

Extraordinary Report (Kobe Steel, Ltd.)

(June 22, 2016)

(TRANSLATION)

Editor's notes:

- 1 Please note that the official text of this document has been prepared in Japanese. The information herein stated is provided only for reference purposes. Kobe Steel, Ltd. ("the Company") is not responsible for the accuracy of the information. To the extent there is any discrepancy between the English translation and original Japanese version, please refer to the Japanese version.
- 2 On June 22, 2016, the Company filed its Extraordinary Report (Rinji Houkokusho) with the Director-General of the Kanto Financial Bureau in Japan in connection with the Company's shareholders' voting results for the proposals voted upon at the 163rd General Meeting of Shareholders.

1. Reason for submitting the Extraordinary Report

As the matters to be voted upon were resolved at the 163rd General Meeting of Shareholders dated June 22, 2016, we hereby submit this Extraordinary Report in accordance with the Article 24-5, Paragraph 4 of the Financial Instruments and Exchange Act and Article 19, Paragraph 2, Item 9-2 of the Cabinet Office Ordinance on Disclosure of Corporate Affairs.

2. Contents

(1) Date of the General Meeting of Shareholders (“the Meeting”)

June 22, 2016

(2) Contents of Matters to be Voted upon

Proposal No.1: Partial Amendments to the Articles of Incorporation

Proposal No.2: Election of eleven (11) Directors (excluding Directors who are Audit & Supervisory Committee Members)

Hiroya Kawasaki, Yoshinori Onoe, Akira Kaneko, Naoto Umehara, Shohei Manabe, Fusaki Koshiishi, Kazuhide Naraki, Takao Kitabata, Hiroshi Ochi, Mitusgu Yamaguchi, Toshiya Miyake have been elected as Directors (excluding Directors who are Audit & Supervisory Committee Members).

Proposal No.3: Election of five (5) Directors who are Audit & Supervisory Committee Members

Hiroaki Fujiwara, Yoshimasa Yamamoto, Takashi Okimoto, Yoshiiku Miyata, Hidero Chimori have been elected as Directors who are Audit & Supervisory Committee Members.

Proposal No.4: Election of one (1) Director who is a substitute Audit & Supervisory Committee Member

Takao Kitabata has been elected as a substitute Audit & Supervisory Committee Member.

Proposal No.5: Determination of amount of remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members)

Proposal No.6: Determination of amount of remuneration for Directors who are Audit &

Supervisory Committee Members

Proposal No.7: Introduction of a stock compensation plan for Directors

Proposal No.8: Consolidation of shares

(3) The number of voting rights concerning the indication of “For”, “Against” or “Abstain” as to matters to be voted upon, requirements for the approval and results.

Matters to be voted upon	For	Against	Abstain	Ratio of affirmative votes	Results
Proposal No.1	2,501,503	35,900	116	97.04%	Approved
Proposal No.2					
Hiroya Kawasaki,	2,250,859	284,225	1,958	87.33%	Approved
Yoshinori Onoe	2,490,109	46,830	116	96.62%	Approved
Akira Kaneko	2,490,327	46,612	116	96.62%	Approved
Naoto Umehara	2,490,253	46,686	116	96.62%	Approved
Shohei Manabe	2,493,873	43,066	116	96.76%	Approved
Fusaki Koshiishi	2,493,692	43,247	116	96.75%	Approved
Kazuhide Naraki	2,493,327	43,612	116	96.74%	Approved
Takao Kitabata	2,498,917	38,022	116	96.96%	Approved
Hiroshi Ochi	2,501,831	35,108	116	97.07%	Approved
Mitsugu Yamaguchi	2,497,227	39,712	116	96.89%	Approved
Toshiya Miyake	2,497,236	39,703	116	96.89%	Approved
Proposal No.3					
Hiroaki Fujiwara	2,416,821	120,089	116	93.77%	Approved
Yoshimasa Yamamoto	2,417,353	119,557	116	93.79%	Approved
Takashi Okimoto	2,197,247	339,660	116	85.25%	Approved
Yoshiiku Miyata	2,475,899	61,015	116	96.06%	Approved
Hidero Chimori	2,062,560	474,348	116	80.03%	Approved
Proposal No.4	2,513,559	23,420	116	97.53%	Approved
Proposal No.5	2,511,646	21,379	4,083	97.45%	Approved
Proposal No.6	2,518,386	14,604	4,083	97.71%	Approved
Proposal No.7	2,494,594	42,366	116	96.79%	Approved
Proposal No.8	2,521,762	15,204	116	97.84%	Approved

Note 1

Conditions necessary for the approval of proposals:

Proposal 1 require that 1) the number of total voting rights held by shareholders who attended the General Meeting of Shareholders equals or exceeds one-third of the voting rights held by shareholders eligible for exercising their voting rights, and 2)

two-third or more of the voting rights exercised by shareholders who attended the General Meeting of Shareholders are affirmative.

Proposal 2 ,3and 4 require that 1) the number of total voting rights held by shareholders who attended the General Meeting of Shareholders equals or exceeds one-third of the voting rights held by shareholders eligible for exercising their voting rights, and 2) the majority of the voting rights exercised by shareholders who attended the General Meeting of Shareholders are affirmative.

Proposal 5 ,6 and 7 require the majority of the voting rights exercised by shareholders who attended the General Meeting of Shareholders are affirmative.

Note 2

Number of voting rights held by shareholders who can exercise their voting rights at a general meeting of shareholders:3,609,230

Note 3

In calculating the ratio, the number of voting rights includes the voting rights exercised in advance that the manifestation of intention is judged to be invalid.

(4) Reasons for not including some of the voting rights exercised by shareholders who attended the General Meeting of Shareholders in the number of affirmative votes, negative votes or abstentions

The resolutions were legally approved pursuant to the Companies Act because the conditions necessary for the approval of each proposal were satisfied when a certain number of votes of the shareholders who attended the General Meeting of Shareholders were confirmed as affirmative, negative or abstentions by the Company, in addition to the voting rights exercised in writing using their voting forms and via electronic media (including the Internet) by the day prior to the date of the General Meeting of Shareholders. Therefore, the number of affirmative votes, negative votes and abstentions does not include the number of voting rights exercised by shareholders who attended the General Meeting of Shareholders but were not confirmed as any one of these three.