

Safety verification pertaining to the misconduct in the Kobe Steel Group

We once again deeply apologize for the considerable trouble we have caused to our customers, suppliers, shareholders and many others in regard to the misconduct concerning quality at Kobe Steel, Ltd. and its group companies.

Ever since the discovery of the misconduct concerning quality, the Kobe Steel Group has been undertaking safety verification pertaining to the nonconforming products delivered and used in customers' products. As a result, Kobe Steel reports that of the 688 companies to which nonconforming products were found to have been delivered, it has confirmed that there were no safety problems or that there were no immediate problems with safety.

With regard to products that are viewed to have no immediate problems with safety, Kobe Steel will, as necessary, conduct additional verification while cooperating with its customers.

The Kobe Steel Group is sincerely accepting comments and requests from customers and striving to respond to them, so that all customers, including consumers of the final products, will be assured of peace of mind and use the Group's products. We are making full efforts to carry out the measures to prevent recurrence of the misconduct, as previously announced.

Status of safety verification pertaining to customers' products that used nonconforming products

As of March 29, 2019

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	4
		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>29</u>
	Domestic subsidiary: 1 Overseas subsidiaries: 3 ^{*1}	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 ^{*2}	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	525	163	<u>163</u>

Previous report (May 18, 2018)	<u>525</u>	<u>520</u>	<u>163</u>	<u>158</u>
Report on April 26, 2018	525	520	163	158
Report on March 30, 2018	525	520	163	155
Report on March 23, 2018	525	520	163	141

The numbers of companies are cumulative totals.

*1 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.

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

The changes in the number of companies previously reported (on May 18, 2018) are underlined.