

Company name: Kobe Steel, Ltd.
 President and CEO: Hiroya Kawasaki
 Stock exchange code number: 5406

Announcement on Earnings Forecast

TOKYO, April 26, 2013 – Kobe Steel, Ltd. announces its consolidated and nonconsolidated earnings forecast for fiscal 2013.

First half fiscal 2013 consolidated forecast (April 1, 2013 – September 30, 2013)

	Net sales	Operating income	Ordinary income (loss)	Net income (loss)	Net income (loss) per share
FY2012 results (A)	858,552	5,554	(11,009)	(38,199)	(12.72 yen)
Current forecast (B)	870,000	30,000	15,000	10,000	3.33 yen
Change (B-A)	11,447	24,445	26,009	48,199	
% change	1.3%	440.1%	---	---	

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

Fiscal 2013 consolidated forecast (April 1, 2013 – March 31, 2014)

	Net sales	Operating income	Ordinary income (loss)	Net income (loss)	Net income (loss) per share
FY2012 results (A)	1,685,529	11,234	(18,146)	(26,976)	(8.98 yen)
Current forecast (B)	1,790,000	75,000	45,000	35,000	11.66 yen
Change (B-A)	104,470	63,765	63,146	61,976	
% change	6.2%	567.6%	---	---	

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First half fiscal 2013 nonconsolidated forecast (April 1, 2013 – September 30, 2013)

	Net sales	Ordinary income (loss)	Net income (loss)	Net income (loss) per share
FY2012 results (A)	478,314	(26,253)	(39,528)	(13.15 yen)
Current forecast (B)	460,000	10,000	15,000	4.99 yen
Change (B-A)	(18,314)	36,253	54,528	
% change	(3.8%)	---	---	

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Fiscal 2013 nonconsolidated forecast (April 1, 2013 – March 31, 2014)

	Net sales	Ordinary income (loss)	Net income (loss)	Net income (loss) per share
FY2012 results (A)	933,879	(21,992)	(6,882)	(2.28 yen)
Current forecast (B)	970,000	25,000	35,000	11.64 yen
Change (B-A)	36,120	46,992	41,882	
% change	3.9%	---	---	

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Summary of Earnings Forecast

The world economy in fiscal 2013, ending March 31, 2014, is unclear. Although the domestic and overseas economies are anticipated to continue to gradually recover, Europe will continue to be plagued by financial problems. The external environment surrounding the Kobe Steel Group is not anticipated to quickly improve despite the lower yen and other signs of progress.

Amid this background, although it is difficult to see a sharp recovery in demand for steel, aluminum and copper rolled products, some increase is anticipated. A certain degree of undetermined factors including steel raw material prices and some steel products prices can be projected. As a result, consolidated net sales for the Kobe Steel Group are anticipated to reach 1,790.0 billion yen. Operating income is forecast to be approximately 75.0 billion yen, ordinary income is forecast to be approximately 45.0 billion yen and net income is forecast to be 35.0 billion yen, owing to an improvement in inventory valuation and a change in the method of depreciation.

In addition, nonconsolidated net sales for Kobe Steel are anticipated to reach 970.0 billion yen, ordinary income is forecast to be approximately 25.0 billion yen and net income is forecast to be approximately 35.0 billion yen.

For more information, please refer to "Kobe Steel's Consolidated Financial Results for Fiscal 2012 (dated April 26, 2013)".

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.

Investor Relations:

Tel +81 (0)3 5739-6045
Fax +81 (0)3 5739-5973
Tokyo, Japan

Media Contact:

Tel +81 (0)3 5739-6010
Fax +81 (0)3 5739-5971
Tokyo, Japan