

May 11, 2020

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Announcement regarding impairment losses on fixed assets in fiscal 2019

Kobe Steel, Ltd. announces that it posted impairment losses on fixed assets under extraordinary loss in fiscal 2019, ended March 31, 2020.

1. Impairment losses recorded on operating assets

(1) Reasons for impairment losses recorded

Impairment losses were recorded on fixed assets due to the continued decrease in profitability resulting from a worsening demand environment and productivity, as well as investments in facilities that did not start up as planned.

(2) Details of impairment losses for fiscal 2019

(Billions of yen)

Asset classification	Impairment loss
Manufacturing assets for titanium	13.4
Manufacturing assets for steel castings and forgings	10.8
Manufacturing assets for aluminum forgings for suspensions (Japan)	6.7
Manufacturing assets for aluminum castings and forgings	4.2
Others	3.1
Non-consolidated basis	38.5
Manufacturing assets for aluminum forgings for suspensions (U.S.)	6.6
Others	4.8
Subsidiaries	11.4
Consolidated basis	49.9

2. Future outlook

As for the influence of this issue on the consolidated business results, please refer to Kobe Steel's Consolidated Financial Results for Fiscal 2019 (April 1, 2019 – March 31, 2020) announced today.

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