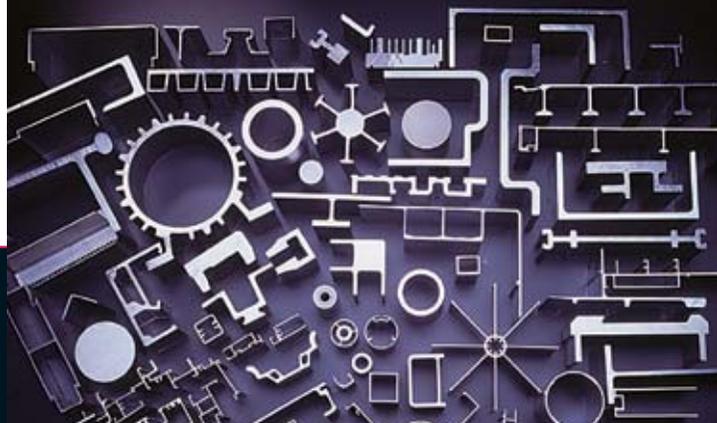


Aluminum and Copper Business



Net sales

+16.1%

¥304.0 billion



Ordinary income

+563.8%

¥14.8 billion



Ordinary income ratio

+4.0 points

4.9%



Fiscal 2010 Overview

The sales volume of aluminum rolled products and sales of aluminum castings and forgings exceeded those of the previous fiscal year, thanks mainly to strong demand for their use in automobiles, air conditioners, LCDs and semiconductor manufacturing equipment.

Demand for copper sheet and strip fell off from the third quarter due to inventory adjustments, mainly in the semiconductor industry. However, demand continued to be firm throughout fiscal 2010. Also, demand for copper tube for use in air conditioners was higher owing to the summer heat wave. As a result, the sales volume for copper rolled products exceeded those of the previous fiscal year.

As a result of the foregoing, as well as higher ingot prices, which were passed on as higher product prices, sales in this segment surged 16.1% year on year, to ¥304.0 billion, while ordinary income jumped ¥12.6 billion, to ¥14.8 billion.

TOPICS

Kobe Steel Exhibits at Aluminum China 2010 — Asia's largest aluminum industry exhibition

In June 2010, Kobe Steel exhibited at Aluminum China 2010 (Shanghai Aluminum Industry Exhibition), held in Shanghai. Last year marked the sixth year of Aluminum China, Asia's largest aluminum industry exhibition. Approximately 320 companies from 30 countries exhibited and nearly 10,000 visitors attended the three-day exhibition. Our exhibit consisted mainly of "Only One" products and technologies in the fields of automobile, IT and aircraft, attracting significant interest from many visitors.



	Billions of yen		
	2010	2011	Change
Net sales	261.8	304.0	+16.1%
Ordinary income	2.2	14.8	+563.8%