

Kobe Steel, Ltd.
September 30, 2009

Company name: Kobe Steel, Ltd.
Code number: 5406
President & CEO: Hiroshi Sato

Kobe Steel revises operating results forecast for fiscal 2009

TOKYO, September 30, 2009 – Kobe Steel, Ltd. announces that it has revised its forecast for fiscal 2009, ending March 31, 2010, from the previous forecast made on July 30, 2009 when it announced its first-quarter financial results, based on recent trends in its operating performance.

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

(Millions of yen)

	Net Sales	Operating Income (Loss)	Ordinary Income (Loss)	Net Income (Loss)	Net income (loss) per share (in yen)
Previous forecast (A)	785,000	(45,000)	(65,000)	(65,000)	(21.64)
New forecast (B)	790,000	(32,000)	(51,000)	(51,000)	(16.98)
Change (B-A)	5,000	13,000	14,000	14,000	
% change	0.6	---	---	---	
FY2008 results for same period	1,191,798	106,493	85,555	46,277	15.41

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

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income (Loss)	Net Income (Loss)	Net income (loss) per share (in yen)
Previous forecast (A)	1,640,000	5,000	(30,000)	(45,000)	(14.98)
New forecast (B)	1,640,000	15,000	(25,000)	(35,000)	(11.65)
Change (B-A)	0	10,000	5,000	10,000	
% change	0.0	200.0	---	---	
FY2008 results for same period	2,177,289	116,934	60,876	(31,438)	(10.47)

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

(Millions of yen)

	Net Sales	Operating Income (Loss)	Ordinary Income (Loss)	Net Income (Loss)	Net income (loss) per share (in yen)
Previous forecast (A)	465,000	(60,000)	(65,000)	(55,000)	(18.28)
New forecast (B)	465,000	(49,000)	(54,000)	(41,000)	(13.63)
Change (B-A)	0	11,000	11,000	14,000	
% change	0.0	---	---	---	
FY2008 results for same period	761,080	65,695	63,138	40,765	13.55

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

(Millions of yen)

	Net Sales	Operating Income (Loss)	Ordinary Income (Loss)	Net Income (Loss)	Net income (loss) per share (in yen)
Previous forecast (A)	970,000	(35,000)	(50,000)	(40,000)	(13.30)
New forecast (B)	970,000	(25,000)	(45,000)	(35,000)	(11.63)
Change (B-A)	0	10,000	5,000	5,000	
% change	0.0	---	---	---	
FY2008 results for same period	1,359,369	60,377	34,418	(29,347)	(9.75)

Reasons for the Revised Forecast

In comparison to the previous forecast made on July 30, 2009, in the Iron & Steel segment, steel export prices exceeded previous expectations. However, the effects of decelerating demand in the shipbuilding industry are expected to increase from the third quarter (October-December period) onward.

In the Aluminum & Copper segment, sales volume is anticipated to recover more than previously expected.

In all business segments, reductions in overall costs are steadily progressing. Based on these conditions, Kobe Steel has revised its first-half and full-year consolidated and nonconsolidated operating results for fiscal 2009.

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