

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. 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)	4,400 shares
	(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	Takashi Goto (January 11, 1957)	April 1980 Joined Kobe Steel, Ltd. April 2011 (Kobe Steel, Ltd.) Executive Officer April 2013 Managing Executive Officer June 2016 (The Company) Director, Senior Executive Officer June 2018 Representative Director, Senior Executive Officer, General Manager of the Iron & Steel Division and General Manager of the Ferrous Raw Materials Division (incumbent)	4,200 shares
	(Reasons for nomination) Takashi Goto has served Kobe Steel, Ltd., in a number of roles. He became an executive officer in April 2011 and a managing executive officer in April 2013. In June 2016, he joined the Company and became a director and senior executive officer as well as general manager of the Ferrous Raw Materials Division. Since June 2018, he has served as a representative director and general manager of the Iron & Steel Division. His many years of work in iron and steel have 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 Kato (August 30, 1957)	<p>April 1980 Joined Kobe Steel, Ltd.</p> <p>June 2009 (The Company) Officer</p> <p>June 2012 Executive Officer</p> <p>April 2013 (Kobe Steel, Ltd.) Managing Executive Officer</p> <p>June 2017 (The Company) Director, Senior Executive Officer</p> <p>June 2018 Representative Director / Senior Executive Officer / General Manager of the Nonferrous Metals Division / Responsible for the Nagoya Branch Office (incumbent)</p>	3,200 shares
<p>(Reasons for nomination)</p> <p>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 Non-ferrous 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.</p>			
4	Hiroshi Watanabe (July 22, 1957)	<p>April 1981 Joined the Company</p> <p>June 2010 Officer</p> <p>June 2012 Director, Officer</p> <p>June 2013 Director, Executive officer</p> <p>June 2016 Executive Officer</p> <p>June 2017 Director, Executive officer</p> <p>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 (incumbent)</p>	6,400 shares
<p>(Reasons for nomination)</p> <p>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.</p>			

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	Akio Matsuda (July 29, 1956)	April 1980	Joined Kobe Steel, Ltd.	5,700 shares
		April 2012	(Kobe Steel, Ltd.) Executive Officer	
		April 2014	Managing Executive Officer	
		June 2015	(The Company) Senior Executive Officer	
		June 2018	Director / Senior Executive Officer / General Manager of the Machinery & Electronics Division / Responsible for the Kobe Branch Office (incumbent)	
(Reasons for nomination) After joining Kobe Steel, Ltd., Akio Matsuda became an executive officer of the manufacturer in April 2012, and then a managing executive officer in April 2014. Matsuda then joined the Company, becoming a senior executive officer as well as the deputy general manager of the Machinery & Electronics Division. In June 2018, he became a director, senior executive officer, and general manager of the Machinery & Electronics Division. His many years of work in the machinery business has given him abundant experience and formidable insight in this area, particularly in relation to compressors. 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	Kenji Onishi (March 11, 1958)	April 1981	Joined the Company	4,400 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.				
7	Kyoya Mukai (July 29, 1958)	April 1981	Joined the Company	3,500 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 (incumbent)	
(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
8	Tsukasa Komiya (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 Established Komiya Tsukasa Tax Accountant Office (now GMA TAX Corporation Komiya 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 Komiya Office: President KT Group Co., Ltd.: Auditor</p>	3,100 shares
<p>(Reasons for nomination)</p> <p>As a certified public accountant, Tsukasa Komiya 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 Komiya was appointed as an outside director of the Company in June 2014. He will have served as an outside director for five 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 (Daiichi 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 (incumbent)</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 Kyodo Housing Loan Co., Ltd.: Auditor</p>	1,500 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.</p> <p>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 three 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

Masaki Kaneko and Hironobu Yoshida'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	Yoshihiro Maeda (June 15, 1959)	<p>April 1983 Joined the Company</p> <p>April 2006 Senior Manager of the Planning and Personnel Department</p> <p>June 2006 Senior Manager of the Corporate Planning Department</p> <p>July 2011 Head of the Corporate Planning Department</p> <p>June 2016 Officer / Responsible for the General Affairs Department, Credit and Legal Department, and the Finance Department / Head of the Osaka Head Office / Responsible for the Nagoya Branch Office</p> <p>June 2017 Responsible for the General Affairs Department, Credit and Legal Department, and the Finance Department / Head of the Osaka Head Office / Responsible for the Kyushu Branch Office and Chugoku Branch (incumbent)</p>	6,300 shares
<p>(Reasons for nomination)</p> <p>Yoshihiro Maeda joined the Company in 1983, and in June 2006, he became head of the Corporate Planning Department. In June 2016, he became an officer responsible for the General Affairs Department, Credit & Legal Department, and Finance Department. Through these roles, Maeda has gained abundant experience and formidable insight into a wide range of sectors of administrative headquarters. The Company has nominated him believing that his expertise will serve him well as an Audit & Supervisory Board member.</p>			

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	Hiroko Kaneko (October 15, 1964)	<p>April 1997 Completed Judicial Training Courses, registered as an attorney-at-law (Daiichi Tokyo Bar Association; incumbent)</p> <p>April 1998 Joined Matsuo & Kosugi (incumbent)</p> <p>March 2006 Registered as an attorney-at-law in New York State (incumbent)</p> <p>[Significant concurrent positions] Attorney, Matsuo & Kosugi</p>	0 shares
<p>(Reasons for nomination)</p> <p>As an attorney-at-law, Hiroko Kaneko has gained formidable insights into personnel and labor affairs. She also brings global perspectives. The Company has nominated her as an outside Audit & Supervisory Board member believing that her expertise will enable her to both audit and supervise effectively and offer valuable advice from an objective and impartial perspective. While Hiroko Kaneko has never been involved in corporate management other than in the capacity of an outside director and outside auditor, the Company nevertheless believes that she will duly perform her duties as an Outside Audit & Supervisory Board member for the above reasons.</p>			

- (Notes)
1. The Company does not have any special relationship with the candidates.
 2. Hiroko Kaneko 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. Independence from the Company:
The Company has hired Hiroko Kaneko's firm, Matsuo & Kosugi, as a legal adviser. Nonetheless, the Company is confident that Kaneko is sufficiently independent for the following reasons: 1) In the previous fiscal year, the Company paid Matsuo & Kosugi less than 10 million JPY for legal services; 2) This remuneration accounted for less than 1 percent of the total remuneration Matsuo & Kosugi's received in that year. The Company therefore plans to register Kaneko as an independent officer as provided for by the Tokyo Stock Exchange.
 4. Liability limitation agreements with Audit & Supervisory Board members
If Yoshihiro Maeda and Hiroko Kaneko'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

Yoichi Kageki was elected as substitute Audit & Supervisory Board member at the 100th Ordinary General Meeting of Shareholders held on June 27, 2018. 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)	<p>August 1989 Registered as a certified public accountant</p> <p>September 1989 Established Certified Public Accountants Shimomura Office (incumbent)</p> <p>July 2014 (Kyobashi & Co.) Representative Partner (incumbent)</p> <p>November 2018 GMA TAX Accountant Corporation Representative Partner (incumbent)</p> <p>[Significant concurrent positions] GMA TAX Accountant Corporation Representative Partner Kyobashi & Co.: Representative Partner</p>	0 shares
<p>(Reasons for nomination)</p> <p>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.</p>		

- (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 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 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 2% 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 2% 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 10 million yen from the Group, excluding remuneration for director/audit & supervisory board member in the previous fiscal year	
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 10 million yen from the Group in the previous fiscal year	

	Item	Standards	Requirements concerning past years Requirements concerning relatives
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 Officers, such as those that cause conflict of interests with the Company	—