

June 21, 2017

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Revisions (including revision of numerical data): Partial Revision of Kobe Steel's Consolidated Financial Results for Fiscal 2016

Kobe Steel, Ltd. has determined the necessity of making certain revisions (as shown below) to the contents of the "Kobe Steel's Consolidated Financial Results for Fiscal 2016". Kobe Steel has also made certain revisions to the numerical data. These are included in the Revised "Kobe Steel's Consolidated Financial Results for Fiscal 2016" stated below.

Revisions of the text or numerical data are indicated by the underlined portions.

1. Reasons for the revisions

In the previously announced "Kobe Steel's Consolidated Financial Results for Fiscal 2016", "Dismantlement expenses" was indicated in "Other" under "Non-operating expenses" in the Consolidated Statements of Income of the Consolidated Financial Statements. However, it has exceeded one-tenth of the non-operating expenses. In response to this, "Dismantlement expenses" is stated independently.

This correction is a change in breakdown and does not affect the summary information.

2. Details of revisions

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CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statements of Income

(In millions of yen)

【Before revision】

	FY2015	FY2016
	Ended Mar. 31, 2016	Ended Mar. 31, 2017
Non-operating expenses		
Interest expense	15,176	13,401
Seconded employees' salaries	11,566	10,681
Equity in loss of equity method companies	7,770	—
Other	<u>30,968</u>	<u>25,729</u>
Total non-operating expenses	65,482	49,813

【After revision】

	FY2015	FY2016
	Ended Mar. 31, 2016	Ended Mar. 31, 2017
Non-operating expenses		
Interest expense	15,176	13,401
Seconded employees' salaries	11,566	10,681
<u>Dismantlement expenses</u>	<u>3,914</u>	<u>6,742</u>
Equity in loss of equity method companies	7,770	—
Other	<u>27,054</u>	<u>18,987</u>
Total non-operating expenses	65,482	49,813

Notes

(Changes in presentation method)

(Consolidated Statements of Income)

【Before revision】

In the previous consolidated fiscal year, “Currency exchange loss” which was independently stated under “Non-operating expenses” is indicated in “Other” from this fiscal 2016, as it has become insignificant in terms of amount. To reflect this change in the presentation method, the consolidated financial statements for the previous fiscal year have been reclassified.

Subsequently, in the consolidated statements of income for the previous fiscal year, the amount of 4,134 million yen, which was stated in “Currency exchange loss” under “Non-operating expenses”, has been reclassified in “Other”.

【After revision】

In the previous consolidated fiscal year, “Currency exchange loss” which was independently stated under “Non-operating expenses” is indicated in “Other” from this fiscal 2016, as it has become insignificant in terms of amount. In addition, “Dismantlement expenses”, which was indicated in “Other” under “Non-operating expenses”, is stated independently from this fiscal year, as it has become significant in terms of amount. To reflect this change in the presentation method, the consolidated financial statements for the previous fiscal year have been reclassified.

Subsequently, in the consolidated statements of income for the previous fiscal year, the amount of 4,134 million yen, which was stated in “Currency exchange loss” under “Non-operating expenses” and the amount of 26,834 million yen, which was recorded in “Other” under “Non-operating expenses”, has been reclassified as 3,914 million yen in “Dismantlement expenses” and 27,054 million yen in “Other”.