

September 28, 2012

Company name: Kobe Steel, Ltd.
President & CEO: Hiroshi Sato
Stock exchange code number: 5406

Announcement on Revision to Earnings Forecast

TOKYO, September 28, 2012 – Kobe Steel, Ltd. has revised its consolidated forecast for fiscal 2012 from the previous forecast made on July 30, 2012 due to recent trends in its business performance.

Revision to first half fiscal 2012 consolidated forecast (April 1, 2012 – September 30, 2012)

	Net sales	Operating income (loss)	Ordinary income (loss)	Net income (loss)	Net income (loss) per share
Previous forecast (A)	890,000	(10,000)	(25,000)	(45,000)	(14.99 yen)
Current forecast (B)	870,000	(5,000)	(25,000)	(50,000)	(16.66 yen)
Change (B-A)	(20,000)	5,000	---	(5,000)	
% change	(2.2%)	---	---	---	
FY2011 results for same period	960,071	51,979	38,526	17,358	5.78 yen

Figures are in millions of yen unless otherwise indicated. Sums under 1 million yen have been omitted.

Revision to fiscal 2012 consolidated forecast (April 1, 2012 – March 31, 2013)

	Net sales	Operating income	Ordinary income (loss)	Net loss	Net loss per share
Previous forecast (A)	1,810,000	25,000	(10,000)	(45,000)	(14.99 yen)
Current forecast (B)	1,750,000	15,000	(25,000)	(60,000)	(19.99 yen)
Change (B-A)	(60,000)	(10,000)	(15,000)	(15,000)	
% change	(3.3%)	(40.0%)	---	---	
FY2011 results for same period	1,864,691	60,555	33,780	(14,248)	(4.74 yen)

Figures are in millions of yen unless otherwise indicated. Sums under 1 million yen have been omitted.

Reason for the Revision

In comparison to the previous forecast, Kobe Steel anticipates that unit sales of hydraulic excavators will be lower than projected due to the protracted slowdown of the Chinese economy. The sales volume of aluminum rolled products will also be lower than projected in the previous forecast due to protracted sluggish demand in the IT and semiconductor fields. In addition to these conditions, Kobe Steel anticipates that steel inventory valuation will deteriorate in the Iron & Steel Business due to lower raw material prices.

As a result, Kobe Steel projects a downward revision of its earnings forecast for the first half of fiscal 2012 and the full fiscal 2012.

Note:

This earnings forecast is based on currently available information as of today. Actual business results may differ considerably due to various changeable conditions in the future.

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