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July 17, 2008

The U. S. Securities and Exchange Commission
450 Fifth Street, N. W.
Room 3117
Office of International Corporate Finance
Mail Stop 3-9
Washington, D.C.20549
U. S. A.

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THOMSON REUTERS

Rule 12g3-2(b) Exemption
of Kobe Steel, Ltd.,
File number:82-3371

SUPL

Dear Madam/Sir:

In connection with Kobe Steel, Ltd.'s exemption pursuant to Rule 12g3-2(b) from the registration and reporting requirements of the Securities Exchange Act of 1934, and in compliance with its ongoing requirements under Rule 12g3-2(b)(iii), please find enclosed a copy of the Company's release today covering

"ISSUANCE OF DOMESTIC UNSECURED YEN BONDS"

Thank you for your assistance in handling it as required.

Sincerely yours,

斎藤一佐

Kazusa Saito
Finance Department
Kobe Steel, Ltd.

dlw
7/29

17 July 2008
Yasuo Inubushi
President, Chief Executive Officer &
Representative Director
Kobe Steel, Ltd.
(Tokyo Stock Exchange Code No. 5406)

Contact: Publicity Group
Kobe Steel, Ltd.

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2008 JUL 24 A Tel 33 Tokyo 03-5739-6010
Kobe 078-261-4040

ISSUANCE OF DOMESTIC UNSECURED YEN BONDS

Kobe Steel, Ltd. hereby gives notice that it has decided to issue Domestic Unsecured Yen Bonds under the terms as set forth below:

1. Domestic Unsecured Yen Bonds due 24 July 2014

- | | |
|----------------------------------------------|---------------------------------------------------------------------------------------------------------|
| 1. Name | Kobe Steel, Ltd.
Series51UnsecuredBonds
(Limited Inter-Bond Pari Passu Clause) |
| 2. Total Amount of Issue | 10Billion Yen |
| 3. Denomination of Bond | 10,000,000,000Yen each |
| 4. Interest Rate | 1.63% per annum of the principal of the Bonds |
| 5. Issue Price | 100% of the principal amount of the Bonds |
| 6. Redemption Price | 100% of the principal amount of the Bonds |
| 7. Maturity Date | To be redeemed in a lump sum on 24 July 2014 |
| 8. Offering Period | 17 July 2008 |
| 9. Closing Date | 24 July 2008 |
| 10. Method of Issue | Public offering in the domestic market |
| 11. Date of Payment of Interest on the Bonds | Semiannually on 24 January and 24 July |
| 12. Status of the Bonds | Unsecured by assets or guarantees |
| 13. Fiscal Agent | Mizuho Corporate Bank, Ltd. |
| 14. Underwriters | Mizuho Securities Co., Ltd.
Merrill Lynch Japan Securities Co., Ltd.
as the "Joint Lead Managers" |
| Use of Proceeds | To be applied mainly toward the redemption of bonds and also repayment of loans |

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END