

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

Announcement on Earnings Forecast

TOKYO, April 28, 2015 – Kobe Steel, Ltd. announces its consolidated earnings forecast for fiscal year 2015.

First-half fiscal year 2015 consolidated forecast (April 1, 2015 – September 30, 2015)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share
First half of FY2014 results (A)	916,019	57,184	46,152	*42,115	11.59 yen
Current forecast (B)	980,000	50,000	40,000	25,000	6.88 yen
Change (B-A)	63,980	(7,184)	(6,152)	(17,115)	
% change	7.0%	(12.6%)	(13.3%)	(40.6%)	

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

*Net income attributable to owners of parent was disclosed as “net income” in the same period of the previous year.

Fiscal year 2015 consolidated forecast (April 1, 2015 – March 31, 2016)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share
FY2014 results (A)	1,886,894	119,460	101,688	*86,549	23.81 yen
Current forecast (B)	1,990,000	125,000	95,000	60,000	16.51 yen
Change (B-A)	103,105	5,539	(6,688)	(26,549)	
% change	5.5%	4.6%	(6.6%)	(30.7%)	

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

*Net income attributable to owners of parent was disclosed as “net income” in the previous year.

Summary of Earnings Forecast

Japan’s economy in fiscal year 2015 is anticipated to remain on a recovery track, with public investments continuing to be steady and capital investments anticipated to gradually increasing. In overseas markets on the other hand, there is concern over the prolonged economic deceleration in China and emerging countries, increasing uncertainty of the future, combined with geopolitical risks in various regions.

For the Kobe Steel Group, demand in the automotive sector in early fiscal year 2015 is anticipated to be soft due to inventory adjustments by customer companies. However, demand is anticipated to recover in the second half of fiscal year 2015 and demand from the shipbuilding and other industries is anticipated to generally remain strong. On the other hand, no change is anticipated in the oversupply situation of steel products in the Asian region. In addition, there is concern over stagnant energy-related demand due to low oil prices, in North America, Europe including Russia, and emerging countries, as well as economic sluggishness.

Under these conditions, making certain assumptions on the sales volume of steel, aluminum and copper rolled products and other products; sales prices; steel raw material prices; and other unconfirmed elements, Kobe Steel anticipates that consolidated sales will reach approximately 1,990.0 billion yen in fiscal year 2015. Operating income is forecast to be approximately 125.0 billion yen, and ordinary income is forecast to be approximately 95.0 billion yen with net income attributable to owners of parent of about 60.0 billion yen.

For more information, please refer to “1. Analysis of Operating Results and Financial Condition in Kobe Steel's Consolidated Financial Results for Fiscal 2014”, dated April 28, 2015.

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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