

Company name: Kobe Steel, Ltd.
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 President & CEO: Hiroshi Sato
 Code number: 5406
 Stock exchange listings: Tokyo, Osaka & Nagoya, Japan

Kobe Steel subsidiary Nippon Koshuha revises earnings forecast

TOKYO, October 20, 2009 –Nippon Koshuha Steel Co., Ltd., a listed subsidiary of Kobe Steel, Ltd., announced today a revision in its forecast for fiscal 2009 (April 1, 2009-March 31, 2010) made on April 28, 2009.

The revision to Nippon Koshuha's earnings forecast does not affect Kobe Steel's consolidated forecast for fiscal 2009.

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) | 11,500 | (2,100) | (2,150) | (2,200) | (15.0) |
| New forecast (B) | 12,900 | (1,410) | (1,540) | (1,600) | (10.91) |
| Change (B-A) | 1,450 | 690 | 610 | 600 | --- |
| % change | 12.6% | --- | --- | --- | --- |
| FY2008 results for same period | 27,802 | 355 | 313 | 153 | 1.04 |

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) | 9,000 | (1,450) | (1,500) | (1,550) | (10.57) |
| New forecast (B) | 9,670 | (870) | (910) | (960) | (6.54) |
| Change (B-A) | 670 | 580 | 590 | 590 | --- |
| % change | 7.4% | --- | --- | --- | --- |
| FY2008 results for same period | 20,645 | (169) | (60) | (59) | (0.40) |

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