

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

Announcement on the Difference between the Nonconsolidated Forecast and Actual Results for the First Half of Fiscal 2013 and Revision to Nonconsolidated Earnings Forecast for Fiscal 2013

TOKYO, October 29, 2013 – Kobe Steel, Ltd. announces a difference between its nonconsolidated forecast for the first half of fiscal 2013 announced on July 29, 2013 and the actual results for the same period.

In addition, Kobe Steel, Ltd. has revised its nonconsolidated forecast for fiscal 2013 from the previous forecast announced on July 29, 2013 due to recent trends in its business performance.

Difference between the nonconsolidated forecast and the actual results for the first half of fiscal 2013 (April 1, 2013 – September 30, 2013)

	Net sales	Ordinary income (loss)	Net income (loss)	Net income (loss) per share
Previous forecast (A) (announced Jul. 29, 2013)	480,000	15,000	25,000	8.31 yen
Actual results (B)	482,649	28,220	39,099	13.00 yen
Change (B-A)	2,649	13,220	14,099	
% change	0.6%	88.1%	56.4%	
FY2012 results for same period	478,314	(26,253)	(39,528)	(13.15 yen)

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

Revision to fiscal 2013 nonconsolidated forecast (April 1, 2013 – March 31, 2014)

	Net sales	Ordinary income (loss)	Net income (loss)	Net income (loss) per share
Previous forecast (A) (announced Jul. 29, 2013)	990,000	30,000	45,000	14.96 yen
Current forecast (B)	980,000	40,000	50,000	16.63 yen
Change (B-A)	(10,000)	10,000	5,000	
% change	(1.0%)	33.3%	11.1%	
FY2012 results	933,879	(21,992)	(6,882)	(2.28 yen)

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

Reason for the Difference and the Revision

In comparison to the previous nonconsolidated forecast for the first half of fiscal 2013, both ordinary income and net income increased as loss from inventory valuation decreased in the Iron & Steel Business.

As a result, Kobe Steel anticipates an increase in nonconsolidated ordinary income and net income for the full fiscal 2013.

(For reference)

Difference between the consolidated forecast and the actual results for the first half of fiscal 2013 (April 1, 2013 – September 30, 2013)

	Net sales	Operating income	Ordinary income (loss)	Net income (loss)	Net income (loss) per share
Previous forecast (A) (announced Sep. 30, 2013)	900,000	45,000	35,000	35,000	11.66 yen
Actual results (B)	889,328	54,472	43,147	44,171	14.71 yen
Change (B-A)	(10,671)	9,472	8,147	9,171	
% change	(1.2%)	21.1%	23.3%	26.2%	
FY2012 results for same period	858,552	5,554	(11,009)	(38,199)	(12.72 yen)

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

Revision to 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
Previous forecast (A) (announced Sep. 30, 2013)	1,850,000	95,000	70,000	60,000	19.99 yen
Current forecast (B)	1,840,000	95,000	70,000	60,000	19.99 yen
Change (B-A)	(10,000)	0	0	0	
% change	(0.5%)	0.0%	0.0%	0.0%	
FY2012 results	1,685,529	11,234	(18,146)	(26,976)	(8.98 yen)

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

For more information, please refer to “Kobe Steel’s Consolidated Financial Results for First Half of Fiscal 2013(dated Oct. 29, 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.

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