

OSAKA STEEL CO.,LTD.

Notice of the 40th General Meeting of Shareholders

OSAKA STEEL CO.,LTD.

6-1, Doshomachi3-chome, Chuo-ku, Osaka, Japan 541-0045

Note: This document is a partial translation of the Japanese original for reference purpose only, and in the event of any discrepancy, the Japanese original shall prevail.

Jun. 5, 2018

Dear Shareholders:

Masaki Iwasaki

Representative Director and President

Osaka Steel Co., Ltd. (Code Number 5449) (the “Company”)

(Principal Office)

9-3, Minamiokajima 1-chome, Taisho-ku, Osaka, Japan

(Head Office)

6-1, Doshomachi 3-chome, Chuo-ku, Osaka, Japan

Notice of the 40th General Meeting of Shareholders

We are pleased to invite you to attend the 40th General Meeting of Shareholders which will be held at 10 a.m., Wednesday, June 27, 2018, at 10th Floor, the North Building Tower-B, Grand Front Osaka, 3-1, Ofukacho, Kita-ku, Osaka, Japan, the agenda of which is set forth below.

If you are unable to attend, you can exercise your voting rights after reading the “Reference Documents for Exercising Voting Rights” by returning the Voting Rights Exercise Form by mail, as instructed below.

(Voting by mail)

Please indicate your choices on the enclosed Voting Rights Exercise Form and return it so that it will arrive at the Company by 17:20, Tuesday, June 26, 2018.

AGENDA

Matters to be reported to the shareholders:

Report on operations for the 40th term (from April 1, 2017 to March 31, 2018), consolidated financial statements and non-consolidated financial statements, and reports of accounting auditors and the Audit & Supervisory Board on consolidated financial statements for the 40th term.

Matters for approval by the shareholders:

Item 1: Amendments to the Articles of Incorporation

Item 2: Election of Eight (8) Directors

Item 3: Election of Two (2) Audit & Supervisory Board Members

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

Reference Documents for Exercising Voting Rights

Item 1 Amendments to the Articles of Incorporation

(1) Reason for Proposal

To introduce the system as the Requirement for the Sale of Shares less than One Unit stipulated by the Article 194 of the Companies Act, for the more convenience of shareholders, the Board of Directors proposes to newly establish a provision concerning the right of a holder of shares constituting less than one (1) unit of shares (tangen) of the Company (new Article 9, Paragraph 1 (4) of the Articles of Incorporation) and a provision for a holder of shares less than one unit of shares to require the Company to sell such number of shares that, combined with the less than one unit of shares held by such shareholder, constitute one unit of shares of the Company (new Article 9, Paragraph 2 of the Articles of Incorporation).

(2) Contents of Amendments

The following table shows the proposed change, which is indicated by underlines, from the current provisions of the Articles of Incorporation.

Current Articles of Incorporation	Proposed Amendment
<p>Article 9.</p> <p>1. A holder of shares constituting less than one (1) unit of shares (tangen) of the Company may not exercise any rights other than those listed below with respect to such shares:</p> <p>(1)~(3) (Omitted)</p> <p>(Newly established)</p> <p>(Newly established)</p>	<p>Article 9.</p> <p>1. (Not amended)</p> <p>(1)~(3) (Not amended)</p> <p><u>(4) the right set forth in the immediately subsequent paragraph.</u></p> <p><u>2. A holder of less than one unit of shares of the Company may require the Company to sell such number of</u></p>

	<p><u>shares that, combined with the less than one unit of shares held by such shareholder, constitute one unit of shares of the Company.</u></p>
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Item 2 Election of Eight (8) Directors

The term of office of all six (6) current Directors ends at the conclusion of the 40th General Meeting of Shareholders. The Board of Directors proposes that eight (8) Directors, including two (2) Outside Directors, be elected.

The candidates for Directors are set forth below.

Name (date of birth)		Brief personal history (with material concurrent positions)	Number of shares of the Company owned
1	Masaki Iwasaki (May 10,1959)	<p>April 1984: Joined NIPPON STEEL CORPORATION(NSC) (current NIPPON STEEL & SUMITOMO METAL CORPORATION(NSSMC))</p> <p>August 2006 General Manager, Head of Steelmaking Plant, Oita Works of NSC</p> <p>April 2009 General Manager, Head of Steelmaking Technology Division of NSC</p> <p>October 2012 General Manager, Head of Steelmaking Technology Division of NSSMC</p> <p>April 2013 Executive Officer, Head of Hirohata Works of NSSMC</p> <p>April 2016 Managing Executive Officer, Head of Hirohata Works of NSSMC</p> <p>April 2017 Executive Officer of NSSMC</p> <p>June 2017 Advisor of the Company</p> <p>Representative Director and President of the Company</p> <p>To the present</p>	2,400
		<p><u>Reasons for the election as Director Candidate</u></p> <p>The Board of Directors has proposed the re-election of Mr. Masaki Iwasaki as a Director because it decides that he is well-qualified for the position by his deep knowledge and strong leadership in corporate management, and ample business knowledge and experience in the steel business.</p>	

Name (date of birth)	Brief personal history (with material concurrent positions)	Number of shares of the Company owned
<p>2 Shigeki Kashio (June 3,1954)</p>	<p>April 1979: Joined NIPPON STEEL CORPORATION (NSC) (current NIPPON STEEL & SUMITOMO METAL CORPORATION(NSSMC))</p> <p>July 2001 General Manager, Head Office Production & Technical Control Division of the Company</p> <p>April 2002 General Manager, Head Office Sakai Works of the Company</p> <p>April 2004 General Manager, Head Office Production & Technical Control Division of the Company</p> <p>May 2005 General Manager, Head of Head Office Production & Technical Control Division of the Company</p> <p>June 2005 Executive Counselor, General Manager, Head of Head Office Production & Technical Control Division of the Company</p> <p>June 2007 Director, General Manager, Head of Head Office Production & Technical Control Division of the Company</p> <p>June 2009 Director, General Manager, Head of Head Office Sakai Works of the Company</p> <p>June 2010 Senior Executive Officer, General Manager, Head of Sakai Works of the Company</p> <p>June 2012 Managing Director, General Manager, Head of Sakai Works of the Company</p> <p>June 2013 Managing Director, CLO, General Manager, Head of Sakai Works of the Company</p> <p>June 2015 Managing Director, CLO, General Manager, Head of Safety & Environment Division, Head of Purchasing Division, Head of Production & Technical Control Division, responsible for Matters related to Promotion of the Recycling Business of the Company</p> <p>April 2017 Managing Director, CLO, General Manager, Head of Safety & Environment Division, Head of Purchasing Division, Head of Production & Technical Control Division of the Company</p> <p>October 2017 Managing Director, CLO, General Manager, Head of Safety & Environment Division, Head of Purchasing Division, Head of Production & Technical Control Division, responsible for Matters related to Plant Engineering of the Company</p> <p>To the present</p>	<p>36,900</p>
<p><u>Reasons for the election as Director Candidate</u></p> <p>The Board of Directors has proposed the re-election of Mr. Shigeki Kashio as a Director because it decides that he is well-qualified for the position by his excellent performance as general manager and director in the field of production & technical control and supervising manufacturing plants since joining the Company, and by his ample business knowledge and experience in the steel business.</p>		

Name (date of birth)	Brief personal history (with material concurrent positions)	Number of shares of the Company owned
<p>3 Kazuo Fujita (May 30,1957)</p>	<p>April 1982: Joined NIPPON STEEL CORPORATION(NSC) (current NIPPON STEEL & SUMITOMO METAL CORPORATION(NSSMC))</p> <p>April 2007 General Manager, Head of Shape Division, Sakai Works, Head of Environment and Process Research Center, R & D Laboratories of NSC</p> <p>April 2011 Executive Counselor, General Manager, Head of Sakai Works of NSC</p> <p>October 2012 Executive Counselor, General Manager, Head of Sakai Works of NSSMC</p> <p>April 2014 Executive Counselor, General Manager, Head of Rail, Shape & Spiral pipe Technology Division, Construction Products Unit of NSSMC</p> <p>April 2016 Advisor of the Company</p> <p>June 2016 Director, General Manager, Purchasing Division, Production & Technical Control Division, Product Planning Division, responsible for Matters specially appointed by the President of the Company</p> <p>September 2016 Director, General Manager, Head of Nishi-Nippon Kumamoto Works, Head of Recycling Business Promotion Division, Nishi-Nippon Kumamoto Works of the Company</p> <p>April 2017 Managing Director, General Manager, Head of Osaka Unit, Head of Osaka Unit Sakai Works, assistant to CLO for Matters related to Education of the Company</p> <p>To the present</p>	<p>2,300</p>
<p><u>Reasons for the election as Director Candidate</u> The Board of Directors has proposed the re-election of Mr. Kazuo Fujita as a Director because it decides that he is well-qualified for the position by his excellent performance as general manager and director in the field of rolling technology and supervising manufacturing plants since joining the Company, and by his ample business knowledge and experience in the steel business.</p>		

Name (date of birth)	Brief personal history (with material concurrent positions)	Number of shares of the Company owned
<p style="text-align: center;">4 Teruyuki Wakatsuki (March 2, 1959)</p>	<p>April 1983: Joined NIPPON STEEL CORPORATION (NSC) (current NIPPON STEEL & SUMITOMO METAL CORPORATION(NSSMC))</p>	3,500
	<p>January 2007 General Manager, Head of Rail, Shape & Spiral pipe Technology Department, Construction Products Marketing Division, Construction Products Unit of NSC</p>	
	<p>April 2012 Executive Counselor, General Manager, Production & Technical Control Division, International Business Development Division of the Company</p>	
	<p>June 2012 Executive Officer, General Manager, Production & Technical Control Division, International Business Development Division of the Company</p>	
	<p>November 2012 Executive Officer, General Manager, Head of Product Planning Division, International Business Development Division of the Company</p>	
	<p>June 2014 Senior Executive Officer, General Manager, Head of Product Planning Division, International Business Development Division of the Company</p>	
	<p>April 2016 Senior Executive Officer, General Manager, Head of Osaka Okajima Works, Head of Product Planning Division, International Business Development Division of the Company</p>	
	<p>April 2017 Senior Executive Officer, General Manager, Head of Osaka Unit Okajima Works, Head of Product Planning Division, International Business Development Division of the Company</p> <p>June 2017 Director, General Manager, Head of Osaka Unit Okajima Works, Head of Product Planning Division of the Company To the present</p>	
<p><u>Reasons for the election as Director Candidate</u> The Board of Directors has proposed the re-election of Mr. Teruyuki Wakatsuki as a Director because it decides that he is well-qualified for the position by his excellent performance in the field of planning products and supervising manufacturing plants since joining the Company, and by his ample business knowledge and experience in the steel business.</p>		

Name (date of birth)	Brief personal history (with material concurrent positions)	Number of shares of the Company owned
5 Norimasa Somiya (February 13, 1961)	April 1984: Joined NIPPON STEEL CORPORATION (NSC) (current NIPPON STEEL & SUMITOMO METAL CORPORATION(NSSMC)) April 2007 General Manager, Head of Production Scheduling & Contracting Division, Nagoya Works of NSC October 2012 Executive Vice President, Baosteel-NSC Automotive Steel Sheets Co., Ltd. April 2017 Advisor of the Company June 2017 Executive Officer, responsible for Matters related to General Administration and Accounting & Finance of the Company To the present	200
	<u>Reasons for the election as Director Candidate</u> The Board of Directors has proposed the new election of Mr. Norimasa Somiya as a Director because it decides that he is well-qualified for the position by his excellent performance in the field of general administration and accounting & finance since joining the Company, and by his ample business knowledge in the steel business and experience in corporate management.	

Name (date of birth)	Brief personal history (with material concurrent positions)	Number of shares of the Company owned
<p>6</p> <p>Katsuhide Nakashima (May 8,1962)</p>	<p>April 1985: Joined NIPPON STEEL CORPORATION (NSC) (current NIPPON STEEL & SUMITOMO METAL CORPORATION(NSSMC))</p> <p>July 2010 General Manager, Head of Chugoku Marketing Branch of NSC</p> <p>October 2012 General Manager, Head of Chugoku Marketing Branch, of NSSMC</p> <p>April 2013 General Manager, Head of Plate Marketing Division, Plate Unit of NSSMC</p> <p>April 2016 Executive Counselor, General Manager, Head of Marketing Division, Product Planning Division of the Company</p> <p>June 2016 Executive Officer, General Manager, Head of Marketing Division, Product Planning Division of the Company</p> <p>June 2017 Senior Executive Officer, responsible for Matters related to Marketing of the Company To the present</p> <p>[Significant concurrent positions] Director, OSAKA BUSSAN TRADING CO., LTD.</p>	<p>500</p>
<p><u>Reasons for the election as Director Candidate</u> The Board of Directors has proposes the new election of Mr. Katsuhide Nakashima as a Director because it decides that he is well-qualified for the position by his excellent performance in the field of marketing since joining the Company, and by his ample business knowledge and experience in the steel business.</p>		

Name (date of birth)	Brief personal history (with material concurrent positions)	Number of shares of the Company owned
<p>7 Masao Ushio (January 21,1942)</p>	<p>October 1976 Associate Professor, Osaka University (Welding Research Institute)</p> <p>September 1990 Professor (Welding Research Institute, subsequently reorganized to Joining and Welding Research Institute), Osaka University</p> <p>April 2000 Director, Joining and Welding Research Institute, Osaka University</p> <p>April 2004 Professor Emeritus, Osaka University</p> <p>June 2004 Specially Appointed Professor (Joining and Welding Research Institute), Osaka University</p> <p>April 2006 President, College of Industrial Technology,</p> <p>April 2015 Advisor, College of Industrial Technology</p> <p>June 2015 Outside Director of the Company To the present</p> <p>[Significant concurrent positions] Advisor, College of Industrial Technology</p> <p><u>Reasons for the election as Outside Director Candidate</u> The Board of Directors has proposed the re-election of Mr. Masao Ushio as an Outside Director because it decides that he is well-qualified for the position by his contributing to enlightening human resources and strengthening corporate governance of the Company, and by his ample experience and great attainments as a technologist for many years and his deep knowledge that he accumulated as President of Collage of Industrial Technology, notwithstanding the fact that he does not have experience participating corporate management other than as an outside director. Since his appointment as an Outside Director of the Company, Mr. Masao Ushio will have served in such position for three (3) years at the conclusion of this General Meeting of Shareholders.</p>	<p>0</p>

Name (date of birth)	Brief personal history (with material concurrent positions)	Number of shares of the Company owned
8 Hironobu Ishikawa (December 4,1954)	April 1979	Joined MITSUI & CO., LTD.
	April 2006	General Manager, Head of Energy Business Division of MITSUI & CO., LTD.
	April 2010	Executive Officer, General Manager, Head of Human Resources & General Administration Division of MITSUI & CO., LTD.
	April 2013	Managing Executive Officer, Chief Operating Officer of EMEA (Europe, the Middle East and Africa) Business Unit of MITSUI & CO., LTD. President of Mitsui & Co. Europe PLC
	April 2015	Senior Managing Executive Officer, Chief Operating Officer of EMEA (Europe, the Middle East and Africa) Business Unit of MITSUI & CO., LTD. President of Mitsui & Co. Europe PLC
	April 2016	Advisor of MITSUI & CO., LTD.
	May 2016	International Senior Advisor of Kream Worldwide AB To the present
<u>Reasons for the election as Outside Director Candidate</u> The Board of Directors has proposed the new election of Mr. Hironobu Ishikawa as an Outside Director because it decides that he is well-qualified for the position by his contributing to strengthening corporate governance of the Company, and by his ample business knowledge that he accumulated at a general trading company for many years and his experience in corporate management from his global viewpoint.		

(Notes)

1. There is no special interest between each of these candidates and the Company.
2. Mr. Masao Ushio is a candidate for an Outside Director.

The Company has already filed Mr. Masao Ushio as an “independent director/auditor” with Tokyo Stock Exchange, Inc.

Pursuant to the provisions of the Article 427, Paragraph 1 of the Companies Act and Article 27, Paragraph 2 of the Articles of Incorporation of the Company, the Company has concluded an agreement with Mr. Masao Ushio that limits his liability to the amount stipulated by laws and regulations, in the case of neglecting his duties.

3. Mr. Hironobu Ishikawa is a candidate for an Outside Director.

The Company is to file Mr. Hironobu Ishikawa as an “independent director/auditor” with Tokyo Stock Exchange, Inc.

Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act and Article 27, Paragraph 2 of the Articles of Incorporation of the Company, subject to the approval of original proposal, submitted as Item 2, the Company is to conclude

an agreement with Mr. Hironobu Ishikawa that limits his liability to the amount stipulated by laws and regulations, in the case of neglecting his duties.

Item 3 Election of Two (2) Audit & Supervisory Board Members

The term of office of Audit & Supervisory Board Member Mr. Shuichi Takami ends and Audit & Supervisory Board Member Mr. Hiroshi Tsuga resigns at the conclusion of the 40th General Meeting of Shareholders. The Board of Directors proposes that two (2) Audit & Supervisory Board Members be elected.

Mr. Masanori Ando is not elected as a Substitute Audit & Supervisory Board Member because of resignation of Mr. Hiroshi Tsuga. Therefore his term of office as an Audit & Supervisory Board Member shall expire upon the conclusion of the ordinary general meeting of shareholders pertaining to the last business year which ends within four (4) years following the assumption of office of such Audit & Supervisory Board Member.

The submission of this proposal has been consented to by the Audit & Supervisory Board.

The candidates for Audit & Supervisory Board Members are set forth below.

Name (date of birth)	Brief personal history (with material concurrent positions)	Number of shares of the Company owned
<p>1</p> <p>Shuichi Takami (November 19, 1959)</p>	<p>April 1988 Appointed Assistant Judge, Osaka District Court</p> <p>May 1990 Registered with Osaka Bar Association Joined Oka Myouga Legal Office</p> <p>April 2004 Specially Appointed Professor in Professional Judicial Studies, Osaka City University, Graduate School of Law</p> <p>April 2005 Established Human Legal Office</p> <p>June 2014 Outside Audit & Supervisory Board Member of the Company To the present</p> <p>[Significant concurrent positions] Attorney, Human Legal Office</p>	<p>0</p>
	<p><u>Reasons for the election as Outside Audit & Supervisory Board Member Candidate</u> The Board of Directors has proposed the re-election of Mr. Shuichi Takami as an Outside Audit & Supervisory Board Member because it decides that he is well-qualified for the position by his appropriate action from his objective viewpoint as an Outside Audit & Supervisory Board Member of the Company, and by his ample experience and expert knowledge as a lawyer, notwithstanding the fact that he does not have experience participating corporate management other than as an Outside Audit & Supervisory Board Member. Since his appointment as an Outside Audit & Supervisory Board Member of the Company, Mr. Shuichi Takami will have served in such position for four (4) years at the conclusion of this General Meeting of Shareholders.</p>	

Name (date of birth)	Brief personal history (with material concurrent positions)	Number of shares of the Company owned
2 Masanori Ando (November 9, 1963)	<p>April 1988 Joined NIPPON STEEL CORPORATION (NSC) (current NIPPON STEEL & SUMITOMO METAL CORPORATION(NSSMC))</p> <p>April 2013 General Manager, General Administration Division of the Company</p> <p>June 2013 General Manager, Head of General Administration Division, International Business Development Division of the Company</p> <p>April 2014 Executive Counselor, General Manager, Head of General Administration Division, International Business Development Division of the Company</p> <p>April 2016 General Manager, Group Companies Planning Division of NSSMC To the present</p> <p>[Significant Concurrent Positions]</p> <ul style="list-style-type: none"> • General Manager, Group Companies Planning Division NIPPON STEEL & SUMITOMO METAL CORPORATION • Audit & Supervisory Board Member, Nippon Steel & Sumikin Metal Products Co., Ltd. • Audit & Supervisory Board Member, Nippon Steel & Sumikin SG Wire Co., Ltd. 	0
	<p><u>Reasons for the election as Audit & Supervisory member Candidate</u></p> <p>The Board of Directors has proposes the new election of Mr. Masanori Ando as an Audit & Supervisory Board Member because it decides that he is well-qualified for the position by performing his duties for Audit & Supervisory Board System of the Company, and by his ample business knowledge and experience in the steel business.</p>	

(Notes)

1. There is no special interest between each of these candidates and the Company.
2. Mr. Shuichi Takami is a candidate for an Outside Audit & Supervisory Board Member.
The Company has already filed Mr. Shuichi Takami as an “independent director/auditor” with Tokyo Stock Exchange, Inc.
Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act and Article 37, Paragraph 2 of the Articles of Incorporation of the Company, the Company has concluded an agreement with Mr. Shuichi Takami that limits his liability to the amount stipulated by laws and regulations, in the case of neglecting his duties.
3. Mr. Masanori Ando has been, at present and in past five (5) years, an administrator

of Nippon Steel & Sumitomo Metal Corporation which is the parent company of the Company.

A position and duty of Mr. Masanori Ando, as an administrator, is a General Manager of Group Companies Planning Division at Nippon Steel & Sumitomo Metal Corporation.

Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act and Article 37, Paragraph 2 of the Articles of Incorporation of the Company, subject to the approval of original proposal, submitted as Item 3, the Company is to conclude an agreement with Mr. Masanori Ando that limits his liability to the amount stipulated by laws and regulations, in the case of neglecting his duties.

Item 4 Election One (1) Substitute Audit & Supervisory Board Member

To prepare for a contingency in which the Company does not have the number of Audit & Supervisory Board Members required by laws and regulations, the Board of Directors proposes that one (1) Substitute Audit & Supervisory Board Member be elected.

The effectiveness of the election under this Proposal may be cancelled based on resolution of the Board of Directors, provided such cancellation is done prior to the assumption of office and with the consent of the Audit & Supervisory Board.

The submission of this proposal has been consented to by the Audit & Supervisory Board.

The candidate for Substitute Audit & Supervisory Board Member is set forth below.

Name (date of birth)	Brief personal history (with material concurrent positions)	Number of shares of the Company owned
Tatsuji Kishimoto (June 16,1960)	<p>April 1987 Registered as attorney (Osaka Bar Association) Joined Norio Kodama Legal Office (current Shinsei Sougou Law Office)</p> <p>April 1998 Partner, Shinsei Sougou Law Office</p> <p>April 2007 Member of Conciliation Committee, Osaka Family Court</p> <p>April 2009 Specially Appointed Professor, Graduate school of Kansai University, School of Accountancy Mediator, Non-Profit Organization, Financial Instruments Mediation Assistance Center</p> <p>June 2011 Outside Audit & Supervisory Board Member of CHARLE CO., LTD.</p> <p>April 2012 Part-time Lecturer, Graduate school of Kansai University, School of Accountancy To the present</p> <p>[Significant concurrent positions] Partner, Shinsei Sougou Law Office Outside Audit & Supervisory Board Member, CHARLE CO., LTD.</p>	0
	<p><u>Reasons for the election as Substitute Outside Audit & Supervisory Board Member Candidate</u></p> <p>The Board of Directors has proposed the election of Mr. Tatsuji Kishimoto as an Outside Audit & Supervisory Board Member because it decides that he is well-qualified for the position by his capability to perform his duties by appropriate action from objective viewpoint, and by his ample experience and expert knowledge as a lawyer, notwithstanding the fact that he does not have experience participating corporate management other than as an Outside Audit & Supervisory Board Member.</p>	

(Notes)

1. There is no special interest between Mr. Tatsuji Kishimoto and the Company.
2. Mr.Tatsuji Kishimoto is a candidate for a Substitute Outside Audit & Supervisory Board Member.

Mr. Tatsuji Kishimoto fulfills the requirements for an “independent director/auditor” stipulated by Tokyo Stock Exchange, Inc.

Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act and Article 37, Paragraph 2 of the Articles of Incorporation of the Company, subject to the approval of original proposal, submitted as Item 4 and his appointment as an Outside Audit & Supervisory Board Member, the Company is to conclude an agreement with Mr. Tatsuji Kishimoto that limits his liability to the amount stipulated by laws and regulations, in the case of neglecting his duties.