation, etc. for Directors shall be determined with advice from the Governance Committee consisting of Outside Directors.

[Corporate Auditor]

The amount of remuneration, etc. for Corporate Auditors shall be determined by discussions among the Corporate Auditors.

The amount of remuneration, etc. for Corporate Auditors shall be only base compensation (fixed) considering their roles and job descriptions.

(5) Matters concerning Outside Officers

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

The relationship between companies in which outside officers have significant concurrent positions and the Company is described in "4. Matters concerning Officers of the Company (1) Directors and Corporate Auditors".

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

Classification	Name of outside officers	Attendance at meetings of Board of Directors	Attendance at meetings of Board of Corporate Auditors
Directors	Masayuki Takashima	14 out of 14 meetings	
	Akira Hishikawa	14 out of 14 meetings	
Corporate Auditors	Toshiaki Yora	14 out of 14 meetings	14 out of 14 meetings
	Shuichiro Sekine	14 out of 14 meetings	14 out of 14 meetings
	Tetsuya Nakagawa	10 out of 10 meetings	9 out of 10 meetings

[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. Tetsuya Nakagawa was appointed as Corporate Auditor on June 19, 2015 and the number of meetings of the Board of Directors to attend differed from that of other officers.

[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. Tetsuya Nakagawa was appointed as Corporate Auditor on June 19, 2015 and the number of meetings of the Board of Corporate Auditors to attend differed from that of other officers.

[Governance Committee]

In January 2016, the Company established the Governance Committee for the purpose of information exchange and sharing of recognition among independent Outside Directors, and the Committee was held twice during the fiscal year under review. In the Committee, Outside Directors actively asked questions and had a lively discussion about matters concerning the Company's business divisions as well as personnel affairs and remuneration systems of officers. Corporate Auditors attended the Committee as necessary.

5. Matters concerning Accounting Auditor

(1) Name of Accounting Auditor

Deloitte Touche Tohmatsu LLC (as of March 31, 2016)

(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 The Board of Corporate Auditors comprehensively considered the contents of the audit program of the Accounting Auditor, the status of execution of duties in accounting audit, the adequacy of the basis of calculation of estimated remuneration and the possibility of providing future appropriate audit services to approve the amount of remuneration for the Accounting Auditor.
3. 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 not to reappoint the Accounting Auditor.

6. Basic Policy for Internal Controls and Its Implementation Status

(1) 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.

a. 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

For the purpose of fulfilling its social responsibility in pursuit of becoming an enterprise trusted by society, the Company has prescribed in its "Basic Policy for Corporate Governance" that it shall establish the "Corporate Philosophy" and "Mitsubishi Steel Group Code of Conduct" and commit to pursuing and fulfilling more effective corporate governance. 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."

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 the minimum size necessary, and have a system that enables speedy and efficient decision-making. Regarding the policies determined by the Board of Directors, the Director in charge responsibly gives instructions to employees who are given authority to execute the operations, and each authorized person shall execute their operations.

In addition, 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. Meanwhile, as a subordinate agency of the Board of Directors, the Governance Committee shall be put into place for the purpose of information exchange and sharing of recognition among independent Outside Directors, which will openly discuss matters concerning the Company's business and governance so as to strengthen supervisory function to execution of operations by the Board of Directors. 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, the "Management Regulations for Subsidiaries" shall clarify rules for the management of subsidiaries, and through compliance with such regulations the Company shall understand and manage the status of its subsidiaries. In addition, 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 "Mitsubishi Steel Group Code of Conduct", the Group declares that it has absolutely no relationship with any antisocial forces, and that it 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.

b. System for the preservation and management of information on execution of duties by Directors

With regard 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.

c. 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 Board of Directors of the Company to deliberate important cases, including items regarding subsidiaries, pursuant to the Rules of the Board of Directors and thereby prevent loss from arising.

d. 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 Mitsubishi Steel Group Code of Conduct. Moreover, violations of laws and regulations are prevented by the establishment of a whistle-blowing system in which members of the Internal Audit Department and a corporation lawyer can be reached.

e. 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, in addition to 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.

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

f. 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.

g. 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.

In addition, 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 to the effect that there will be no unfair treatment.

h. 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.

i. 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.

(2) Implementation Status of the Basic Policy for Internal Controls

The Company strives to develop and adequately operate internal controls based on the basic policy for internal controls. During the fiscal year under review, it revised the "Corporate Philosophy" and "Mitsubishi Steel Group Code of Conduct" followed by social requests that should be undertaken by the Company and changes in business environments. The Company make an effort to keep officers and employees of the Company and its subsidiaries informed about the revised "Corporate Philosophy" and "Mitsubishi Steel Group Code of Conduct." The following are other major matters on the implementation status of the basic policy for internal controls.

a. Matters concerning compliance

The Company's Board of Directors and Management Committee deliberated on whether its operations were executed in compliance with laws and regulations, and the Board of Corporate Auditors and Internal Audit Department provided internal audit in cooperation with each other to confirm the implementation status of compliance in addition to verification of adequacy and effectiveness of execution of operations.

The Company has put into place a whistle-blower system with the Internal Audit Department and a corporation lawyer as contacts to report all contents communicated to the Board of Directors. During the fiscal year under review, there was no whistle-blowing related to material violations of law.

In order to reject any relation with anti-social forces, the Company continues its approach of including provisions regarding the elimination of anti-social forces in agreements with its business partners.

b. Matters concerning execution of duties by Directors

During the fiscal year under review, the Board of Directors held meetings 14 times, actively exchanged opinions about material matters on the Company and its subsidiaries and provided prompt and effective decision-making. Outside Directors and Outside Corporate Auditors attended these meetings to ensure the fairness and transparency of the execution of operations.

During the fiscal year ended March 31, 2016, the "Basic Policy For Corporate Governance" was established and as a result, the regulations on the Board of Directors were revised to add the standards for deliberation and reporting of material matters required for pursuing more effective corporate governance. In addition, in the Governance Committee as a subordinate agency of the Board of Directors, independent Outside Directors have exchanged information and shared recognition each other so as to strengthen supervisory function to the execution of operations by the Board of Directors.

Preservation and management of information on the execution of duties by Directors have been performed adequately in accordance with laws and regulations and internal rules. Also, the Company has taken an initiative to reinforce the information security management.

In addition, for the fiscal year under review, the Company evaluated the effectiveness of the Board of Directors to understand the current status of the Board of Directors and improve the operation and make it more efficient.

For ensuring the adequacy and reliability of financial reporting of the Group, Directors have built and operated internal control based on standards on the evaluation and audit of internal control on financial reporting, and Corporate Auditors, the Internal Audit Department and the Accounting Auditor audited the structure and implementation status of such control.

c. Matters concerning execution of duties by Corporate Auditors

Corporate Auditors attend meetings of the Board of Corporate Auditors (a total of 14 times), material meetings including meetings of the Board of Directors and Management Committee as well as major monthly meetings held in each business office and subsidiaries to collect information and understand actual situations. For the fiscal year under review, Corporate Directors visited overseas subsidiaries in China and Thailand for field audits. In addition, they confirmed problems and approaches of the Company and each division through individual interview with Directors, the respective General Managers of Divisions and the respective Managers of the Managing Support Divisions, and exchanged information as necessary and kept cooperation with the Internal Audit Department and the Accounting Auditor to ensure the effectiveness of audit.

Staff of Corporate Auditors made presentations in meetings of the Board of Corporate Auditors. As for expenses on execution of duties of Corporate Auditors, the Company paid necessary expenses properly.

d. Matters concerning the risk management system

The Company's Management Committee identifies and considers risks arising from the business activities of the Company and its subsidiaries. For the fiscal year under review, meetings of the Management Committee were held 60 times. Material matters were also deliberated upon in meetings of the Board of Directors in accordance with regulations of the

Board of Directors. By doing this, the Company has strengthened the system that enables understanding of, and management of risks arising from, its business activities.

e. Matters concerning the management system for subsidiaries

The regulations on the management of subsidiaries were defined so as to clarify the rules on the management of subsidiaries, and important matters on subsidiaries were deliberated in the Board of Directors and the Management Committee of the Company to understand and manage information of subsidiaries. As a general rule, the Company's Directors, Corporate Auditors or employees concurrently serve as directors or corporate auditors of subsidiaries to ensure the adequacy and effectiveness of operations of subsidiaries and to prevent any violation of law from occurring.

(Notes)

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 Financial Statements

Consolidated Balance Sheet

(as of March 31, 2016)

(Million yen)

Account	Amount	Account	Amount
Assets		**Liabilities**	
Current assets	**71,372**	**Current liabilities**	**31,174**
Cash and deposits	12,266	Notes and accounts payable - trade	10,926
Notes and accounts receivable - trade	21,441	Electronically recorded obligations - operating	3,845
Electronically recorded monetary claims - operating	2,031	Short-term loans payable	11,321
Securities	17,500	Lease obligations	79
Merchandise and finished goods	7,438	Income taxes payable	313
Work in process	4,751	Deferred tax liabilities	14
Raw materials and supplies	3,466	Accrued consumption taxes	27
Deferred tax assets	925	Other	4,644
Other	1,556	**Non-current liabilities**	**26,893**
Allowance for doubtful accounts	(5)	Long-term loans payable	14,672
		Lease obligations	118
Non-current assets	**51,092**	Deferred tax liabilities	2,414
Property, plant and equipment	**24,961**	Net defined benefit liability	9,444
Buildings and structures	8,853	Provision for directors' retirement benefits	95
Machinery, equipment and vehicles	7,787	Negative goodwill	27
Land	6,106	Other	119
Leased assets	383		
Construction in progress	1,460	**Total liabilities**	**58,067**
Other	369	**Net assets**	
Intangible assets	**1,957**	**Shareholders' equity**	**56,793**
Software	1,314	Capital stock	9,924
Other	642	Capital surplus	3,603
		Retained earnings	44,376
Investments and other assets	**24,173**	Treasury shares	(1,110)
Investment securities	20,120	**Accumulated other comprehensive income**	**1,455**
Long-term loans receivable	150	Valuation difference on available-for-sale securities	4,877
Net defined benefit asset	1,255	Foreign currency translation adjustment	(1,756)
Deferred tax assets	1,729	Remeasurements of defined benefit plans	(1,665)
Other	1,072	**Non-controlling interests**	**6,147**
Allowance for doubtful accounts	(154)	**Total net assets**	**64,397**
Total assets	**122,464**	**Total liabilities and net assets**	**122,464**

(Note)

Amounts shown are rounded down to the nearest million yen.

Consolidated Statement of Income

from April 1, 2015 to March 31, 2016

(Million yen)

Account	Amount	
Net sales		**106,539**
Cost of sales		91,098
Gross profit		**15,441**
Selling, general and administrative expenses		11,154
Operating income		**4,286**
Non-operating income		
Interest and dividend income	391	
Other	339	731
Non-operating expenses		
Interest expenses	227	
Foreign exchange losses	234	
Share of loss of entities accounted for using the equity method	1,079	
Other	189	1,731
Ordinary income		**3,286**
Extraordinary income		
Gain on sales of investment securities	281	281
Extraordinary losses		
Loss on valuation of investment securities	9	
Impairment loss	423	
Amortization of goodwill	365	798
Income before income tax		**2,769**
Income taxes - current	456	
Income taxes - deferred	(361)	95
Profit		**2,674**
Profit (loss) attributable to non-controlling interests		187
Profit attributable to owners of parent		**2,486**

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

Consolidated Statement of Changes in Equity

from April 1, 2015 to March 31, 2016

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	9,924	3,605	42,812	(1,110)	55,233
Changes of items during period					
Changes in interests of parent in transaction with non-controlling shareholders		(1)			(1)
Dividends of surplus			(923)		(923)
Profit (loss) attributable to owners of parent			2,486		2,486
Purchase of treasury shares				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(1)	1,563	(0)	1,560
Balance at end of period	9,924	3,603	44,376	(1,110)	56,793

(Million yen)

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	6,853	(240)	(2,021)	4,592	6,059	65,884
Changes of items during period						
Changes in interests of parent in transaction with non-controlling shareholders						(1)
Dividends of surplus						(923)
Profit (loss) attributable to owners of parent						2,486
Purchase of treasury shares						(0)
Net changes of items other than shareholders' equity	(1,975)	(1,516)	355	(3,136)	88	(3,048)
Total changes of items during period	(1,975)	(1,516)	355	(3,136)	88	(1,487)
Balance at end of period	4,877	(1,756)	(1,665)	1,455	6,147	64,397

(Note)

Amounts shown are rounded down to the nearest million yen.

Non-consolidated Financial Statements

Balance Sheet

(as of March 31, 2016)

(Million yen)

Account	Amount	Account	Amount
Assets		**Liabilities**	
Current assets	**42,589**	**Current liabilities**	**22,276**
Cash and deposits	2,928	Notes payable - trade	16
Notes receivable - trade	341	Electronically recorded obligations - operating	2,822
Electronically recorded monetary claims - operating	1,711	Accounts payable - trade	10,303
Accounts receivable - trade	13,119	Short-term loans payable	7,498
Securities	17,500	Accounts payable - other	291
Merchandise and finished goods	3,024	Accrued expenses	1,272
Work in process	938	Other	71
Raw materials and supplies	243		
Prepaid expenses	23	**Non-current liabilities**	**14,725**
Deferred tax assets	637	Long-term loans payable	11,506
Short-term loans receivable	107	Deferred tax liabilities	1,613
Accounts receivable - other	1,995	Provision for retirement benefits	1,289
Other	18	Provision for loss on business of subsidiaries and associates	258
Non-current assets	**39,989**	Other	57
Property, plant and equipment	**7,081**	**Total liabilities**	**37,001**
Buildings	3,962		
Structures	148	**Net assets**	
Machinery and equipment	1,229	**Shareholders' equity**	**40,704**
Vehicles	42	**Capital stock**	**9,924**
Tools, furniture and fixtures	113	**Capital surplus**	**3,605**
Land	1,422	Legal capital surplus	3,605
Construction in progress	161	**Retained earnings**	**28,285**
Intangible assets	**1,013**	Legal retained earnings	809
Software	947	Other retained earnings	27,475
Other	66	Reserve for advanced depreciation of non-current assets	1,422
Investments and other assets	**31,894**	General reserve	18,855
Investment securities	12,056	Retained earnings brought forward	7,197
Shares of subsidiaries and associates	13,703	**Treasury shares**	**(1,110)**
Investments in capital	4		
Investments in capital of subsidiaries and associates	2,737	**Valuation and translation adjustments**	**4,873**
Long-term loans receivable	3,688	**Valuation difference on available-for-sale securities**	**4,873**
Other	282		
Allowance for doubtful accounts	(577)	**Total net assets**	**45,577**
Total assets	**82,579**	**Total liabilities and net assets**	**82,579**

(Note)

Amounts shown are rounded down to the nearest million yen.

Non-consolidated Statement of Income

from April 1, 2015 to March 31, 2016

(Million yen)

Account	Amount	
Net sales		**58,754**
Cost of sales		50,330
Gross profit		**8,423**
Selling, general and administrative expenses		5,582
Operating income		**2,841**
Non-operating income		
Interest and dividend income	505	
Reversal of allowance for doubtful accounts for subsidiaries and associates	422	
Other	79	1,007
Non-operating expenses		
Interest expenses	145	
Foreign exchange losses	94	
Other	135	375
Ordinary income		**3,473**
Extraordinary income		
Gain on sales of investment securities	281	281
Extraordinary losses		
Loss on valuation of investment securities	9	
Loss on valuation of shares of subsidiaries and associates	1,353	
Provision loss on business of subsidiaries and associates	258	1,622
Income before income tax		**2,132**
Income taxes - current	51	
Income taxes - deferred	(554)	(502)
Profit		**2,635**

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

Non-consolidated Statement of Changes in Equity

from April 1, 2015 to March 31, 2016

(Million yen)

	Shareholders' equity							
	Capital stock	Capital surplus		Retained earnings				
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings
					Reserve for advanced depreciation of non-current assets	General reserve	Retained earnings brought forward	
Balance at beginning of period	9,924	3,605	3,605	809	1,513	18,855	5,393	26,572
Changes of items during period								
Adjustment to reserve due to change in tax rate					34		(34)	-
Reversal of reserve for advanced depreciation of non-current assets					(124)		124	-
Dividends of surplus							(923)	(923)
Profit							2,635	2,635
Purchase of treasury shares								
Net changes of items other than shareholders' equity								
Total changes of items during period	-	-	-	-	(90)	-	1,803	1,712
Balance at end of period	9,924	3,605	3,605	809	1,422	18,855	7,197	28,285

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(1,110)	38,992	6,845	6,845	45,838
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 of surplus		(923)			(923)
Profit		2,635			2,635
Purchase of treasury shares	(0)	(0)			(0)
Net changes of items other than shareholders' equity			(1,972)	(1,972)	(1,972)
Total changes of items during period	(0)	1,711	(1,972)	(1,972)	(260)
Balance at end of period	(1,110)	40,704	4,873	4,873	45,577

(Note)

Amounts shown are rounded down to the nearest million yen.

Audit Report

Certified Copy of Accounting Auditors' Audit Report

on Consolidated Financial Statements

INDEPENDENT AUDITORS' AUDIT REPORT

May 6, 2016

Mitsubishi Steel Mfg. Co., Ltd.

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
Designated Limited Liability Partner, Engagement Partner	Certified Public Accountant Fukuyuki Nishikawa

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, 2015 to March 31, 2016.

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.

Interests

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.

Certified Copy of Accounting Auditors' Audit Report

on Non-consolidated Financial Statements

INDEPENDENT AUDITORS' AUDIT REPORT

May 6, 2016

Mitsubishi Steel Mfg. Co., Ltd.

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
Designated Limited Liability Partner, Engagement Partner	Certified Public Accountant Fukuyuki Nishikawa

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 92nd Fiscal Year from April 1, 2015 to March 31, 2016.

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.

Interests

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.

Certified Copy of Board of Corporate Auditors' Audit Report

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 92nd Fiscal Year from April 1, 2015 to March 31, 2016. The report is as follows.

1. Method and Description of Audit by Corporate Auditors and the Board of Corporate Auditors
   (1) The Board of Corporate Auditors determined the audit policy, audit plans, 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.
   (2) Corporate Auditors complied with the audit standards for Corporate Auditors established by the Board of Corporate Auditors; followed the audit policy and audit plan, etc.; communicated with Directors, the internal auditing division and other employees; endeavored to collect information and develop an environment for the audit; and provided audits by the following methods.
      a. We 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; and investigated the status of operations and assets at the head office and principal places of business. Also, 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.
      b. We 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 an enterprise group consisting of a stock company and its subsidiaries, 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.
      c. 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 Business Report and the supplementary schedules, 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 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 with regard 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 6, 2016

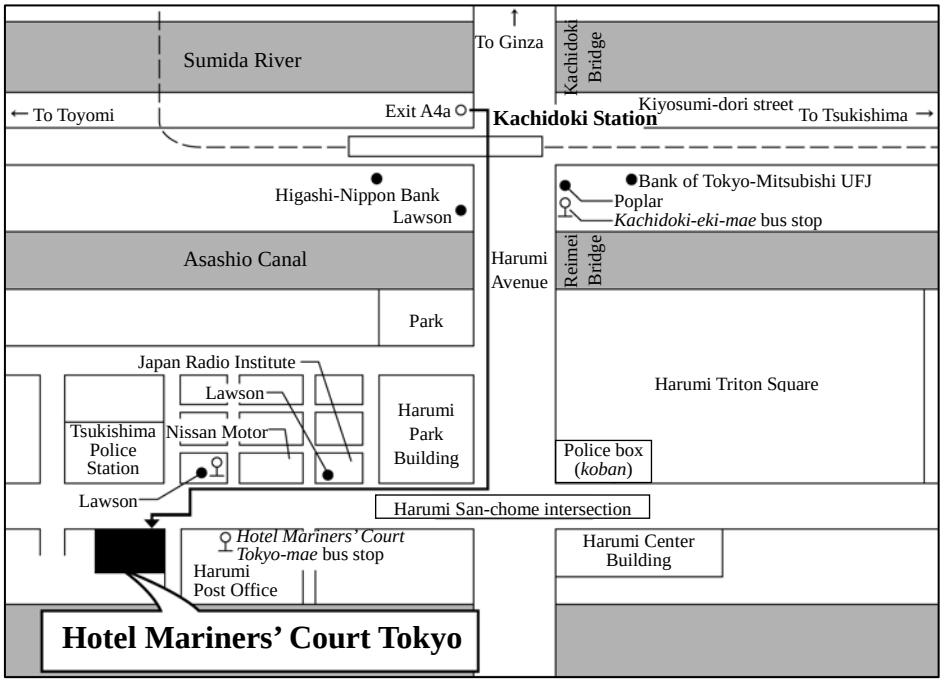
Board of Corporate Auditors, Mitsubishi Steel Mfg. Co., Ltd.

Standing Corporate Auditor (Outside)	Toshiaki Yora
Standing Corporate Auditor	Yoshihiro Hayasaka
Corporate Auditor (Outside)	Shuichiro Sekine
Corporate Auditor (Outside)	Tetsuya Nakagawa

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

Venue Map

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



Walking from Kachidoki Station
*15 minutes' walk from Exit A4a of Kachidoki Station (Oedo Line)
Access may vary on the day due to construction work under way at Kachidoki Station's entrance/exit.
Traveling by bus
The following is a guide from the nearest train station to bus stop.

	1	2	3	4	5
Train lines	Toei Oedo Line	JR Line or Marunouchi Line	JR Line or Yurakucho Line	Hibiya Line or Ginza Line	Marunouchi Line
Get off the train at:	Kachidoki Station	Tokyo Station	Yurakucho Station	Ginza Station	
Catch a bus at:	Kachidoki-ekimae bus stop	Tokyo-eki-Marunouchi-Minamiguchi bus stop	Yurakucho-ekimae bus stop	Ginza-Yonchome bus stop	Sukiya-bashi bus stop
Toei Bus number:	To-03 or To-05	To-05	To-05	To-03 or To-05	
Bound for:	Harumi-futo				
Get off bus at:	Hotel Mariners' Court Tokyo-mae bus stop				

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