

# Other Businesses



The Kobe Steel Group develops a variety of businesses, including real estate and electronic materials, as its Other Businesses.

## Shinko Real Estate Co., Ltd.

Amid significant shifts in society and economic structure, Shinko Real Estate Co., Ltd. strives to better respond to market changes and to strengthen its stable earnings foundation.

## Outlook for Fiscal 2010 and Key Initiatives

In real estate sales, condominium inventory adjustments have come full circle, primarily in the Tokyo metropolitan area, and market conditions are trending upward. Given this situation, Shinko Real Estate will move forward with acquisitions of land for development in order to secure properties for sale beyond fiscal 2011 and work to completely sell any properties currently on the market.

In the leasing business, vacancy rates are rising, chiefly for newly constructed office buildings. Accordingly, there is a growing risk of declining rents and the early termination of lease contracts. Looking toward assuring stable earnings over the medium to long term, Shinko Real Estate will enhance its portfolio of prime leased assets and repair or remodel aging assets to maintain a high utilization rate.

The building management business is an area where Shinko Real Estate will take the initiative to cut costs, in the face of escalating price competition with renegotiations of contract fees and other developments. In addition, by offering proposals that include energy conservation, the company will work to confirm orders from existing customers for equipment installation as well as to cultivate new customers.

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

It is Shinko Real Estate's goal to be more responsive to market volatility and to bolster its stable earnings foundation.

Shinko Real Estate aims to position its leasing, building management and insurance brokerage businesses as stable sources of earnings. Forming an accurate picture of market changes, the company seeks to expand business scale, increase profitability and improve its business mix.

While preparing for market risk fluctuations, Shinko Real Estate will soundly manage its real estate sales business, its origin as a real estate company, on a steady scale.

Facilitating collaboration between each of its lifestyle businesses—real estate sales, leasing, building management and insurance brokerage—Shinko Real Estate seeks to maximize synergies in its pursuit of improved sales capabilities and strengthened profitability.

## Topics

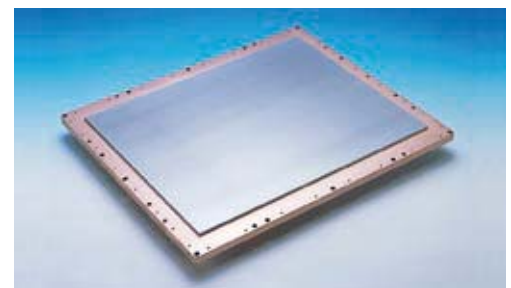
### Completion of G-Clef Shinkobe Tower and Yodoyabashi Square

Shinko Real Estate Co., Ltd., which celebrated its 50th anniversary in fiscal 2009, completed construction of G-Clef Shinkobe Tower, the first condominium tower in which it was the lead manager. The building offers a total of 292 units and an on-site medical facility.

In the same year, Shinko Real Estate also completed Yodoyabashi Square, an office building constructed in Kitahama, Osaka, where Shinko Real Estate was originally established. The building, constructed in collaboration with Mitsubishi Estate Co., Ltd., has a total floor area of over 24,300 square meters and offers shops and other amenities.

### Kobelco Research Institute, Inc.

Kobelco Research Institute, Inc. possesses extensive advanced technologies—for example in materials, chemicals, machinery and electronics—and applies them in the testing and analysis of materials and structures. The company also engages in the manufacture of target materials for liquid crystal display (LCD) wiring film.



Target material



Yodoyabashi Square