

July 1, 2020

## Verification Results Regarding Strategic Holdings of Shares Held by Kobe Steel, Ltd.

The Board of Directors has reviewed the necessity of all the strategic holdings of listed companies' shares held by the Company as of March 31, 2020. A summary of the results is as follows.

### [Contents of the Review of the Company's Strategic Holdings of Shares]

|                                |   |
|--------------------------------|---|
| Shares Subject to Verification | All the strategic holdings of listed companies' shares held by the Company as of March 31, 2020 (42 companies)  |
| Contents                       | <p>We verified whether the holding of each company's shares contributes to strengthening the Company's business foundation and to improving the Company's corporate value over the medium to long term, based on the following evaluation items, and comprehensively judged the reasonableness of each shareholding.</p> <p>&lt;Evaluation items&gt;</p> <ul style="list-style-type: none"><li>(i) Scale and importance as a business partner (volume of transactions, share of transactions, and stable procurement)</li><li>(ii) Relationship as an alliance partner (economic effect of the alliance)</li><li>(iii) Dividend yield</li></ul> |

### [Verification Results]

In fiscal 2019, it was confirmed that all of 27 holdings and part of 15 holdings among the holdings of shares in 69 listed companies as of March 31, 2019, had been sold, after reaching a consensus with the counterparty, in reflection of the verification of the reasonableness of these holdings from the perspective of capital and asset efficiency.

The holdings of shares in 42 listed companies as of March 31, 2020, have been judged to be reasonable as they are contributing to strengthening the Company's business foundation and to improving the Company's corporate value over the medium to long term, based on the scale and importance of the companies as business partners (volume of transactions, share of transactions, and stable procurement) and the relationships as alliance partners.

Going forward, the Company will continue to verify the necessity of strategic holdings of listed companies' shares, and those holdings that are judged to have diminished significance will be reduced through sale or other means.

End