

Kobe Steel's Consolidated Financial Results Summary for Third Quarter Fiscal 2010 (April 1 – December 31, 2010)

February 3, 2011

Company name:	Kobe Steel, Ltd.
Code number:	5406
Stock exchanges where shares are listed:	Tokyo, Osaka and Nagoya, Japan
Website:	www.kobelco.com
President & CEO:	Hiroshi Sato
Filing of quarterly report:	February 9, 2011
Dividend payments begin:	---
Supplemental information available:	Yes
IR briefing:	Yes (in Japanese only)

(Sums of less than 1 million yen have been omitted.)

1. Consolidated Financial Results for Nine Months Ended December 31, 2010

(1) Consolidated operating results

(In millions of yen)	FY2010 9 Months Ended Dec. 31, 2010	% change*	FY2009 9 Months Ended Dec. 31, 2009	% change*
Net sales	1,355,790	12.4%	1,206,336	(29.7%)
Operating income	100,578	---	3,421	(97.6%)
Ordinary income (loss)	78,892	---	(23,967)	---
Net income (loss)	47,223	---	(37,913)	---
Net income (loss) per share	15.72 yen		(12.62 yen)	
Diluted net income (loss) per share	---		---	

*Indicates percentage of change from the corresponding period of the previous fiscal year.

(2) Consolidated financial position

(In millions of yen)	FY2010 9 Months Ended Dec. 31, 2010	FY2009 Ended Mar. 31, 2010
Total assets	2,311,131	2,249,345
Net assets	590,587	557,002
Net worth ratio	23.5%	23.0%
Net assets per share	180.78 yen	172.08 yen
Shareholders' equity at December 31, 2010:	542,780 million yen	FY2009: 516,671 million yen

2. Dividends

Period	Dividends per share in yen				
	1Q	2Q	3Q	4Q	Full year
FY2009	---	0.00	---	1.50	1.50
FY2010	---	1.50	---	---	---
FY2010 Forecast	---	---	---	1.50	3.00

Revision to dividend forecast in 3Q FY2010: Yes

3. Consolidated Forecast for Fiscal 2010 (April 1, 2010 - March 31, 2011)

(In millions of yen)	FY2010	% change*
Net sales	1,890,000	13.1%
Operating income	115,000	149.9%
Ordinary income	80,000	679.9%
Net income	45,000	613.7%
Net income per share	14.98 yen	

* Indicates percentage of change from the corresponding period of the previous fiscal year.

Revision to consolidated forecast in 3Q FY2010: Yes

4. Other

(1) Change in number of material subsidiaries in fiscal year: No
(Changes in specified subsidiaries accompanying changes in scope of consolidation)

(2) Adoption of simplified or specific accounting procedures for preparing the quarterly consolidated financial statements: Yes

(3) Changes in accounting principles, procedures, presentation, etc. on the preparation of the quarterly consolidated financial statements

- Changes due to revised accounting standards: Yes

- Other changes: No

(4) Number of issued shares

	FY 2010 3Q	FY2009
Common stock (number of issued shares)	3,115,061,100	3,115,061,100
Treasury stock (number of shares)	112,767,938	112,684,172
Average number of shares in 9-month period	3,002,332,785	3,002,470,115*

*In 3Q FY2009

Nonconsolidated Forecast for Fiscal 2010 (April 1, 2010 - March 31, 2011)

(In millions of yen)	FY2010	% change*
Net sales	1,110,000	12.0%
Operating income	43,000	---
Ordinary income	22,000	---
Net income	25,000	792.7%
Net income per share	8.31 yen	

* Indicates percentage of change from the corresponding period of the previous fiscal year.

Revision to nonconsolidated forecast in 3Q FY2010: Yes

Qualitative Information on consolidated Operating Results

Japan's economy in the nine months ended December 31, 2010 saw a pause in the pace of recovery due to a retrenchment in economic measures and the effect of the high yen from the third quarter (October-December). However, on the back of improvement in overseas economies, domestic conditions on the whole continued to gradually recover. In overseas markets, too, the Chinese economy expanded and the United States and Europe continued to gradually recover.

In this economic environment, the Kobe Steel Group achieved higher sales volume of steel products and aluminum and copper rolled products, in comparison to the same period in the previous year, owing to strong demand from domestic and overseas manufacturing industries. In addition, unit sales of hydraulic excavators increased considerably, in comparison to the same period in the previous year, owing to expanding demand in China.

As a result, consolidated net sales in the nine-month period increased 149.4 billion yen, in comparison to the same period in the previous year, to 1,355.7 billion yen. Operating income increased 97.1 billion yen, in comparison to the same period in the previous year, to 100.5 billion yen. Ordinary income rose 102.8 billion yen to 78.8 billion yen. Net income went up 85.1 billion yen to 47.2 billion yen.

Since the first quarter of fiscal 2010, in accordance with the Accounting Standards Board of Japan's "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Statement No. 17, March 27, 2009), Kobe Steel has changed segment classifications from a system based on product similarities to one based on a management approach. To compare figures on a year-on-year basis, figures for the first nine months of fiscal 2009 were recalculated to match the new classifications used from this fiscal year.

Conditions in the business segments under the new classifications are as follows.

Iron & Steel Business

The sales volume (in terms of tons sold) of steel products increased in the first nine months in comparison to the same period in the previous year. In comparison to the nine-month period in fiscal 2009, at which time the economy began to recover following the Lehman Shock, both domestic and overseas demand from manufacturing industries continued to remain strong. Sales prices increased over the same period in the previous year mainly owing to higher raw material prices.

Sales of steel castings and forgings decreased, compared with the same period in the previous year, due to the decline in demand from the shipbuilding industry. On the other hand, sales of titanium products rose, in comparison to the same period in the previous year, as customers made progress in reducing their inventories.

As a result, segment sales increased 16.3%, compared with the same period in the previous year, to 622.7 billion yen. Ordinary income increased 68.2 billion yen, compared with the same period in the previous year, to 22.0 billion yen due to considerable improvement in inventory valuation.

Welding Business

The sales volume of welding consumables increased in comparison to the same period in the previous year owing to strong demand in Asia, including China, Southeast Asia and South Korea. Demand for welding robot systems was firm for China's construction machinery market, but was sluggish for Japan's construction market. As a result, segment sales were almost flat at 58.0 billion yen, in comparison to the same period in the previous year. Ordinary income increased 2.5 billion yen, compared with the same period in the previous year, to 3.4 billion yen owing to higher sales volume of welding consumables.

Aluminum & Copper Business

The sales volume of aluminum rolled products and sales of aluminum castings and forgings increased compared with the same period in the previous year, due to strong demand mainly for use in automobiles, air conditioners, and LCD and semiconductor manufacturing equipment.

The demand for copper sheet and strip in the third quarter (October-December) fell off due to inventory adjustments mainly in the semiconductor industry. However, demand continued to be firm throughout the nine-month period. In addition, demand for copper tube for use in air conditioners increased due to the intense heat in the summer season. As a result, the sales volume of copper rolled products increased compared with the same period in the previous year.

In addition to the above conditions, due to higher ingot prices, which were passed on to product prices, segment sales in the nine-month period increased 21.9%, compared with the same period in the previous year, to 229.4 billion yen. Ordinary income increased 13.5 billion yen compared with the same period in the previous year to 13.4 billion yen.

Machinery Business

Capital investments in industries like automotive, oil refining and petrochemicals gradually recovered and orders for products in these fields increased compared with the same period in the previous year.

Due to the above conditions, orders in the nine-month period increased 35.7%, compared with the same period in the previous year, to 98.5 billion yen, and the backlog of orders was 155.2 billion yen at the end of the nine-month period.

However, segment sales in the nine-month period decreased 17.2% to 104.4 billion yen, compared with the same period in the previous year, which saw a concentration of sales of heavy-wall pressure vessels used in the oil refining industry. Ordinary income decreased 4.5 billion yen, compared with the same period in the previous year, to 11.4 billion yen.

Natural Resources & Engineering Business

In the nine-month period, orders increased in comparison to the same period in the previous year, due to an order for a large-scale direct reduction plant.

As a result, orders in the nine-month period increased 217.4%, compared with the same period in the previous year, to 62.4 billion yen, and the backlog of orders was 100.1 billion yen at the end of the nine-month period.

However, segment sales in the nine-month period decreased 23.3% to 30.2 billion yen. In comparison, segment sales in the same period in the previous year were higher due to sales from a large-scale pellet plant. Ordinary income decreased 1.0 billion yen, compared with the same period in the previous year, to 2.8 billion yen.

Kobelco Eco-Solutions

In the nine-month period, orders increased in comparison to the same period in the previous year, due to an order for a large-scale sewage sludge incineration facility

As a result, orders for the first nine months increased 9.4%, compared with the same period in the previous year, to 50.3 billion yen and the backlog of orders was 44.4 billion yen.

However, segment sales decreased 14.6%, compared with the same period in the previous year, to 45.6 billion yen as sales of a large-scale waste treatment plant were posted in the previous year. Ordinary income increased 1.4 billion yen, compared with the same period in the previous year, to 2.1 billion yen owing to cost reductions.

Kobelco Construction Machinery

Unit sales of hydraulic excavators in China, a major market, increased substantially, compared with the same period in the previous year. Unit sales also increased in Southeast Asia, which saw continued recovery in demand, and Japan, where demand began to recover.

As a result, segment sales increased 53.6%, in comparison to the same period in the previous year, to 241.3 billion yen. Ordinary income increased 20.4 billion yen, compared with the same period in the previous year, to 22.3 billion yen.

Kobelco Cranes

Except for only a few areas, demand was sluggish and unit sales were lower than the same period in the previous year.

As a result, segment sales decreased 26.1%, compared with the same period last year, to 30.5 billion yen. Ordinary income decreased 1.7 billion yen, compared with the same period in the previous year, to a loss of 0.7 billion yen.

Other Businesses

Due to the decrease in handovers of condominiums in the real estate business, segment sales decreased 20.7%, compared with the same period in the previous year, to 45.8 billion yen. However, ordinary income went up 2.0 billion yen to 3.7 billion yen, mainly due to a recovery in demand in the testing and analysis business for the transport and electronics industries.

Qualitative Information on Consolidated Earnings Forecast

In comparison to the previous forecast on October 28, 2010, the consolidated and nonconsolidated sales forecast for fiscal 2010 is anticipated to go downward, on the basis of both lower sales volume and prices of steel products in the third quarter affected by a softening in the steel market.

On the other hand, operating income for fiscal 2010 is forecast to remain unchanged from the previous forecast due to changes in the product mix in the Machinery Business. Ordinary income and net income are also anticipated to remain unchanged from the previous forecast.

Investor Information

Investor Relations Group
Kobe Steel, Ltd
9-12 Kita-Shinagawa 5-chome
Shinagawa-ku, Tokyo 141-8688
JAPAN
Tel +81 (0)3 5739-6045
Fax +81 (0)3 5739-5973

Email aapress@kobelco.com
Website: www.kobelco.com

Media Contact:

Gary Tsuchida, Publicity Group
Kobe Steel, Ltd.
Tel +81 (0)3 5739-6010
Fax +81 (0)3 5739-5971

CONSOLIDATED FINANCIAL STATEMENTS

(1) Summary of Consolidated Balance Sheets

(In millions of yen)

ASSETS	FY2010 9 Months Ended Dec. 31, 2010	FY2009 Year Ended Mar. 31, 2010
Current assets		
Cash and cash equivalents	175,277	131,939
Notes and accounts receivable	273,363	283,619
Merchandise and finished goods	140,296	126,811
Work in progress	149,092	138,070
Raw materials and supplies	121,691	102,179
Other	219,631	190,808
Allowance for doubtful debts	(779)	(818)
Total current assets	1,078,573	972,611
Tangible fixed assets		
Buildings and structures	279,754	288,284
Machinery and equipment	367,042	395,641
Land	206,377	204,298
Other	79,843	79,845
Total tangible fixed assets	933,016	968,070
Intangible fixed assets	22,741	21,385
Investments and other assets		
Investments in securities	187,104	196,565
Other	92,944	94,599
Allowance for doubtful debts	(3,250)	(3,886)
Total investments and other assets	276,799	287,278
Total fixed assets, investments and other assets	1,232,557	1,276,734
Total assets	2,311,131	2,249,345
Current liabilities		
Notes and accounts payable	547,667	434,819
Short-term borrowings	137,673	167,876
Bonds due within one year	17,036	235
Income and enterprise taxes payable	5,826	6,518
Other reserves	22,058	34,748
Other	151,301	163,974
Total current liabilities	881,564	808,173
Long-term liabilities		
Bonds and notes	196,149	213,186
Long-term borrowings	505,929	525,170
Employees' severance and retirement benefits	32,236	33,247
Other reserves	2,542	2,780
Other	102,121	109,786
Total long-term liabilities	838,980	884,170
Total liabilities	1,720,544	1,692,343

NET ASSETS

	FY2010 9 Months Ended Dec. 31, 2010	FY2009 Year Ended Mar. 31, 2010
Stockholders' equity		
Common stock	233,313	233,313
Capital surplus	83,125	83,125
Retained earnings	296,692	258,853
Treasury stock, at cost	(51,385)	(51,378)
Total stockholders' equity	<u>561,745</u>	<u>523,913</u>
Valuation and translation adjustments		
Net unrealized holding gains on securities	16,766	22,529
Deferred gains on hedges	1,485	882
Land revaluation	(4,756)	(4,866)
Foreign currency translation adjustments	(32,459)	(25,787)
Total valuation and translation adjustments	<u>(18,964)</u>	<u>(7,242)</u>
Minority interests	<u>47,806</u>	<u>40,330</u>
Total net assets	<u>590,587</u>	<u>557,002</u>
Total liabilities and net assets	<u>2,311,131</u>	<u>2,249,345</u>

(2) Consolidated Statements of Income for 9 Months Ended December 31, 2010

(In millions of yen)

	FY2010 9 Months Ended Dec. 31, 2010	FY2009 9 Months Ended Dec. 31, 2009
Net sales	1,355,790	1,206,336
Cost of sales	1,136,717	1,093,003
Gross profit	219,073	113,333
Selling, general and administrative expenses	118,494	109,912
Operating income	100,578	3,421
Non-operating income		
Interest income	1,995	1,771
Dividend income	2,223	2,169
Reimbursement of seconded employees' salaries	4,955	5,300
Equity method investment gain	2,927	218
Other	11,605	11,557
Total non-operating income	23,707	21,016
Non-operating expenses		
Interest expense	15,459	16,291
Salaries for seconded employees	12,674	13,918
Other	17,259	18,195
Total non-operating expenses	45,393	48,405
Ordinary income (loss)	78,892	(23,967)
Extraordinary Income		
Gain on sales of investment securities	2,203	---
Total extraordinary Income	2,203	---
Extraordinary loss		
Loss on adjustment for changes of accounting standard for asset retirement obligations	2,380	---
Impairment loss	---	2,796
Total extraordinary loss	2,380	2,796
Income (loss) before income taxes	78,715	(26,764)
Income taxes		
Current	10,839	5,238
Deferred	7,623	4,327
Total income taxes	18,462	9,565
Income before minority interests	60,253	---
Minority interests in income of subsidiaries	13,029	1,583
Net income (loss)	47,223	(37,913)

(3) Notes on premise of a going concern: None

(4) Segment Information

(In millions of yen)

	FY2010	FY2009
	9 Months Ended	9 Months Ended
	Dec. 31, 2010	Dec. 31, 2009
Sales to outside customers:		
Iron & Steel	596,015	513,010
Welding	56,649	58,315
Aluminum & Copper	227,355	187,402
Machinery	100,541	121,827
Natural Resources & Engineering	28,383	33,519
Kobelco Eco-Solutions	43,665	50,774
Kobelco Construction Machinery	240,378	156,200
Kobelco Cranes	26,374	35,589
Other	35,316	47,445
Eliminations	1,109	2,251
Total	<u>1,355,790</u>	<u>1,206,336</u>
Intersegment sales:		
Iron & Steel	26,690	22,536
Welding	1,391	99
Aluminum & Copper	2,130	794
Machinery	3,858	4,185
Natural Resources & Engineering	1,850	5,883
Kobelco Eco-Solutions	1,961	2,629
Kobelco Construction Machinery	985	940
Kobelco Cranes	4,161	5,722
Other	10,508	10,328
Eliminations	(53,539)	(53,119)
Total	<u>---</u>	<u>---</u>
Total sales:		
Iron & Steel	622,706	535,547
Welding	58,041	58,414
Aluminum & Copper	229,486	188,196
Machinery	104,400	126,012
Natural Resources & Engineering	30,234	39,402
Kobelco Eco-Solutions	45,627	53,404
Kobelco Construction Machinery	241,363	157,141
Kobelco Cranes	30,536	41,312
Other	45,825	57,773
Eliminations	(52,430)	(50,867)
Total	<u>1,355,790</u>	<u>1,206,336</u>
Ordinary income (loss):		
Iron & Steel	22,031	(46,204)
Welding	3,435	843
Aluminum & Copper	13,433	(165)
Machinery	11,461	16,035
Natural Resources & Engineering	2,805	3,835
Kobelco Eco-Solutions	2,150	667
Kobelco Construction Machinery	22,394	1,943
Kobelco Cranes	(794)	999
Other	3,732	1,651
Eliminations	(1,757)	(3,572)
Total	<u>78,892</u>	<u>(23,967)</u>

(5) Notes in the case of a significant change in shareholders' equity: None

SUPPLEMENTAL INFORMATION

1. Operating Results for 9 Months period

(In billions of yen)

Consolidated Results

	FY2010 9 Months Ended Dec. 31, 2010	FY2009 9 Months Ended Dec. 31, 2009	% change
Net sales	1,355.7	1,206.3	12.4%
Operating income	100.5	3.4	29.4 times
Ordinary income (loss)	78.8	(23.9)	---
Extraordinary Income (loss)	* (0.1)	(2.7)	---
Net income (loss)	47.2	(37.9)	---

* Gain on sales of investment securities 2.2

Loss on adjustment for changes of accounting standard for asset retirement obligations 2.3

2. Fiscal 2010 Forecast

FY2010 Consolidated Forecast

	Current Forecast FY2010	Previous Forecast (Oct. 28) FY2010	FY2009 Full Year
Net sales	1,890.0	1,910.0	1,671.0
Operating income	115.0	115.0	46.0
Ordinary income	80.0	80.0	10.2
Extraordinary income (loss)	* (0.1)	(0.1)	3.8
Net income (loss)	45.0	45.0	6.3

* Gain on sales of investment securities 2.2

Loss on adjustment for changes of accounting standard for asset retirement obligations 2.3

FY2010 Nonconsolidated Forecast

	Current Forecast FY2010	Previous Forecast (Oct. 28) FY2010	FY2009 Full Year
Net sales	1,110.0	1,120.0	990.9
Operating income	43.0	43.0	1.1
Ordinary income (loss)	22.0	22.0	(12.8)
Extraordinary income (loss)	* 0.8	0.8	(2.9)
Net income (loss)	25.0	25.0	2.8

* Gain on sales of subsidiaries and affiliates' stocks 3.1

Loss on adjustment for changes of accounting standard for asset retirement obligations 2.3

End-of-fiscal-year dividend: 1.5 yen (Full year: 3.0 yen)

3. Sales & Ordinary Income by Segment (Consolidated, in billions of yen)

		FY2010		FY2009		Previous Forecast (Oct.28) FY2010
		9 Month Results	Full Year Forecast	9 Month Results	Full Year	
Iron & Steel	Sales	622.7	860.0	535.5	742.0	870.0
	Ordinary Income (loss)	22.0	18.0	(46.2)	(24.6)	21.0
Welding	Sales	58.0	77.0	58.4	76.2	76.0
	Ordinary Income	3.4	4.0	0.8	1.7	3.5
Aluminum & Copper	Sales	229.4	300.0	188.1	261.7	300.0
	Ordinary Income (loss)	13.4	13.0	(0.1)	2.2	13.0
Machinery	Sales	104.4	170.0	126.0	173.7	160.0
	Ordinary Income	11.4	13.0	16.0	20.8	12.0
Natural Resources & Engineering	Sales	30.2	65.0	39.4	65.5	67.0
	Ordinary Income	2.8	3.0	3.8	4.7	3.0
Kobelco Eco-Solutions	Sales	45.6	71.0	53.4	82.8	71.0
	Ordinary Income	2.1	2.7	0.6	1.6	2.7
Kobelco Construction Machinery	Sales	241.3	310.0	157.1	214.5	320.0
	Ordinary Income	22.3	26.0	1.9	5.5	26.0
Kobelco Cranes	Sales	30.5	44.0	41.3	55.2	48.0
	Ordinary Income (loss)	(0.7)	(0.5)	0.9	1.2	0.0
Other	Sales	45.8	66.0	57.7	77.7	66.0
	Ordinary Income	3.7	6.0	1.6	3.0	6.0
Eliminations	Sales	(52.4)	(73.0)	(50.8)	(78.8)	(68.0)
	Ordinary Income (loss)	(1.7)	(5.2)	(3.5)	(6.1)	(7.2)
Total	Sales	1,355.7	1,890.0	1,206.3	1,671.0	1,910.0
	Ordinary Income (loss)	78.8	80.0	(23.9)	10.2	80.0

4. Production and Sales of Steel Products (Nonconsolidated)

Production & Sales Volume at Kobe Steel (Nonconsolidated, in millions of metric tons)

	FY2010	FY2009	
	9 Months	9 Months	Full Year
Crude steel	5.70	4.69	6.57
Sales volume	4.76	3.98	5.57
Export ratio (value basis)	26.9%	23.2%	24.3%

Sales Prices of Steel Products at Kobe Steel (In yen per metric ton)

	FY2010	FY2009	
	9 Months	9 Months	Full Year
Domestic & Overseas ave.	83,600	77,500	76,400

5. Factors Affecting Ordinary Income (Consolidated, in billions of yen)

Comparison of FY2010 9 Months and FY2009 9 Months

	FY2010 9 Months Results	FY2009 9 Months Results	Amount of Increase
Ordinary Income (loss)	78.8	(23.9)	102.8

Factors Increasing Profits		Factors Decreasing Profits	
Production & shipments	69.0	Raw material prices	(59.0)
Overall cost reductions	13.0	Other	(9.7)
Steel inventory valuation*	55.5		
Consolidated subsidiaries & affiliates	34.0		
Total	171.5	Total	(68.7)

* Effect of inventory valuation includes effect from the lower-of-cost-or-market method.

Comparison of FY2010 Forecast and FY2009 Results

	FY2010 Forecast	FY2009	Amount of Increase
Ordinary Income	80.0	10.2	69.8

Factors Increasing Profits		Factors Decreasing Profits	
Production & shipments	97.5	Raw material prices	(94.0)
Overall cost reductions	17.0	Other	(28.7)
Steel inventory valuation*	48.0		
Consolidated subsidiaries & affiliates	30.0		
Total	192.5	Total	(122.7)

* Effect of inventory valuation includes effect from the lower-of-cost-or-market method.

Comparison of Current Forecast and Previous Forecast for FY2010

	Current Forecast	Previous Forecast	Amount of Increase
Ordinary Income	80.0	80.0	---

Factors Increasing Profits		Factors Decreasing Profits	
Raw material prices	1.0	Production & shipments	(7.0)
Overall cost reductions	2.0	Steel inventory valuation*	(2.0)
Other	6.0		
Total	9.0	Total	(9.0)

* Effect of inventory valuation includes effect from the lower-of-cost-or-market method.

6. Outside Debt & D/E Ratio (Consolidated, in billions of yen)

(In billions of yen, as of the end of each period, unless otherwise indicated)

	FY2010 Forecast (Mar. 31 2011)	FY2009 (Mar. 31 2010)
Outside debt ¹	770.0	837.7
D/E ratio (times) ²	1.4	1.6
Nonconsolidated debt	635.0	696.6

1. Excludes debt from IPP project financing.

2. D/E ratio: Debt (excluding IPP project financing)/stockholders' equity

7. Capital Investment (In billions of yen)

	FY2010 Forecast	FY2009
Consolidated		
Capital investment	105.0	128.7
Depreciation	115.0	118.8
Nonconsolidated		
Capital investment	74.0	95.7
Depreciation	85.0	86.1

FOR REFERENCE

Fiscal 2010 Quarterly Information by Segment (Consolidated, in billions of yen)

		FY2010 Forecast							FY2009								
		1st Half			2nd Half				Total	1st Half			2nd Half				Total
		1Q	2Q	subtotal	3Q	4Q	subtotal	1Q		2Q	subtotal	3Q	4Q	subtotal			
Iron & Steel	Sales	203.3	210.0	413.4	209.2	237.4	446.6	860.0	165.3	180.9	346.2	189.2	206.5	395.8	742.0		
	Ordinary Income (Loss)	13.8	(4.6)	9.1	12.8	(3.9)	8.9	18.0	(26.9)	(27.4)	(54.3)	8.1	21.5	29.7	(24.6)		
Welding	Sales	18.4	18.6	37.1	20.9	19.0	39.9	77.0	19.6	19.2	38.9	19.4	17.7	37.2	76.2		
	Ordinary Income (Loss)	1.1	1.0	2.1	1.2	0.7	1.9	4.0	(0.4)	0.3	(0.0)	0.9	0.8	1.8	1.7		
Aluminum & Copper	Sales	78.2	76.7	155.0	74.4	70.6	145.0	300.0	57.6	63.3	120.9	67.2	73.5	140.8	261.7		
	Ordinary Income (Loss)	6.2	3.4	9.7	3.6	(0.3)	3.3	13.0	(3.3)	(0.0)	(3.4)	3.2	2.3	5.6	2.2		
Machinery	Sales	33.9	37.7	71.6	32.7	65.7	98.4	170.0	48.1	31.2	79.4	46.6	47.7	94.3	173.7		
	Ordinary Income	4.9	3.6	8.5	2.8	1.7	4.5	13.0	7.7	2.8	10.6	5.3	4.8	10.2	20.8		
Natural Resources & Engineering	Sales	13.2	7.8	21.1	9.0	34.9	43.9	65.0	10.9	13.9	24.8	14.5	26.1	40.6	65.5		
	Ordinary Income (Loss)	2.3	(0.8)	1.4	1.3	0.3	1.6	3.0	0.3	1.3	1.7	2.1	0.9	3.0	4.7		
Kobelco Eco-Solutions	Sales	13.9	16.1	30.0	15.5	25.5	41.0	71.0	15.4	22.0	37.5	15.8	29.4	45.3	82.8		
	Ordinary Income	1.0	0.0	1.1	0.9	0.7	1.6	2.7	0.4	0.0	0.4	0.1	0.9	1.1	1.6		
Kobelco Construction Machinery	Sales	85.6	89.9	175.6	65.7	68.7	134.4	310.0	48.6	56.2	104.9	52.2	57.4	109.6	214.5		
	Ordinary Income (Loss)	9.8	8.9	18.8	3.5	3.7	7.2	26.0	(1.3)	2.1	0.7	1.1	3.5	4.7	5.5		
Kobelco Cranes	Sales	11.2	12.0	23.3	7.1	13.6	20.7	44.0	12.5	15.4	27.9	13.3	13.9	27.2	55.2		
	Ordinary Income (Loss)	(0.3)	0.4	0.1	(0.9)	0.3	(0.6)	(0.5)	0.1	0.6	0.7	0.2	0.2	0.4	1.2		
Other	Sales	14.6	15.5	30.2	15.6	20.2	35.8	66.0	16.4	23.9	40.4	17.3	19.9	37.3	77.7		
	Ordinary Income	0.9	1.1	2.0	1.6	2.4	4.0	6.0	0.1	1.5	1.6	0.0	1.4	1.4	3.0		
Elimination	Sales	(15.2)	(20.3)	(35.5)	(16.8)	(20.7)	(37.5)	(73.0)	(16.8)	(16.1)	(33.0)	(17.8)	(27.9)	(45.7)	(78.8)		
	Ordinary Income (Loss)	(2.0)	(2.0)	(4.1)	2.3	(3.4)	(1.1)	(5.2)	0.3	(2.7)	(2.3)	(1.2)	(2.5)	(3.7)	(6.1)		
Total	Sales	457.4	464.6	922.0	433.7	534.3	968.0	1,890.0	377.8	410.2	788.1	418.1	464.6	882.8	1,671.0		
	Ordinary Income (Loss)	38.0	11.2	49.3	29.5	1.2	30.7	80.0	(22.9)	(21.3)	(44.2)	20.2	34.2	54.4	10.2		
Net Income (loss)		20.0	9.4	29.4	17.7	(2.1)	15.6	45.0	(33.2)	(12.0)	(45.3)	7.4	44.2	51.6	6.3		

Quarterly Production and Sales of Steel Products (Nonconsolidated)

Production & Sales Volume (In millions of metric tons)

FY2009	1st Half			2nd Half			Full Year
	1Q	2Q	Subtotal	3Q	4Q	Subtotal	
Crude steel	1.25	1.63	2.88	1.81	1.88	3.69	6.57
Sales volume	1.05	1.38	2.43	1.55	1.59	3.14	5.57
Export ratio (value basis)	19.9%	24.3%	22.2%	25.1%	27.1%	26.1%	24.3%

FY2010	1st Half			3Q
	1Q	2Q	Subtotal	
Crude steel	1.98	1.74	3.72	1.98
Sales volume	1.65	1.56	3.21	1.55
Export ratio (value basis)	28.5%	27.8%	28.2%	24.5%

Sales Prices of Steel Products (In yen per metric ton)

FY2009	1st Half			2nd Half			Full Year
	1Q	2Q	Subtotal	3Q	4Q	Subtotal	
Domestic & Overseas ave.	90,500	72,100	80,100	73,500	73,700	73,600	76,400

FY2010	1st Half			3Q
	1Q	2Q	Subtotal	
Domestic & Overseas ave.	76,800	86,100	81,300	88,100

Note:

Portions of this material referring to forecasts are 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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Investor Information

Investor Relations Group
Kobe Steel, Ltd
9-12 Kita-Shinagawa 5-chome
Shinagawa-ku, Tokyo 141-8688
JAPAN
Tel +81 (0)3 5739-6045
Fax +81 (0)3 5739-5973

Email aapress@kobelco.com
Website: www.kobelco.com

Media Contact:

Gary Tsuchida, Publicity Group
Kobe Steel, Ltd.
Tel +81 (0)3 5739-6010
Fax +81 (0)3 5739-5971