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Securities code: 5482
May 31, 2019

To our shareholders:

Takahiro Fujioka,
President
AICHI STEEL CORPORATION
220, Rinowari, Arao-machi, Tokai-shi, Aichi

NOTICE OF THE 115th GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 115th General Meeting of Shareholders of AICHI STEEL CORPORATION (the “Company”), which will be held as indicated below.

Meeting Details

- 1. Date and Time:** Friday, June 21, 2019, 10:00 a.m. (Japan Standard Time)
- 2. Venue:** **Main Conference Room, Main Building, AICHI STEEL CORPORATION**
220, Rinowari, Arao-machi, Tokai-shi, Aichi
- 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 115th Term (April 1, 2018 to March 31, 2019)
 - Items to be resolved;**
 - Proposal 1:** Appropriation of Surplus
 - Proposal 2:** Election of Six (6) Directors
 - Proposal 3:** Election of Three (3) Audit & Supervisory Board Members
 - Proposal 4:** Election of One (1) Substitute 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 115th 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: ¥60

Total dividends: ¥1,180,982,460

(3) Effective date of dividend payment

June 24, 2019

Proposal 2: Election of Six (6) 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 six (6) Directors.

The candidates for the Directors are as follows, and matters regarding candidates for the Directors are on pages 3 through 6.

No.	Name	Positions in the Company	Attendance at meetings of the Board of Directors (FY2018)	Term of office as Director
1	Takahiro Iwase [Reelection]	Chairman and Director	13/13 (100%)	3 years
2	Takahiro Fujioka [Reelection]	President and Director	13/13 (100%)	8 years
3	Motoshi Nakamura [Reelection]	Director	10/10 (100%)	1 year
4	Koichi Yasui [Reelection] [Outside] [Independent]	Director	12/13 (92%)	4 years
5	Yuko Arai [Reelection] [Outside] [Independent]	Director	12/13 (92%)	3 years
6	Naohiro Yasunaga [New]	Senior Managing Executive Officer	-	-

- 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 number of attendances at meetings of the Board of Directors differs depending on the timing of the appointment.
 4. The Company has designated Mr. Koichi Yasui and Ms. Yuko Arai as Independent Officer pursuant to the provisions of the Tokyo Stock Exchange and the Nagoya Stock Exchange.
 5. The Company has concluded agreements to limit the liability for damages with Mr. Koichi Yasui and Ms. Yuko Arai as prescribed in Article 423, paragraph 1 of the Companies Act. Based on these agreements, their liability shall be limited to the amount stipulated by Article 425, paragraph 1 of the Companies Act. In the event that their reelection is approved, the aforementioned agreement is planned to continue.
 6. Candidates are selected based on the proposal submitted to the Board of Directors by the optional officer remuneration and nomination committee, where the majority of members composed of Independent Outside Directors and chaired by an Independent Outside Director, and it assesses and deliberates each candidate's experience, knowledge, accomplishments, etc. The Enforcement Rules for Securities Listing Regulations stipulated by the Tokyo Stock Exchange and the Nagoya Stock Exchange are used as a reference for the independence criteria for Outside Director candidates, 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 for Director

No.	Name	Career summary, positions and areas of responsibility in the Company, and notable concurrent positions	Number of the Company's shares held
1	<p>Takahiro Iwase (May 28, 1952) [Reelection]</p> <p>Attendance at meetings of the Board of Directors (FY2018) 13/13 (100%)</p> <p>Term of office as Director (at the conclusion of this meeting) 3 years</p>	<p>April 1977 Joined Toyota Motor Industrial Corporation (current Toyota Motor Corporation)</p> <p>June 2005 Managing Officer of Toyota Motor Corporation</p> <p>June 2009 Senior Managing Director of Toyota Motor Corporation</p> <p>April 2011 Vice Chairman of the Board of Toyota Motor Asia Pacific (Singapore) Pte Ltd.</p> <p>June 2011 Senior Managing Officer of Toyota Motor Corporation</p> <p>June 2014 President and Director of Toyota Auto Body Co., Ltd.</p> <p>April 2016 Standing Corporate Advisor of the Company</p> <p>June 2016 Chairman and Director of the Company (to present)</p>	3,200
		<p>[Notable Concurrent Positions]</p> <p>Outside Audit & Supervisory Board Member of Chuo Spring Co., Ltd.</p>	
<p>[Reasons for Election of the Candidate for Director]</p> <p>Mr. Takahiro Iwase has been serving as Representative Director and Chairman since 2016, and as a Chairman on the Board of Directors, he strives toward frank and lively exchanges of ideas while fostering a respectful atmosphere, and has enhanced the decision making capabilities of the Board of Directors. Additionally, he has provided pertinent counsel on overall management and has been aptly performing supervision on determining important matters and business execution. Furthermore, he also possesses a wealth of business experience and knowledge regarding global business operation and overall management in the Company, Toyota Motor Corporation and Toyota Auto Body Co., Ltd. Thus, the Company proposes his continued appointment as Director.</p>			
2	<p>Takahiro Fujioka (August 31, 1954) [Reelection]</p> <p>Attendance at meetings of the Board of Directors (FY2018) 13/13 (100%)</p> <p>Term of office as Director (at the conclusion of this meeting) 8 years</p>	<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>	12,000
		<p>[Notable Concurrent Positions]</p> <p>Vice Chairman of the Board of Shanghai Aichi Forging Co., Ltd.</p>	
<p>[Reasons for Election of the Candidate for Director]</p> <p>Mr. Takahiro Fujioka has been serving as Representative Director and President since 2011. While exhibiting leadership as a head manager and working to improve the Group's corporate value, he has been aptly performing supervision on determining important matters and business execution. 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>			

3	<p>Motoshi Nakamura (September 4, 1960) [Reelection]</p> <p>Attendance at meetings of the Board of Directors (FY2018) 10/10 (100%)</p> <p>Term of office as Director 1 year</p>	<p>April 1983 Joined Toyota Motor Corporation</p> <p>April 2014 Standing Director of Toyota Motor Corporation</p> <p>January 2018 Standing Corporate Advisor of the Company</p> <p>April 2018 Senior Managing Executive Officer of the Company</p> <p>June 2018 Director and Senior Managing Executive Officer of the Company (to present)</p>	3,700
		<p>[Responsibility]</p> <p>Kitaeru Company President Kitaeru Business Management Division</p>	
<p>[Reasons for Election of the Candidate for Director]</p> <p>Mr. Motoshi Nakamura has been serving as Director since 2018, and as Kitaeru Company President, he strives to strengthen the brand power and competitiveness of forged products business and improve the Group's corporate value. Furthermore, he also possesses a wealth of business experience and knowledge regarding global business management and production technology in both the Company and Toyota Motor Corporation. Thus, the Company proposes his continuous appointment as Director.</p>			
4	<p>Koichi Yasui (January 8, 1952) [Reelection] [Outside] [Independent]</p> <p>Attendance at meetings of the Board of Directors (FY2018) 12/13 (92%)</p> <p>Term of office as Director (at the conclusion of this meeting) 4 years</p>	<p>April 1976 Joined Toho Gas Co., Ltd.</p> <p>June 2006 Executive Officer of Toho Gas Co., Ltd.</p> <p>June 2008 Director and Managing Executive Officer of Toho Gas Co., Ltd.</p> <p>June 2010 Director and Senior Managing Executive Officer of Toho Gas Co., Ltd.</p> <p>June 2012 President and Director of Toho Gas Co., Ltd.</p> <p>June 2015 Director of the Company (to present)</p> <p>June 2016 Chairman and Director of Toho Gas Co., Ltd. (to present)</p>	1,900
		<p>[Notable Concurrent Positions]</p> <p>Chairman and Director of Toho Gas Co., Ltd. Outside Director of Chubu-Nippon Broadcasting Co., Ltd.</p>	
<p>[Reasons for Election of the Candidate for Director]</p> <p>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)</p> <p>Mr. Yasui is Chairman and Director of Toho Gas Co., Ltd. Although Toho Gas Co., Ltd. has transactions with the Company to operate as a usual gas supplier, the Company judges that there would be no risk of conflicts of interest arising between Toho Gas Co., Ltd. and ordinary shareholders.</p>			

5	<p>Yuko Arai (January 27, 1961) [Reelection] [Outside] [Independent]</p> <p>Attendance at meetings of the Board of Directors (FY2018) 12/13 (92%)</p> <p>Term of office as Director (at the conclusion of this meeting) 3 years</p>	<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. (to present)</p> <p>June 2016 Director of the Company (to present)</p>	1,200
		<p>[Notable Concurrent Positions]</p> <p>Senior Executive Officer of All Nippon Airways Co., Ltd. Executive Vice President and Director of ANA Sales Co., Ltd.</p>	
<p>[Reasons for Election of the Candidate for Director]</p> <p>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. Since 2016, as an Outside Director, with regard to important matters in Board of Directors deliberations, she has given proactive opinions and proposals that come from her independent position and distinct viewpoint from a background in a different industry, helping to strengthen corporate governance. Thus, the Company proposes her continued appointment as Director. (Matters regarding independence)</p> <p>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>			
6	<p>Naohiro Yasunaga (December 16, 1959) [New]</p>	<p>April 1982 Joined the Company</p> <p>June 2008 Officer and General Manager, 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</p> <p>June 2018 Managing Executive Officer of the Company</p> <p>April 2019 Senior Managing Executive Officer of the Company (to present)</p>	4,500
		<p>[Responsibility]</p> <p>General Manager of Manufacturing and Future Planning Headquarters Safety & Environmental Division</p>	
<p>[Reasons for Election of the Candidate for Director]</p> <p>As General Manager of Manufacturing and Future Planning Headquarters, Mr. Naohiro Yasunaga has been undertaking total management toward creating leading-edge businesses and achieving optimal production, striving to improve the Group's corporate value. Furthermore, he has a wealth of business experience and knowledge regarding global business management and production technology in the Company. Thus, the Company proposes his appointment as Director.</p>			

Proposal 3: Election of Three (3) Audit & Supervisory Board Members

At the close of this General Meeting of Shareholders, Audit & Supervisory Board Member Mr. Ichiro Kanatoko will resign from his position, and the terms of Messrs. Tetsuro Toyoda and Nobuyori Kodaira will expire. Accordingly, we would like to propose the election of three (3) Audit & Supervisory Board Members. The candidates for the Audit & Supervisory Board Members are as follows.

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

No.	Name	Positions in the Company
1	Hiroaki Chino [New]	Managing Executive Officer
2	Koichi Ito [New] [Outside]	-
3	Katsuyuki Ogura [New] [Outside]	-

- Notes:
1. There are no special interests between the candidates and the Company.
 2. Messrs. Koichi Ito and Katsuyuki Ogura are candidates for Outside Audit & Supervisory Board Members.
 3. If this proposal is approved as originally proposed, and candidates assume office, the Company plans to conclude agreements to limit the liability for damages with them as prescribed in Article 423, paragraph 1 of the Companies Act. Based on these agreements, their liability shall be limited to the amount stipulated by Article 425, paragraph 1 of the Companies Act.
 4. Candidates are selected based on the proposal submitted to the Board of Directors by the optional officer remuneration and nomination committee, where the majority of members composed of Independent Outside Directors and chaired by an Independent Outside Director, and it assesses and deliberates each candidate's experience, knowledge, accomplishments, etc.

Candidates for Audit & Supervisory Board Member

No.	Name	Career summary, positions and notable concurrent positions	Number of the Company's shares held	
1	Hiroaki Chino (February 1, 1959) [New]	April 1981 June 2007	Joined the Company Officer and General Manager, Finance & Accounting Division of the Company	5,800
		June 2008 June 2013 April 2015 April 2017 June 2018	Director of the Company Director and Executive Officer of the Company Director and Senior Executive Officer of the Company Director and Managing Executive Officer of the Company Managing Executive Officer of the Company (to present)	
[Reasons for Election of the Candidate for Audit & Supervisory Board Member] After being engaged in finance and accounting related assignments and serving as General Manager of Finance & Accounting Division, Mr. Hiroaki Chino has been contributing to improving the Group's corporate value as Director and General Manager of Corporate Planning Headquarters, focusing on finance and accounting areas. Furthermore, he has a wealth of business experience and knowledge regarding global business management, finance, accounting, etc. in the Company. Thus, the Company proposes his appointment as Audit & Supervisory Board Member.				
2	Koichi Ito (July 31, 1963) [New] [Outside]	April 1986 June 1998	Joined Marubeni Corporation Joined Toyota Automatic Loom Works, Ltd.(current Tyota Industries Corporation)	0
		June 2012 June 2016 June 2019	Managing Officer of Toyota Industries Corporation Managing Officer of Toyota Industries Corporation (to present) Senior Executive Officer of Toyota Industries Corporation (to be appointed)	
[Notable Concurrent Positions] Senior Executive Officer of Toyota Industries Corporation (to be appointed)				
[Reasons for Election of the Candidate for Audit & Supervisory Board Member] Mr. Koichi Ito 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 sales divisions of Toyota Industries Corporation, which has expanded its business globally. Furthermore, as he can give useful opinions and advice on the Company's management, he is deemed as being able to contribute to the strengthening of corporate governance. Thus, the Company proposes his appointment as Outside Audit & Supervisory Board Member. (Matters regarding independence) Toyota Industries Corporation where Mr. Koichi Ito serves as Managing Officer is the third largest shareholder of the Company and has a business relationship with the Company such as sales of its products. Nevertheless, these transactions are routine, and there are no transactional interests between the candidate and the Company.				
3	Katsuyuki Ogura (January 25, 1963) [New] [Outside]	April 1985 January 2018	Joined Toyota Motor Corporation General Manager, Audit & Supervisory Board Office of Toyota Motor Corporation (to present)	0
		June 2019	Audit & Supervisory Board Member (full-time) of Toyota Motor Corporation (to be appointed)	
[Notable Concurrent Positions] Audit & Supervisory Board Member (full-time) of Toyota Motor Corporation (to be appointed)				
[Reasons for Election of the Candidate for Audit & Supervisory Board Member] Mr. Katsuyuki Ogura has abundant experience, broad insight into accounting, finance and audit businesses, an excellent and high ethical character acquired through his careers in administrative divisions including accounting and personnel affairs in Toyota Motor Corporation, which operates globally. Furthermore, as he can give useful opinions and advice on the Company's management, he is deemed as being able to contribute to the strengthening of corporate governance. Thus, the Company proposes his appointment as Outside Audit & Supervisory Board Member. (Matters regarding independence) Toyota Motor Corporation where Mr. Katsuyuki Ogura serves as General Manager, Audit & Supervisory Board Office is the largest shareholder of the Company and has a business relationship with the Company such as sales of its products. Nevertheless, these transactions are routine, and there are no transactional interests between the candidate and the Company.				

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

To prevent the situation where the number of Audit & Supervisory Board Members of the Company is less than the number required by law, the Company proposes to appoint one (1) Substitute Audit & Supervisory Board Member in advance.

In this proposal, the Company proposes the election of a substitute for the Outside Audit & Supervisory Board Members, subject to the approval of Proposal 3. If the Substitute Audit & Supervisory Board Member assumes office as an Audit & Supervisory Board Member, his term of office will be the remaining term of the person he succeeds.

This effectiveness of this proposal expires at the start of the 116th General Meeting of Shareholders. However, limited to the period before the candidate has assumed office, conditional upon approval by the Audit & Supervisory Board, this proposal may be cancelled via a Board of Directors resolution.

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

Candidate for Substitute Audit & Supervisory Board Member

Name	Career summary, positions and notable concurrent positions	Number of the Company's shares held
Yu Munakata (January 10, 1968) [Reelection] [Outside] [Independent]	April 1997 Registered as an attorney-at-law (under the Tokyo Bar Association)	0
	April 1997 Joined Sekiya Munakata Law Office (formerly Sekiya Law Office) (to present)	
[Notable Concurrent Positions] Attorney-at-law		
<p>[Reasons for Election of the Candidate for Substitute Audit & Supervisory Board Member]</p> <p>Although Mr. Yu Munakata has not directly been involved in corporate management, he possesses specialized knowledge regarding the law as an attorney-at-law, as well as a high level of specialized knowledge, broad insight and abundant experience regarding corporate governance and internal control, and an excellent and highly ethical character. Furthermore, as he can give useful opinions and advice on the Company's management that come from his independent position and distinct viewpoint as a lawyer, he is deemed as being able to contribute to the strengthening of corporate governance. Thus, the Company proposes his appointment as Substitute Outside Audit & Supervisory Board Member. (Matters regarding independence)</p> <p>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>		

- Notes:
1. There are no special interests between the candidate and the Company.
 2. Mr. Yu Munakata is a candidate for Substitute Outside Audit & Supervisory Board Member.
 3. If this proposal is approved as originally proposed, and Mr. Yu Munakata assumes office as an Audit & Supervisory Board Member, the Company plans to designate him as Independent Officer pursuant to the provisions of the Tokyo Stock Exchange and the Nagoya Stock Exchange.
 4. If this proposal is approved as originally proposed, and Mr. Yu Munakata assumes office as an Audit & Supervisory Board Member, the Company plans to conclude an agreement to limit the liability for damages with him as prescribed in Article 423, paragraph 1 of the Companies Act. Based on this agreement, his liability shall be limited to the amount stipulated by Article 425, paragraph 1 of the Companies Act.
 5. Candidates are selected based on the proposal submitted to the Board of Directors by the optional officer remuneration and nomination committee, where the majority of members composed of Independent Outside Directors and chaired by an Independent Outside Director, and it assesses and deliberates each candidate's experience, knowledge, accomplishments, etc. The Enforcement Rules for Securities Listing Regulations stipulated by the Tokyo Stock Exchange and the Nagoya Stock Exchange are used as a reference for the independence criteria for Substitute Outside Audit & Supervisory Board Member candidates, 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.

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 ¥64,590,000 to four (4) Directors excluding Outside Directors as of the end of the fiscal year under review.

Note: Remuneration for Directors including this proposal is deliberated at the officer remuneration and nomination committee, a majority of which is composed of Independent Outside Directors and chaired by an Independent Outside Director, and is submitted to the Board of Directors. The Board of Directors subsequently makes a decision based on the report from the committee. Remuneration for Directors excluding Outside Directors comprises monthly compensation and bonuses, determined by compensation system linked not only to corporate business results but also individual’s duties and performance. Bonuses in particular have been paid in comprehensive consideration of dividends, the bonus levels received by employees, trends of other companies, medium-to-long term business results, the historical results of payments, and other factors based on consolidated operating income in each accounting period. Since Outside Directors play independent roles in overseeing and supervising corporate management, they do not receive bonuses.