

Reference Documents for the General Meeting of Shareholders

Proposals and References

Item 1 Election of nine (9) directors

The terms of office of all nine (9) directors will expire at the conclusion of this Ordinary General Meeting of Shareholders. The Company proposes to newly elect nine (9) directors.

The nine candidates are described below.

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company, and significant positions in other organizations		Number of the Company's shares owned
1	Takafumi Morichi (October 15, 1958)	April 1981	Joined Kobe Steel, Ltd.	6,300 shares
		April 2011	(Kobe Steel, Ltd.) Executive Officer	
		April 2013	Managing Executive Officer	
		April 2015	Senior Managing Executive Officer	
		June 2017	(The Company) President and CEO (incumbent)	
(Reasons for nomination)				
Takafumi Morichi has served Kobe Steel, Ltd., in a number of roles; he became an executive officer in April 2011, a managing executive officer in April 2013, a senior managing executive officer in April 2015, and since June 2017, he has served as President and CEO of the Company. His many years of work in iron and steel has given him abundant experience and formidable insight in this area. Moreover, he has wide-ranging managerial experience and has been closely involved in corporate management. For these reasons, the Company believes that he can contribute toward the sustainable enhancement of corporate value; therefore, it proposes his reelection as a director.				
2	Hiroshi Kato (August 30, 1957)	April 1980	Joined Kobe Steel, Ltd.	4,600 shares
		June 2009	(The Company) Officer	
		June 2012	Executive Officer	
		April 2013	(Kobe Steel, Ltd.) Managing Executive Officer	
		June 2017	(The Company) Director, Senior Executive Officer	
		June 2018	Representative Director / Senior Executive Officer / General Manager of the Nonferrous Metals Division / Responsible for the Nagoya Branch Office (incumbent)	
(Reasons for nomination)				
After joining Kobe Steel, Ltd., Hiroshi Kato joined the Company in January 2009 and served as an officer in June 2009 and an executive officer in June 2012. In April 2013, he became a managing executive officer of Kobe Steel, Ltd. In June 2017, he became a director and senior executive officer of the Company, as well as general manager of the Company's Nonferrous Metals Division. In June 2018, he became a representative director of the Company. His many years of work in nonferrous metals has given him abundant experience and formidable insight in this area. For these reasons, the Company believes that he can contribute toward the sustainable enhancement of corporate value; therefore, it proposes his reelection as a director.				

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company, and significant positions in other organizations		Number of the Company's shares owned
3	Hiroshi Watanabe (July 22, 1957)	April 1981	Joined the Company	7,800 shares
		June 2010	Officer	
		June 2012	Director, Officer	
		June 2013	Director, Executive Officer	
		June 2016	Executive Officer	
		June 2017	Director, Executive Officer	
		June 2018	Representative Director /Senior Executive Officer / Supervisor of the Corporate Planning Department, General Affairs Department, Credit & Legal Department, Finance Department, and Overseas Regions / Responsible for the Personnel Department and Auditing Department	
		June 2019	Representative Director / Senior Executive Officer / Supervisor of the Corporate Planning Department, General Affairs Department, Credit & Legal Department, Finance Department, and Overseas Regions / Responsible for the Personnel Department and Auditing Department / Head of the Osaka Head Office (incumbent)	
(Reasons for nomination) After joining the Company, Hiroshi Watanabe became an officer in June 2010. In June 2012, he became a director and officer as well as general manager of the Ferrous Raw Materials Division, and in June 2013, he became a director and executive officer as well as general manager of the Ferrous Raw Materials Division. In these capacities, he promoted the globalization of the Company's ferrous raw materials business. In June 2017, he became a director and executive officer, and then in June 2018, a representative director and senior executive officer. In these capacities, he has managed a wide range of sectors of administrative headquarters. For these reasons, the Company believes that he can contribute toward the sustainable enhancement of corporate value; therefore, it proposes his reelection as a director.				
4	Kyoya Mukai (July 29, 1958)	April 1981	Joined the Company	4,700 shares
		June 2013	President and CEO of Shinsho American Corp.	
		June 2015	Officer	
		June 2018	Director, Executive Officer	
		March 2019	Director / Executive Officer / Deputy General Manager of the Iron & Steel Division / Responsible for North America and Europe region	
(Reasons for nomination) After joining the Company, Kyoya Mukai became president and CEO of Shinsho American Corp. in June 2013, in which capacity he contributed to the Company's global business development. He became an officer of the Company in June 2015, and has served since June 2018 as director, executive officer, deputy general manager of the Iron & Steel Division. His many years of work in iron and steel business has given him abundant experience and formidable insight in this area. For these reasons, the Company believes that he can contribute toward the sustainable enhancement of corporate value; therefore, it proposes his reelection as a director.				

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company, and significant positions in other organizations		Number of the Company's shares owned
5	Kenji Onishi (March 11, 1958)	April 1981	Joined the Company	5,600 shares
		June 2013	Officer	
		June 2017	Director, Executive Officer, General Manager of the Welding Division (incumbent)	
(Reasons for nomination) After joining the Company, Kenji Onishi became an officer in June 2013, and since June 2017, he has served as a director and executive officer as well as general manager of the Welding Division. His many years of work in the welding business has given him abundant experience and formidable insight in this area. For these reasons, the Company believes that he can contribute toward the sustainable enhancement of corporate value; therefore, it proposes his reelection as a director.				
6	Satoshi Muta (March 15, 1960)	April 1982	Joined the Company	5,300 shares
		July 2005	Head of Nonferrous Raw Materials Department in the Nonferrous Metals Division / Head of Tokyo Raw Materials Group	
		June 2013	Officer / Deputy General Manager of the Nonferrous Metals Division / Head of Nonferrous Raw Materials Department	
		June 2017	Executive Officer / Responsible for ASEAN and India & Middle East Region	
		April 2020	Executive Officer / Responsible for the General Affairs Department, Credit and Legal Department / Responsible for ASEAN and India & Middle East Region / Deputy General Manager of the Ferrous Raw Materials Division (incumbent)	
(Reasons for nomination) After joining the Company, Satoshi Muta became an officer in June 2013, and then an executive officer in June 2017. In the latter role, he initially managed the ASEAN and India & Middle East regions, before taking charge of the General Affairs Department and the Credit and Legal Department in June 2019. Since April 2020, he has concurrently served as Deputy General Manager of the Ferrous Raw Materials Division. His many years of work in nonferrous metals, overseas business, and corporate management has given him abundant experience and formidable insight in the Company's operations in Japan and in other countries. For these reasons, the Company believes that he can contribute toward the sustainable enhancement of corporate value; therefore, it proposes his election as a director.				
7	Shinya Yoshida (April 16, 1962)	April 1986	Joined the Company	2,700 shares
		January 2009	Head of Electronics Materials & Equipment Department in the Machinery & Electronics Division	
		July 2012	Head of Machinery & Equipment Department in the Machinery & Electronics Division	
		June 2018	Officer / Deputy General Manager of the Machinery & Electronics Division (incumbent)	
(Reasons for nomination) After joining the Company, Shinya Yoshida became head of the Electronics Materials & Machinery & Equipment Department in January 2009, and then head of the division's Machinery & Equipment Department in 2012. Since June 2018, Yoshida has served as an officer as well as Deputy General Manager of the Machinery & Electronics Division. His many years of work in machinery & electronics business has given him abundant experience and formidable insight in this area. For these reasons, the Company believes that he can contribute toward the sustainable enhancement of corporate value; therefore, it proposes his election as a director.				

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company, and significant positions in other organizations	Number of the Company's shares owned
8	Tsukasa Komiyama (February 12, 1962)	<p>August 1989 Registered as a certified public accountant</p> <p>September 1990 Joined Kyobashi & Co.</p> <p>February 1991 Registered as a tax accountant</p> <p>Established Komiyama Tsukasa Tax Accountant Office (now GMA TAX Corporation Komiyama Office; incumbent)</p> <p>July 2005 (Kyobashi & Co.) Representative Partner (incumbent)</p> <p>June 2014 (The Company) Director (incumbent)</p> <p>June 2016 (KT Group Co., Ltd) Auditor (incumbent)</p> <p>[Significant concurrent positions] Kyobashi & Co.: Representative Partner GMA TAX Corporation Komiyama Office: President KT Group Co., Ltd.: Auditor</p>	4,200 shares
<p>(Reasons for nomination)</p> <p>As a certified public accountant, Tsukasa Komiyama has abundant experience and wide-ranging knowledge about finance and accounting. He has accrued many years of work at an auditing firm and has been closely involved in corporate management as a tax accountant. For these reasons, the Company believes that he will use his professional knowledge and experience to benefit the management of the Company; therefore, it proposes his reelection as an outside director.</p> <p>Tsukasa Komiyama was appointed as an outside director of the Company in June 2014. He will have served as an outside director for six years at the conclusion of this Ordinary General Meeting of Shareholders.</p>			
9	Kiyoshi Sakamoto (March 17, 1949)	<p>April 1974 Completed Judicial Training Courses, registered as an attorney-at-law (Daichi Tokyo Bar Association; incumbent)</p> <p>June 2002 (The Asahi Shinkin Bank) Non-standing Auditor (incumbent)</p> <p>June 2008 (ZEN-NOH BUSINESS SUPPORT CO., LTD.) Auditor (incumbent)</p> <p>June 2014 (Kyodo Housing Loan Co., Ltd.) Auditor</p> <p>June 2016 (The Company) Director (incumbent)</p> <p>[Significant concurrent positions] The Asahi Shinkin Bank: Non-standing Auditor ZEN-NOH BUSINESS SUPPORT CO., LTD.: Auditor</p>	1,800 shares
<p>(Reasons for nomination)</p> <p>As an attorney-at-law, Kiyoshi Sakamoto has abundant experience and insight, and is well-suited to the task of objectively supervising management while considering the broader corporate and social contexts, including laws and regulations. For these reasons, the Company believes that he can help enhance the transparency of the Board of Directors and strengthen its supervisory function; therefore, it proposes his reelection as an outside director. While Kiyoshi Sakamoto has never been involved in corporate management other than in the capacity of an outside director and outside auditor, the Company nevertheless believes that he will continue to duly perform his duties as an outside director for the above reasons. Kiyoshi Sakamoto was appointed as an outside director of the Company in June 2016. He will have served as an outside director for four years at the conclusion of this Ordinary General Meeting of Shareholders.</p>			

- (Notes)
1. The Company does not have any special relationship with the candidates.
 2. Tsukasa Komiyama and Kiyoshi Sakamoto are candidates for the position of outside director as provided for in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act. The Company has designated them as independent officers pursuant to Article 436, Paragraph 2 of the TSE Securities Listing Regulations.
 3. Liability limitation agreements with outside directors
If Tsukasa Komiyama and Kiyoshi Sakamoto's nominations are approved, the Company will, pursuant to Article 28, Paragraph 2 of the Articles of Incorporation, enter into agreements with them limiting their liability under Article 423, Paragraph 1 of the Companies Act to the total amount prescribed by Article 425, Paragraph 1 of the said Act, provided that they acted in good faith and without gross negligence.

Item 2 Election of two (2) Audit & Supervisory Board members

Seiichi Oshiro and Akihiko Jogu's terms as Audit & Supervisory Board members will expire at the conclusion of this Ordinary General Meeting of Shareholders, and they will not stand for reelection. Accordingly, the Company proposes the election of two new Audit & Supervisory Board members.

The Audit & Supervisory Board has already consented to the submission of this agenda item. The two candidates are described below.

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company, and significant positions in other organizations	Number of the Company's shares owned
1	Akira Ichikawa (April 1, 1964)	April 1986 Joined the Company April 2010 Senior Manager of Industry Machinery Department in the Machinery & Electronics Division April 2018 Head of the Credit & Legal Department (incumbent)	300 shares
	(Reasons for nomination) Akira Ichikawa joined the Company in 1986. From April 2010, he worked in the Machinery & Electronics Division, serving successively as Senior Manager of the Industry Machinery Department, Senior Manager of the Machinery & Equipment Department, and General Manager of Special Missions to Head of Machinery & Electronics Division. Since April 2018, he has served as Head of the Credit & Legal Department. His many years of work in machinery & electronics business gave him experience in global business, which he subsequently applied as head of the Credit & Legal Department. Through these roles, Ichikawa has gained abundant experience and formidable insight into marketing and corporate management. The Company has nominated him believing that his expertise will serve him well as an Audit & Supervisory Board member.		

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company, and significant positions in other organizations	Number of the Company's shares owned
2	Shinya Miyawaki (November 27, 1955)	<p>April 1980 Joined Kobe Steel, Ltd.</p> <p>May 2002 (Kobe Steel, Ltd.) Head of Kobe Works, Wire Rod and Bar Rolling Department</p> <p>April 2009 (Kobe Steel, Ltd.) Executive Officer / Responsible for Steel Products Technical Marketing in the Iron & Steel Business</p> <p>April 2011 (Kobe Steel, Ltd.) Managing Executive Officer / Responsible for Wire Rod & Bar Products Technical Marketing Department, Steel Plates Product Technical Marketing Department in the Iron & Steel Business</p> <p>June 2015 (Kobelco Research Institute, Inc.) Representative Director and President</p> <p>June 2019 (Kobelco Research Institute, Inc.) Advisor (incumbent)</p> <p>[Significant concurrent positions] The Hyogo Industrial Association: President</p>	0 shares
<p>(Reasons for nomination)</p> <p>Shinya Miyawaki worked at Kobe Steel, Ltd., for many years. He has also served as Representative Director and President of Kobelco Research Institute, Inc. In view of his experience in senior management, the Company believes that Miyawaki will effectively supervise the Company's operations; therefore, it proposes his election as an outside Audit & Supervisory Board member.</p>			

- (Notes)
1. The Company does not have any special relationship with the candidates.
 2. Shinya Miyawaki is a candidate for the office of outside Audit & Supervisory Board member as provided for under Article 2, Paragraph 3, item 8 of the Ordinance for the Enforcement of the Companies Act.
 3. Statement on malpractice that occurred in another company when the candidate for outside Audit & Supervisory Board member was in said company:
In March 2018, during Shinya Miyawaki's tenure as Representative Director of Kobelco Research Institute, Inc., malpractice committed in said company was made public. Among other things, it had falsified data on sputtering targets. Shinya Miyawaki had no knowledge of any of these incidents before they were uncovered. After they were uncovered, Miyawaki acted appropriately by keeping clients informed, investigating the causes of the incidents, and taking corrective and preventive action.
 4. Liability limitation agreements with Audit & Supervisory Board members
If Akira Ichikawa and Shinya Miyawaki's nominations are approved, the Company will, pursuant to Article 36, Paragraph 2 of the Articles of Incorporation, enter into agreements with them limiting their liability under Article 423, Paragraph 1 of the Companies Act to the total amount prescribed by Article 425, Paragraph 1 of the said Act, provided that they acted in good faith and without gross negligence.

Item 3 Election of one (1) substitute Audit & Supervisory Board member

Hisayuki Shimomura was elected as substitute Audit & Supervisory Board member at the 101st Ordinary General Meeting of Shareholders held on June 26, 2019. However, the effectiveness of his election is due to expire. Accordingly, the Company proposes to reelect one (1) substitute Audit & Supervisory Board member.

The Audit & Supervisory Board has already consented to the submission of this agenda item.

The candidate is described below.

Name (Date of birth)	Career summary, position and responsibilities in the Company, and significant positions in other organizations	Number of the Company's shares owned
Hisayuki Shimomura (May 5, 1957)	August 1989 Registered as a certified public accountant September 1989 Established Certified Public Accountants Shimomura Office (incumbent) July 2014 (Kyobashi & Co.) Representative Partner (incumbent) November 2018 (GMA TAX Accountant Corporation) Representative Partner (incumbent) [Significant concurrent positions] GMA TAX Accountant Corporation Representative Partner Kyobashi & Co.: Representative Partner	0 shares
(Reasons for nomination) As a certified public accountant, Hisayuki Shimomura has abundant experience and wide-ranging knowledge about finance and accounting. He has accrued many years of work at an auditing firm and has been closely involved in corporate management as a tax accountant. The Company has nominated him as a substitute outside Audit & Supervisory Board member believing that his expertise will enable him to both audit and supervise effectively and offer valuable advice from an objective and impartial perspective.		

- (Notes)
1. The Company does not have any special relationship with the candidate.
 2. Hisayuki Shimomura is a candidate for the office of substitute outside Audit & Supervisory Board member as provided for under Article 2, Paragraph 3, item 8, of the Ordinance for the Enforcement of the Companies Act.
 3. Independence from the Company, liability limitation:
Hisayuki Shimomura satisfies Tokyo Stock Exchange's requirements of an independent officer. If Hisayuki Shimomura's nomination is approved, the Company will, pursuant to Article 36, Paragraph 2 of the Articles of Incorporation, enter into an agreement with him limiting his liability under Article 423, Paragraph 1 of the Companies Act to the total amount prescribed by Article 425, Paragraph 1 of the said Act, provided that he acted in good faith and without gross negligence.

(Reference)

1. Process for Appointing Directors and Audit & Supervisory Board Members

All candidates for the office of director are nominated with one-year terms of office by resolution of the Board of Directors, and then appointed by resolution of the Ordinary General Meeting of Shareholders. Candidates for the position of Audit & Supervisory Board member or supplementary Audit & Supervisory Board member are nominated by the Board of Directors upon the approval of the Audit & Supervisory Board, and then appointed by resolution of the Ordinary General Meeting of Shareholders. To ensure that the Board of Directors' decision-making process for nominations is transparent and fair, the Board of Directors first seeks the opinion of the Advisory Committee on Appointments, in which Outside Officers (persons who hold the position of outside director or outside Audit & Supervisory Board member) make up the majority.

2. Independence Standards for Outside Officers

The Company will deem an Outside Officer (person who holds the position of outside director or outside Audit & Supervisory Board member) to be independent if they do not fall under any of the following items.

	Item	Standards	Requirements concerning past years Requirements concerning relatives
1	A major business partner of the Group or an executor of business thereof	A business partner whose amount of transactions accounted for more than <u>2%</u> of the Group's consolidated net sales in the immediately previous fiscal year	<ul style="list-style-type: none">• A person to whom any of the items on the left applied in the past three (3) years• A relative within second degree of kinship of a person to whom any of the items on the left apply
2	A person whose major business partner is the Group or an executor of business thereof	A person whose amount of transactions to the Group accounted for more than <u>2%</u> of the person's consolidated net sales or total revenue in the previous fiscal year	
3	A principal shareholder of the Company or an executor of business thereof in the case that such shareholder is a corporation	A person who, directly or indirectly, owns 10% or more of all the voting rights of the Company	
4	A consultant, accounting professional such as a certified public accountant or legal professional such as an attorney-at-law who receives money or other financial benefit from the Group excluding remuneration for director/audit & supervisory board member. (If a corporation or an association, etc. receives such financial benefit, a person who is affiliated with such organization)	A person who received financial benefit amounting to more than <u>10 million yen</u> from the Group, excluding remuneration for director/audit & supervisory board member in the previous fiscal year	

	Item	Standards	Requirements concerning past years Requirements concerning relatives
5	A person who receives a large amount of donations from the Group or an executor of business thereof	A person who received financial benefit amounting to more than <u>10 million yen</u> from the Group in the previous fiscal year	
6	An executor of business of a company of which the Group is a principal shareholder	A person of which <u>10%</u> or more of all the voting rights is owned by the Group	
7	A financial institution that is a principal lender to the Group or an executor of business of the parent or a subsidiary of such financial institution	A financial institution from which borrowings at the end of the previous fiscal year accounted for more than <u>2%</u> of the Company's consolidated total assets	
8	Other	A person with special reasons that prevent him/her from fulfilling duties as an Independent Outside Officer, such as those that cause conflict of interests with the Company	—