

February 24, 2014

Company: Kobe Steel, Ltd.
(Code number: 5406,
The Tokyo Stock Exchange and the
Nagoya Stock Exchange)
Representative: Hiroya Kawasaki, President, CEO
and Representative Director
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Notice Regarding Determination of Number of New Shares to be Issued

Kobe Steel, Ltd. (the "Company") hereby announces that, relating to the issuance of its new shares which was resolved at the meeting of its board of directors held on February 4, 2014, the number of shares to be issued by exercise of the option to purchase additional newly issued shares of common stock granted to the International Managers in connection with the International Offering has been determined as set forth below:

The number of shares to be issued by exercise of the option granted to the International Managers:
24,750,000 shares

Reference

1. Class and number of new shares to be offered by way of global offering

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) 24,750,000 shares of common stock of the Company, additionally issued for purchase by the International Managers upon exercise of the option in the International Offering.

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.

2. Change in the total number of issued shares as a result of this issuance of new shares by way of global offering

Total number of issued shares at present:	3,115,061,100 shares	(As of February 24, 2014)
Increase in number of shares as a result of the issuance of new shares by way of global offering:	470,831,000 shares	
Total number of issued shares after the issuance of new shares by way of global offering:	3,585,892,100 shares	

In addition to the above, in connection with the issuance of new shares by way of over-allotment, the Company may additionally issue up to 57,750,000 shares of its common stock by way of third-party allotment to the lead manager in the Japanese Public Offering on March 19, 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 “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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