

April 27, 2018

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Announcement on the Difference between the Forecast and Actual Results for Fiscal 2017 and Revision to Dividend Forecast for Fiscal 2017, ending March 31, 2018

Kobe Steel, Ltd. announces that a difference has arisen between the consolidated forecast for fiscal 2017 (April 1, 2017-March 31, 2018) and the actual results for the same period announced today.

In addition, at the Board of Directors meeting held today, April 27, 2018, Kobe Steel adopted a resolution for a dividend forecast per share for fiscal 2017, ending March 31, 2018 as follows:

Difference between the consolidated forecast and the actual results for the fiscal 2017 (April 1, 2017 – March 31, 2018)

(Figures are in millions of yen unless otherwise indicated. Sums under 1 million yen have been omitted.)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Net income per share
Previous forecast (A) (announced February 1, 2018)	1,890,000	75,000	60,000	45,000	124.22 yen
Actual results (B)	1,881,158	88,913	71,149	63,188	174.43 yen
Change (B-A)	(8,841)	13,913	11,149	18,188	
% change	(0.5%)	18.6%	18.6%	40.4%	
FY2016 results	1,695,864	9,749	(19,103)	(23,045)	(63.54 yen)

* Kobe Steel carried out a share consolidation at a ratio of 10 shares to 1 share effective on October 1, 2016. Therefore, net income per share takes into account this share consolidation.

Reason for the Difference

Sales declined compared to the previous forecast (announced February 1, 2018) because of a lag in posting the sales of current orders mainly in the Machinery segment. However, as factors incorporating risks did not arise in each of the businesses, operating income, ordinary income, and net income attributable to owners of the parent improved compared with the previous forecast (announced on February 1, 2018).

Revision to Dividend Forecast

Date of record	Dividend per share				
	1Q	2Q	3Q	4Q	Full fiscal year
Previous Forecast (announced October 30, 2017)			—	—	—
Current Forecast				30.00 yen	30.00 yen
FY2017 Results	—	0.00 yen	—		
FY2016 Results	—	0.00 yen	—	0.00 yen	0.00 yen

* Kobe Steel carried out a share consolidation at a ratio of 10 shares to 1 share effective on October 1, 2016.

Reason for the Revision

Dividends for fiscal 2017 are decided after taking into full account the Company's financial condition, business performance, future capital needs and other factors, including the impact of the misconduct concerning some of the products. As a result, Kobe Steel had decided on a policy to pay a year-end dividend of 30 yen per share for fiscal 2017.