

February 1, 2013

Company name: Kobe Steel, Ltd.
Web site: www.kobelco.com
President & CEO: Hiroshi Sato
Code number: 5406
Stock exchange listings: Tokyo, Osaka & Nagoya, Japan

Kobe Steel announces short-form share exchange of consolidated subsidiary

TOKYO, February 1, 2013 – Kobe Steel, Ltd. announces today that, Kobe Steel and its consolidated subsidiary Shinko Engineering & Maintenance Co., Ltd. (“Shinko EN&M”) passed at their respective Board of Directors’ meetings on February 1, 2013, to effect a share exchange with Kobe Steel as the wholly-owning parent company and Shinko EN&M as the wholly-owned subsidiary. Kobe Steel and Shinko EN&M have concluded a share exchange agreement with the effective date as of April 1, 2013.

1. Purpose of the Share Exchange

By making Shinko EN&M the wholly-owned subsidiary of Kobe Steel through the share exchange, Kobe Steel will be able to implement measures on the consolidated business and promote a more flexible operation of the Kobe Steel Group, by speeding up decision-making and improving business administration.

Profile of Shinko EN&M (as of September 30, 2012)

Company name: Shinko Engineering & Maintenance Co., Ltd.
Location: Kobe, Hyogo Prefecture
President: Tsuyoshi Tanaka
Capital: 150 million yen
Sales: 40,241 million yen (fiscal 2011)

2. Outline of this share exchange

(1) Schedule of Share Exchange

Resolution at Board of Directors’ meetings (both companies) : February 1, 2013
Signing of agreement (both companies) : February 1, 2013
Resolution at shareholders’ meeting (Shinko EN&M) : February 15, 2013
Effective date (date of Share Exchange) : April 1, 2013

(2) Style of share exchange

This is a share exchange with Kobe Steel as the wholly-owning parent company and Shinko EN&M as the wholly-owned subsidiary.

(3) Allocation of shares related to this share exchange

Name of company	Kobe Steel (Wholly-owning parent company)	Shinko EN&M (Wholly-owned subsidiary)
Allocation of shares related to this share exchange	1	7.89

① Allocation ratio of shares

To one Shinko EN&M share, Kobe Steel will be issued an allocation of 7.89 shares. However, there will be no allocation of shares under this share exchange regarding the 247,213 shares of Shinko EN&M owned by Kobe Steel.

② Number of shares issued by Kobe Steel due to this share exchange : 471, 316 shares

The issued shares will be allocated from the Kobe Steel's treasury shares that are owned by Kobe Steel and new shares will not be issued.

There will be no fractional shares.

3. Effect on Kobe Steel's Business Results

This Share Exchange will have little effect on the consolidated business results of Kobe Steel, Ltd., as Shinko EN&M is already a consolidated subsidiary.

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