

October 20, 2009

Company name: Kobe Steel, Ltd.
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President & CEO: Hiroshi Sato
Code number: 5406
Stock exchange listings: Tokyo, Osaka & Nagoya, Japan

Kobe Steel subsidiary Kobelco Eco-Solutions revises earnings forecast

TOKYO, October 20, 2009 – Kobelco Eco-Solutions Co., Ltd., a subsidiary of Kobe Steel, Ltd., announced today a revision in its forecast for fiscal 2009 (April 1, 2009-March 31, 2010) made on April 28, 2009, when it announced its financial results for fiscal 2008, ended March 2009. Details are in the document on the second page. Kobelco Eco-Solutions also said it would incur an extraordinary gain.

The revision to Kobelco Eco-Solutions' earnings forecast does not affect Kobe Steel's consolidated forecast for fiscal 2009.

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Revised forecast of Kobelco Eco-Solutions Co., Ltd.

Consolidated forecast for first-half fiscal 2009 (April 1 – September 30, 2009)

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net income per share (in yen)
Previous forecast (A)	38,000	350	250	100	1.24
New forecast (B)	38,000	500	480	480	5.96
Change (B-A)	0	150	230	380	
% change	0.0	42.9	92.0	380.0	
FY2008 results for same period	36,140	1,100	1,038	466	5.79

Consolidated forecast for full-year fiscal 2009 (April 1, 2009 – March 31, 2010)

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net income per share (in yen)
Previous forecast (A)	80,000	1,200	1,000	500	6.20
New forecast (B)	80,000	1,200	1,000	650	8.07
Change (B-A)	0	0	0	150	
% change	0.0	0.0	0.0	30.0	
FY2008 results for same period	86,015	2,839	2,696	1,092	13.56

Nonconsolidated forecast for first-half fiscal 2009 (April 1 – September 30, 2009)

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net income per share (in yen)
Previous forecast (A)	30,000	400	400	200	2.48
New forecast (B)	30,000	400	400	400	4.96
Change (B-A)	0	0	0	200	
% change	0.0	0.0	0.0	100.0	
FY2008 results for same period	29,422	940	1,005	483	6.00

Nonconsolidated forecast for full-year fiscal 2009 (April 1, 2009 – March 31, 2010)

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net income per share (in yen)
Previous forecast (A)	63,000	600	550	300	3.72
New forecast (B)	63,000	600	550	450	5.58
Change (B-A)	0	0	0	150	
% change	0.0	0.0	0.0	50.0	
FY2008 results for same period	68,354	1,985	2,006	778	9.66