

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

Announcement on a Difference between the Consolidated Forecast and Actual Results for the First Half of Fiscal 2014

TOKYO, October 31, 2014 – Kobe Steel, Ltd. announces a difference between its consolidated forecast for the first half of fiscal 2014 announced on July 31, 2014 and the actual results for the same period.

Difference between the consolidated forecast and the actual results for the first half of fiscal 2014 (April 1, 2014 – September 30, 2014)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Previous forecast (A) (announced July 31, 2014)	940,000	50,000	35,000	30,000	8.25 yen
Actual results (B)	916,019	57,184	46,152	42,115	11.59 yen
Change (B-A)	(23,980)	7,184	11,152	12,115	
% change	(2.6%)	14.4%	31.9%	40.4%	
FY2013 results for same period	889,328	54,472	43,147	44,171	14.71 yen

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

Reason for the Difference between the consolidated forecast and the actual results for the first half of fiscal 2014

In comparison to the previous forecast made on July 31, 2014, consolidated sales decreased as orders in the Machinery Business and the Engineering Business were postponed to the third quarter onward of fiscal 2014. However, profits increased as greater overall cost reductions were achieved in every business segment and profits of consolidated subsidiaries and equity-valued affiliates improved.

(For reference)

Revision to fiscal 2014 consolidated forecast (April 1, 2014 – March 31, 2015)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Previous forecast (A) (announced July 31, 2014)	1,930,000	105,000	80,000	55,000	15.13 yen
Current forecast (B)	1,910,000	110,000	85,000	60,000	16.51 yen
Change (B-A)	(20,000)	5,000	5,000	5,000	
% change	(1.0%)	4.8%	6.3%	9.1%	
FY2013 results	1,824,698	114,548	85,044	70,191	22.62 yen

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

For more information, please refer to “Kobe Steel’s Consolidated Financial Results for the First Half of Fiscal 2014 (dated October 31, 2014)”.

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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