

February 5, 2014

Company name: Kobe Steel, Ltd.
Web site: www.kobelco.com
President & CEO: Hiroya Kawasaki
Code number: 5406
Stock exchange listings: Tokyo & Nagoya, Japan

Kobe Steel subsidiary Nippon Koshuha Steel announces effect of breakdown of forging press on earnings and revises earnings forecast

TOKYO, February 5, 2014 – Nippon Koshuha Steel Co., Ltd., a subsidiary of Kobe Steel, Ltd., announced today that a breakdown of its forging press equipment on December 7, 2013 will affect its earnings and revises its forecast for fiscal 2013 (April 1, 2013 - March 31, 2014). Details are given in the tables below.

1. Influence of the breakdown of the forging press equipment on its consolidated earnings

Nippon Koshuha anticipates that sales in fiscal 2013 will decrease by approximately 700 million yen, compared with the previous forecast, due to a breakdown of its forging press, which is expected to be repaired by the end of this March. With regard to profits and losses, operating income, ordinary income and net income are all expected to decline. In addition to the decrease in sales, operating income and ordinary income are anticipated to decrease by approximately 800 million yen due to higher costs incurred by outsourcing manufacturing to a third party and loss on inventory valuation of approximately 120 million yen. Furthermore, repair costs of the equipment and irrecoverable fixed costs incurred during the period when production is suspended are forecast to be posted as extraordinary losses amounting to approximately 300 million yen. As a result, income before income taxes is anticipated to be approximately 1.1 billion yen.

2. Consolidated forecast for full-year fiscal 2013 (April 1, 2013 – March 31, 2014)

(Millions of yen)

	Net Sales	Operating Income (Loss)	Ordinary Income (Loss)	Net Income (Loss)	Net Income (Loss) per Share (in Yen)
Previous Forecast (A)	39,000	140	160	300	2.05
New Forecast (B)	38,300	(730)	(700)	(840)	(5.73)
Change (B-A)	(700)	(870)	(860)	(1,140)	-
% Change	(1.8)	-	-	-	-
FY2012 Results for Same Period	37,998	(436)	(394)	(727)	(4.96)

Investor Relations:

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

Kobe Steel, Ltd.
9-12 Kita-Shinagawa 5-chome
Shinagawa-ku, Tokyo 141-8688
JAPAN

Media Contact:

Publicity Group
Tel +81 (0)3 5739-6010
Fax +81 (0)3 5739-5971