

Update on safety verification

(As of May 18, 2018)

(1) Customers' responses at present

For customers to which nonconforming products were shipped, found through the self-inspections conducted by the Kobe Steel Group and through the investigations by the Independent Investigation Committee (the "IIC") covering the past one year, and for products other than those delivered directly to customers, Kobe Steel at this time has not confirmed cases that would require the immediate suspension of use or immediate recall of the products.

(2) Current progress of safety verification

Owing to the enormous amount of cooperation from its customers, the Kobe Steel Group has been earnestly proceeding with safety verification. At this time as outlined below, the safety of the nonconforming products has been confirmed at 525 out of the 525 companies (or 100.0%) as announced on October 26, 2017, and 162 companies out of an additional 163 companies (or 99.4%) identified since the establishment of the IIC on October 26, 2017 as announced on March 6, 2018.

The Kobe Steel Group will continue to wholeheartedly devote itself to cooperating with its customers in order to complete the safety verification at an early time.

Updates on safety verification will be posted on our website when progress is made.

Update on safety verification

As of May 18, 2018

Major category	Company name	Material	Main purpose	Announced on October 26, 2017		Since the IIC's establishment (October 26, 2017)	
				No. of customers	Safety verification	No. of customers	Safety verification
Aluminum & Copper	Kobe Steel, Ltd. Aluminum & Copper Business	Aluminum sheets	Can stock Cars	57	<u>57</u>	7	7
		Aluminum cast & forged parts	Aircraft Rolling stock	67	67	4	<u>4</u>
		Aluminum extrusions	Cars Rolling stock	34	34	-	-
		Copper sheets	Semiconductors Terminals	38	38	2	2
	Kobelco & Materials Copper Tube Co., Ltd.	Copper tubes	Air conditioning	23	23	88	88
	Shinko Metal Products Co., Ltd.	Copper alloy tubes, Molds	Electrical machinery, Steelmaking equipment	176	176	29	<u>28</u>
	Domestic subsidiary: 1 Overseas subsidiaries: 3 ^{*2}	Copper tubes Copper strips Aluminum wires	Air conditioning Terminals	36	36	-	-
	Shinko Moka Sogo Service Ltd.	Aluminum plate	Prototype materials	-	-	1	1
Other	Kobelco Research Institute, Inc.	Sputtering target materials Prototype alloys Corrosion analysis	FPD Optical disks Prototype alloys Corrosion analysis	70	70	14	14
	Kobe Steel, Ltd. Iron & Steel Business Steel Powder Division	Steel powder	Sintered parts	1	1	-	-
	Domestic subsidiaries, etc.: 2 Overseas subsidiaries, etc.: 2 ^{*3}	Steel wire Stainless steel wire Heat treatment	Bearings Springs	22	22	-	-
	Shinko Kohan Kako, Ltd.	Heavy plate processing	Heavy plate processed products	1	1	-	-
	Koshuha All Metal Service Co., Ltd.	Heat treatment	Heat treatment	-	-	1	1
	Kobe Steel, Ltd. Machinery Business	Machinery	Industrial machinery Standard compressors	-	-	10	10
	Shinko Engineering Co., Ltd.	Machinery	Industrial machinery	-	-	3	3
	Kobelco Eco-Solutions Co., Ltd.	Water analysis	Water analysis	-	-	4	4
Total				525 ^{*1}	525	163 ^{*1}	162

Previous report (April 26, 2018)	525 ^{*1}	520	163 ^{*1}	158
Report on March 30, 2018	525 ^{*1}	520	163 ^{*1}	155
Report on March 23, 2018	525 ^{*1}	520	163 ^{*1}	141
Report on March 6, 2018	525 ^{*1}	520	163 ^{*1}	129

Changes in the number of companies reported on April 26 are underlined.

*1 The 525 customers announced on October 26, 2017 and the 163 customers affected by the Misconduct detected after the establishment of the Independent Investigation Committee are cumulative numbers.

*2 Shinko Aluminum Wire Co., Ltd., Kobelco & Materials Copper Tube (M) Sdn. Bhd., Kobelco & Materials Copper Tube (Thailand) Co., Ltd., and Suzhou Kobe Copper Technology Co., Ltd.

*3 Nippon Koshuha Steel Co., Ltd., Shinko Wire Stainless Company, Ltd., Jiangyin Sugita Fasten Spring Wire Co., Ltd., and Kobelco Spring Wire (Foshan) Co., Ltd.