

# Kobelco Construction Machinery



## MAIN PRODUCTS AND SERVICES

- Hydraulic excavators
- Mini excavators
- Wheel loaders

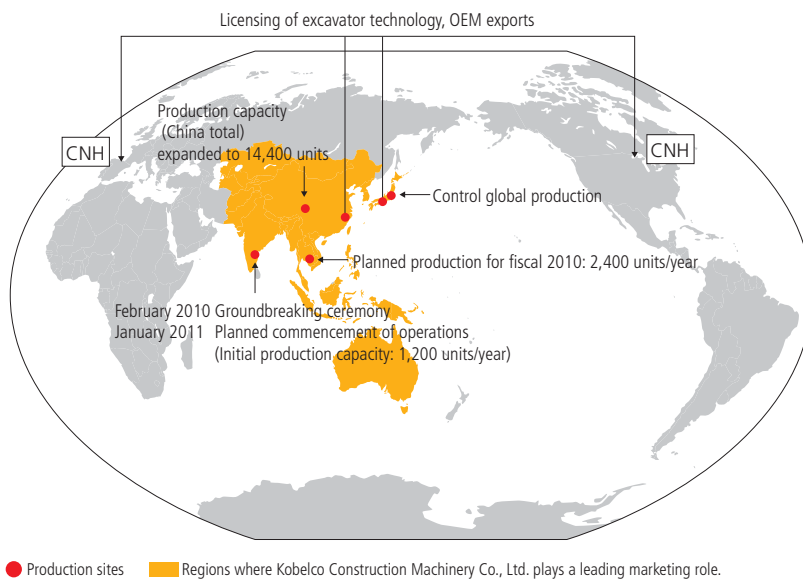
As a manufacturer focusing on hydraulic excavators, Kobelco Construction Machinery Co., Ltd. undertakes innovative product development centered on low-noise, fuel-efficient equipment in response to diverse customer needs. Through its global alliance with CNH Global N.V., Kobelco Construction Machinery is concentrating its management resources on the growing markets of China, Southeast Asia and India while raising its global presence.

### Outlook for Fiscal 2010 and Key Initiatives

In fiscal 2010, demand for hydraulic excavators is projected to continue to expand in China and Southeast Asia.

Although Europe will likely remain sluggish, Japan and the United States are expected to stage a slight recovery, while the overall forecast is for a return to widespread growth. Under these circumstances, Kobelco Construction Machinery will return to the starting point of manufacturing and fortify its *monozukuri* or manufacturing capabilities. In addition to improvements in product quality, it will make further efforts to raise productivity and, in unison with its business partners, to reduce costs. On the marketing front, along with maximizing the benefits of integrating its various sales units into two companies in Japan, Kobelco Construction Machinery is taking a global perspective to unearth opportunities in growth markets, most notably China and other newly emerging markets in Asia.

## Kobelco Construction Machinery's Global Development



### Medium- to Long-Term Business Vision and Key Policies

To raise its profitability, Kobelco Construction Machinery will be concentrating its management resources in such Asia-Pacific (APAC) markets as China, Southeast Asia and India, where growth can be expected over the medium and long term. Focusing in particular on achieving further growth in China, establishing a second fundamental business pillar in India, increasing revenues and profits in Southeast Asia, and applying the business model established in Japan to global business, Kobelco Construction Machinery will raise its overall competitiveness as a group. In addition, enhancing its technical development and *monozukuri* capabilities that are the drivers of growth, Kobelco Construction Machinery will supply products suitable to specific local regions, with a focus on low-noise, fuel-efficient technologies.

## Topics

### Elementary School Devastated in China's Great Sichuan Earthquake Rebuilt

Three companies—Kobelco Construction Machinery Co., Ltd. and its joint ventures in China, Chengdu Kobelco Construction Machinery Group Co., Ltd. and Chengdu Kobelco Construction Machinery Co., Ltd.—undertook the rebuilding of an elementary school that collapsed in China's Great Sichuan Earthquake of May 2008. Completed in September 2009, the school is now attended by smiling pupils. Reflecting Chinese government policy, the Chinese characters for "Kobe Steel" have been included in the school's name. Exchanges between the school and the three companies will extend far into the future.



The rebuilt Qingxing Shengang Primary School  
Kobelco Construction Machinery aids in Chengdu City's reconstruction.

### Hybrid Hydraulic Excavator Sales Commenced

In January 2010, sales commenced of the 8-ton class SK80 hybrid hydraulic excavator, which uses 40% less fuel than conventional models. An urban-use construction machine, the SK80 Hybrid is anticipated to perform well in residential areas. In addition to lower fuel consumption and CO<sub>2</sub> emissions, the SK80 Hybrid realizes unparalleled low-noise operations. Kobelco Construction Machinery will continue to produce people- and environment-friendly construction machinery in the years to come.



SK80 hybrid hydraulic excavator

## Kobelco Cranes

### MAIN PRODUCTS AND SERVICES

- Crawler cranes
- Rough terrain cranes
- Civil engineering machinery
- Work vessels



As a construction machinery manufacturer that specializes in the crane business, Kobelco Cranes Co., Ltd. is working to develop attractive products and enhance its business foundation toward business globalization. With its accumulated technologies and brand power, Kobelco Cranes will give added impetus to activities that will enable it to achieve greater prominence on the global stage.

### Outlook for Fiscal 2010 and Key Initiatives

Although there will likely be some contrast according to area, global demand for cranes in fiscal 2010 is projected to face an ongoing severe market environment both in Japan and overseas, with the potential of demand declining even further.

In such a difficult business climate, Kobelco Cranes is planning tried and tested order and sales activities while implementing ongoing cost reductions in its attempts to cut expenditure and secure a profit for fiscal 2010. In preparation for the next leap forward, the company will be tackling five priority issues: maximizing sales volume based on its regional strategy; expanding its service business that