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## Announcement on the Difference between the Forecast and Actual Results for Fiscal 2019, ending March 31, 2020

Kobe Steel, Ltd. announces that a difference has arisen between the forecast for fiscal 2019 (April 1, 2019–March 31, 2020) announced on February 6, 2020 and the actual results announced today.

### 1. Difference between the consolidated forecast and the actual results for fiscal 2019 (April 1–March 31, 2020)

	Net Sales	Operating income (loss)	Ordinary income (loss)	Net income (loss) attributable to owners of the parent	Net income (loss) per share
Previous forecast (A) (Announced on Feb 6, 2020)	1,890,000	(5,000)	(25,000)	(15,000)	(41.36) yen
Actual results (B)	1,869,835	9,863	(8,079)	(68,008)	(187.55) yen
Change(B-A)	(20,164)	14,863	16,920	(53,088)	
% change	(1.1%)	-	-	-	
FY2018 results for same period	1,971,869	48,282	34,629	35,940	99.20 yen

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

#### Reason for the difference between the consolidated forecast and actual results

Consolidated net sales were similar to the previously announced forecast (on February 6, 2020).

As for profit and loss, operating income and ordinary income improved over the previous announcement as the Kobe Steel Group implemented emergency actions to improve profits, including cost reductions in response to the deterioration of profits previously announced, and avoided the risk of deterioration of business performance as previously forecast.

On the other hand, impairment loss on fixed assets and loss on valuation of investment security were posted as extraordinary losses, leading to a worsening of net income attributable to owners of the parent compared with the previous forecast.

### 2. Difference between the non-consolidated forecast and the actual results for fiscal 2019 (April 1–March 31, 2020)

	Net Sales	Ordinary income (loss)	Net income (loss)	Net income (loss) per share
Previous forecast (A) (Announced on Feb 6, 2020)	1,010,000	(20,000)	0	0.00 yen
Actual results (B)	995,447	(14,269)	(48,759)	(134.22) yen
Change(B-A)	(14,552)	5,730	(48,759)	
% change	(1.4%)	-	-	
FY2018 results for same period	1,073,791	11,940	14,345	39.52 yen

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

**Reason for the difference between the non-consolidated forecast and actual results**

Non-consolidated sales were similar to the previously announced forecast (on February 6, 2020).

As for profit and loss, operating income and ordinary income improved over the previous announcement as Kobe Steel implemented companywide emergency actions to improve profits, including cost reductions in response to the deterioration of profits previously announced, and avoided the risk of deterioration of business performance as previously forecast.

On the other hand, impairment loss on fixed assets and loss on valuation of investment security were posted as extraordinary losses, leading to a worsening of net income compared with the previous forecast.

As described in *Revision to Consolidated Earnings Forecast and Announcement on Nonconsolidated Earnings Forecast for Fiscal 2019, ending March 31, 2020* and *Announcement on Revision to Dividend Forecast for Fiscal 2019, ending March 31, 2020* on February 6, 2020, taking seriously the significant downward revision of its operating forecast and the forgoing of the annual dividend, Kobe steel reduced the basic remuneration of directors and executive officers (excluding Independent Directors and Audit & Supervisory Committee Members) by 8% to 20% since February 2020.

Responding to the posting of considerable loss of net income attributable to owners of the parent in fiscal 2019, Kobe Steel will further reduce the basic remuneration by 5%. Therefore, remuneration will be cut by 13% to 25% from May 2020 for the time being.