

February 3, 2010

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

Announcement on Revision to Earnings Forecast

TOKYO, February 3, 2010 – Kobe Steel, Ltd. has revised its forecast for fiscal 2009 from the previous forecast made on October 29, 2009.

Revision to fiscal 2009 consolidated forecast (April 1, 2009 – March 31, 2010)

	Net sales	Operating income	Ordinary income (loss)	Net income (loss)	Earnings per share
Previous forecast (A)	1,635,000	20,000	(20,000)	(35,000)	(11.65 yen)
Current forecast (B)	1,675,000	35,000	(5,000)	(22,000)	(7.32 yen)
Change (B-A)	40,000	15,000	15,000	13,000	
% change	2.4%	75.0%	---	---	
FY2008 results	2,177,289	116,934	60,876	(31,438)	(10.47 yen)

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

Revision to fiscal 2009 non-consolidated forecast (April 1, 2009 – March 31, 2010)

	Net sales	Operating income (loss)	Ordinary income (loss)	Net income (loss)	Earnings per share
Previous forecast (A)	965,000	(20,000)	(40,000)	(35,000)	(11.63 yen)
Current forecast (B)	995,000	(8,000)	(24,000)	(22,000)	(7.31 yen)
Change (B-A)	30,000	12,000	16,000	13,000	
% change	3.1%	---	---	---	
FY2008 results	1,359,369	60,377	34,418	(29,347)	(9.75 yen)

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

Reason for the Revision

Looking at the environment surrounding the Kobe Steel Group, in comparison to the previous forecast made on October 29, 2009, recovery of demand for products and services is anticipated to continue being supported by economic stimulus measures in Japan and overseas. The sales volumes of steel products for the automotive and electrical machinery industries; aluminum sheet and plate; and copper rolled products are forecast to increase. Under these circumstances, Kobe Steel has revised both its consolidated and non-consolidated earnings forecast from the previous forecast.

This 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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