



Supplemental Materials regarding Issuance of Zero Coupon Convertible Bonds Due 2028 and 2030

28 November 2023
Kobe Steel, Ltd.

Item	The Bonds with Stock Acquisition Rights due 2028	The Bonds with Stock Acquisition Rights due 2030
Issuer	Kobe Steel, Ltd. (the "Company")	
Description of Bonds	Bonds with stock acquisition rights, <i>tenkanshasaigata shinkabu yoyakuken-tsuki shasai</i> (the "Bonds")	
Offering Market	Overseas markets, mainly in Europe and Asia (excluding the U.S.)	
Maturity	Five years	Seven years
Issue Amount	¥25,000,000,000	¥25,000,000,000
Resolution Date	28 November 2023 (Tue)	28 November 2023 (Tue)
Pricing Date	Between 28 November 2023 (Tue) and 8:00 AM (JST) on 29 November 2023 (Wed)	Between 28 November 2023 (Tue) and 8:00 AM (JST) on 29 November 2023 (Wed)
Closing Date	14 December 2023 (Thu)	14 December 2023 (Thu)
Redemption Date	14 December 2028 (Thu)	13 December 2030 (Fri)
Coupon	Zero	Zero
Offer Price	102.5%	102.5%
Redemption at Maturity	100.0%	100.0%
Conversion Price	To be determined	To be determined
Ancillary Terms	Conversion Restriction (130% of applicable Conversion Price until 4 months before the maturity) Acquisition at the option of the Company (net share settlement)	Conversion Restriction (130% of applicable Conversion Price until 4 months before the maturity) Acquisition at the option of the Company (net share settlement)
Use of Proceeds	Part of investments related to taking on the challenge of realising carbon neutrality, primarily in the Steel business and the Electric Power business (Approximately ¥20 billion) / Part of repayment of borrowings (Approximately ¥30 billion)	
Lock-up	With the Company/ The period from the execution date of the Subscription Agreement for the Bonds to 180 days after the Closing Date	
Active Bookrunner	Nomura International plc / Mizuho International plc	Mizuho International plc / Nomura International plc
Passive Bookrunner	Morgan Stanley & Co. International plc / SMBC Nikko Capital Markets Limited	

Achieve low-cost financing while diversifying financing methods through the issuance of the Bonds

- The Company has determined that in order to realise the Company's growth strategies and carbon neutrality strategies, it is necessary to diversify its financing methods and achieve low-cost financing as well as to further strengthen its financial base to support these strategies.
- Therefore, the Company has resolved to issue the Bonds that carry Zero coupons and so will contribute to reducing procurement costs.

This communication has been prepared for the sole purpose of publicly announcing the issuance of the Bonds and does not contain or constitute an offer of securities for sale, or solicitation of an offer to purchase securities, in the United States, Japan or any other jurisdiction where such an offer or solicitation would be unlawful. Securities may not be offered or sold in the United States absent registration under the U.S. Securities Act of 1933, as amended (the "Securities Act") or an exemption from registration. The securities referred to herein have not been and will not be registered under the Securities Act.