

## NEWS RELEASE

Kobe Steel, Ltd.  
Tokyo Stock Exchange No. 5406

### Kobe Steel revises profit outlook

TOKYO (October 4, 2001) – Kobe Steel, Ltd. announced today revisions of its previous profit forecast on September 7, 2001.

For the first half of fiscal 2001, ended September 30, Kobe Steel anticipated a gain from the transfer of equity in a subsidiary company to CNH Global N.V. under a global alliance in construction equipment. However, this gain will be taken in the second half of the fiscal year. In addition, due to the sharp drop in the stock market brought about by the terrorist acts in the United States, Kobe Steel anticipates an increased loss in the valuation of securities held.

As a result, non-consolidated and consolidated profits for the interim period are expected to be lower than the previous estimate. Non-consolidated net income of zero is anticipated to decrease to net loss of 6 billion yen. Consolidated net loss of 2 billion yen is expected to widen to net loss of 11 billion yen.

For the full fiscal year ending March 2002, Kobe Steel expects no change from the previous forecast. Consolidated sales are estimated to reach 1.24 trillion yen, with pretax ordinary income (also called pretax recurring profit) of zero and net income of zero.

#### 1. Revised Non-Consolidated First Half Forecast (Apr – Sept 2001)

	Sales	Ordinary income	Net income (loss)
Previous forecast (A) (Sept. 7, 2001)	400,000	0	0
Current forecast (B)	400,000	0	(6,000)
A – B	0	0	(6,000)
Change	0.0	0.0	---
First half FY 2000	385,868	5,959	(50,584)

#### 2. Revised Consolidated First Half Forecast (Apr – Sept 2001)

	Sales	Ordinary income (loss)	Net income (loss)
Previous forecast (A) (Sept. 7, 2001)	590,000	(10,000)	(2,000)
Current forecast (B)	590,000	(10,000)	(11,000)
A – B	0	0	(9,000)
Change	0.0	0.0	---
First half FY 2000	654,690	24,380	5,201

3. Non-consolidated Forecast for FY 2001: Unchanged

	Sales	Ordinary Income	Net income (loss)
Previous forecast (A) (Sept. 7, 2001)	830,000	0	0
Current forecast	830,000	0	0
A – B	0	0	0
Change	0.0	0.0	0.0
Fiscal 2000	816,877	14,648	(60,588)

4. Consolidated Forecast for FY 2001: Unchanged

	Sales	Ordinary Income	Net income (loss)
Previous forecast (A) (Sept. 7, 2001)	1,240,000	0	0
Current forecast (B)	1,240,000	0	0
A – B	0	0	0
Change	0.0	0.0	0.0
Fiscal 2000	1,373,090	50,003	6,503

**Notes**

Figures are in millions of yen.

Figures in parentheses denote losses.

Pretax ordinary income is also known as pretax recurring profit.

**Media contact:**

Gary Tsuchida  
Publicity Group  
Kobe Steel, Ltd.  
9-12 Kita-Shinagawa 5-chome  
Shinagawa-ku, Tokyo 141-8688  
Japan

Tel (03) 5739-6010

Fax (03) 5739-5971

Email [www-admin@kobelco.co.jp](mailto:www-admin@kobelco.co.jp)

Web site [www.kobelco.co.jp/indexe.htm](http://www.kobelco.co.jp/indexe.htm)

**Investor Relations:**

Tel (03) 5739-6043