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## Announcement on Revisions to Earnings Forecast and Dividend Forecast for Fiscal 2020, ending March 31, 2021

Kobe Steel, Ltd. announces revisions to its consolidated and nonconsolidated earnings forecast and dividend forecast for fiscal 2020 (April 1, 2020–March 31, 2021).

### 1. Revision to Consolidated Earnings Forecast

#### Revision to First-Half Fiscal 2020 Consolidated Forecast (April 1, 2020 – September 30, 2020)

	Net Sales	Operating income (loss)	Ordinary income (loss)	Net loss attributable to owners of the parent	Net loss per share
Previous forecast (A)	-	-	-	-	-
Current forecast (B)	770,000	(50,000)	(60,000)	(35,000)	(96.49) yen
Change (B-A)	-	-	-	-	
% change	-	-	-	-	
FY2019 results for same period	944,464	7,443	1,493	(6,281)	(17.32) yen

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

#### Revision to Fiscal 2020 Consolidated Forecast (April 1, 2020 – March 31, 2021)

	Net Sales	Operating income (loss)	Ordinary loss	Net loss attributable to owners of the parent	Net loss per share
Previous forecast (A)	-	-	-	-	-
Current forecast (B)	1,640,000	(35,000)	(60,000)	(35,000)	(96.49) yen
Change (B-A)	-	-	-	-	
% change	-	-	-	-	
FY2019 results	1,869,835	9,863	(8,079)	(68,008)	(187.55) yen

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

**Revision to First-Half Fiscal 2020 Nonconsolidated Forecast (April 1, 2020 – September 30, 2020)**

	Net Sales	Ordinary income (loss)	Net income (loss)	Net income (loss) per share
Previous forecast (A)	-	-	-	-
Current forecast (B)	410,000	(55,000)	(30,000)	(82.56) yen
Change (B-A)	-	-	-	
% change	-	-	-	
FY2019 results for same period	501,612	1,907	179	0.49 yen

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

**Revision to Fiscal 2020 Nonconsolidated Forecast (April 1, 2020 – March 31, 2021)**

	Net Sales	Ordinary loss	Net loss	Net loss per share
Previous forecast (A)	-	-	-	-
Current forecast (B)	880,000	(60,000)	(30,000)	(82.56) yen
Change (B-A)	-	-	-	
% change	-	-	-	
FY2019 results	995,447	(14,269)	(48,759)	(134.22) yen

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

**Summary of Earnings Forecast**

In its consolidated financial results (Japanese accounting standards) for fiscal 2019 (ended March 2020) announced on May 11, 2020, Kobe Steel was unable to make an earnings forecast for fiscal 2020 (ending March 2021) due to the extreme difficulty in making reasonable calculations of the impact of the worldwide spread of the novel coronavirus infection on the business performance of the Kobe Steel Group (also called the KOBELCO Group).

On May 25, 2020, Japan completely lifted the state of emergency, and economic activity gradually resumed. However, the end of the novel coronavirus pandemic still remains uncertain. In this economic environment, Kobe Steel announces its earnings forecast, which has been calculated from certain assumptions based on information currently available.

Due to reduced demand from the impact of the novel coronavirus pandemic, Kobe Steel's sales volume centered on the advanced materials business is anticipated to decline sharply. As a result, consolidated net sales in fiscal 2020 are anticipated to reach approximately 1,640.0 billion yen. Operating income is forecast to become operating loss of approximately 35 billion yen. Ordinary income is expected to turn into ordinary loss of approximately 60.0 billion yen. Net loss attributable to owners of the parent is forecast to be 35.0 billion yen. As for the nonconsolidated earnings forecast, Kobe Steel anticipates net sales of approximately 880.0 billion yen, ordinary loss of approximately 60.0 billion yen, and net loss of approximately 30.0 billion yen.

For details of the earnings forecast, please also see the IR briefing material, "Financial Results for First Quarter of Fiscal 2020 and Forecast for the Full Fiscal Year", announced today.

## 2. Revision to Dividend Forecast

	Dividend per share				
	1Q	2Q	3Q	4Q	Full year
Previous forecast ( announced May 11, 2020 )	—	—	—	—	—
Current Forecast		0.00 yen	—	—	—
FY2020 Results	—				
FY2019 Results	—	0.00 yen	—	0.00 yen	0.00 yen

### Reason for the Revision

Kobe Steel takes its financial condition, business performance trends, future capital needs and other factors into overall consideration as a basis to pay continuous and stable dividends. Based on these factors, Kobe Steel has regrettably passed a resolution to adopt a policy to forgo the interim dividend for fiscal 2020 as it anticipates posting net loss attributable to owners of the parent in the first half of the fiscal year and for the full fiscal year in the earnings forecast announced today.

Please note that the year-end dividend for fiscal 2020 has not yet been determined.

### 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.