

September 16, 2016

Kobe Steel, Ltd.  
2-4, Wakinohama-kaigandori 2-chome, Chuo-ku, Kobe, Hyogo, Japan  
Hiroya Kawasaki, Chairman, President, CEO and Representative Director

**PUBLIC NOTICE OF CONSOLIDATION OF SHARES**  
(Translation)

Dear Shareholders and Registered Pledges of Shares,

Kobe Steel, Ltd. (the “Company”) hereby gives public notice of the consolidation of its shares as described below.

The Company passed a resolution at its 163rd Ordinary General Meeting of Shareholders held on June 22, 2016 to carry out a consolidation of the Company shares under which every 10 shares will be consolidated into 1 share (“Consolidation of Shares”) and to reduce its total number of authorized shares from 6 billion shares to 600 million shares (“Reduction of Total Number of Authorized Shares”), both of which are to take effect on October 1, 2016.

Additionally, the Company passed a resolution at its meeting of the Board of Directors held on May 16, 2016 to change the share unit number from 1,000 shares to 100 shares, which is to take effect on October 1, 2016.

(Reference)

Accompanied by the aforesaid Consolidation of Shares and Reduction of Total Number of Authorized Shares, the number of the unit of the shares to be dealt in the Tokyo Stock Exchange and Nagoya Stock Exchange will be changed from 1,000 shares to 100 shares.

Shareholders are not required to take any procedures in relation to the shares held at the end of September, 2016.