

October 1, 2019

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Announcement regarding loss on valuation of investment securities in second quarter of fiscal 2019

Kobe Steel, Ltd. announces that it is necessary to post a loss on valuation of investment securities owing to a write-down in those securities, as the value of listed shares of a portion of the securities classified as "other securities" fell significantly in the second quarter of fiscal 2019, ended September 30, 2019.

1. Loss on valuation of investment securities in the second quarter of fiscal 2019

(Billions of yen)

Total amount of loss on valuation of investment securities in the second quarter of fiscal 2019 (July 1 to September 30, 2019) (A-B)	10.8
(A) Total amount of loss on valuation of investment securities in the first half of fiscal 2019 (April 1 to September 30, 2019)	10.8
(B) Total amount of loss on valuation of investment securities in the first quarter of fiscal 2019 (April 1 to June 30, 2019)	—

- The full reversal method is used to evaluate the investment securities.
- Kobe Steel's fiscal year ends on March 31.
- The above loss is planned to be recorded as extraordinary loss.

2. Future outlook

Kobe Steel will promptly disclose its earnings forecast for the full fiscal year, ending March 31, 2020, as soon as the forecast has been finalized.

(Reference)

On a consolidated basis, Kobe Steel anticipates posting extraordinary loss of 10.8 billion yen, owing to loss on valuation of investment securities.

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