

Consolidated Financial Highlights

Kobe Steel, Ltd. and Consolidated Subsidiaries

Years ended March 31	2010	2009	2008	2007
For the year:				
Net sales	¥1,671,022	¥2,177,290	¥2,132,406	¥1,910,296
Operating income	46,016	116,934	202,399	208,624
Income (loss) before income taxes	14,101	27,802	153,366	175,375
Net income (loss)	6,305	(31,438)	88,923	109,669
Capital investment	128,739	118,044	150,585	133,649
Depreciation and amortization	118,835	128,701	111,514	86,687
Research and development expenses	28,255	31,029	30,139	24,893
At year end:				
Total assets	2,249,346	2,295,489	2,329,006	2,241,570
Net assets (Note 3)	557,002	513,461	647,797	636,432
Outside debt (Note 4)	837,770	855,972	713,352	621,227
Outside debt including IPP project financing	925,120	954,791	823,404	742,276
Per share data:				
Net income (loss)	¥ 2.10	¥(10.47)	¥ 29.63	¥ 35.37
Net assets	172.09	159.58	199.81	194.46
Cash dividends	1.50	3.50	7.00	7.00
Ratios:				
ROA (%) (Note 5)	0.3	(1.4)	3.8	4.9
ROE (%)	1.3	(5.8)	14.9	19.6
Debt/equity ratio (Times) (Note 6)	1.6	1.7	1.3	1.2

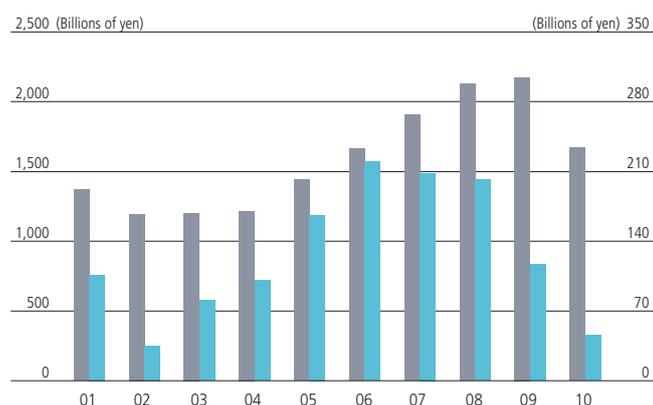
Notes 1. For convenience only, U.S. dollar amounts in this report have been translated from Japanese yen at the rate of ¥93.04 to US\$1.00, the rate of exchange prevailing on March 31, 2010.

2. Financial figures throughout this report are rounded to the nearest whole identified unit.

3. Effective from the year ended March 31, 2007, the Company and its consolidated subsidiaries adopted the new accounting standard, "Accounting Standard for Presentation of Net Assets in the Balance Sheet" (Statement No. 5, issued by the Accounting Standards Board of Japan on December 9, 2005), and the implementation guidance for the accounting standard for presentation of net assets in the balance sheet (the Financial Accounting Standard Implementation Guidance No. 8, issued by the Accounting Standards Board of Japan on December 9, 2005).

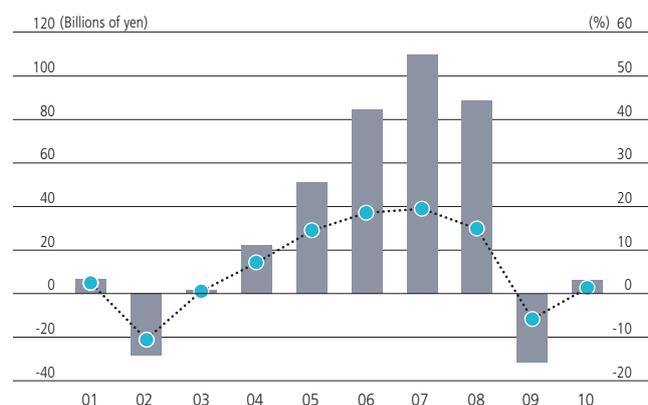
Net Sales and Operating Income

■ Net Sales (left scale) ■ Operating Income (right scale)



Net Income (Loss) and ROE

■ Net Income (Loss) (left scale) ● ROE (right scale)



Thousands of
U.S. dollars
(Note 1)

Millions of yen

2006	2005	2004	2003	2002	2001
¥1,667,313	¥1,443,772	¥1,219,180	¥1,204,750	¥1,198,014	¥1,373,091
220,395	166,577	100,699	81,054	35,499	106,404
152,693	94,687	35,734	16,004	(31,428)	(5,334)
84,559	51,289	22,066	1,723	(28,519)	6,504
92,319	66,016	104,911	43,971	132,420	86,857
79,507	80,290	79,245	85,090	86,915	106,990
24,121	19,700	16,929	17,797	22,054	22,683
2,074,242	1,901,202	1,916,338	1,902,642	2,045,303	2,131,123
530,000	379,213	330,127	293,138	280,685	263,362
589,101	669,241	797,041	895,883	1,081,897	1,195,491
720,909	811,572	931,891	966,383	1,152,397	1,195,491

Percent change

2010/2009
(23.3)%
(60.6)
(49.3)
—
9.1
(7.7)
(8.9)
(2.0)
8.5
(2.1)
(3.1)

2010
\$17,960,254
494,583
151,558
67,767
1,383,695
1,277,246
303,687
24,176,118
5,986,694
9,004,407
9,943,250

Yen

¥ 27.94	¥ 17.28	¥ 7.44	¥ 0.59	¥(10.07)	¥ 2.30
170.65	127.80	111.24	98.96	97.97	93.07
6.00	3.00	1.50	—	—	—

Percent change

—%
7.8
(57.1)

U.S. dollars
(Note 1)

\$0.02
1.85
0.02

Percentage
point change

1.7
7.1
(0.1)

4. Outside debt is comprised of short-term borrowings (including bank loans and commercial paper), the current portion of long-term debt and long-term debt (including loans and bonds), and trade notes discounted.
 5. ROA = Net income (loss) after taxes/total assets
 6. Debt/Equity Ratio = Outside debt/stockholders' equity

Total Assets and ROA

■ Total Assets (left scale) ● ROA (right scale)



Outside Debt and Debt/Equity Ratio

■ Outside Debt ■ IPP Project Financing (left scale) ● Debt/Equity Ratio (right scale)

