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(Stock Exchange Code 5631)
June 9, 2020

To Shareholders with Voting Rights:

Naotaka Miyauchi
Representative Director & President
The Japan Steel Works, Ltd.
11-1, Osaki 1-chome, Shinagawa-ku, Tokyo, Japan

NOTICE OF THE 94TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

Please be informed that the 94th Annual General Meeting of Shareholders of The Japan Steel Works, Ltd. (the “Company”) will be held for the purposes as described below.

In light of the situation of concern over the novel coronavirus infection, to ensure the safety and to prevent the spread of the infection, we would like to ask our shareholders to consider exercising your voting rights in advance in writing or via the Internet, etc. wherever possible, by 5:45 p.m. on Tuesday, June 23, 2020, Japan time.

For shareholders who are attending the meeting, please be mindful of your physical condition. For those who are of an advanced age, have underlying disease, or are not feeling well, please consider refraining from attending the meeting. We ask your cooperation to prevent infection to yourself and to other shareholders through preventive measures at the venue such as constantly wearing a face mask.

Upon oncoming situation, we may make revisions to the operation of the meeting such as shortening the meeting time and limiting the number of shareholders to be accommodated. We appreciate your kind understanding and cooperation.

- 1. Date and Time:** Wednesday, June 24, 2020, at 10:00 a.m. Japan time
(The reception desk opens at 9 a.m.)
- 2. Place:** Gate City Hall at West Tower B1, Gate City Ohsaki, located at
11-1, Osaki 1-chome, Shinagawa-ku, Tokyo, Japan
- 3. Meeting Agenda:**
 - Matters to be reported:**
 1. The Business Report, Consolidated Financial Statements for the Company’s 94th Fiscal Year (April 1, 2019–March 31, 2020) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company’s 94th Fiscal Year (April 1, 2019–March 31, 2020)
 - Proposals to be resolved:**
 - Proposal 1:** Appropriation of Surplus
 - Proposal 2:** Election of 9 Directors
 - Proposal 3:** Election of 1 Audit & Supervisory Board Member
 - Proposal 4:** Revision of the Total Amount of Remuneration for Outside Directors

4. Matters Determined with Regard to the Convocation

- (1) If voting rights are exercised multiple times via the Internet, etc., the last vote shall be deemed to be valid.
- (2) If voting rights are exercised both in writing and via the Internet, etc., the last vote shall be deemed to be valid.
- (3) If you have exercised your voting rights both in writing and via the Internet, and your vote via the Internet and your Voting Rights Exercise Form arrive on the same date, those exercised via the Internet will be taken as valid.

(Requests)

- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
- If you exercise your voting rights by a proxy attending this general meeting of shareholders, please submit a written document certifying the right of proxy representation to this company along with the Voting Rights Exercise Form at the reception desk. (The proxy shall be only one shareholder holding voting rights in the Company.)

(Notices)

- Of the documents that should be provided along with this convocation, the following items are posted on the Company's Web site (<https://www.jsw.co.jp/>) pursuant to laws and regulations, as well as the provision of Article 17 of the Company's Articles of Incorporation.
 - (1) Consolidated Statement of Changes in Equity and Notes to the Consolidated Financial Statements
 - (2) Non-consolidated Statement of Changes in Equity and Notes to the Non-consolidated Financial Statements

The Consolidated Statement of Changes in Equity and the Notes to the Consolidated Financial Statements, as well as the Non-consolidated Statement of Changes in Equity and the Notes to the Non-consolidated Financial Statements were audited by the Accounting Auditor and the Audit & Supervisory Board Members of the Company to prepare audit reports as part of the Consolidated Financial Statements and the Non-consolidated Financial Statements that they audited.
- Should the Appendix and the Reference Documents for the General Meeting of Shareholders require revisions, the revised versions will be posted on the Company's Web site (<https://www.jsw.co.jp/>) immediately.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

Concerning the appropriation of surplus, the Company has a basic policy to provide stable and continuous dividends and to increase the amounts thereof. Also, to improve the corporate value and shareholders' value of the Company, we ensure stable earning capabilities, promote capital investments and investments in R&D to grow new businesses and products and strive to improve our financial structure.

With the recognition of its responsibility toward shareholders, the Company pays an interim dividend and a year-end dividend annually, in principle, based on the business results for each fiscal year.

With regard to a year-end dividend for the fiscal year under review, taking the above policy into account, we will pay ¥17.5 per share.

Combined with the interim dividend of ¥27.5 per share, the annual dividend will be ¥45.0 per share.

- (1) Type of asset for the dividends: Cash
- (2) Matters related to the allocation of the assets for the year-end dividend to shareholders and the aggregate amount: ¥17.5 per common share of the Company
Aggregate amount: ¥1,286,757,798
- (3) Effective date and payment start date: June 25, 2020

Proposal 2: Election of 9 Directors

The terms of office of all 9 Directors will expire at the conclusion of this year's Annual General Meeting of Shareholders. It is therefore proposed to elect 9 Directors.

The candidates for Director are as follows, and matters concerning the respective candidates are stated on pages 5 to 10:

No.	Name	Remarks
1	Naotaka Miyauchi <u>Reappointment</u>	
2	Toshio Matsuo <u>Reappointment</u>	
3	Takashi Shibata <u>Reappointment</u>	
4	Junichiro Deguchi <u>Reappointment</u>	
5	Takashi Iwamoto <u>Reappointment</u>	
6	Hiroki Kikuchi <u>New appointment</u>	
7	Sadao Degawa <u>Reappointment</u>	<u>Candidate for Outside Director</u> <u>Independent Officer</u>
8	Yoshiyuki Nakanishi <u>New appointment</u>	<u>Candidate for Outside Director</u> <u>Independent Officer</u>
9	Hisao Mitsui <u>New appointment</u>	<u>Candidate for Outside Director</u> <u>Independent Officer</u>

(Notes)

1. There are no business transactions or special interests between the respective candidates and the Company.
2. Resolutions in writing is not included in the number of Board of Directors' meetings stated in matters concerning the respective candidates on pages 5 to 10.

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
1	<p>Reappointment</p> <p>Naotaka Miyauchi (January 30, 1958)</p> <p>Attendance at Board of Directors' meetings 15/15 (100%)</p>	<p>April 1981 Joined the Company</p> <p>April 2011 Deputy General Plant Manager, Hiroshima Plant</p> <p>April 2013 Executive Officer; General Plant Manager, Hiroshima Plant</p> <p>April 2015 Managing Executive Officer; Deputy Director of Machinery Business Division (Machinery Business Unit Head)</p> <p>April 2016 In charge of Ordnance Business Headquarters; Director of Machinery Business Division</p> <p>June 2016 Director & Managing Executive Officer</p> <p>April 2017 Representative Director & President (current position)</p> <p>(Significant concurrent positions) None</p>	16,077
<p>[Reasons for nomination as Director]</p> <p>After having engaged in the management of the industrial machinery products business, Mr. Naotaka Miyauchi has served as Representative Director & President since April 2017. In that capacity he has been responsible for decision-making of material items with respect to the Group and overseeing the business execution, thereby acquiring considerable experience and achievements as a business manager. Accordingly, he is qualified to continue to take the leadership of the Group and to achieve sustainable improvement in our corporate value, and therefore is nominated for the position of Director.</p>			
2	<p>Reappointment</p> <p>Toshio Matsuo (March 6, 1962)</p> <p>Attendance at Board of Directors' meetings 14/15 (93.3%)</p>	<p>April 1984 Joined the Company</p> <p>April 2013 Deputy General Plant Manager, Hiroshima Plant</p> <p>April 2015 General Plant Manager, Hiroshima Plant</p> <p>April 2016 Executive Officer</p> <p>April 2017 Managing Executive Officer; Director of Injection Molding Machinery Business Division; In charge of Hiroshima Plant</p> <p>June 2017 Director & Managing Executive Officer</p> <p>April 2020 Representative Director & Executive Vice President (current position); In charge of Export Control Administration (current position); In charge of Plastics Machinery Business Division, Injection Molding Machinery Business Division, Industrial Machinery Business Division (current position); In charge of Meiki Plant (current position)</p> <p>(Significant concurrent positions) None</p>	8,327
<p>[Reasons for nomination as Director]</p> <p>Mr. Toshio Matsuo has long engaged in the industrial machinery products business. After having taking charge of an extensive range of management duties at plant management as General Plant Manager of Hiroshima Plant, he assumed the office of Director of Injection Molding Machinery Business Division in April 2017 and has since taken charge of management duties of the business in its entirety, thereby acquiring outstanding engineering knowledge, experience and achievements of the business. In addition, after assuming the office as Representative Director & Executive Vice President in April 2020, he acquired experience on overall management. These experiences and achievements make him qualified to assume a role in realizing management strategies and enhancing product quality and customer satisfaction, while supervising the operational departments, and he is therefore nominated for the position of Director.</p>			

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company, and significant concurrent positions		Number of shares of the Company held
3	Reappointment Takashi Shibata (September 17, 1958) Attendance at Board of Directors' meetings 15/15 (100%)	April 1984	Joined the Company	9,689
		April 2011	Deputy General Plant Manager, Muroran Plant	
		April 2013	Executive Officer; General Plant Manager, Muroran Plant	
		April 2015	Managing Executive Officer	
		April 2016	In charge of Wind Power Business Office; Director of Steel Business Division	
		June 2016	Director & Managing Executive Officer (current position)	
		October 2017	Director of New Business Promotion Headquarters (current position)	
		April 2018	In charge of Technology and Quality (current position)	
		(Significant concurrent positions) None		
[Reasons for nomination as Director] Mr. Takashi Shibata has long engaged in the steel and energy products business, and after having taken charge of the management duties of the steel business in its entirety as Director of Steel Business Division, he has served as Director of New Business Promotion Headquarters since October 2017. In that capacity he has been responsible for nurturing new business, thereby acquiring considerable experience and achievements. These experiences and achievements make him qualified to continue to assume a role in further improving the technology and quality management of the Group while supervising New Business Promotion Headquarters, and he is therefore nominated for the position of Director.				
4	Reappointment Junichiro Deguchi (September 2, 1958) Attendance at Board of Directors' meetings 15/15 (100%)	April 1981	Joined the Company	8,655
		April 2013	Deputy General Plant Manager, Muroran Plant	
		April 2015	Executive Officer; Deputy Director of Steel Business Division	
		October 2017	General Manager, Personnel Department	
		April 2018	In charge of CSR & Risk Management (current position); In charge of Export Control Administration (current position); In charge of Safety & Hygiene Control and Environmental Management (current position); In charge of Secretary Office & General Affairs Department	
		June 2018	Director & Executive Officer	
		July 2018	In charge of General Affairs Department (current position); General Manager, Secretary Office (current position)	
		April 2019	Director & Managing Executive Officer (current position)	
		April 2020	Chief Information Security Officer (current position); In charge of Office of Information Technology and Personnel Department (current position)	
		(Significant concurrent positions) None		
[Reasons for nomination as Director] Mr. Junichiro Deguchi has long engaged in the steel and energy products business. After having taking charge of an extensive range of management duties as Deputy Director of Steel Business Division, he assumed the office of General Manager of Personnel Department in October 2017 and took charge of management duties regarding personnel and labor matters of the Group, thereby acquiring considerable experience and achievements. Based on his experience and achievements, it is expected that he, as a member of the Board of Directors, will continue to be able to promote the sharing of information and reinforcement of the Board's decision-making and supervisory functions, and is therefore nominated for the position of Director.				

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company, and significant concurrent positions		Number of shares of the Company held
5	Reappointment Takashi Iwamoto (May 8, 1959) Attendance at Board of Directors' meetings 15/15 (100%)	April 1983 April 2013 April 2016 October 2017 June 2018 April 2020 (Significant concurrent positions) None	Joined the Company Deputy General Plant Manager, Muroran Plant Executive Officer; General Plant Manager, Muroran Plant Director of Steel Business Division Director & Executive Officer Director & Managing Executive Officer (current position); Representative Director & President, Japan Steel Works M&E, Inc. (current position)	6,329
	[Reasons for nomination as Director] Mr. Takashi Iwamoto has long engaged in the steel and energy products business and has taken charge of an extensive range of management duties, including plant management serving as General Plant Manager of Muroran Plant. He was appointed to Director of Steel Business Division in October 2017 and has since taken charge of management duties of the business in its entirety, thereby acquiring considerable experience and achievements. In addition, since assuming position as Representative Director & President of Japan Steel Works M&E, Inc. in April 2020, he acquired experience on overall management of the said company. These experiences and achievements make him continuously qualified to assume a role in realizing management strategies and enhancing product quality and customer satisfaction, while supervising the operational departments, and he is therefore nominated for the position of Director.			
6	New appointment Hiroki Kikuchi (May 12, 1961) Attendance at Board of Directors' meetings -	April 1985 April 2009 April 2012 April 2015 July 2015 April 2016 April 2018 July 2018 April 2020 (Significant concurrent positions) None	Joined Mitsui Bank (currently Sumitomo Mitsui Banking Corporation) General Manager, Hachioji Corporate Business Office, Sumitomo Mitsui Banking Corporation General Manager, Nihonbashi-higashi Corporate Business Office, Sumitomo Mitsui Banking Corporation Joined the Company General Manager, General Affairs Department General Manager, Secretary Office Executive Officer (current position) General Manager, Corporate Planning Office (current position) Chief Financial Officer (current position), In charge of Finance & Accounting Department (current position); General Manager, Business Development Office (current position)	4,143
	[Reasons for nomination as Director] In addition to work experience in sales at a financial institution, after joining the Company, Mr. Hiroki Kikuchi has served in positions including General Manager of General Affairs Department, General Manager of Secretary Office and General Manager of Corporate Planning Office. He has been Chief Financial Officer and in charge of Finance & Accounting Department since April 2020, thereby acquiring considerable experience and achievements in overall corporate management. Based on his experience and achievements, it is expected that he, as a member of the Board of Directors, will continue to be able to promote the sharing of information and reinforcement of the Board of Directors' decision-making and supervisory functions, and is therefore nominated for the position of Director.			

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
7	<p>Reappointment Candidate for Outside Director Independent Officer</p> <p>Sadao Degawa (July 20, 1951)</p> <p>Attendance at Board of Directors' meetings 15/15 (100%)</p>	<p>April 1977 Joined Ishikawajima-Harima Heavy Industries Co., Ltd. (currently IHI Corporation)</p> <p>June 2009 Director and Executive Officer, IHI Corporation</p> <p>April 2011 Director and Managing Executive Officer, IHI Corporation</p> <p>April 2012 Executive Vice President, IHI Corporation</p> <p>October 2015 Executive Vice President and Senior Executive Officer, IHI Corporation (retired in March 2016)</p> <p>April 2016 Director, IHI Corporation (retired in June 2016)</p> <p>June 2016 Advisor, IHI Corporation (scheduled to retire in June 2020)</p> <p>June 2016 Outside Director, NISHISHIBA ELECTRIC CO., LTD. (retired in March 2020)</p> <p>June 2018 Director (current position)</p> <p>(Significant concurrent positions) None</p>	1,950
<p>[Reasons for nomination as Outside Director] Mr. Sadao Degawa is an experienced business manager of an international manufacturing company, with a wealth of experience in corporate management. By continuing to have him reflect his engineering knowledge in deliberations at the Board of Directors as well as supervise overall management of the Company and by taking part in important decision making from an independent standpoint, it is expected to strengthen the Board of Directors' functions, and he is therefore nominated for the position of Outside Director.</p> <p>[Independence of the candidate for Outside Director] Mr. Sadao Degawa had served as Executive Vice President & Senior Executive Officer of IHI Corporation, with which the Company has business transactions, until March 2016, and served as Director of the said company until June 2016. However, the Company's net sales to the said company for the latest fiscal year account for 0.2% of the Company's consolidated net sales.</p> <p>Therefore, Mr. Degawa satisfies the Company's Criteria of Independence for Outside Officers (on page 13) and it can be judged that he has the necessary independence to be an Outside Director.</p>			

- (Notes)
1. Mr. Sadao Degawa is a candidate for Outside Director. The Company has appointed him as an Independent Director as prescribed by the Tokyo Stock Exchange, and submitted a notification of the appointment to the Exchange.
 2. It was revealed that IHI Corporation, at which Mr. Degawa had served as Director until June 2016, had committed a violation of standards stipulated by the Ministry of Land, Infrastructure, Transport and Tourism since January 2009 at the latest, in connection to the civil aero engine maintenance business. In this regard, IHI Corporation received an operational improvement order from the Ministry of Land, Infrastructure, Transport and Tourism on April 9, 2019. Mr. Degawa, during his time serving as Director at the said company, routinely provided suggestions as necessary on the importance of law compliance and internal control based on his wealth of experience and high insights, fulfilling his duties appropriately from a viewpoint of compliance-based management.
 3. It will have been two years since the appointment of Mr. Degawa as an Outside Director at the conclusion of this year's Annual General Meeting of Shareholders.
 4. Pursuant to Article 427, Paragraph 1, of the Companies Act and Article 28 of the Company's Articles of Incorporation, the Company has concluded a limited liability agreement with Mr. Degawa to limit the liability for damages prescribed in Article 423, Paragraph 1, of the Companies Act. The maximum amount of liability for damage under the agreement is equal to the amount prescribed by applicable law. If the reappointment of Mr. Degawa is approved, the Company will continue said agreement with him.

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
	New appointment Candidate for Outside Director Independent Officer Yoshiyuki Nakanishi (November 3, 1954) Attendance at Board of Directors' meetings -	<p>April 1978 Joined Dainippon Ink and Chemicals, Incorporated (currently DIC Corporation)</p> <p>April 2010 Executive Officer, DIC Corporation</p> <p>June 2011 Director and Executive Officer, DIC Corporation</p> <p>April 2012 Representative Director, President and CEO, DIC Corporation (retired in December 2017)</p> <p>January 2018 Chairman of the Board of Directors, DIC Corporation (current position)</p> <p>June 2020 Outside Director, IHI Corporation (scheduled to assume office)</p> <p>(Significant concurrent positions) Chairman of the Board of Directors, DIC Corporation</p>	0
8	<p>[Reasons for nomination as Outside Director] Mr. Yoshiyuki Nakanishi is an experienced business manager of an international manufacturing company, with experience in an extensive range of management duties including product strategy planning, engineering development and production field, and has a wealth of achievement in corporate management. By continuing to have him reflect his management knowledge in deliberations at the Board of Directors as well as supervise overall management of the Company and by taking part in important decision making from an independent standpoint, it is expected to strengthen the Board of Directors' functions, and he is therefore nominated for the position of Outside Director.</p> <p>[Independence of the candidate for Outside Director] Mr. Yoshiyuki Nakanishi had served as Representative Director, President and CEO of DIC Corporation, with which the Company has business transactions, until December 2017, and is currently serving as Chairman of the Board of Directors of the said company. However, the Company's net sales to the said company for the latest fiscal year account for less than 0.1% of the Company's consolidated net sales.</p> <p>Therefore, Mr. Nakanishi satisfies the Company's Criteria of Independence for Outside Officers (on page 13) and it can be judged that he has the necessary independence to be an Outside Director.</p>		

- (Notes)
1. Mr. Yoshiyuki Nakanishi is a candidate for Outside Director. The Company will appoint him as an Independent Director as prescribed by the Tokyo Stock Exchange, and submit a notification of the appointment to the Exchange.
 2. If the appointment of Mr. Nakanishi is approved, pursuant to Article 427, Paragraph 1, of the Companies Act and Article 28 of the Company's Articles of Incorporation, the Company will conclude a limited liability agreement with him to limit the liability for damages prescribed in Article 423, Paragraph 1, of the Companies Act. The maximum amount of liability for damage under the agreement is equal to the amount prescribed by applicable law.
 3. Mr. Nakanishi is scheduled to assume office as Outside Director of IHI Corporation at the 203rd Ordinary General Meeting of Shareholders to be held on June 25, 2020.

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
9	New appointment Candidate for Outside Director Independent Officer	April 1978 Joined Kao Soap Co., Ltd. (currently Kao Corporation) June 2006 Executive Officer, Kao Corporation June 2010 Director and Executive Officer, Kao Corporation June 2012 Director and Managing Executive Officer, Kao Corporation (retired in March 2014)	0
	Hisao Mitsui (February 20, 1953) Attendance at Board of Directors' meetings -	April 2015 Auditor, National Institute of Technology and Evaluation (retired in June 2019) June 2020 Outside Auditor, LiveDo Corporation (scheduled to assume office) (Significant concurrent positions) None	
<p>[Reasons for nomination as Outside Director]</p> <p>Mr. Hisao Mitsui is an experienced business manager of an international manufacturing company, with a wealth of achievement in corporate management. By continuing to have him reflect his management knowledge in deliberations at the Board of Directors as well as supervise overall management of the Company and by taking part in important decision making from an independent standpoint, it is expected to strengthen the Board of Directors' functions, and he is therefore nominated for the position of Outside Director.</p> <p>[Independence of the candidate for Outside Director]</p> <p>Mr. Hisao Mitsui had served as Director and Managing Executive Officer of Kao Corporation, with which the Company has business transactions, until March 2014. However, the Company's net sales to the said company for the latest fiscal year account for less than 0.1% of the Company's consolidated net sales.</p> <p>Therefore, Mr. Mitsui satisfies the Company's Criteria of Independence for Outside Officers (on page 13) and it can be judged that he has the necessary independence to be an Outside Director.</p>			

- (Notes)
1. Mr. Hisao Mitsui is a candidate for Outside Director. The Company will appoint him as an Independent Director as prescribed by the Tokyo Stock Exchange, and submit a notification of the appointment to the Exchange.
 2. If the appointment of Mr. Mitsui is approved, pursuant to Article 427, Paragraph 1, of the Companies Act and Article 28 of the Company's Articles of Incorporation, the Company will conclude a limited liability agreement with him to limit the liability for damages prescribed in Article 423, Paragraph 1, of the Companies Act. The maximum amount of liability for damage under the agreement is equal to the amount prescribed by applicable law.
 3. Mr. Mitsui is scheduled to assume office as Outside Auditor of LiveDo Corporation at the 56th Annual General Meeting of Shareholders to be held on June 25, 2020.

Proposal 3: Election of 1 Audit & Supervisory Board Member

The term of office of Audit & Supervisory Board Member Itaru Masuda will expire at the conclusion of this year's Annual General Meeting of Shareholders. It is therefore proposed to elect 1 Audit & Supervisory Board Member.

This proposal has already gained the consent of the Audit & Supervisory Board.

The candidate for Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Past experience and positions at the Company, and significant concurrent positions	Number of shares of the Company held
New appointment Candidate for Outside Audit & Supervisory Board Member Independent Officer Hiroshi Misawa (May 20, 1957)	April 1981 Joined The Mitsui Trust and Banking Company, Ltd (currently Sumitomo Mitsui Trust Bank, Limited) July 2008 Executive Officer, Chuo Mitsui Asset Trust and Banking Company, Limited. (currently Sumitomo Mitsui Trust Bank, Limited) February 2011 Managing Executive Officer, Chuo Mitsui Asset Trust and Banking Company, Limited. April 2012 Managing Executive Officer, Sumitomo Mitsui Trust Bank, Limited July 2012 Advisor, Sumitomo Mitsui Trust Bank, Limited (retired in September 2012) October 2012 Director and Vice President, Sumitomo Mitsui Trust Asset Management Co., Ltd. (retired in March 2016) April 2016 Audit & Supervisory Board Member, Sumitomo Mitsui Trust Bank, Limited (retired in March 2017) April 2017 Advisor, Sumitomo Mitsui Trust Bank, Limited (retired in June 2017) June 2017 Deputy Chairman of the Board of Directors, Director and Audit & Supervisory Committee Member, Sumitomo Mitsui Trust Holdings, Inc. (retired in June 2019) June 2019 Audit & Supervisory Board Member, Sumitomo Mitsui Trust Business Service Co., Ltd (current position) (Significant concurrent positions) Audit & Supervisory Board Member, Sumitomo Mitsui Trust Business Service Co., Ltd	0
	[Reasons for nomination as Outside Audit & Supervisory Board Member] Mr. Hiroshi Misawa has long years of experience at financial institutions, and has considerable knowledge of finance and accounting matters. He also has experience as corporate manager and as Audit & Supervisory Board Member. Based on his experience and insight, Mr. Misawa is judged to be capable for providing audit opinions on the overall management of the Company from an unbiased and independent standpoint, and he is therefore nominated for the position of Outside Audit & Supervisory Board Member. [Independence of the candidate for Outside Audit & Supervisory Board Member] Mr. Hiroshi Misawa worked for a financial institution, with which the Company has business relationship. However, the Company's borrowing balance at the said financial institution accounts for as low as 19% of the Company's total assets at the end of the latest fiscal year. In addition, the Company carries out the decentralization and leveling of transactions among multiple financial institutions, and the ratio of borrowings from the said financial institution to the total borrowing balance at the end of the latest fiscal year is 9.5%, which is not significantly higher than that of other financial institutions. Furthermore, Sumitomo Mitsui Trust Bank, Limited is a stock holder of the Company and has 2.2% of shareholder voting rights. Therefore, Mr. Misawa satisfies the Company's Criteria of Independence of Outside Officers (on page 13) and it can be judged that he has the necessary independence to be an Outside Audit & Supervisory Board Member.	

- (Notes)
1. There are no business transactions or special interests between the candidate and the Company.
 2. Mr. Hiroshi Misawa is a candidate for Outside Audit and Supervisory Board Member. The Company will appoint him as an Independent Audit and Supervisory Board Member as prescribed by the Tokyo Stock Exchange, and submit a notification of the appointment to the Exchange.
 3. Pursuant to Article 427, Paragraph 1, of the Companies Act and Article 36 of the Company's Articles of Incorporation, the Company has concluded a limited liability agreement with each Audit & Supervisory Board Member to limit the liability for damages prescribed in Article 423, Paragraph 1, of the Companies Act. The maximum amount of liability for damage under the agreement is equal to the amount prescribed by applicable law. If the appointment of Mr. Misawa is approved, the Company will conclude a similar limited liability agreement with him.

Reference: Criteria of Independence for Outside Officers of The Japan Steel Works, Ltd.

An Outside Director or an Outside Audit & Supervisory Board Member of the Company (hereinafter collectively an “Outside Officer”) shall not fall under any of the following items to be judged to be an independent Outside Officer (hereinafter an “Independent Outside Officer”).

- (1) A person for which the Company is a major customer¹ or a person who executes business thereof;
- (2) A major customer of the Company² or a person who executes business thereof;
- (3) A person who executes business of a financial institution that is indispensable for the Company’s fund procurement and meets an outstandingly high share of the financing needs of the Company;
- (4) A consultant, an accounting professional or a legal professional who obtained an amount of money or other form of property that exceeds ¥10 million from the Company for the latest fiscal year, other than directors’ compensation (if such person is an organization, including a corporation and a partnership, it refers to a person belonging to such organization);
- (5) A major shareholder of the Company (who directly or indirectly holds the voting rights of the Company that account for not less than 10% of the total voting rights);
- (6) A person who fell under any of (1) to (5) above during the past three years; or
- (7) A spouse or a relative within the second degree of kinship of a person who falls under any of (1) to (6) above (limited to a person in a significant post³).

Provided, however, even if an Outside Officer falls under any of (1) to (7) above, the Company may designate such Outside Officer as an Independent Outside Officer, if the Company regards him or her as qualified as an Independent Outside Officer in light of his or her personality, expertise and other factors; such Officer satisfies the relevant requirements of the Companies Act; and the reasons why such Officer is regarded to be qualified for an Independent Outside Officer of the Company are explained externally.

- (Notes)
1. A person for which the Company is a major customer refers to a person who was paid an amount of money from the Company that exceeds 5% of the said person’s consolidated net sales for the latest fiscal year.
 2. A major customer of the Company refers to a person who paid an amount of money to the Company that exceeds 5% of the Company’s consolidated net sales for the latest fiscal year.
 3. A person in a significant post refers to a person who is a director (excluding an outside director), an executive officer, an employee in a senior managerial position that equals to or is higher than a division/department manager, a Certified Public Accountant belonging to an auditing firm, a lawyer belonging to a law firm or equivalent.

Proposal 4: Revision of the Total Amount of Remuneration for Outside Directors

Total remuneration for Directors of the Company in the amount of ¥480 million or less per year (including ¥35 million or less per year for total amount of remuneration for Outside Directors) was approved at the 92nd Annual General Meeting of Shareholders held on June 26, 2018, and the amounts so determined have remained unchanged up to the present date.

In consideration of the changes in the composition of the Board of Directors associated with the enhancement of corporate governance and other factors, on the condition that the Proposal 2 of this general meeting of shareholders “Election of 9 Directors” is approved as proposed, and the number of Outside Directors are increased from 2 to 3, we will not change the total amount of remuneration of Directors (¥480 million or less per year), but will propose to revise only the total amount of remuneration for Outside Directors from ¥35 million or less per year to ¥50 million or less per year.

The total amount of remuneration for Directors above shall not include the portion of salaries payable to Directors as employees, among those Directors who serve concurrently as employees, as before. The bonuses for Directors shall be paid within the remuneration limit of ¥480 million or less per year, as before.

Currently, the Company has 9 Directors (including 2 Outside Directors). If Proposal 2 is approved as proposed, the Company will have 9 Directors (including 3 Outside Directors), without any change to the number of Directors.