

To Our Shareholders

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

**Notice of Convocation
of
the 64th Ordinary General Meeting of Shareholders**

You are cordially invited by this notice of convocation to attend the 64th Ordinary General Meeting of Shareholders of Nichia Steel Works Co., Ltd. (hereinafter referred to as the “Company”) to be held as detailed below.

If you are unable to attend the meeting on the date shown below, you may exercise your voting rights in writing by sending us the Voting Rights Form enclosed herewith, so that the form will reach us not later than Tuesday, June 28, 2016 at 5:30 p.m. (local time in Japan). In this case, you are requested to indicate your approval or disapproval on the form for each item on the agenda, after examining the Reference Documents for Ordinary General Meeting of Shareholders, shown below.

1. **Date and Time:** Wednesday, June 29, 2016, starting at 10:00 a.m. (local time in Japan)
2. **Place:** Grand Hall of the Head Office of Nichia Steel Works Co., Ltd.
19, Nakahama-cho, Amagasaki, Hyogo, Japan

3. Purposes:

Items to be reported:

1. Reports on the contents of the Business Report and Consolidated Financial Statements for the 64th Business Term (from April 1, 2015 to March 31, 2016) and on the Results of the Audits of the Consolidated Financial Statements by the Accounting Auditors and the Board of Statutory Auditors.
2. Reports on the contents of the Financial Statements for the 64th Business Term (from April 1, 2015 to March 31, 2016).

Items subject to resolutions:

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

4. Matters determined for Convocation

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

Concluded

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

Reference Documents for Ordinary General Meeting of Shareholders

Items on Agenda and Reference Matters

Agenda Item 1: Appropriation of Surplus

Matter relating to Term-End Dividends:

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

Regarding the term-end dividends for the 64th business term, we would like to make the following payment as a result of taking comprehensively into account this policy, the actual payments of dividends during these years, and the business results during the current business term, etc.

- (1) Type of Property for Dividends: Cash
- (2) Allocation of Property for Dividends to Shareholders and Total Amount Thereof:
3 yen per one common share of the Company
Total Amount: 145,203,732 yen
- (3) Effective Date of Dividends from Surplus:
June 30, 2016

Agenda Item 2: Election of Three Statutory Auditors

Mr. Tomoaki Nakagawa will resign as Statutory Auditor at the time of the close of this General Meeting of Shareholders, and the term of office of Mr. Hiroyuki Shitatoku and Mr. Noriyuki Nakatani as Statutory Auditors will expire at the time of the close of this General Meeting of Shareholders. Therefore, you are invited to elect three Statutory Auditors.

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

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

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

Candidate No.	Name (Date of Birth)	Brief Personal Record, Position and Status of Important Concurrent Posts	Number of Shares of the Company held by Candidate
1	Hiroyuki Shitatoku (Dec. 18, 1951)	Mar. 1970: Joined Company Apr. 1996: General Manager of Accounting Dept. and Systems Dept. of Company Apr. 2004: Vice Director of Administrative Div. and General Manager of Accounting Dept. of Company Mar. 2005: Director of Administrative Div. of Company Jun. 2005: Board Member and Director of Administrative Div. of Company Jun. 2014: Statutory Auditor of Company (current)	47,000 shares

2	Noriyuki Nakatani (Mar. 18, 1944)	Mar. 1969: Registered as Licensed Tax Accountant Sep. 1972: Registered as Certified Public Accountant Jun. 1991: Representative Member of Audit Corporation Asahi-Shinwa Accounting Firm (currently KPMG AZSA LLC.) Jun. 1999: Director of Head Office and Manager of Kobe Office of Asahi Audit Corporation (currently KPMG AZSA LLC.) Jun. 2009: Resigned from AZSA Audit Corporation (currently KPMG AZSA LLC.) Jul. 2009: Became established as Certified Public Accountant, Noriyuki Nakatani Firm (current) Jun. 2012: Statutory Auditor of Company (current)	— shares
3	Hiroaki Matsuoka (Aug. 31, 1960)	Apr. 1985: Joined Nippon Steel Corporation (currently Nippon Steel & Sumitomo Metal Corporation) Nov. 2010: Leader of Personnel Group of Personnel and Labor Affairs Dept. of above Company Apr. 2011: General Manager of General Affairs Dept. of Muroran Works of Straight Line Div. of above Company Apr. 2014: General Manager of Straight Line Sales Dept. of Straight Line Div. of above Company Apr. 2016: Executive Officer of above Company (in charge of Directorship of Straight Line Div.) (current)	— shares

Notes:

1. No candidate has any special interest in the Company, and vice-versa.
2. Mr. Noriyuki Nakatani is a candidate for the position of External Statutory Auditor.
3. Mr. Hiroaki Matsuoka is a candidate for the position of newly elected External Statutory Auditor.
4. Mr. Noriyuki Nakatani has qualified as a licensed tax accountant and certified public accountant, and is judged by us to be suitable for giving advice to us about the correct way to settle accounts, and the appropriateness of the financial report from the professional viewpoint on taxation and accounting affairs. Therefore, you are invited to elect him as External Statutory Auditor. The duration of the term of office of Mr. Nakatani as our External Statutory Auditor has been four years at the time of the close of this General Meeting of Shareholders.
5. You are invited to elect Mr. Hiroaki Matsuoka as External Statutory Auditor so that he can give advice to us about the overall management of the Company by making use of his good discernment in company management.
6. We have made and entered into an agreement under the provision set forth in Article 427.1 of the Companies Act with Mr. Noriyuki Nakatani for limiting the liability for damages set forth in Article 423.1 of the Act. When his reelection is approved, we plan again to make and enter into an agreement with him for limiting such liability. The maximum amount of the liability for compensation for damages under such agreement shall be the minimum amount of the liability provided for in laws and regulations. When the election of Mr. Hiroaki Matsuoka is approved, we plan to make and enter into a similar agreement with him for limiting such liability.
7. We have registered Mr. Noriyuki Nakatani at Tokyo Stock Exchange, Inc. as an independent officer. When his reelection is approved, we plan to register him there again as an

independent officer.

Agenda Item 3: Election of One Reserve Statutory Auditor

The effect of the election of Mr. Shoji Kitabatake, Reserve Statutory Auditor elected at the 63rd Ordinary General Meeting of Shareholders held on June 26, 2015, will expire at the time of the opening of this General Meeting of Shareholders. Therefore, you are requested to elect one Reserve Statutory Auditor again to prepare for the case where the actual number of the Statutory Auditors becomes insufficient to satisfy the statutory requirement.

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

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

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

Notes:

1. Mr. Shoji Kitabatake has no special interest in the Company, and vice-versa.
2. Mr. Shoji Kitabatake is a candidate for the position of External Reserve Statutory Auditor.
3. We have made and entered into an agreement on the advisory licensed tax accountant with Kitabatake Licensed Tax Accountant Firm represented by Mr. Shoji Kitabatake. The value of the transactions therewith during the current business term is about 0.02% of the consolidated sales expenses and general administrative expenses, which is unlikely to cause any conflict of interest with our shareholders. In addition, we have judged that such amount will not exert any impact on the independence of the External Statutory Auditor or the governance system.
4. Mr. Shoji Kitabatake has no experience in participating in any corporate management. However, he held increasingly important posts in the Taxation Bureau for many years and has expertise and practical experience as a licensed tax accountant. We have judged that, after assuming the office of the Statutory Auditor, he will make good use of his rich store of knowledge in the audit of the Company. Therefore, you are invited to elect him as the External Reserve Statutory Auditor.
5. When Mr. Shoji Kitabatake assumes the office of External Statutory Auditor, we plan to make and enter into an agreement with him under the provision set forth in Article 427.1 of the Companies Act for limiting the liability for compensation for damages set forth in Article 423.1 of the Act. The maximum amount of the liability for compensation for damages under

such agreement shall be the minimum amount of the liability provided for in laws and regulations.

Agenda Item 4: Grant of Resignation Bonus to Resigning Statutory Auditor

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

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

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

Name	Brief Personal Record
Tomoaki Nakagawa	Jun. 2013: Statutory Auditor of Company (current)

Concluded