

Kobe Steel to reorganize group company

The Kobe Steel Group, under the Rolling of the Medium-Term Management Plan announced on May 15, 2019, is undertaking two key themes in fiscal 2019 and fiscal 2020 consisting of initiatives to: 1) strengthen profitability with a focus on materials and 2) make efficient use of management resources and strengthen the business foundation with attention to capital costs, in an aim to establish a business enterprise based on the three core business areas of materials, machinery and electric power.

In making efficient use of its management resources and strengthening the business foundation, Kobe Steel, Ltd. has been proceeding to strengthen Group governance, including the reorganization of Group companies, and make efficient use of capital and assets, as well as revising the business evaluation method.

Among such initiatives, Kobe Steel announces that its Board of Directors today adopted the resolution below.

	Purpose
Integration of road-related business of Nippon Steel Metal Products Co., Ltd. with Kobelco Engineered Construction Materials Co., Ltd.	To enhance competitiveness by integrating the business resources of the two companies in the severe business environment surrounding the road-related business due to the shrinking market, etc.

Related News Release

Announcement on “Basic agreement on the integration of road-related business between Nippon Steel Metal Products Co., Ltd. and Kobelco Engineered Construction Materials Co., Ltd.”

URL: https://www.kobelco.co.jp/english/releases/1203390_15581.html

The Kobe Steel Group will steadily promote the various measures under the Rolling of the Medium-Term Management Plan.

Reference: Initiatives to date on the reorganization of Group companies

September 27, 2019	Share transfer of Kobelco & Materials Copper Tube Co., Ltd. (KMCT)	To further grow the business, Kobe Steel will transfer shares in KMTC to CTJ Holdings ² LLC, which will combine KMCT with another company in the same field.
September 27, 2019	Absorption-type merger of Shinko Fab Tech, Ltd.	To expand its aluminum extrusion business centered on strategies for automotive weight reduction, Kobe Steel will combine the businesses and establish an integrated management system to further strengthen its <i>monozukuri</i> capabilities.
November 27, 2019	Share transfer of Kobelco Steel Tube Co., Ltd.	To further grow the business of Kobelco Steel Tube, Kobe Steel will transfer its shares in Kobelco Steel Tube to Maruichi Steel Tube, which plans to further expand the steel tube business.