

(Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of non-Japanese speaking shareholders. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.)

(Stock Exchange No.: 5406)

June 1, 2010

**NOTICE OF  
157TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders,

Kobe Steel, Ltd. ("the Company") would hereby like to inform you that the 157th Ordinary General Meeting of Shareholders will be held as follows, and would be grateful if you could attend the meeting.

**Those who will not be able to attend the meeting on the day are kindly requested to consider appended "Reference Documents for the General Meeting of Shareholders" and exercise your voting rights by one of the following methods no later than 5:30 p.m., Tuesday, June 22, 2010 (JST (Japan Standard Time)).**

**[Voting by mail]**

**Please indicate on the voting form enclosed herewith your approval or disapproval of the matters to be resolved, and return it to us.**

**[Voting via the Internet]**

**Please read the "Instructions for the Exercise of Voting Rights" on page 7 and input your approval or disapproval of the matters to be resolved in accordance with the instructions on the website.**

Yours faithfully,

Hiroshi Sato

*President and Representative Director*

Kobe Steel, Ltd.

2-10-26 Wakinohama-cho, Chuo-ku, Kobe, Hyogo

**1. Date and Time:** 10:00 a.m., Wednesday, June 23, 2010 (JST (Japan Standard Time))

**2. Venue:** Kobe International Exhibition Hall No. 2 (first floor)  
6-11-1 Minatojima-nakamachi, Chuo-ku, Kobe, Hyogo

**3. Meeting Agenda:**

*Matters to be reported:*

1. The business report, consolidated financial statements, and non-consolidated financial statements for the 157th business term (from April 1, 2009 to March 31, 2010)
2. The results of audit to consolidated financial statements by Accounting Auditors and the Board of Corporate Auditors for the 157th business term

*Matters to be resolved:*

Item 1: Election of eleven (11) Directors

Item 2: Election of one (1) Corporate Auditor

**4. Matters related to the exercise of voting rights**

(Please read the "Instructions for the Exercise of Voting Rights" on page 7.)

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**NOTE:**

You are requested to submit the appended voting form at the reception desk in case that you attend the meeting in person. You may entrust another shareholder having the voting rights to attend the meeting to act as a proxy. If you do so, please submit your proxy statement together with the voting form.

## Reference Documents for the General Meeting of Shareholders

**1. Total Number of Voting Rights Held by All Shareholders: 2,979,542**

### 2. Agenda Items and Reference Documents:

#### Item 1: Election of eleven (11) Directors

The terms of office of all the current ten (10) Directors will expire at the conclusion of the 157th Ordinary General Meeting of Shareholders. Accordingly, it is proposed that eleven (11) Directors be elected.

The candidates for Directors are as follows:

(Asterisk (\*) indicates a newly-nominated candidate.)

No.	Name (date of birth)	Career summary (positions, duties and significant concurrent positions)	Number of shares of the Company owned
1	Hiroshi Sato (September 25, 1945)	April 1970: Joined the Company June 1996: Director April 1999: Director and Officer June 1999: Senior Officer June 2000: Director and Senior Officer June 2002: Director and Executive Officer June 2003: Senior Managing Director April 2004: Executive Vice President and Representative Director April 2009: President and Representative Director (incumbent)	209,000 shares
2	Tomoyuki Kaya (March 5, 1948)	April 1972: Joined the Company June 2001: Officer April 2004: Senior Officer April 2006: Executive Officer April 2007: Executive Vice President and Officer June 2007: Executive Vice President and Representative Director (incumbent)	129,000 shares
3	Takashi Matsutani (August 24, 1948)	April 1971: Joined the Company Nov. 1999: Officer June 2002: Director and Officer June 2003: Managing Director April 2005: Senior Managing Director April 2009: Executive Vice President and Representative Director (incumbent)	147,000 shares

No.	Name (date of birth)	Career summary (positions, duties and significant concurrent positions)	Number of shares of the Company owned
4	Kazuo Shigekawa (January 18, 1948)	April 1972: Joined the Company June 2002: Officer April 2004: Senior Officer April 2007: Executive Officer June 2008: Senior Managing Director April 2010: Executive Vice President and Representative Director (incumbent)	110,000 shares
5	Tetsu Takahashi (October 8, 1949)	April 1975: Joined the Company June 2003: Officer April 2006: Senior Officer April 2009: Executive Officer June 2009: Senior Managing Director (incumbent)	66,120 shares
6	Yutaka Kawata (June 29, 1950)	April 1975: Joined the Company April 2004: Officer April 2006: Senior Officer April 2009: Executive Officer June 2009: Senior Managing Director (incumbent)	99,000 shares
7	Hiroaki Fujiwara (November 12, 1950)	April 1975: Joined the Company April 2004: Officer April 2006: Senior Officer April 2009: Executive Officer June 2009: Senior Managing Director (incumbent)	92,000 shares
8	Tsuyoshi Kasuya (November 3, 1953)	April 1977: Joined the Company April 2002: General Manager, Marketing Department, Welding Company April 2007: Officer April 2009: Senior Officer June 2009: Managing Director (incumbent) (Significant concurrent position) - President and Representative Director of NI-Kobe Welding Co., Ltd.	71,000 shares
9	Atsushi Nakano (January 1, 1939)	April 1961: Joined Chubu Electric Power Co., Inc. June 1991: Director of Chubu Electric Power Co., Inc. June 1995: Managing Director of Chubu Electric Power Co., Inc. June 2001: Executive Vice President and Director of Chubu Electric Power Co., Inc. Oct. 2006: Senior Advisor of Chuden Real Estate Co., Inc. June 2007: Executive Advisor of Chuden Real Estate Co., Inc. June 2007: Outside Director of the Company (incumbent)	10,000 shares

No.	Name (date of birth)	Career summary (positions, duties and significant concurrent positions)	Number of shares of the Company owned
10	* Ikuhiro Yamaguchi (November 22, 1951)	April 1975: Joined the Company April 2004: Officer April 2007: Senior Officer April 2009: Executive Officer April 2010: Executive Vice President and Officer (incumbent)	95,000 shares
11	* Takao Kitabata (January 10, 1950)	April 1972: Joined the Ministry of International Trade and Industry (MITI) June 1998: Director-General, Coal and New Energy Department, Agency for Natural Resources and Energy, MITI June 2000: Director-General for Policy Coordination, Minister's Secretariat, MITI July 2002: Deputy Vice-Minister of the Ministry of Economy, Trade and Industry (METI) June 2004: Director-General, Economic and Industrial Policy Bureau, METI July 2006: Vice-Minister of Economy, Trade and Industry July 2008: Retired from METI Oct. 2008: Senior Adviser to Nippon Life Insurance Company (incumbent) (Will retire from the office in September 2010)	0 shares

Note 1: There are no special interests between the candidates and the Company.

Note 2: Atsushi Nakano and Takao Kitabata are candidates for outside directors under the Regulations for Implementation of the Company Law, Article 2, paragraph 3, item 7.

Note 3: The reasons to propose them as candidates for outside directors.

- Atsushi Nakano has abundant experience of company management and deep insight and he, as we judge, can contribute to reinforcing the Company's corporate governance.
- Although Takao Kitabata has not participated in the management of a company as director or corporate auditor, his broad experience and deep insight as an administrative official can, as we judge, contribute to reinforcing the Company's corporate governance.

Note 4: Atsushi Nakano will have been outside Director for 3 years at the time of the conclusion of this Ordinary General Meeting of Shareholders.

Note 5: Takao Kitabata is a candidate for election as outside corporate auditor at the 86th Ordinary General Meeting of Shareholders of Marubeni Corporation to be held on June 25, 2010.

Note 6: The Company has entered into an agreement with Atsushi Nakano that the limit of the liability for damages stipulated in Article 423, paragraph 1 of the Company Law shall be the higher of either, a predetermined amount which shall be no less than twenty million (20,000,000) yen or a minimum liability amount stipulated in laws and regulations. If he is elected as outside Director at the 157th Ordinary General Meeting of Shareholders, the Company is scheduled to renew the terms of the agreement with him. Also, if Takao Kitabata is elected as outside Director at the 157th Ordinary General Meeting of Shareholders, the Company is scheduled to enter into the same agreement with him.

**Item 2: Election of one (1) Corporate Auditor**

The term of office of Corporate Auditor Toru Asaoka will expire at the conclusion of the 157th Ordinary General Meeting of Shareholders. Accordingly, it is proposed that one (1) Corporate Auditor be elected.

As for submitting this agenda item, the consent of the Board of Corporate Auditors has been obtained.

The candidate for Corporate Auditor is as follows:

(Asterisk (\*) indicates a newly-nominated candidate.)

Name (date of birth)	Career summary (positions and significant concurrent positions)	Number of shares of the Company owned
* Jun Miyazaki (October 9, 1948)	April 1971:    Joined the Company June 2003:    Officer April 2004:    Executive Technical Adviser April 2009:    Adviser (incumbent)	70,000 shares

Note: There are no special interests between the candidate and the Company.

## Instructions for the Exercise of Voting Rights

### 1. Procedures for the exercise of voting rights over the Internet

- (1) Please access the voting exercise website (<https://www.evotep.jp>) using a personal computer or a cellular phone connected to the Internet. Then, according to the instructions on the website, please enter the login ID and provisional password supplied on the voting form (you may use the password you registered), and exercise your voting rights.

Note: Please note that the website cannot be accessed using PDA, game machine, etc.

- (2) You may exercise your voting rights from Tuesday, June 1, 2010 to 5:30 p.m., Tuesday, June 22, 2010 (JST (Japan Standard Time)). Please note that we suspend handling of the exercise of voting rights from 2:00 a.m. to 5:00 a.m. of each day.
- (3) You may exercise your voting rights by means of either mail using the voting form or the voting exercise website. Please make sure not to exercise your voting rights via both means.  
In the event that your voting rights are exercised via both mail and the Internet, the vote exercised by the Internet will be regarded as valid.
- (4) In the event that multiple votes are exercised over the Internet, the last vote will be regarded as valid.
- (5) Any fees on accessing the Internet (ISP connection fees, telephone charges, etc.) will be borne by shareholders.

### 2. Electronic voting platform [for institutional investors]

In exercising voting rights at the General Meeting of Shareholders of the Company, institutional investors may use the electronic voting platform operated by ICJ Inc., a joint venture established by Tokyo Stock Exchange, Inc. and others.

### 3. Notification method for the revision of the description of Reference Documents for the General Meeting of Shareholders and other attached documents

In the event that the Company revises the description of Reference Documents for the General Meeting of Shareholders, business report, and consolidated and non-consolidated financial statements, the matters to be revised will be posted on the Company's website (<http://www.kobelco.co.jp>).

### 4. Exercise of voting rights by proxy

You may entrust another shareholder having the voting right to attend the meeting to act as a proxy. If you do so, please submit your proxy statement together with the voting form.

#### <Inquiries about the voting exercise website for the Ordinary General Meeting of Shareholders>

1. Please contact the following office about how to operate your personal computer:

Corporate Agency Division, Mitsubishi UFJ Trust and Banking Corporation Phone: 0120-173-027 (This toll-free number is available only within Japan.) (9:00 a.m. - 9:00 p.m., excluding Saturday, Sunday and Japanese national holidays)
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2. As for inquiries other than those covered in the item above, please contact the following office:

Osaka Corporate Agency Division, Mitsubishi UFJ Trust and Banking Corporation Phone: 0120-094-777 (This toll-free number is available only within Japan.) (9:00 a.m. - 5:00 p.m., excluding Saturday, Sunday and Japanese national holidays)
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