

July 29, 2013

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

Announcement on Revision to Earnings Forecast and Interim Dividend Forecast for Fiscal 2013, ending March 31, 2014

TOKYO, July 29, 2013 – Kobe Steel, Ltd. has revised its consolidated and nonconsolidated forecast for fiscal 2013 from the previous forecast made on April 26, 2013, due to recent trends in its business performance. In addition, at the Board of Directors meeting held today, Kobe Steel reached a decision to forgo the interim dividend for fiscal 2013.

Revision to Earnings Forecast

Revision to fiscal 2013 1st half consolidated forecast (April 1, 2013 – September 30, 2013)

	Net sales	Operating income	Ordinary income (loss)	Net income (loss)	Net income (loss) per share
Previous forecast (A)	870,000	30,000	15,000	10,000	3.33 yen
Current forecast (B)	890,000	40,000	25,000	25,000	8.32 yen
Change (B-A)	20,000	10,000	10,000	15,000	
% change	2.3%	33.3%	66.7%	150.0%	
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)	1,790,000	75,000	45,000	35,000	11.66 yen
Current forecast (B)	1,860,000	90,000	60,000	55,000	18.32 yen
Change (B-A)	70,000	15,000	15,000	20,000	
% change	3.9%	20.0%	33.3%	57.1%	
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.

Revision to fiscal 2013 1st half nonconsolidated forecast (April 1, 2013 – September 30, 2013)

	Net sales	Ordinary income (loss)	Net income (loss)	Net income (loss) per share
Previous forecast (A)	460,000	10,000	15,000	4.99 yen
Current forecast (B)	480,000	15,000	25,000	8.31 yen
Change (B-A)	20,000	5,000	10,000	
% change	4.3%	50.0%	66.7%	
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)	970,000	25,000	35,000	11.64 yen
Current forecast (B)	990,000	30,000	45,000	14.96 yen
Change (B-A)	20,000	5,000	10,000	
% change	2.1%	20.0%	28.6%	
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 Revision

In comparison to the previous forecast made on April 26, 2013, the sales volumes of steel, aluminum rolled products, and copper rolled products are forecast to be higher than anticipated owing to strong demand from the automotive sector. Unit sales of hydraulic excavators and crawler cranes, both in Japan and overseas, are also expected to be higher.

Kobe Steel has made assumptions on uncertain factors including prices for steel raw materials and sales prices for steel products.

Taking these assumptions into consideration, Kobe Steel anticipates higher consolidated net sales, operating income and ordinary income for the Kobe Steel Group and higher nonconsolidated net sales and ordinary income for the parent company, Kobe Steel, Ltd., in the first half of fiscal 2013 and the full fiscal 2013. Taking an impairment loss on fixed assets as an extraordinary loss and the gain on the sale of investment in securities as an extraordinary gain, Kobe Steel anticipates an increase in both consolidated and nonconsolidated net income for the first half of fiscal 2013 and the full fiscal 2013.

Revision to Interim Dividend Forecast

Date of record	Dividend per share		
	End of second quarter (September 30, 2013)	End of fiscal year (March 31, 2014)	Full fiscal year
Previous Forecast (announced Apr. 26, 2013)	---	---	---
Current Forecast	0.00 yen	---	---
FY2013 Results	---		
FY2012 Results	0.00 yen	0.00 yen	0.00 yen

Reason for the Revision

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

Bearing these factors in mind, Kobe Steel reached a decision to forgo the interim dividend in fiscal 2013. With regard to the year-end dividend, as there are many areas of uncertainty that need to be taken into consideration, the dividend cannot be determined at this time.

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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