

February 1, 2013

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

Announcement on Revision to Earnings Forecast and Dividend Forecast for Fiscal 2012, ending March 31, 2013

TOKYO, February 1, 2013 – Kobe Steel, Ltd. has revised its consolidated and nonconsolidated forecast for fiscal 2012 from the previous forecast made on October 30, 2012, due to recent trends in its business performance. In addition, at the Board of Directors meeting held today, Kobe Steel reached a decision to forego the year-end dividend for fiscal 2012.

Revision to Earnings Forecast

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

	Net sales	Operating income	Ordinary income	Net loss	Net loss per share
Previous forecast (A)	1,710,000	15,000	(25,000)	(60,000)	(19.99 yen)
Current forecast (B)	1,690,000	10,000	(25,000)	(30,000)	(9.99 yen)
Change (B-A)	(20,000)	(5,000)	0	30,000	
% change	(1.2%)	(33.3%)	---	---	
FY2011 results	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.

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

	Net sales	Ordinary income (loss)	Net loss	Net loss per share
Previous forecast (A)	940,000	(29,000)	(39,000)	(12.97 yen)
Current forecast (B)	930,000	(25,000)	(8,000)	(2.66 yen)
Change (B-A)	(10,000)	4,000	31,000	
% change	(1.1%)	---	---	
FY2011 results	1,078,684	(19,798)	(30,245)	(10.06 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 on October 30, 2012, on a consolidated basis, net sales for fiscal 2012 are expected to decline as the sales composition of steel products is anticipated to worsen and the sales volume of hydraulic excavators in China is forecast to decrease more than expected. Although operating income will also decline owing to decrease of net sales despite overall costs is expected to improve primarily in the Machinery Business, ordinary income is projected to remain unchanged from the previous forecast, as non-operating profits are expected to improve.

On a nonconsolidated basis, although Kobe Steel revises net sales for fiscal 2012 downwards as the sales composition of steel products is anticipated to worsen, it revises ordinary income upwards because overall costs are expected to improve, primarily due to progress in overall cost reductions, mainly in the Machinery Business.

Consolidated and nonconsolidated net income for fiscal 2012 is anticipated to be higher than the previous forecast owing to a reversal in the loss on some of the write-downs of investments in securities.

Revision to Dividend Forecast

Date of record	Dividend per share		
	End of second quarter (September 30, 2012)	End of fiscal year (March 31, 2013)	Full fiscal year
Previous Forecast (announced Oct. 30, 2012)	---	---	---
Current Forecast	---	0.00 yen	0.00 yen
FY2012 Results	0.00 yen		
FY2011 Results	1.00 yen	0.00 yen	1.00 yen

Reason for the Revision

Kobe Steel's fundamental policy is to provide continuous and stable dividends. Dividends are decided taking into account the company's financial condition, business performance, future capital needs and other factors from a comprehensive standpoint.

On this basis, Kobe Steel reached a decision to forgo the year-end dividend.

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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