

Natural Resources and Engineering Business



Net sales

-2.0%

¥64.3 billion

Ordinary income

-35.6%

¥3.1 billion

Ordinary income ratio

-2.5 points

4.7%

Fiscal 2010 Overview

Orders in fiscal 2010 exceeded those of the previous fiscal year, thanks primarily to an order for a large direct reduction plant.

As a result, orders in fiscal 2010 increased 87.0% year on year, to ¥75.3 billion. At the end of the fiscal year, the backlog of orders stood at ¥95.7 billion.

Segment sales in fiscal 2010 remained almost unchanged from the previous fiscal year at ¥64.3 billion. However, ordinary income decreased ¥1.7 billion, to ¥3.1 billion owing to the difference in the type of orders received.

	Billions of yen		
	2010	2011	Change
Net sales	65.6	64.3	-2.0%
Ordinary income	4.7	3.1	-35.6%

TOPICS

Kobe Steel and India's SAIL Sign MOU for Comprehensive Strategic Collaboration

In November 2010, Kobe Steel and India's public-sector company, Steel Authority of India Limited (SAIL), signed a memorandum of understanding (MOU) for comprehensive collaboration covering technologies, projects and other areas for the purpose of building a mutually beneficial relationship in the iron and steel business in the booming India market, where growth potential is high, and in other regions.

Kobe Steel and SAIL had previously begun a feasibility study for a joint venture that would utilize Kobe Steel's ITmk3® ironmaking process. With both companies sharing a desire to further develop the relationship, a comprehensive MOU was signed and products, technologies and projects that could promote cooperation between them are being examined.

SAIL is India's largest steelmaker and has numerous iron ore and coal mines. Kobe Steel possesses world-class technologies for producing high value-added steel products, as well as for raw material processing and iron unit production including pellets, direct reduced iron and the ITmk3® ironmaking process. Both companies intend to build a cooperative relationship covering a

wide range of fields, from upstream to downstream processes, which will enable them to mutually explore collaborative efforts and ventures in India and the global market.

Kobe Steel Receives Plant Order from Bahrain Steel Company

Kobe Steel was awarded a contract to supply a MIDREX® Direct Reduction Plant with an annual capacity of 1.5 million metric tons to Bahrain's United Steel Company (SULB). Under the full turnkey project, Kobe Steel is responsible for all phases of the project from the design to the equipment supply, construction, and start up of the direct reduction plant.

South Korea's First AGT System Commences Operation

Busan Metro Line 4, South Korea's first automated guideway transit (K-AGT)* system, which Kobe Steel helped develop, commenced operation in March 2011.

The new transit system is a fully automated rubber-tired guideway transit system that has attracted much attention in South Korea as the first project to develop and commercialize a light rail system in that country.

In charge of the train line's system engineering, Kobe Steel played a role in coordinating the development of the entire system, from the delivery of signal equipment to system operation training, key components in the new transit system. Through its work on the project, Kobe Steel has contributed to controlling traffic congestion in the city of Busan and making life more convenient for local residents.



* (K-AGT: KOREA AUTOMATED GUIDEWAY TRANSIT)
Light rail national development project of a new unmanned transit system in South Korea