

## 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

focuses on crane lifecycles; reducing lead-times and improving cash flows by upgrading its just-in-time (JIT) production system in unison with its business partners; focusing on overseas emerging markets; and thoroughly streamlining all business activities.

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

With stagnant demand in the crane market persisting, the difficult business environment is currently forecast to continue in fiscal 2010. Under these circumstances, Kobelco Cranes aims to become a company that is assessed on the sum of its environmental, safety, quality and service efforts by its global customers and a world industry leader as a mobile crane manufacturer through its *monozukuri* strengths. Its policies in these efforts will be: ensuring stable profits; improving the Kobelco brand value by strengthening its *monozukuri* and service capabilities; expanding in scale by accelerating its global strategy; and perfecting its crane life cycle business.

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#### Sales Company in China Established

In February 2010, Kobelco Cranes established Kobelco Cranes (Shanghai) Co., Ltd. to provide its customers in China with even better service. With an avowed aim to maintain a high degree of customer satisfaction by developing sales and services tailored to the local region, the new company will strive to deliver highly reliable machines and attractive services to customers in China. Be sure to watch out for exciting new developments at Kobelco Cranes (Shanghai).



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Date established: February 1, 2010

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Ultra-large crawler cranes



70-ton class, PANTHER-X 700 city-conscious crane