

February 1, 2012

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

Announcement on Revision to Earnings Forecast

TOKYO, February 1, 2012 – Kobe Steel, Ltd. has revised its consolidated forecast for fiscal 2011 from the previous forecast made on October 31, 2011, and its nonconsolidated forecast for fiscal 2011 from the previous forecast made on July 28, 2011, due to recent trends in its business performance.

Revision to fiscal 2011 consolidated forecast (April 1, 2011 – March 31, 2012)

	Net sales	Operating income	Ordinary income	Net income (loss)	Net income (loss) per share
Previous forecast (A)	1,950,000	75,000	50,000	20,000	6.66 yen
Current forecast (B)	1,870,000	50,000	25,000	(10,000)	(3.33 yen)
Change (B-A)	(80,000)	(25,000)	(25,000)	(30,000)	
% change	(4.1%)	(33.3%)	(50.0%)	---	
FY2010 results	1,858,574	124,550	89,082	52,939	17.63 yen

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

Revision to fiscal 2011 nonconsolidated forecast (April 1, 2011 – March 31, 2012)

	Net sales	Ordinary income (loss)	Net income (loss)	Net income (loss) per share
Previous forecast (A)	1,170,000	(10,000)	0	0.00 yen
Current forecast (B)	1,090,000	(27,000)	(24,000)	(7.98 yen)
Change (B-A)	(80,000)	(17,000)	(24,000)	
% change	(6.8%)	---	---	
FY2010 results	1,090,108	28,127	30,345	10.09 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, the Kobe Steel Group anticipates an increasingly severe business environment with a slowdown in the world economy and the high yen taking root. Kobe Steel anticipates that the sales volume and prices of steel products in the Iron & Steel Business will be lower than projected in the previous forecast. In the Aluminum & Copper Business, Kobe Steel anticipates that the sales volume of aluminum rolled products and copper rolled products will also be lower than projected in the previous forecast.

In addition to these conditions, Kobe Steel incurred an extraordinary loss on the write-down of investments in securities in the third quarter. As a result, Kobe Steel projects a downward revision of its earnings forecast for the full fiscal 2011.

Investor Relations:

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

Media Contact:

Tel +81 (0)3 5739-6010
Fax +81 (0)3 5739-5971
Tokyo, Japan