

February 19, 2014

Company: Kobe Steel, Ltd.  
(Code number: 5406,  
The Tokyo Stock Exchange and the  
Nagoya Stock Exchange)  
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and Representative Director  
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### **Notice Regarding Determination of Issue Price, Disposition Price, Selling Price, etc.**

Kobe Steel, Ltd. (the "Company") hereby announces the issue price, disposition price, selling price, etc. related to the issuance of its new shares, the disposition of its treasury shares and the secondary offering of shares which were resolved at the meeting of its board of directors held on February 4, 2014, as set forth below.

#### 1. Issuance of new shares by way of global offering

(1) Class and number of shares to be offered	470,831,000 shares of common stock of the Company, the aggregate of (i) through (iii) described below: (i) 281,081,000 shares of common stock of the Company, issued for purchase by the Japanese Joint Lead Managers in the Japanese Public Offering; (ii) 165,000,000 shares of common stock of the Company, issued for purchase by the International Managers in the International Offering; and (iii) A maximum of 24,750,000 shares of common stock of the Company, additionally issued for purchase by the International Managers upon exercise of the option.
(2) Issue price (offer price)	Note 1. <u>¥138 per share</u>
(3) Total amount of issue price	Note 2. <u>¥64,974,678,000</u>
(4) Amount to be paid	Note 1. <u>¥132.28 per share</u>

Note: This press release is not an offer to sell, or solicitation of an offer to buy, securities in the United States. The securities referred to in this press release have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be sold or offered in the United States absent registration or an applicable exemption from such registration requirement. The securities referred to in this press release will not be publicly offered or sold in the United States.

(5)	Total amount to be paid	Note 2.	<u>¥62,281,524,680</u>
(6)	Amount of stated capital and capital reserves to be increased	Note 2. <u>The amount of stated capital to be increased:</u> <u>The amount of capital reserves to be increased:</u>	<u>¥13,797,200,835</u> <u>¥13,797,200,835</u>
(7)	Subscription period (in Japanese Public Offering)	<u>From February 20, 2014 (Thu.) through February 21, 2014 (Fri.)</u>	
(8)	Payment date	<u>February 26, 2014 (Wed.)</u>	

Note: 1. The Japanese Joint Lead Managers and International Managers shall purchase the shares at the amount to be paid and offer the shares at the issue price (offer price).  
2. These figures are based on the assumption that the International Managers exercise all of the options set forth in (1)(iii) above.

## 2. Disposition of treasury shares by way of public offering

(1)	Class and number of shares to be offered	<u>103,919,000 shares of common stock of the Company</u>	
(2)	Disposition price (offer price)	Note	<u>¥138 per share</u>
(3)	Total amount of disposition price	<u>¥14,340,822,000</u>	
(4)	Amount to be paid	Note	<u>¥132.28 per share</u>
(5)	Total amount to be paid	<u>¥13,746,405,320</u>	
(6)	Subscription period (in Japanese Public Offering)	<u>From February 20, 2014 (Thu.) through February 21, 2014 (Fri.)</u>	
(7)	Payment date	<u>February 26, 2014 (Wed.)</u>	

Note: The Japanese Joint Lead Managers shall purchase the shares at the amount to be paid and offer the shares at the disposition price (offer price).

## 3. Secondary offering of shares (secondary offering by way of over-allotment)

(1)	Class and number of shares to be offered	<u>57,750,000 shares of common stock of the Company</u>	
(2)	Selling price	<u>¥138 per share</u>	

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(3)	Total amount of selling price		<u>¥7,969,500,000</u>
(4)	Subscription period	<u>From February 20, 2014 (Thu.) to February 21, 2014 (Fri.)</u>	
(5)	Delivery date	<u>February 27, 2014 (Thu.)</u>	
4. Issuance of new shares by way of third-party allotment (the "Third-Party Allotment")			
(1)	Class and number of shares to be offered	<u>57,750,000 shares of common stock of the Company</u>	
(2)	Amount to be paid		<u>¥132.28 per share</u>
(3)	Total amount to be paid		<u>Up to ¥7,639,170,000</u>
(4)	Amount of stated capital and capital reserves to be increased	<u>The amount of stated capital to be increased:</u>	<u>Up to ¥3,819,585,000</u>
		<u>The amount of capital reserves to be increased:</u>	<u>Up to ¥3,819,585,000</u>
(5)	Subscription period (subscription date)		<u>March 18, 2014 (Tue.)</u>
(6)	Payment date		<u>March 19, 2014 (Wed.)</u>

#### Reference

#### 1. Calculation of issue price, disposition price and selling price

(1)	Calculation reference date and price:	<u>February 19, 2014 (Wed.)</u>	<u>¥143</u>
(2)	Discount rate:		<u>3.50%</u>

#### 2. Syndicate cover transaction period

From February 22, 2014, (Sat.) through March 12, 2014 (Wed.)

#### 3. Use of proceeds

With respect to the maximum net approximate total amount of 83,105,100,000 yen from the Japanese Public Offering, the International Offering and the Third-Party Allotment, by the end of March 2017, 13,200,000,000 yen is scheduled to be applied to capital expenditures and investments for the automotive areas in the Iron & Steel business and the Aluminum & Copper business, and the remaining amount is scheduled to be applied to capital expenditures with regard to "Strengthening the Profitability of the Iron & Steel Business" and "Reforming the Structure of the Steel Business."

For information regarding the main capital expenditure program of our Group, please refer to the

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"Notice Regarding Issuance of New Shares and Disposition of Treasury Shares, and Secondary Offering of Shares" announced on February 4, 2014.

End.

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