

April 5, 2012

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

Announcement on Revision to Earnings Forecast

TOKYO, April 5, 2012 – Kobe Steel, Ltd. has revised its consolidated forecast for fiscal 2011 from the previous forecast made on February 1, 2012, 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)	1,870,000	50,000	25,000	(10,000)	(3.33 yen)
Current forecast (B)	1,870,000	55,000	25,000	(20,000)	(6.66 yen)
Change (B-A)	0	5,000	0	(10,000)	
% change	0.0%	10.0%	0.0%	---	
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.

Reason for the Revision

In comparison to the previous forecast for fiscal 2011, parent company Kobe Steel, Ltd., which had incurred an extraordinary loss on the write-down of investments in securities in the third quarter (October-December 2011), saw a reversal on the write-down of investments in securities, owing to a recovery in stock prices of investment securities, excluding a portion of the investment securities.

However, with a worsening business environment, Kobe Steel gave careful consideration to the recoverability of deferred tax assets and decided on a reversal of deferred tax assets. As a result, Kobe Steel anticipates a downward revision in consolidated net income.

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