

May 15, 2017

Company Name: Kobe Steel, Ltd.
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Discontinuation (abolition) of Kobe Steel's Policy on Large-Scale Purchasing of its Shares (Anti-Takeover Measures)

Kobe Steel, Ltd. (hereinafter referred to as "the Company") announces that, at the meeting of its Board of Directors held today, the Company decided to discontinue and abolish its policy on the large-scale purchasing of its shares upon the expiration of the effective period of the policy, which is at the end of the first meeting of the Board of Directors to be held after the 164th Ordinary General Meeting of Shareholders, scheduled to be held on June 21, 2017.

In the event that a large-scale purchase of the Company's shares is conducted, from the viewpoint of securing necessary information and time for its shareholders to determine the question of the large-scale purchase, the Company instituted the policy on large-scale purchasing of its shares (hereinafter referred to as the "Policy"); prescribed certain rules for large-scale purchasing of its shares in the Policy; and adopted and continued the plan, which contains certain measures to be taken in the event of compliance or non-compliance with such rules (hereinafter referred to as the "Plan").

However, the Company has today decided to discontinue and abolish the Policy and the Plan upon the expiration of their effective period. This decision was made following careful observation of the changes in the business environment surrounding the Company, such as the opinions of shareholders, including domestic and overseas institutional investors, recent developments in anti-takeover measures, and the revision of the listing rules, etc., of the financial instruments exchange, etc., as well as a deliberate consideration of the concept of the Plan itself including the advantages and disadvantages of extending the Plan.

Nevertheless, after the expiration of the effective period of the Plan, the Company will continue to promote initiatives to protect and enhance its corporate value and, ultimately, the common interests of its shareholders, request that persons who are engaging in or aim to engage in a large-scale purchase provide necessary and sufficient information to allow the shareholders to appropriately determine the question of the large-scale purchase in accordance with relevant laws and regulations from the viewpoint of ensuring its corporate value and the common interests of its shareholders, disclose the opinions of the Board of Directors of the Company, and endeavor to secure necessary time and information for the shareholders to consider such large-scale purchase.

Further, if it is rationally judged that there is a risk of damage to the Company's corporate value and the common interests of shareholders unless timely defensive measures are implemented, the Company will endeavor to secure its corporate value and the common interests of its shareholders, as an obvious obligation of the Board of Directors entrusted with management of the Company by its shareholders, by promptly deciding the content of the concrete measures deemed most appropriate at the time in accordance with the relevant laws and regulations and executing such measures.

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