

December 24, 2021

Kobe Steel, Ltd.

Announcement on Change in Consolidated Subsidiary (Share Transfer)

Kobe Steel, Ltd. (“Kobe Steel”) announces that it has decided to transfer all of its shares in its subsidiary Kobelco Metal Products Co., Ltd. (“Kobelco Metal Products”) to M Cap No. 7, Co., Ltd. (“MCAP”) *.

In the KOBELCO Group Medium-Term Management Plan (FY2021–FY2023), the Kobe Steel Group (also known as the KOBELCO Group) places top priority on “establishing a stable earnings base” and “taking on the challenge of realizing carbon neutrality.” Under these initiatives, the key measures concerning the materials business have been identified as the strategic investment leading to earnings contribution and the restructuring of unprofitable businesses. Kobe Steel has studied various measures to optimize the future growth and development of the nonferrous metal processing business, in which Kobelco Metal Products is involved, while leveraging the business foundation that has been cultivated to date.

As a result, Kobe Steel came to the conclusion that the most effective way for Kobelco Metal Products to further expand its operations, develop its business and improve its corporate value in the future would be to promote Kobelco Metal Products’ business operations by gaining overall support from Marunouchi Capital in the management and financial aspects and decided to transfer the shares that it holds in Kobelco Metal Products to MCAP. The share transfer is scheduled for March 31, 2022.

* MCAP is a special purpose company wholly owned by Marunouchi Capital Fund 2, which is managed by Marunouchi Capital Co., Ltd. (“Marunouchi Capital”).

Outline of subsidiary to be transferred

(1)	Company name	Kobelco Metal Products Co., Ltd.
(2)	Location	2-2 -1 Komorie, Moji-ku, Kitakyushu-shi, Fukuoka, Japan
(3)	Name and title of representative	Hiroyuki Okamoto, President
(4)	Business description	Manufacture and sale of copper alloy tubes, molds, and other products
(5)	Capital	200 million yen
(6)	Date of establishment	April 1, 1988
(7)	Major shareholders and shareholding ratio	Kobe Steel, Ltd.: 90.00%
(8)	Net sales	3,217 million yen (fiscal year ended March 2021)