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Securities code: 5482  
June 3, 2016

To our shareholders:



Takahiro Fujioka,  
President

**AICHI STEEL CORPORATION**  
1, Wanowari, Arao-machi, Tokai-shi, Aichi

## NOTICE OF THE 112th GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 112th General Meeting of Shareholders of AICHI STEEL CORPORATION (the “Company”), which will be held as indicated below.

### Meeting Details

- 1. Date and Time:** Wednesday, June 22, 2016, 10:00 a.m. (Japan Standard Time)
- 2. Venue:** **Multipurpose Hall (1st floor), Tokai City Arts Theatre**  
137, Shimohamada, Ota-machi, Tokai-shi, Aichi (in Yuunaru Tokai)  
(Note) The meeting place has changed from the previous meeting held last year.
- 3. Purposes:**
  - Items to be reported;**  
Business Report, Consolidated Financial Statements, Financial Statements and Audit Reports concerning Consolidated Financial Statements by the Financial Auditors and the Audit & Supervisory Board for the 112th Term (April 1, 2015 to March 31, 2016)
  - Items to be resolved;**
    - Proposal 1:** Appropriation of Surplus
    - Proposal 2:** Consolidation of Shares
    - Proposal 3:** Election of Ten (10) Directors
    - Proposal 4:** Election of One (1) Audit & Supervisory Board Member
    - Proposal 5:** Payment of Bonuses to Directors

## **Reference Document for the General Meeting of Shareholders**

### **Proposals and Reference Matters**

**Proposal 1:** Appropriation of Surplus

With the respect to the dividend payment, taking comprehensive account of consolidated business results and payout ratio, etc., the Company will fulfill the expectations of all its shareholders.

The dividends of the 112th Term shall be as follows:

### **Matters concerning the year-end dividend**

**(1) Type of dividend assets**

Cash

**(2) Allocation of dividend assets and total amount of dividends**

Amount per share of common stock: ¥5

Total dividends: ¥984,035,840

**(3) Effective date of dividend payment**

June 23, 2016

**Proposal 2: Consolidation of Shares**

(1) Reason for proposal

Under their “Action Plan toward the Unification of Share Trading Units”, Japan’s stock exchanges seek to unify the minimum trading units of shares of all listed domestic corporations at 100 shares with the goal of improving convenience for people who use the markets, such as investors. In consideration of this background, the Company has decided to change the number of shares constituting one unit (the number of shares per share unit or the share unit) to 100 shares from 1,000 shares, pursuant to the provisions of the Companies Act, by the resolution in the Board of Directors Meeting held on May 16, 2016.

When this occurs, even after the change in share units, the Company will maintain the price level for each of its share trading units, and when carrying out the consolidation of the Company’s shares from 10 shares to 1 share, the number of authorized shares will be changed with the same ratio, from 476,000,000 to 47,600,000.

Subject to the approval of this proposal as originally proposed, the aforementioned change in the number of shares in a unit shares will take effect on October 1, 2016.

(2) Consolidation ratio

Every 10 shares in the Company will be consolidated into 1 share.

If any fractional shares arise as a result of the share consolidation, pursuant to the provisions of the Companies Act, the Company will dispose all such fractional shares and distribute the proceeds to shareholders having fractional shares in proportion to their respective fractions.

(3) Effective date of share consolidation

October 1, 2016

(4) Number of authorized shares as of effective date of share consolidation

47,600,000 shares

When consolidating the Company’s shares, pursuant to the provisions of the Companies Act, on the date of effectiveness of the consolidation, the Articles of Incorporation concerning the number of authorized shares shall be deemed amended.

(Reference)

Subject to the approval of this proposal as originally proposed, the Articles of Incorporation of the Company will be partially amended as follows on October 1, 2016

For the parts that will be amended, a comparison between the current Articles of Incorporation and the proposed amendments of the Articles of Incorporation is listed below.

(Underlined portions are amended)

Current Articles of Incorporation	Proposed Amendments of Articles of Incorporation
<p style="text-align: center;">CHAPTER 2 Shares of Stock</p> <p>(Number of Authorized Shares) Article 6 The total number of shares that the Company may issue shall be <u>476,000,000 shares.</u></p> <p>(Number of Shares Per Unit) Article 7 The number of shares per unit of the Company shall be <u>1,000 shares.</u></p>	<p style="text-align: center;">CHAPTER 2 Shares of Stock</p> <p>(Number of Authorized Shares) Article 6 The total number of shares that the Company may issue shall be <u>47,600,000 shares.</u></p> <p>(Number of Shares Per Unit) Article 7 The number of shares per unit of the Company shall be <u>100 shares.</u></p>

**Proposal 3: Election of Ten (10) Directors**

The terms of all current Directors will expire at the close of this General Meeting of Shareholders. Accordingly, we would like to propose the election of ten (10) Directors.

The candidates for the Directors are as follows, and matters regarding candidates for the Directors are on pages 6 through 10.

No.	Name	Positions in the Company	Attendance at meetings of the Board of Directors (FY2015)	Period in office as Director
1	Takahiro Fujioka [Reelection]	President and Director	14/14 (100%)	5 years
2	Masao Ukai [Reelection]	Executive Vice President and Director	14/14 (100%)	5 years
3	Hiroaki Asano [Reelection]	Director, Senior Managing Executive Officer	14/14 (100%)	4 years
4	Naohiro Yasunaga [Reelection]	Director, Managing Executive Officer	11/11 (100%)	1 year
5	Hiroaki Chino [Reelection]	Director, Senior Executive Officer	14/14 (100%)	8 years
6	Toshiyuki Yamanaka [Reelection]	Director, Senior Executive Officer	11/11 (100%)	1 year
7	Koichi Yasui [Reelection] [Outside] [Independent]	Director	10/11 (91%)	1 year
8	Takahiro Iwase [New]	Standing Corporate Advisor	-	-
9	Katsunori Kojima [New]	Managing Executive Officer	-	-
10	Yuko Arai [New] [Outside] [Independent]	-	-	-

- Notes:
1. There are no special interests between the candidates and the Company.
  2. Mr. Koichi Yasui and Ms. Yuko Arai are candidates for Outside Director.
  3. The differences in number of attendances for meetings of the Board of Directors are due to differences in the timing of assuming the position of Director.
  4. The Company has designated Mr. Koichi Yasui as “Independent Director” pursuant to the provisions of the Tokyo Stock Exchange and the Nagoya Stock Exchange. Upon approval of his reelection and Ms. Yuko Arai’s election, they are both planned to be designated as Independent Directors.
  5. The Company has concluded agreements to limit the liability for damages with Mr. Koichi Yasui as prescribed in Article 423, paragraph 1 of the Companies Act. Based on these agreements, his liability shall be limited to the amount stipulated by Article 425, paragraph 1 of the Companies Act. Upon approval of his reelection, the aforementioned agreement is planned to continue. Upon approval of Ms. Yuko Arai election, the Company plans to conclude the same kind of agreement.
  6. When appointing the candidates for Outside Director, the Enforcement Rules for Securities Listing Regulations as stipulated by the Tokyo Stock Exchange and the Nagoya Stock Exchange are used for a reference for the independence criteria, but at the time of appointment, various factors such as background, knowledge, character, etc. are holistically taken into consideration, with the most appropriate person becoming a candidate.

Candidates

No.	Name	Career summary, positions and areas of responsibility in the Company, and notable concurrent positions	Number of the Company's shares held
1	Takahiro Fujioka (August 31, 1954) [Reelection]	<p>April 1979      Joined Toyota Motor Industrial Corporation (current Toyota Motor Corporation)</p> <p>June 2006      Managing Officer of Toyota Motor Corporation</p> <p>May 2011      Standing Corporate Advisor of the Company</p> <p>June 2011      President and Director of the Company (to present)</p> <p>[Notable Concurrent Positions]</p> <p>Vice Chairman of the Board of Shanghai Aichi Forging Co., Ltd.</p>	70,000
<p>[Reasons for Election of the Candidate for Director]</p> <p>Mr. Takahiro Fujioka has been serving as Representative and President since 2011, and has been aptly performing management, direction, and supervision. As a Chairman on the Board of Directors, he strives toward frank and lively exchanges of ideas while fostering a respectful atmosphere, and has raised the decision making capabilities of the Board of Directors. Furthermore, he also possesses a wealth of business experience and knowledge regarding global business operation and overall management in both the Company and Toyota Motor Corporation. Thus, the Company proposes his continued appointment as Director.</p>			
2	Masao Ukai (January 8, 1954) [Reelection]	<p>April 1976      Joined Toyota Motor Sales Corporation Co., Ltd. (current Toyota Motor Corporation)</p> <p>January 2001    Assistant Section Chief of Secretariat of Toyota Motor Corporation</p> <p>January 2006    Chief of Secretariat of Toyota Motor Corporation</p> <p>January 2011    Standing Corporate Advisor of the Company</p> <p>June 2011      Director of the Company</p> <p>June 2012      Managing Director of the Company</p> <p>June 2013      Senior Managing Director of the Company</p> <p>April 2015      Director and Senior Managing Executive Officer of the Company</p> <p>June 2015      Executive Vice President and Director of the Company (to present)</p> <p>[Responsibility]</p> <p>General Manager of Corporate Administration Headquarters, Chief of Corporate Planning Div.</p>	46,000
<p>[Reasons for Election of the Candidate for Director]</p> <p>Mr. Masao Ukai has been serving as Director since 2011 and Representative and Executive Vice President since 2015, and has been aptly performing management, direction, and supervision. Furthermore, he also possesses a wealth of business experience and knowledge regarding global business operation and overall management in both the Company and Toyota Motor Corporation. Thus, the Company proposes his continued appointment as Director.</p>			

No.	Name	Career summary, positions and areas of responsibility in the Company, and notable concurrent positions	Number of the Company's shares held
3	Hiroaki Asano (March 26, 1952) [Reelection]	<p>April 1974      Joined the Company</p> <p>January 1999    Chief of No. 2 Development Department of the Company</p> <p>June 2003        Officer and Chief of Corporate Planning Department of the Company</p> <p>June 2005        Director of the Company</p> <p>June 2008        Managing Director of the Company</p> <p>June 2010        President and Director of Aichi Techno Metal Fukaumi Company</p> <p>June 2012        Managing Director of the Company</p> <p>June 2013        Senior Managing Director of the Company</p> <p>April 2015       Director and Senior Managing Executive Officer of the Company (to present)</p>	54,000
		<p>[Responsibility]</p> <p>General Manager of Technical Headquarters, General Manager of Electro-Magnetic Products Headquarters, Electro-Magnetic Products Management Div., Sensor Business Dept.</p>	
		<p>[Reasons for Election of the Candidate for Director]</p> <p>Mr. Hiroaki Asano has been serving as Director since 2012, and at present is the General Manager of Technical Headquarters and General Manager of Electro-Magnetic Products Headquarters. Furthermore, he has a wealth of business experience and knowledge regarding global business management, the electro-magnetic product business, and overall technology in the Company. Thus, the Company proposes his continued appointment as Director.</p>	
4	Naohiro Yasunaga (December 16, 1959) [Reelection]	<p>April 1982      Joined the Company</p> <p>January 2007    Assistant Chief of Production Engineering Div. No. 1 Department of the Company</p> <p>June 2008        Officer and Manager of Chita Plant of the Company</p> <p>June 2012        Director of the Company</p> <p>June 2013        Executive Officer of the Company</p> <p>April 2015       Senior Executive Officer of the Company</p> <p>June 2015       Director and Senior Executive Officer of the Company</p> <p>April 2016       Director and Managing Executive Officer of the Company (to present)</p>	28,000
		<p>[Responsibility]</p> <p>General Manager of Production Engineering Headquarters, Assistant General Manager of Production Headquarters</p>	
		<p>[Reasons for Election of the Candidate for Director]</p> <p>Mr. Naohiro Yasunaga has been serving as Director since 2015, and at present is General Manager of Production Engineering Headquarters and Assistant General Manager of Production Headquarters. Furthermore, he has a wealth of business experience and knowledge regarding global business management and production engineering. Thus, the Company proposes his continued appointment as Director.</p>	

No.	Name	Career summary, positions and areas of responsibility in the Company, and notable concurrent positions	Number of the Company's shares held
5	Hiroaki Chino (February 1, 1959) [Reelection]	<p>April 1981      Joined the Company</p> <p>January 2005    Assistant Chief of Finance &amp; Accounting Div. of the Company</p> <p>June 2007      Officer and Chief of Finance &amp; Accounting Div. of the Company</p> <p>June 2008      Director of the Company</p> <p>June 2013      Director and Executive Officer of the Company</p> <p>April 2015      Director and Senior Executive Officer of the Company (to present)</p> <p>[Responsibility] Assistant General Manager of Corporate Administration Headquarters, Audit Dept., Finance &amp; Accounting Div.</p>	50,000
<p>[Reasons for Election of the Candidate for Director]</p> <p>Mr. Hiroaki Chino has been serving as Director since 2008, and at present is the Assistant General Manager of Corporate Administration Headquarters. Furthermore, he has a wealth of business experience and knowledge regarding global business management, accounting and finance, and corporate administration in the Company. Thus, the Company proposes his continued appointment as Director.</p>			
6	Toshiyuki Yamanaka (September 30, 1958) [Reelection]	<p>April 1981      Joined the Company</p> <p>January 2005    Chief of Osaka Office of the Company</p> <p>June 2008      Officer and Chief of Osaka Branch of the Company</p> <p>June 2009      Officer and Chief of Toyota Sales Div. of the Company</p> <p>June 2012      Director of the Company</p> <p>June 2013      Executive Officer of the Company</p> <p>April 2015      Senior Executive Officer of the Company</p> <p>June 2015      Director and Senior Executive Officer of the Company (to present)</p> <p>[Responsibility] General Manager of Sales Headquarters, Chubu Sales Div., Osaka Office.</p>	22,000
<p>[Reasons for Election of the Candidate for Director]</p> <p>Mr. Toshiyuki Yamanaka has been serving as Director since 2015, and at present is the General Manager of Sales Headquarters. Furthermore, he has a wealth of business experience and knowledge regarding global business management and overall sales in the Company. Thus, the Company proposes his continued appointment as Director.</p>			



No.	Name	Career summary, positions and areas of responsibility in the Company, and notable concurrent positions	Number of the Company's shares held
7	<p>Koichi Yasui (January 8, 1952) [Reelection] [Outside] [Independent]</p>	<p>April 1976    Joined Toho Gas Co., Ltd. June 2006    Executive Officer of Toho Gas Co., Ltd. June 2008    Director and Managing Executive Officer of Toho Gas Co., Ltd. June 2010    Director and Senior Managing Executive Officer of Toho Gas Co., Ltd. June 2012    President and Director of Toho Gas Co., Ltd. (to present) June 2015    Director of the Company (to present)</p> <p>[Responsibility] President and Director of Toho Gas Co., Ltd. Outside Director of Chubu-Nippon Broadcasting Co., Ltd.</p>	8,000
<p>[Reasons for Election of the Candidate for Director] Mr. Koichi Yasui has abundant experience, broad insight, an excellent and highly ethical character acquired through active performance as a corporate manager following experience in important positions in the sales division of Toho Gas Co., Ltd., one of the core companies in the Chubu area. Since 2015, as an Outside Director, with regard to important matters in Board of Directors deliberations, he has given proactive opinions and proposals that come from his independent position and distinct viewpoint from a background in a different industry, helping to strengthen corporate governance. Thus, the Company proposes his continued appointment as Director. (Matters regarding independence) Mr. Yasui is President and Director of Toho Gas Co., Ltd. Although Toho Gas Co., Ltd. has transactions with the Company to operate as a usual gas supply, the Company judges that there would be no risk of conflicts of interest arising between Toho Gas Co., Ltd. and ordinary shareholders.</p>			
8	<p>Takahiro Iwase (May 28, 1952) [New]</p>	<p>April 1977    Joined Toyota Motor Industrial Corporation (current Toyota Motor Corporation) June 2005    Managing Officer of Toyota Motor Corporation June 2009    Senior Managing Director of Toyota Motor Corporation April 2011    Vice Chairman of the Board and Director of Toyota Motor Asia Pacific (Singapore) Pte Ltd. June 2011    Senior Managing Officer of Toyota Motor Corporation June 2014    President and Director of Toyota Auto Body Co., Ltd. April 2016    Standing Corporate Advisor of the Company (to present)</p>	3,000
<p>[Reasons for Election of the Candidate for Director] Mr. Takahiro Iwase has a wealth of business experience and knowledge regarding global business management and overall management in both Toyota Motor Corporation and Toyota Auto Body Co., Ltd., which have expanded their businesses globally. At Toyota Auto Body Co., Ltd. in particular, he has served as President and Director, the highest person in charge of business execution. He has been able to aptly carry out managerial direction and supervision, exhibiting his capabilities as head manager. Thus, the Company proposes his new appointment as Director.</p>			

No.	Name	Career summary, positions and areas of responsibility in the Company, and notable concurrent positions	Number of the Company's shares held
9	Katsunori Kojima (February 24, 1957) [New]	<p>April 1981      Joined Toyota Motor Industrial Corporation (current Toyota Motor Corporation)</p> <p>January 2004    Representative Manager and Global Production Planning Department Vehicle Planning Section of Toyota Motor Corporation</p> <p>June 2008        President of Toyota Motor Manufacturing (UK) Ltd.</p> <p>January 2013    Standing Corporate Advisor of the Company</p> <p>June 2013        Executive Officer of the Company</p> <p>June 2013        Chairman and President of Aichi International (Thailand) Co., Ltd.</p> <p>April 2015        Senior Executive Officer of the Company</p> <p>April 2016        Managing Executive Officer of the Company (to present)</p> <p>[Responsibility] General Manager of Production Headquarters</p>	20,000
<p>[Reasons for Election of the Candidate for Director] At present, Mr. Katsunori Kojima is serving as General Manager of Production Headquarters and Managing Executive Officer. Furthermore, he has a wealth of business experience and knowledge regarding global business management and production technology in both Toyota Motor Corporation and the Company. Thus, the Company proposes his new appointment as Director.</p>			
10	Yuko Arai (January 27, 1961) [New] [Outside] [Independent]	<p>April 1979      Joined All Nippon Airways Co., Ltd</p> <p>April 2010      Assistant Branch Manager of Osaka Office of All Nippon Airways Co., Ltd</p> <p>April 2011      Assistant Branch Manager of Tokyo Office of All Nippon Airways Co., Ltd</p> <p>April 2014      Executive Officer, Branch Manager of Osaka Office, All Nippon Airways Co., Ltd</p> <p>April 2016      Senior Executive Officer and Deputy Director of Business Center, General Manager of Kansai Branch, All Nippon Airways Co., Ltd</p> <p>[Notable Concurrent Positions] Senior Executive Officer of All Nippon Airways Co., Ltd, Executive Vice President and Director of ANA Sales Co., Ltd.</p>	5,000
<p>[Reasons for Election of the Candidate for Director] Ms. Yuko Arai has abundant experience, broad insight, an excellent and highly ethical character acquired through active performance as a corporate manager following experience in important positions in the sales division of All Nippon Airways Co., Ltd and ANA Sales Co., Ltd., which have expanded their businesses globally. Furthermore, she can give valuable opinions and proposals toward management of the Company, from her independent position, distinct viewpoint and a background in a different industry, contributing to strengthening corporate governance. Thus, the Company proposes her new appointment as Outside Director. (Matters regarding independence) The Company has judged that there are no personal interests, capital interests, transactional interests, or other special interests between the candidate and the Company, and that there is no possibility of conflict of interest with general shareholders.</p>			

**Proposal 4: Election of One (1) Audit & Supervisory Board Member**

The term of office for Audit & Supervisory Board Member Mr. Takashi Goto will expire. The Company proposes to appoint the following one (1) individual to the Audit & Supervisory Board. The candidate for the Audit & Supervisory Board Member is as follows.

This Proposal has already been approved by the Audit & Supervisory Board.

Name	Positions in the Company	Attendance at meetings of Board of Directors (FY2015)	Attendance at meetings of Audit & Supervisory Board (FY2015)	Period in office as Audit & Supervisory Board Member
Takashi Goto [Reelection]	Audit & Supervisory Board Member	14/14 (100%)	12/12 (100%)	4 years

- Notes:
1. There are no special interests between the candidate and the Company.
  2. The Company has concluded agreements to limit the liability for damages with Mr. Takashi Goto as prescribed in Article 423, paragraph 1 of the Companies Act. Based on these agreements, his liability shall be limited to the amount stipulated by Article 425, paragraph 1 of the Companies Act. Upon approval of his election, the aforementioned agreement is planned to continue.

**Candidates**

Name	Career summary, positions and areas of responsibility in the Company,	Number of the Company's shares held
Takashi Goto (April 2, 1957) [Reelection]	April 1981      Joined of the Company January 2007    Assistant Manager of Forge Plant of the Company June 2012      Audit & Supervisory Board Member of the Company (to present)	38,000

[Reasons for Election of the Candidate for Audit & Supervisory Board Member]  
Mr. Takashi Goto has been serving as Audit & Supervisory Board Member since 2012, and plays a vital role in the Company's auditory operations. Furthermore, he is utilizing his wealth of business experience and knowledge regarding production technology in the Company, and provides proactive opinions and proposals. Thus, the Company proposes his continued appointment as Audit & Supervisory Board Member.

**Proposal 5:** Payment of Bonuses to Directors

Taking into consideration the performance of the current term, among other factors, we propose to pay “Bonuses to Directors” at the amount of ¥49,590,000 to seven (7) Directors excluding Outside Directors as of the end of the fiscal year under review.