

Note: Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of non-Japanese speaking shareholders. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

(Stock Exchange No.: 5406)

June 2, 2021

**NOTICE OF
168TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders,

Kobe Steel, Ltd. (“the Company”) would hereby like to inform you that the 168th Ordinary General Meeting of Shareholders will be held as follows. In a bid to avoid the risk of the novel coronavirus infection, giving top priority to the health and safety of shareholders, we would like to ask you to consider refraining from visiting the venue of the meeting and instead exercising your voting rights in advance in writing (by mail) or via the Internet.

[Voting in writing (by mail)]

Please return to us the voting form enclosed herewith, indicating your approval or disapproval of each proposal to be resolved.

[Voting via the Internet]

Please read the “Guide to Exercising Voting Rights” on pages 3 and 4 and input your approval or disapproval of each proposal to be resolved in accordance with the instructions on the website.

Yours faithfully,

Mitsugu Yamaguchi

President, CEO and Representative Director

Kobe Steel, Ltd.

2-4, Wakinohama-Kaigandori 2-chome, Chuo-ku, Kobe, Hyogo

1. Date and Time:

10:00 a.m., Wednesday, June 23, 2021 (JST: Japan Standard Time)
(The venue is scheduled to be open at 9:00 a.m.)
Please note that venue's opening time and meeting's starting time are different from those of last year.

2. Venue:

Kobe International Exhibition Hall No. 2 Building (first floor)
11-1, Minatojima-nakamachi 6-chome, Chuo-ku, Kobe, Hyogo

3. Meeting Agenda:

Matters to be reported:

1. The business report, consolidated financial statements, and non-consolidated financial statements for the 168th business term (from April 1, 2020 to March 31, 2021)
2. The results of audits by Accounting Auditors and the Audit & Supervisory Committee concerning the consolidated financial statements for the 168th business term

Matters to be resolved:

- Item 1: Election of eight (8) Directors (excluding Directors who are Audit & Supervisory Committee Members)
- Item 2: Election of one (1) Director who is a substitute Audit & Supervisory Committee Member
- Item 3: Determination of details of the stock compensation plan for Directors

4. Matters regarding this Notice of Convocation

(1) Information on some parts of the consolidated financial statements and non-consolidated financial statements to be provided via the Internet

Based on laws and regulations and the provisions of Article 14 of the Company's Articles of Incorporation, matters that should be displayed as the status of assets and results of operations of the Company, consolidated statements of changes in net assets, notes to consolidated financial statements, non-consolidated statements of changes in net assets, and notes to non-consolidated financial statements are posted on the Company's website (<https://www.kobelco.co.jp/english/>). The status of assets and results of operations of the Company were audited as part of the business report by the Audit & Supervisory Committee in the course of the preparation of their audit reports. In addition, the consolidated statements of changes in net assets, notes to consolidated financial statements, non-consolidated statements of changes in net assets, and the notes to non-consolidated financial statements were audited as part of the consolidated financial statements and the non-consolidated financial statements by Accounting Auditors and the Audit & Supervisory Committee in the course of the preparation of their audit reports.

(2) Notification of the revision of Reference Documents for the General Meeting of Shareholders and other attached documents

In the event that the Company revises Reference Documents for the General Meeting of Shareholders, business report, and consolidated and non-consolidated financial statements, the matters to be revised will be posted on the Company's website (<https://www.kobelco.co.jp/english/>).

Guide to Exercising Voting Rights

Voting rights at General Meetings of Shareholders are important rights held by shareholders. Please exercise your voting right after reviewing the Reference Documents for the General Meeting of Shareholders. Voting rights can be exercised by the following three methods.

Exercising Voting Rights in Writing (by mail)



Please indicate your approval/disapproval of each matter to be resolved on the enclosed Voting Form, and then return the voting form back to the Company so that it reaches us by the deadline.

Deadline for the exercise of voting rights: To be received no later than 5:30 p.m. Tuesday, June 22, 2021 (JST)

Exercising Voting Rights via the Internet (using a personal computer, a smartphone or a mobile phone)



Please follow the guidance below and enter your approval/disapproval of each matter to be resolved.

Deadline for the exercise of voting rights: To be registered no later than 5:30 p.m. Tuesday, June 22, 2021 (JST)

By Attending the General Meeting of Shareholders



Please submit the enclosed voting form at the meeting venue reception desk.

Date and time of the Meeting: Wednesday, June 23, 2021, at 10:00 a.m. (JST)

The venue is scheduled to be open at 9:00 a.m. (JST).

* Exercise of voting rights by proxy

You may entrust another shareholder with voting rights to attend the meeting to act as a proxy.

If you do so, please submit your proxy statement together with the voting form.

Guide to Exercising Voting Rights via the Internet

By Entering Login ID and Temporary Password

Link to the Exercise of Voting Rights website: <https://evote.tr.mufg.jp/>

1. Please access the Exercise of Voting Rights website.
 2. Enter your Login ID and Temporary Password provided on the voting form and click on Login.
 3. Please register a new password.
 4. Please indicate your approval or disapproval of each proposal following on-screen instructions
- (i) Please contact the following office about how to operate your computer, smartphone or mobile phone in order to exercise your voting rights via the Internet:

Corporate Agency Division, Mitsubishi UFJ Trust and Banking Corporation Tel.: 0120-173-027 (This toll-free number is available only in Japan.) (9:00 a.m. - 9:00 p.m. JST)
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- (ii) As for inquiries other than those covered in item (i) above, please contact the following office:

Osaka Corporate Agency Division, Mitsubishi UFJ Trust and Banking Corporation Tel.: 0120-094-777 (This toll-free number is available only in Japan.) (9:00 a.m. - 5:00 p.m. JST), excluding Saturdays, Sundays, and Japanese national holidays)

1. The Exercise of Voting Rights website is not available from 2 a.m. to 5 a.m. JST every day.
2. Institutional investors may use the electronic voting platform for institutional investors operated by ICJ, Inc.
3. The costs incurred for the access to the Exercise of Voting Rights website (such as provider's Internet connection fees and communication charges) shall be borne by the shareholders.

You are requested to submit the enclosed voting form at the reception desk in case that you attend the meeting in person. You may entrust another shareholder having the voting rights to attend the meeting to act as a proxy. If you do so, please submit your proxy statement together with the voting form.

1. Total Number of Voting Rights Held by All Shareholders:

3,611,764

2. Agenda Items and Reference Documents:

Item 1: Election of eight (8) Directors (excluding Directors who are Audit & Supervisory Committee Members)

The terms of office of the eleven (11) incumbent Directors (excluding Directors who are Audit & Supervisory Committee Members; hereinafter, the same shall apply in this Item) will expire at the conclusion of the 168th Ordinary General Meeting of Shareholders. Accordingly, it is proposed that eight (8) Directors be elected. Having decided to review the management system with the aims of achieving sustainable growth and enhancing corporate value, the Company proposes to reduce the number of members of the Board of Directors by three (3) in order to place greater emphasis on decisions related to important management directions as well as on risk management and other forms of monitoring. If this proposal is approved, the composition of the Board of Directors will be changed as detailed on page 26.

In evaluating this Item, the Audit & Supervisory Committee examined the content of the deliberations of the Nomination & Compensation Committee, one of whose members is an Outside Director who is an Audit & Supervisory Committee Member and concluded that there were no specific issues with the procedures for selecting candidates, and that the candidates were selected in accordance with the Company's principles on appointment of candidates for Directors and there are no specific matters to be declared at the General Meeting of Shareholders pursuant to the provisions of the Companies Act.

The candidates for the Company's Directors at the 168th Ordinary General Meeting of Shareholders are as follows.

(Please see pages 20 through 22 for the Company's principles on appointment of candidates for Directors and Standards for Independent Directors. Please also see "(Reference) Directors and their principal experiences etc. subject to the approval of the proposal" on page 7).

<List of the candidates for Directors (excluding Directors who are Audit & Supervisory Committee Members)>

No.	Name	Reappointment/New appointment Internal/Outside	Independent Director at the financial instruments exchange	Current position
1	Mitsugu Yamaguchi (male)	Reappointment Internal	-	President, CEO and Representative Director, Member of Compliance Committee, Member of Nomination & Compensation Committee, Member of Corporate Governance Committee
2	Fusaki Koshiishi (male)	Reappointment Internal	-	Executive Vice President and Representative Director, Member of Quality Management Committee
3	Koichiro Shibata (male)	Reappointment Internal	-	Executive Vice President and Representative Director
4	Yoshihiko Katsukawa (male)	Reappointment Internal	-	Director, Executive Officer, Member of Corporate Governance Committee
5	Hajime Nagara (male)	Reappointment Internal	-	Director, Executive Officer, Member of Compliance Committee, Member of Corporate Governance Committee
6	Takao Kitabata (male)	Reappointment Outside	✓	Director, Chairman of the Board of Directors, Member (Committee Chair) of Nomination & Compensation Committee Member of Corporate Governance Committee
7	Hiroyuki Bamba (male)	Reappointment Outside	✓	Director, Member (Committee Chair) of Corporate Governance Committee
8	Yumiko Ito (female)	Reappointment Outside	✓	Director, Member of Corporate Governance Committee

Note 1. The Company established the Corporate Governance Committee on April 1, 2021. The committee is responsible for continuously examining the state of the management system in response to changes in the business environment from an independent and objective perspective and submitting opinions to the Board of Directors.


Note 2. The Company has entered into a directors and executive officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act with all Directors as the insured to ensure that Directors and officers can fully perform their expected roles in the course of their duties and to allow the Company to obtain superior talent. If each candidate is elected as Director, they will continue to be the insured under said insurance contract. Prior to the renewal of said insurance contract, the Board of Directors will pass a resolution for the renewal of said insurance contract after deliberation by the Corporate Governance Committee. For details regarding the directors and executive officers liability insurance contract, please see page 53 of the business report attached to this Notice of Convocation.


(Reference) Directors and their principal experiences etc. subject to the approval of the proposal


	Name	Current position	Internal/Outside /Independent Director	Planning/Project management	Finance/Accounting	Materials business	Machinery business	Electric power business	Technical development/manufacturing/facility technology	Overseas business	Legal/risk management	Insights into other industry sectors
Candidates for Item 1	Mitsugu Yamaguchi	President, CEO and Representative Director, Member of Compliance Committee, Member of Nomination & Compensation Committee, Member of Corporate Governance Committee	Internal	✓	✓	✓	✓	✓		✓	✓	
	Fusaki Koshiishi	Representative Director, Executive Vice President, Member of Quality Management Committee	Internal	✓		✓			✓			
	Koichiro Shibata	Representative Director, Executive Vice President	Internal	✓		✓			✓			
	Yoshihiko Katsukawa	Director, Executive Officer, Member of Corporate Governance Committee	Internal	✓	✓		✓	✓			✓	
	Hajime Nagara	Director, Executive Officer, Member of Compliance Committee, Member of Corporate Governance Committee	Internal	✓		✓				✓	✓	
	Takao Kitabata	Director, Chairman of the Board of Directors, Member (Committee Chair) of Nomination & Compensation Committee, Member of Corporate Governance Committee	Outside/Independent Director								✓	✓
	Hiroyuki Bamba	Director, Member (Committee Chair) of Corporate Governance Committee	Outside/Independent Director	✓					✓			✓
	Yumiko Ito	Director, Member of Corporate Governance Committee	Outside/Independent Director								✓	✓
[Reference] Directors who are not candidates for Item 1	Hiroshi Ishikawa	Audit & Supervisory Committee Member (full time)	Internal	✓			✓			✓		
	Yasushi Tsushima	Audit & Supervisory Committee Member (full time)	Internal	✓	✓	✓	✓	✓				
	Yoshiiku Miyata	Audit & Supervisory Committee Member	Outside/Independent Director	✓						✓		✓
	Masaaki Kono	Member (Committee Chair) of Audit & Supervisory Committee, Member of Nomination & Compensation Committee, Member of Corporate Governance Committee	Outside/Independent Director	✓	✓							✓
	Kunio Miura	Audit & Supervisory Committee Member, Member (Committee Chair) of Compliance Committee	Outside/Independent Director								✓	✓


Career summary of each candidate is as follows. There are no special interests between the candidates and the Company.


Among the posts for Executive Officers, the Company abolished the positions of Senior Managing Executive Officer and Managing Executive Officer effective April 1, 2021 as there is an increasing need for flexibly and promptly allocating human resources in response to the rapidly changing business environment.

No. 1	Mitsugu Yamaguchi (Date of birth: January 8, 1958)		
Reappointment/ Internal Director			
Number of shares of the Company owned: 44,700 shares			
Attendance at Board of Directors meetings during fiscal 2020: 15/15 meetings held (100%)			
Career summary (positions)		Reasons for selecting the candidate	
April 1981:	Joined the Company	Mitsugu Yamaguchi has abundant experience and knowledge through promoting the iron and steel business, machinery business, and M&As and alliances in the Head Office, and we have concluded that he is well qualified to be a Director of the Company in light of the Company's principles on appointment of candidates for Directors (please see page 20). In order for the Company to complete the KOBELCO Group Medium-Term Management Plan (FY2021–FY2023) and leap forward even further, top management is required to take an objective and comprehensive view not biased toward a particular business. In this sense, we have concluded that Mitsugu Yamaguchi, who has experience in the various fields of materials, machinery, and the Head Office, is well qualified for the position.	
April 2011:	Officer		
April 2013:	Senior Officer		
April 2015:	Executive Officer		
June 2016:	Director, Senior Managing Executive Officer		
April 2017:	Executive Vice President and Director		
April 2018:	President, CEO and Director (incumbent)		
Duties and significant concurrent positions			
Not applicable			

No. 2	Fusaki Koshiishi (Date of birth: August 29, 1959)		
Reappointment/ Internal Director			
Number of shares of the Company owned: 39,900 shares			
Attendance at Board of Directors meetings during fiscal 2020: 15/15 meetings held (100%)			
Career summary (positions)		Reasons for selecting the candidate	
April 1984:	Joined the Company	Fusaki Koshiishi has abundant experience and knowledge in the field of product technology in the welding business, and we have concluded that he is well qualified to be a Director of the Company in light of the Company's principles on appointment of candidates for Directors (please see page 20). In addition, as a person to supervise companywide health and safety, companywide environmental protection and disaster prevention, and companywide quality at the Company, which operates various businesses including materials, machinery and electric power, we have concluded that Fusaki Koshiishi, who has experience and knowledge in the Welding Business engaging in both materials and machinery businesses, namely welding materials and welding robot systems, is well qualified.	
April 2012:	Officer		
April 2014:	Senior Officer		
June 2015:	Managing Director		
April 2016:	Director, Senior Managing Executive Officer		
April 2018:	Executive Vice President and Director (incumbent)		
Duties and significant concurrent positions			
Oversees the Environment and Safety Department and the Quality Management Department. Oversees companywide health and safety. Oversees companywide environmental protection and disaster prevention. Oversees companywide quality.			

No. 3	Koichiro Shibata (Date of birth: December 6, 1958)		
Reappointment/ Internal Director			
Number of shares of the Company owned: 36,900 shares			
Attendance at Board of Directors meetings during fiscal 2020: 15/15 meetings held (100%)			
Career summary (positions)		Reasons for selecting the candidate	
April 1984:	Joined the Company	Koichiro Shibata has abundant experience and knowledge in the field of product technology in the iron & steel business and experience as General Manager of a steelworks, and we have concluded that he is well qualified to be a Director of the Company in light of the Company's principles on appointment of candidates for Directors (please see page 20). In addition, as a person to supervise the field of technical development and digital transformation (DX) that serves as the foundation of our growth strategy, we have concluded that Koichiro Shibata, who has experience and knowledge in the field of product technology and production sites, is well qualified.	
April 2012:	Officer		
April 2014:	Senior Officer		
April 2016:	Senior Managing Executive Officer		
April 2018:	Executive Vice President		
June 2018:	Executive Vice President and Director (incumbent)		
Duties and significant concurrent positions			
Oversees the Business Development Department, the Intellectual Property Department, and the IT Planning Department. Oversees companywide technical development. Oversees companywide information systems.			

No. 4	Yoshihiko Katsukawa (Date of birth: March 12, 1962)		
Reappointment/ Internal Director			
Number of shares of the Company owned: 25,200 shares			
Attendance at Board of Directors meetings during fiscal 2020: 15/15 meetings held (100%)			
Career summary (positions)		Reasons for selecting the candidate	
April 1985:	Joined the Company	Yoshihiko Katsukawa has abundant experience and knowledge in the Company's corporate planning department and planning and administration departments in the business divisions, and we have concluded that he is well qualified to be a Director of the Company in light of the Company's principles on appointment of candidates for Directors (please see page 20). In addition, as a person to supervise the Group's Head Office, which includes the Corporate Planning Department and accounting/finance functions, and supports the implementation of management reforms, we have concluded that Yoshihiko Katsukawa, who has abundant experience at planning departments and administration departments, is well qualified.	
April 2015:	Officer		
April 2017:	Managing Executive Officer		
April 2018:	Senior Managing Executive Officer		
June 2018:	Director, Senior Managing Executive Officer		
April 2021:	Director, Executive Officer (incumbent)		
Duties and significant concurrent positions			
Oversees the Corporate Planning Department, the Finance and Accounting Department, and overseas locations (under the Head Office).			

No. 5	Hajime Nagara (Date of birth: July 5, 1961)		
Reappointment/ Internal Director			
Number of shares of the Company owned: 23,900 shares			
Attendance at Board of Directors meetings during fiscal 2020: 11/11 meetings held (100%)			
Career summary (positions)		Reasons for selecting the candidate	
April 1985:	Joined the Company	Hajime Nagara has abundant experience and knowledge in the human resources department and the planning and administration departments in the business divisions, and we have concluded that he is well qualified to be a Director of the Company in light of the Company's principles on appointment of candidates for Directors (please see page 20). In addition, as a person to supervise the departments that promote the reform of the Group's culture and support our business activities, such as internal control, compliance, legal and human resources, we have concluded that Hajime Nagara, who has abundant experience in the human resources department and planning department, is well qualified.	
April 2016:	Executive Officer		
April 2018:	Managing Executive Officer		
April 2020:	Senior Managing Executive Officer		
June 2020:	Director, Senior Managing Executive Officer		
April 2021:	Director, Executive Officer (incumbent)		
Duties and significant concurrent positions			
Oversees the Internal Control and Audit Department, the Legal Department, the General Administration and CSR Department, the Human Resources Department, the Civil Engineering & Construction Technology Department, the Machinery & Materials Procurement Department, the Rugby Administration Office, domestic branch offices and sales offices, and Takasago Works (departments under its direct supervision). Oversees companywide compliance.			

- Hajime Nagara assumed office as Director on June 24, 2020, eleven (11) Board of Directors meetings have been held.


No. 6	Takao Kitabata (Date of birth: January 10, 1950)	
Reappointment/Outside Director/ Independent Director at the financial instruments exchange		
Number of shares of the Company owned: 9,400 shares		
Attendance at Board of Directors meetings during fiscal 2020: 15/15 meetings held (100%)		
Term of office as Outside Director of the Company: 11 years		
Career summary (positions)		Reasons for selecting the candidate and overview of expected roles
April 1972:	Joined the Ministry of International Trade and Industry	Although Takao Kitabata has not participated in the management of a company in a position other than outside director or outside audit & supervisory board member, as he is able to make objective, fair and neutral judgment based on his deep insight in the world of industry backed by his broad experience as an administrative official and extensive knowledge as an outside director/audit & supervisory board member of listed companies, we have concluded that he is well qualified to be an Outside Director of the Company in light of the Company's principles on appointment of candidates for Directors and Standards for Independent Directors (please see pages 20 through 22). In addition to actively providing advice and recommendations on management at meetings of the Board of Directors and the Meetings of Independent Directors, as Chairman of the Board of Directors and Committee Chair of the Nomination & Compensation Committee, he contributed to the enhancement of the monitoring functions of the management of the Company. As a member of the Corporate Governance Committee which was established in April 2021, he has provided advice and recommendations regarding the state of the Company's management system in a way that contributes to sustainable growth and enhanced corporate value from an independent and fair viewpoint. The Company expects Takao Kitabata to continue to carry out his roles such as overseeing business executions as an Outside Director of the Company.
June 2004:	Director-General, Economic and Industrial Policy Bureau, the Ministry of Economy, Trade and Industry (METI)	
July 2006:	Vice-Minister of Economy, Trade and Industry	
July 2008:	Retired from METI	
June 2010:	Director of the Company (incumbent) Outside Corporate Auditor of Marubeni Corporation	
June 2013:	Chairman of the Board of SANDA GAKUEN Junior High School – Senior High School Outside Director of Marubeni Corporation (incumbent)	
April 2014:	Principal of SANDA GAKUEN Junior High School – Senior High School	
June 2014:	Outside Director of SEIREN CO., LTD. (incumbent) Outside Director of Zeon Corporation (incumbent)	
March 2019:	Retired as Chairman of SANDA GAKUEN Junior High School – Senior High School	
April 2020:	President of Kaishi Professional University (incumbent)	
Duties and significant concurrent positions		
Chairman of the Board of Directors of the Company Outside Director of Marubeni Corporation Outside Director of SEIREN CO., LTD. Outside Director of Zeon Corporation President of Kaishi Professional University		

- Takao Kitabata is a candidate for Outside Director under the Regulations for Implementation of the Companies Act, Article 2, paragraph 3, item 7.
- The Company registered Takao Kitabata as an Independent Director at the financial instruments exchange. If Takao Kitabata is elected as Independent Director at the 168th Ordinary General Meeting of Shareholders, the Company is scheduled to register Takao Kitabata again as an Independent Director at the financial instruments exchange.

- Takao Kitabata meets the Company's Standards for Independent Directors. The summary is as follows.

SANDA GAKUEN Junior High School – Senior High School	No business transactions with and no donations from the Company. Retired as Chairman in March 2019
Kaishi Professional University	No business transactions with and no donations from the Company.


- The Company has entered into an agreement with Takao Kitabata that the limit of his liability for damages stipulated in Article 423, paragraph 1 of the Companies Act shall be the minimum liability amount stipulated in laws and regulations. If he is elected as Director at the 168th Ordinary General Meeting of Shareholders, the Company is scheduled to renew the terms of the agreement limiting liability with him.

No. 7	Hiroyuki Bamba (Date of birth: January 27, 1954)	
Reappointment/Outside Director/ Independent Director at the financial instruments exchange		
Number of shares of the Company owned: 8,300 shares		
Attendance at Board of Directors meetings during fiscal 2020: 15/15 meetings held (100%)		
Term of office as Outside Director of the Company: 4 years		
Career summary (positions)		Reasons for selecting the candidate and overview of expected roles
April 1976:	Joined Sumitomo Rubber Industries, Ltd.	As Hiroyuki Bamba is able to make objective, fair and neutral judgment based on his abundant experience in the different business fields from ours in the world of industry and deep insight as a corporate executive, we have concluded that he is well qualified to be an Outside Director of the Company in light of the Company's principles on appointment of candidates for Directors and Standards for Independent Directors (please see pages 20 through 22). He has actively provided advice and recommendations on management at meetings of the Board of Directors and the Meetings of Independent Directors, and as Committee Chair of the Corporate Governance Committee which was established in April 2021, he has provided advice and recommendations regarding the state of the Company's management system in a way that contributes to sustainable growth and enhanced corporate value from an independent and fair viewpoint. The Company expects Hiroyuki Bamba to continue to properly carry out his roles such as overseeing business executions as an Outside Director of the Company.
March 2000:	Director of Sumitomo Rubber Industries, Ltd.	
March 2003:	Executive Officer of Sumitomo Rubber Industries, Ltd.	
July 2003:	President and Director of SRI Sports Limited (currently Sumitomo Rubber Industries, Ltd.)	
March 2011:	Chairman and Director of SRI Sports Limited	
March 2015:	Counselor to Sumitomo Rubber Industries, Ltd.	
June 2015:	Outside Director of Sekisui Plastics Co., Ltd. (currently Sekisui Kasei Co., Ltd.) (incumbent)	
June 2017:	Director of the Company (incumbent)	
Duties and significant concurrent positions		
Outside Director of Sekisui Kasei Co., Ltd.		

- Hiroyuki Bamba is a candidate for Outside Director under the Regulations for Implementation of the Companies Act, Article 2, paragraph 3, item 7.
- The Company registered Hiroyuki Bamba as an Independent Director at the financial instruments exchange. If Hiroyuki Bamba is elected as Outside Director at the 168th Ordinary General Meeting of Shareholders, the Company is scheduled to register Hiroyuki Bamba again as an Independent Director at the financial instruments exchange.
- Hiroyuki Bamba meets the Company's Standards for Independent Directors. The summary is as follows.

Sumitomo Rubber Industries, Ltd.	Sales from the Company: The amount of these transactions totals less than 0.1% of the Company's consolidated net sales. Retired from executive position in June 2003 (three or more years have passed)
SRI Sports Limited (currently Sumitomo Rubber Industries, Ltd.)	No business transactions with the Company. Retired from executive position in March 2015 (three or more years have passed)

- The Company has entered into an agreement with Hiroyuki Bamba that the limit of his liability for damages stipulated in Article 423, paragraph 1 of the Companies Act shall be the minimum liability amount stipulated in laws and regulations. If he is elected as Director at the 168th Ordinary General Meeting of Shareholders, the Company is scheduled to renew the terms of the agreement limiting liability with him.

No. 8	Yumiko Ito (Date of birth: March 13, 1959)	
Reappointment/Outside Director/ Independent Director at the financial instruments exchange		
Number of shares of the Company owned: 4,000 shares		
Attendance at Board of Directors meetings during fiscal 2020: 14/15 meetings held (93%)		
Term of office as Outside Director of the Company: 2 years		
Career summary (positions)		Reasons for selecting the candidate and overview of expected roles
April 1984:	Legislation Staff (<i>Sanji</i>), The Legislative Bureau of the House of Representatives of Japan	As Yumiko Ito is able to make objective, fair and neutral judgment based on her abundant experience and deep insight centered on legal affairs in corporate management, we have concluded that she is well qualified to be an Outside Director of the Company in light of the Company's principles on appointment of candidates for Directors and Standards for Independent Directors (please see pages 20 through 22). She has actively provided advice and recommendations on management at meetings of the Board of Directors and the Meetings of Independent Directors, and as a member of the Corporate Governance Committee which was established in April 2021, she has provided advice and recommendations regarding the state of the Company's management system in a way that contributes to sustainable growth and enhanced corporate value from an independent and fair viewpoint. The Company expects Yumiko Ito to continue to properly carry out her roles such as overseeing business executions as an Outside Director of the Company.
April 1989:	Admitted to the bar in Japan Joined Sakawa Law Office	
July 1991:	Joined Tanabe & Partners	
April 2001:	General Counsel, Legal & Patent Operation of GE Yokogawa Medical Systems, Ltd. (currently GE Healthcare Japan Corporation)	
May 2004:	Staff Counsel, Legal & Intellectual Property of IBM Japan, Ltd.	
March 2007:	Executive Officer, Legal & Corporate Affairs of Microsoft Co., Ltd. (currently Microsoft Japan Co., Ltd.)	
April 2013:	Executive Officer and General Counsel of Sharp Corporation	
June 2013:	Director, Executive Officer and General Counsel of Sharp Corporation	
April 2014:	Director, Executive Managing Officer and General Counsel of Sharp Corporation	
June 2016:	Executive Managing Officer and General Counsel of Sharp Corporation	
March 2019:	Retired from the position of Executive Managing Officer and General Counsel of Sharp Corporation	
April 2019:	Established Ito Law Office; appointed as Representative (incumbent)	
June 2019:	Director of the Company (incumbent) Outside Corporate Auditor of Santen Pharmaceutical Co., Ltd. (incumbent)	
Duties and significant concurrent positions		
Representative of Ito Law Office Outside Corporate Auditor of Santen Pharmaceutical Co., Ltd.		

- Yumiko Ito is a candidate for Outside Director under the Regulations for Implementation of the Companies Act, Article 2, paragraph 3, item 7.
- The Company registered Yumiko Ito as an Independent Director at the financial instruments exchange. If Yumiko Ito is elected as Outside Director at the 168th Ordinary General Meeting of Shareholders, the Company is scheduled to register Yumiko Ito again as an Independent Director at the financial instruments exchange.

- Yumiko Ito meets the Company's Standards for Independent Directors. The summary is as follows.


GE Yokogawa Medical Systems, Ltd. (currently GE Healthcare Japan Corporation)	No business transactions with the Company.
IBM Japan, Ltd.	Purchases by the Company: The amount of these transactions totals less than 0.01% of IBM Japan, Ltd.'s consolidated net sales.
Microsoft Co., Ltd. (currently Microsoft Japan Co., Ltd.)	No business transactions with the Company. Retired from the executive position in March 2013 (three or more years have passed)
Sharp Corporation	Sales from the Company: The amount of these transactions totals less than 0.01% of the Company's consolidated net sales. Retired from the executive position in March 2019
Sakawa Law Office	No advisory contract (Retired in July 1991). No business transactions with the Company.
Tanabe & Partners	No advisory contract (Retired in March 2001). Payment by the Company: Less than 1 million yen
Ito Law Office	No advisory contract. No business transactions with the Company.

- The Company has entered into an agreement with Yumiko Ito that the limit of her liability for damages stipulated in Article 423, paragraph 1 of the Companies Act shall be the minimum liability amount stipulated in laws and regulations. If she is elected as Director at the 168th Ordinary General Meeting of Shareholders, the Company is scheduled to renew the terms of the agreement limiting liability with her.

Item 2: Election of one (1) Director who is a substitute Audit & Supervisory Committee Member

To prepare for the case where the number of Directors who are Audit & Supervisory Committee Members falls below the number required by laws and regulations, it is proposed that one (1) Director who is a substitute Audit & Supervisory Committee Member be elected.

As for submitting this Item, the consent of the Audit & Supervisory Committee has been obtained. The candidate for Director who is a substitute Audit & Supervisory Committee Member is as follows. There are no special interests between the candidate and the Company.

Hiroumi Shioji (Date of birth: January 28, 1957)		
Outside Director/ Independent Director at the financial instruments exchange		
Number of shares of the Company owned: 0 shares		
(Empty space)		
Career summary (positions)		Reasons for selecting the candidate and overview of expected roles Although Hiroumi Shioji has not participated in the management of a company in a position other than outside director or outside audit & supervisory board member, as he is able to make objective, fair and neutral judgment drawing on his abundant experience as a lawyer and insight as an outside officer of listed companies, we have concluded that he is well qualified to be Independent Director who is an Audit & Supervisory Committee Member of the Company in light of the Company's principles on appointment of candidates for Directors and Standards for Independent Directors (please see pages 20 through 22). . The Company expects Hiroumi Shioji to actively provide advice and recommendations at meetings of the Board of Directors and the Meetings of Independent Directors, and properly carry out his roles such as overseeing business executions as an Outside Director of the Company.
April 1987:	Admitted to the bar in Japan. Joined Asaoka Law Office (currently Asaoka Taki Law & Accounting Office)	
April 1991:	Established Shioji Law Office; appointed as Representative Lawyer (incumbent)	
June 2007:	External Auditor of TACHIBANA ELETECH CO., LTD. (incumbent)	
June 2015:	Outside Director of Fuji Seal International, INC. (incumbent)	
Duties and significant concurrent positions		
Representative Lawyer of Shioji Law Office External Auditor of TACHIBANA ELETECH CO., LTD. Outside Director of Fuji Seal International, INC.		

- Hiroumi Shioji is a candidate for Outside Director who is a substitute Audit & Supervisory Committee Member.
- If this item is approved at the 168th Ordinary General Meeting of Shareholders and Hiroumi Shioji assumes the position as Director who is an Audit & Supervisory Committee Member, the Company is scheduled to register him as an Independent Director at the financial instruments exchange.
- Hiroumi Shioji meets the Company's Standards for Independent Directors. The summary is as follows.

Asaoka Law Office (currently Asaoka Taki Law & Accounting Office)	No advisory contract (Retired in March 1991). No business transactions with the Company.
Shioji Law Office	No advisory contract. No business transactions with the Company.

- If this Item is approved at the 168th Ordinary General Meeting of Shareholders and Hiroumi Shioji assumes the position as Director who is an Audit & Supervisory Committee Member, the Company is scheduled to enter into an agreement with him that the limit of his liability for damages stipulated in Article 423, paragraph 1 of the Companies Act shall be the minimum liability amount stipulated by laws and regulations.

- The Company has entered into a Directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act with all Directors as the insured to ensure that Directors and officers can fully perform their expected roles in the course of their duties and to allow the Company to obtain superior talent. If Hiroumi Shioji is elected as Director who is an Audit & Supervisory Committee Member, he will become the insured under said insurance contract. For details regarding the directors and executive officers liability insurance contract, please see page 53 of the business report attached to this Notice of Convocation.

<Reference: The Company's principles on appointment of candidates for Directors and Standards for Independent Directors>

The Members of the Board of Directors discussed and approved appointments of each candidate proposed in Items 1 and 2 based on the consultation with and reports from the Nomination & Compensation Committee about whether or not he or she meets the requirements described in the Company's principles on appointment of candidates for Directors and Standards for Independent Directors.

The Company's principles on appointment of candidates for Directors (excluding Directors who are Audit & Supervisory Committee Members)

The Company appoints candidates for Directors (excluding Directors who are Audit & Supervisory Committee Members) based on a principle that person suitable to the position should have the following qualities in order to carry out their roles entrusted by shareholders.

- A) To be able to take care of the Company's stakeholders and fulfill the Company's social responsibility as well as make an effort to well understand and implement the Company's corporate vision and management vision to improve the Company's corporate value;
- B) Based on their own careers, to be capable to hold deep insight regarding the Company's business and their duties, and make flexible and balanced judgments to fully display the synergistic effects between the Company's various businesses, such as businesses in materials, machinery and electric power supply, in the case of determining important management issues including the distribution of management resources;
- C) To be able to make prompt and decisive decisions under circumstances of hectic change; and
- D) To be able to actively make proposals or suggestions to other Directors as a member of the Board of Directors.
- E) The Company wants Outside Directors to be able to back up appropriate risk-taking and support the Company's medium- to long-term growth by reflecting outside persons' fair and neutral opinions on resolutions at the meetings of the Board of Directors. The Company requires Outside Directors to meet the following requirements in addition to requirements A) to D) above:
 - a. To have extensive experience and deep insight to be able to make objective, fair and neutral judgment in light of their careers;
 - b. Especially, to have global insight necessary for the implementation of the Company's management vision or business plan or insight regarding the Company's business areas; and
 - c. To meet the Standards for Independent Directors stipulated by the Company.

The Company's principles on appointment of candidates for Directors who are Audit & Supervisory Committee Members

The Company appoints candidates for Directors who are Audit & Supervisory Committee Members based on the principle that persons suitable to the position should have the following qualities in order to carry out their roles entrusted by shareholders.

- A) To well understand the characteristics of the Company's wide-ranging businesses and be able to audit and supervise the Company's business based on its duties and functions stipulated in the Companies Act;
- B) To be able to consider appropriateness of management to improve corporate value, in addition to auditing the legality of management, and actively make statements at meetings of the Board of Directors;

- C) In consideration of the fact that they are Audit & Supervisory Committee Members, they are able to appropriately exercise their authority as Directors;
- D) At least one Audit & Supervisory Board Member with considerable knowledge of finance and accounting must be elected; and
- E) The Company invites Outside Directors who are Audit & Supervisory Committee Members from the legal, financial and industrial circles in order to show the functions of auditing and supervising from various angles, wants them to be able to back up appropriate risk-taking and support the Company's medium- to long-term growth, and requires them to meet the following requirements in addition to requirements A) through C) above;
 - a. To have extensive experience and deep insight to be able to make objective, fair and neutral judgment in light of their careers; and
 - b. To meet the standards for Independent Directors stipulated by the Company.

The Company's Standards for Independent Directors

The Company's Outside Directors (including those who are also Audit & Supervisory Committee Members) are recognized as Independent Directors as long as any of the following requirements are not applicable. Requirement "L" only applies to Independent Directors serving on the Audit & Supervisory Committee.

- A) A person who currently executes or has executed businesses of the Group, which includes the Company and its subsidiaries (i.e., executive directors, executive officers (consisting of *shikkoyaku* and *shikkoyakuin*) and other employees; hereinafter the same shall apply).
- B) A person who has a close relative (spouse, relative within the second degree of kinship; hereinafter the same shall apply) who currently executes or has executed businesses of the Group within the past five years.
- C) A person who is currently or has been over the past three years a principal shareholder of the Company (a shareholder who, directly or indirectly, currently owns or has owned 10% or more of all voting rights of the Company), or who currently executes or has executed businesses of the principal shareholders' company within the past three years.
- D) A major business partner of the Company (when the highest payment among payments by this partner to the Company accounts for more than 2% of the Company's annual consolidated net sales in the past three fiscal years) or a person who currently executes or has executed its business over the past three years.
- E) A person who executes businesses thereof whose major business partner is the Company (when the highest payment among payments by the Company to the person accounts for more than 2% of the person's annual consolidated net sales in last three fiscal years) or a person who currently executes or has executed its business over the past three years.
- F) Persons who are or have been over the past three years financial institutions, other large creditors or those executives indispensable for the Company's financing and that the Company depends on to the degree there is no substitute.
- G) A consultant, accountant, or legal professional who has received a large sum of money or other financial gain in the past three years from the Company, excluding remuneration for Director of the Company. If the person receiving such financial gain is an individual, the "large sum" means the larger of 10 million yen or 100 thousand U.S. dollars or more in a year. If the person receiving such financial gain is a party such as a company or an association, the "large sum" means the amount equal to or more than 2% of the party's annual consolidated net sales, and this condition is applicable to an individual who belongs to the party (but excluding an individual independently performing his

or her duties without receiving any remuneration from the party).

- H) Certified public accountants who are Accounting Auditors of the entity or those belong to the audit corporation that is an Accounting Auditor of the Company.
- I) A representative person or the equivalent thereof of a company who receives a donation or aid (which exceeds the larger of 10 million yen, 100 thousand U.S. dollars or 30% of the total average annual cost of the company in a year) from the Company.
- J) A person who executes businesses of the companies that mutually dispatches independent directors/corporate auditors. (The person who executes the business of the Group is an independent director/corporate auditor and the person who executes the business of such a company is the outside director of the Company.)
- K) A person who has a close relative who falls under any of the categories C through J above. The person who executes a business of the Company is limited to directors and executive officers and, the person who belongs to a professional advisory firm such as a law firm is limited to a member or a partner of the firm.
- L) A person who has a close relative who falls under any of the following categories a) through c).
 - a) A person who is currently or has been over the past one year a non-executive director of a subsidiary of the Company.
 - b) A person who is currently or has been over the past one year an accounting advisor of a subsidiary of the Company. (If the accounting advisor is a company, it is limited to those with a certified public accountant or a certified public tax accountant.)
 - c) A person who has been over the past one year a non-executive director of the Company.

Item 3: Determination of details of the stock compensation plan for Directors

At the 163rd Ordinary General Meeting of Shareholders held on June 22, 2016, the Company obtained approval (hereinafter, the resolution made at said General Meeting of Shareholders is referred to as the “Original Resolution”) for the introduction of a stock compensation plan, Board Benefit Trust (BBT) (hereinafter the “Plan”) for the Company’s Directors (excluding Outside Directors and Directors who are Audit & Supervisory Committee Members; hereinafter, the same shall apply in this Item). However, in accordance with the enactment of the Act Partially Amending the Companies Act (Act No.70 of 2019) as of March 1, 2021, it is proposed that approval be given to the establishment of a new framework of stock compensation for Directors. This Item does not increase the actual limit for the remuneration framework, and instead sets an upper limit on the number of points granted to Directors and other Executives, which establishes the standards for benefits involving Company’s Shares and Money based on the Plan as described in (5) below, in accordance with the amendment of the relevant laws and regulations.

The Board of Directors of the Company believes that the content of this Item is appropriate because, as in the Original Resolution, the purpose is to encourage the Directors to contribute to improving medium- to long-term business performance and increasing corporate value by sharing values with shareholders, and it is also consistent with the Company’s Fundamental Policy for Remuneration of the Company’s Directors as resolved by the Board of Directors of the Company. Furthermore, the Nomination & Compensation Committee, of which a majority of members are Independent Directors, has confirmed that there are no issues with this Item in light of laws and regulations and the Company’s Fundamental Policy for Remuneration of the Company’s Directors. The Audit & Supervisory Committee has stated that there are no issues to be noted for this Item.

Details regarding this system will be entrusted to the Board of Directors within the boundaries of the following Outline of the Plan.

At the present point in time, the number of Directors who fall under the Plan is eight (8), but if Item 1 is approved as proposed, the number of Directors who fall under the Plan will be five (5), excluding Outside Directors and Directors who are Audit & Supervisory Committee Members.

The resolution of this Item shall come into effect retroactively on March 1, 2021.

* The remuneration system for the Company’s executives is composed of basic remuneration for Directors (the limit being within a total of 650 million yen per fiscal year), performance-based compensation (the limit being a total of 350 million yen per fiscal year) and the Plan as approved at the 163rd Ordinary General Meeting of Shareholders held on June 22, 2016. For details regarding the Company’s Fundamental Policy for Remuneration of the Company’s Directors, please see pages 55 through 58 of the business report attached to this Notice of Convocation.

Outline of the Plan

(1) Outline of the Plan

The Plan is a stock compensation plan under which money contributed by the Company is used as funds to acquire the Company’s shares through a trust (hereinafter the “Trust”). With regard to Directors and Executive Officers who are subject to the following section (2) (hereinafter “Directors and Other Executives”) the Company’s shares and the cash equivalent to the amount converted from the market price of the Company’s Shares (hereinafter the “Company’s Shares and Money”) are provided through the Trust in accordance with director stock benefit rules established by the Company. In addition, Directors and Other Executives shall receive Company’s Shares and Money in principle every three years on a fixed date during the trust period.

(2) Individuals Subject to the Plan

The Company's Directors (Outside Directors and Directors who are Audit & Supervisory Committee Members are not eligible for the Plan) and Executive Officers

(3) Amount of Money the Company will Contribute to the Trust

The Company has introduced the Plan targeting the three fiscal years from the fiscal year ending March 2017 to the fiscal year ending March 2019 (hereinafter either the period of the three fiscal years concerned or each three-fiscal year period begins after the previous three-year fiscal period is called the "Covered Period.") and each Covered Period thereafter. With regard to the first Covered Period, in order to provide benefits to Directors and Other Executives based on this Plan, 1.1 billion yen (of which 570 million yen is for the Company's Directors) have been contributed to the Trust as funds to acquire the necessary shares. The Company has thereby established the Trust, the beneficiaries of which are Directors and Other Executives who meet the beneficiary requirements. The Trust has acquired 12,228,000 shares of the Company for the first Covered Period using the money entrusted by the Company as funds.

Note: The Company implemented a ten-for-one consolidation of its shares on October 1, 2016. The above number of shares was acquired before said share consolidation.

In addition, even after the first Covered Period, and during the time until the Plan ends, the Company shall make an additional contribution for each Covered Period as funds for the acquisition by the Trust of the aforementioned stock to the Trust with an upper limit of 1.1 billion yen (of which 570 million yen is for the Company's Directors). However, in making an additional contribution, in cases where there are the Company's shares (excluding the Company's shares equivalent to the number of points already granted to Directors and Other Executives at the end of the Covered Period for which benefits have not been completed) and money remaining in the trust property (hereinafter "Remaining Shares and Money") as of the last day of the Covered Period immediately preceding the Covered Period during which said additional contribution is to be made, Remaining Shares and Money shall be allocated to the source of the benefits under the Plan for the following Covered Period. The upper limit of the amount that the Company may make an additional contribution during the applicable Covered Period shall be the amount obtained by deducting the amount of the Remaining Shares and Money (the book value of the Company's shares as of the last day of the Covered Period immediately preceding the Covered Period during which said additional contribution is to be made) from the upper limit approved in this Item.

As a reference, on the assumption of acquiring shares of the Company at 715 yen, the closing price as of April 1, 2021, the number of shares to be acquired for the initial Covered Period will be 1,538,000 shares, which will be acquired using the upper limit of 1.1 billion yen of funds to be contributed to the Trust as funds for the acquisition of the Company's shares to be paid to Directors and Other Executives.

(4) Acquisition Method of the Company's Shares

The acquisition of the Company's shares by the Trust shall be carried out through trading markets, using money contributed for funds as described in (3) above.

(5) Specific Contents of the Company's Shares and Money Granted to Directors and Other Executives

The Company shall provide Directors and Other Executives with points, the number of which is determined according to their ranks, remuneration ranks, business performance, and other factors, based on the director stock benefit rules. The total number of points granted to Directors and Other Executives per fiscal year shall be up to 1,295,600 (of which 671,400 are for the Company's Directors).

Points granted to Directors and Other Executives shall be converted at 1 share of common stock for 1 point when providing the Company Shares and Money as described in (6) below. However, if, after the resolution for the approval of this Item, there are share splits, allotment of shares without contribution or a stock consolidation, etc. with respect to our company shares, the conversion ratio will be adjusted reasonably in accordance with the ratio and other factors that have been applied.

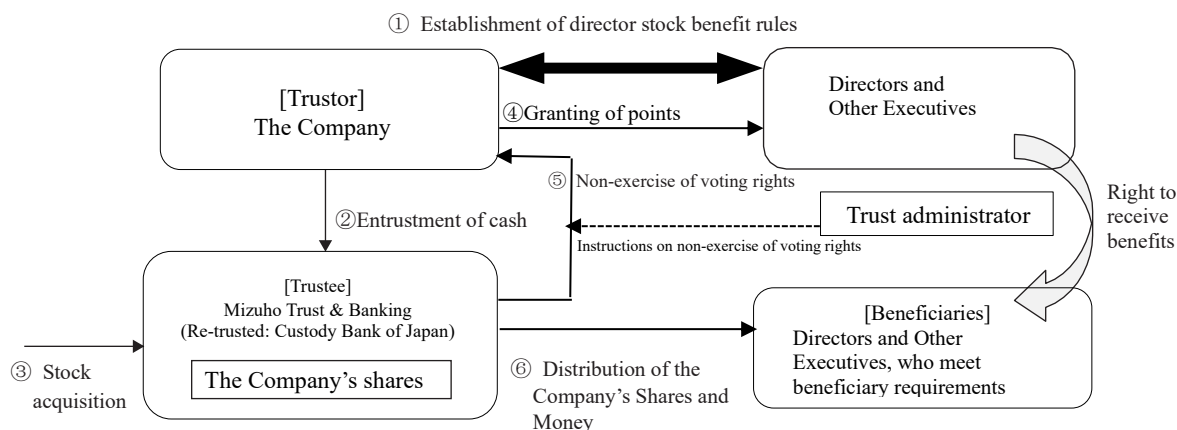
The number of points given to the Directors and Other Executives, which will be used as the standard in providing the Company Shares and Money in accordance with (6) below, shall be the total number of points granted to the Directors and Other Executives up to the time when the beneficiary requirements are fulfilled.

(6) Timing of Providing the Company's Shares and Money to Directors and Other Executives

In cases where Directors and Other Executives meet the beneficiary requirements under the director stock benefit rules, the Directors and Other Executives concerned shall receive the Company's Shares and Money according to the granted points equivalent to the accumulated number of shares from the Trust every three years on a fixed date during the trust period in principle, subject to the prescribed beneficiary determination procedures. However, in cases where Directors and Other Executives retire, they shall receive the Company's Shares and Money from the Trust, regardless of the fixed date, after a period of time necessary for the benefit procedures after retirement, subject to the prescribed beneficiary determination procedures.

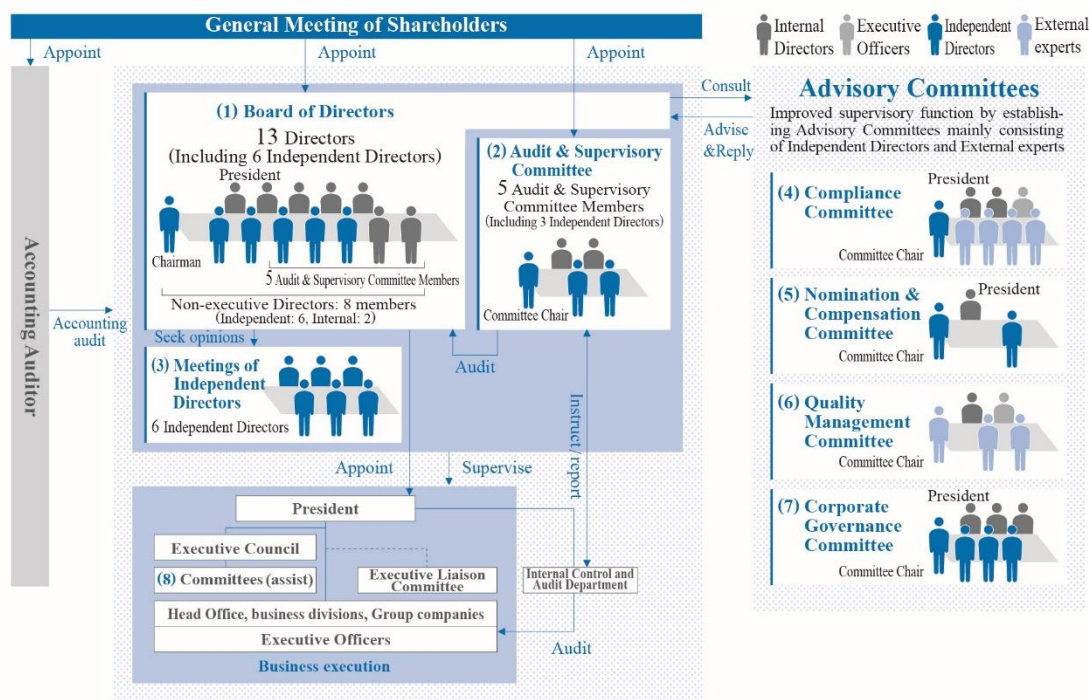
In addition, in cases where Directors and Other Executives meet the beneficiary requirements under the director stock benefit rules, Directors and Other Executives shall receive money in place of a certain portion of the Company's stock benefit converted at the market price. In order to provide this monetary benefit, the Trust may sell the Company's shares.

<Reference: Framework of the Plan>



(Reference) The Company's Corporate Governance System
(subject to the approval of Item 1)

(1) Corporate Governance System



(2) Characteristics of the Company's Corporate Governance System

The Company believes the basis of its corporate value is to leverage synergy between a wide range of segments in different demand fields, business environments, sales channels and business scales. The Company also believes it is essential to promote discussions with people at its manufacturing sites in pursuit of technical development and innovations, which form the foundation for the Company's continued growth.

Furthermore, the Company believes that it is the responsibilities of the Board of Directors to actively discuss and undertake appropriate decision-making with regard to the risk management of its various businesses and the allocation of management resources, as well as to flexibly oversee business executions. To fulfill such responsibilities, it is desirable to have members with a sound understanding of business execution in the Board of Directors meetings, without completely separating oversight from execution.

In line with this approach, the Company has adopted a corporate structure with an Audit & Supervisory Committee model under which those responsible for audits have voting rights at the Board of Directors to enable comprehensive audits of the Company's extensive businesses, maintain and strengthen the supervisory function of the Board of Directors, and accelerate decision-making with regard to management, while having the functions of oversight and execution not being separated. In order to improve the effectiveness of monitoring, the Company has established advisory committees, which are responsible for providing clear recommendations to the Board of Directors regarding compliance, nomination & compensation, quality management, and corporate governance. In addition to establishing the Executive Council as a forum where executives, including the President, discuss important matters in order to improve the effectiveness of business execution, the Company has set up various committees as auxiliary

bodies for the Executive Council in order to supervise and promote important matters related to the business units, such as sustainability and business portfolio management. The activities of these committees shall be monitored by the Board of Directors. The Company's Corporate Governance System is characterized as follows.

< Structure of the Board of Directors and Audit & Supervisory Committee >

	Item	Details	Purpose
(1) Board of Directors	Number of Members (including Directors who are Audit & Supervisory Committee Members)	Thirteen (13) (including six (6) Independent Directors) * Directors who are Audit & Supervisory Committee Members: Five (5) members (including three (3) Independent Directors)	Ensuring substantial discussion at meetings of the Board of Directors as well as enhancing the supervisory function, while considering the diversity
	Number of Independent Directors	Six (6) members (46.2%)	Reflecting a fair and neutral viewpoint and the viewpoint of stakeholders including minority shareholders
	Percentage of Independent Directors	One third or more	Enhancing fairness and transparency of the Board of Directors and advancing the growth strategies as a company
	Chairman of the Board of Directors	In principal, selected from among Independent Directors	
	Composition of the Board of Directors	Executive Directors include the President and Directors who oversee specific key companywide functions Eight (8) Non-executive Directors (five (5) Directors who are Audit & Supervisory Committee Members and three (3) Independent Directors) form a majority of the Board of Directors	Strengthening the monitoring function of the Board of Directors
(2) Audit & Supervisory Committee	Number of Members	Five (5) (including three (3) Outside Audit & Supervisory Committee Members)	Ensuring transparency and fairness and strengthening the auditing function
	Composition of Audit & Supervisory Committee Members	Invited Outside Audit & Supervisory Committee Members from each of the legal, financial, and industrial circles	
	Committee Chair of the Audit & Supervisory Committee	Selected from among Independent Directors	
	Full-time Audit & Supervisory Committee Members	Two (2) members to be appointed	Ensuring the smooth execution of duties by the Audit & Supervisory Committee by maintaining a good audit environment, collecting internal information on the Company, and regularly auditing the internal control system of the Company

<Voluntary establishment of meetings> Those with an asterisk (*) at the end of the names are advisory bodies to the Board of Directors.

Name	Composition	Fundamental Role
(3) Meetings of Independent Directors	All Independent Directors	The purpose of the Meetings is to provide and share information regarding the execution of the Company's businesses other than nomination and compensation of executives (attended by Executive Directors of the Company as necessary to share information and exchange opinions with the Independent Directors).
(4) Compliance Committee*	Consists of Independent Directors, external experts, the President, Director who oversees companywide compliance and Executive Officer who is responsible for companywide compliance. (Committee Chair is selected from external members.)	The Committee deliberates matters regarding compliance with laws, regulations and ethics concerning the Company's business activities.
(5) Nomination & Compensation Committee*	Consists of three (3) to five (5) members, including the President with Independent Directors forming the majority (An Independent Director shall serve as Committee Chair).	The Committee discusses matters related to election or removal of major executives such as Directors or Executive Officers, including the selection of successors to the Chief Executive Officer, and the remuneration system of such executives.
(6) Quality Management Committee*	Consists of three (3) external experts and two (2) internal Executive Officers. (Committee Chair is selected from external members.)	The Committee constantly monitors and gives advice on activities to strengthen the quality management in the Kobe Steel Group and monitors the effectiveness of the measures to prevent recurrence of the quality misconduct.
(7) Corporate Governance Committee*	Consists of Independent Directors and Internal Directors including the President (Independent Directors form a majority) (An Independent Director shall serve as Committee Chair).	The Committee deliberates on fundamental policies concerning the corporate governance of the Group, evaluations of the effectiveness of the Board of Directors, measures to improve the effectiveness of the Board of Directors, etc.

Committees (auxiliary organizations for the Executive Council) (8)

Sustainability Management Committee, Risk Management Committee, Business Portfolio Management Committee, Investment and Loan Committee, R&D Committee, DX Strategy Committee, Pension Asset Management Committee