

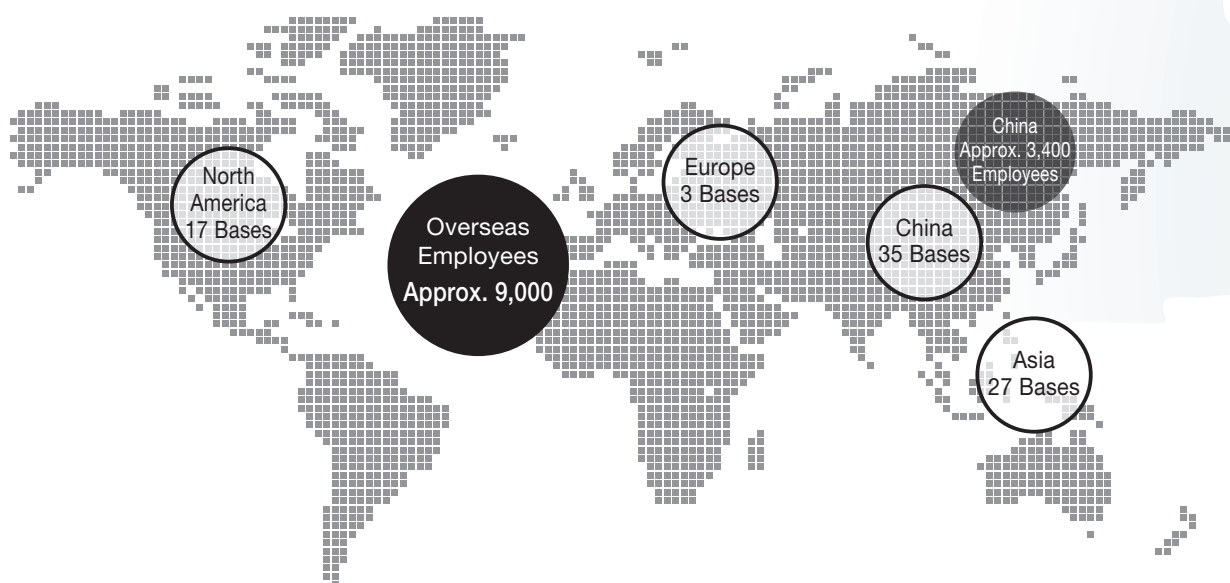
Special
Feature

KOBELCO VISION “G”

KOBELCO’s Global Expansion

In KOBELCO VISION “G,” the “G” represents “Global,” “Group,” and “Growth.” By coming together as a unified Group, we seek to create new value and achieve global growth.

• Number of Overseas Bases and Employees (As of May 2011)



• Approximate Number of Employees

Group employees	35,000
Locally hired employees (in China)	9,000 (3,400)
Group’s expatriate employees (in China)	400 (100)

• Major Overseas Bases (82 in Total)

	China	Asia	North America	Europe
Materials (Iron and Steel, Welding, Aluminum and Copper)	10	14	5	1
Natural Resources and Engineering	1	—	1	—
Machinery, Construction Machinery, Cranes	21	11	6	2
Other	3	2	5	—
Total	35	27	17	3

Welding Business

① KOBELCO WELDING INDIA PVT. LTD.

Established sales company for welding business
Kobe Steel established a new company that sells welding consumables and provides sales support and maintenance services for welding robot systems.

Machinery Business

2 L&T KOBELCO MACHINERY PRIVATE LIMITED

Established base for tire and rubber machinery

In a joint venture with Larsen & Toubro Limited, a major Indian company involved in industrial machinery, we established a manufacturing and sales company for rubber mixers and rubber twin screw rollerhead extruders used in tire and rubber manufacturing. With the addition of the new company, Kobe Steel will have production bases in four countries: Japan, the United States, India and China.

Kobelco Eco-Solutions

4 JINDAL ITF KOBELCO ECO LIMITED

Established joint venture in water treatment business

Kobelco Eco-Solutions will develop its water treatment business in India by leveraging its technological and engineering capabilities and operation and maintenance management know-how in the water treatment field with Jindal's information network in India and its project implementation know-how.

Kobelco Construction Machinery

5 KOBELCO CONSTRUCTION EQUIPMENT INDIA PVT. LTD.

New excavator plant starts operation

A new plant for 20-ton-class hydraulic excavators commenced full operation with an annual production capacity of 1,200 units.



Natural Resources and Engineering Business

3 Kobe Steel, SAIL sign comprehensive MOU

Seeking to put low-grade iron ore to effective use, Steel Authority of India Limited (SAIL), a state-run company, and Kobe Steel are carrying out a feasibility study for a commercial ITmk3® project. The ITmk3® Process is a new ironmaking technology developed by Kobe Steel.

Kobelco Cranes

6 KOBELCO CRANES INDIA PVT. LTD.

Established new company in crawler crane business

A groundbreaking ceremony was held for the new crawler crane plant in the state of Andhra Pradesh, India. Production is scheduled to begin from November 2011.



India



① KOBELCO (CHINA) HOLDING CO., LTD.

Established HQ to oversee Chinese market

With the goal of increasing the Group's collective strength and profitability in China, Kobe Steel established a holding company to oversee the Chinese market and handle investments in that country. Other activities include centralized financing and cash management, strengthening group governance, supporting Group companies in China, and promoting Groupwide communication in the expanding Chinese market.



Welding Business

② KOBE WELDING OF SHANGHAI CO., LTD.

Commenced operation of sales company

Kobe Steel commenced operation of Kobe Welding of Shanghai Co., Ltd., which sells high value-added welding consumables and welding robot systems as well as provides maintenance and services.



Welding Business

③ KOBE WELDING OF TANGSHAN CO., LTD.

Expanded capacity for solid welding wire

Kobe Welding of Tangshan Co., Ltd., which manufactures and markets solid welding wire for use in construction machinery and other applications, invested in expanding its production capacity.

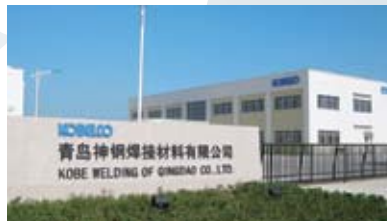


Welding Business

④ KOBE WELDING OF QINGDAO CO., LTD.

Expanded capacity for flux-cored welding wire

Kobe Steel expanded production capacity at Kobe Welding of Qingdao Co., Ltd., which manufactures and markets flux-cored welding wire for mild steel, primarily for use in the shipbuilding industry.



Aluminum and Copper Business

⑤ KOBE ALUMINUM AUTOMOTIVE PRODUCTS (CHINA) CO., LTD.

Established base for aluminum forged parts

Kobe Steel established a manufacturing and sales company for aluminum forgings for automobile suspensions, which is scheduled to begin operation in August 2012. With the new company, Kobe Steel will have production bases in three countries: Japan, the United States and China.



China

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Machinery Business

7 KOBELCO COMPRESSORS MANUFACTURING (SHANGHAI) CORPORATION

Expanded capacity for compressors

Kobelco raised annual production capacity for standard compressors by approximately 60%, from 2,200 units to 3,500 units.

Kobelco Construction Machinery

8 CHENGDU KOBELCO CONSTRUCTION MACHINERY CO., LTD.

9 HANGZHOU KOBELCO CONSTRUCTION MACHINERY CO., LTD.

Raising hydraulic excavator production capacity

In response to growing demand in China, production capacity at the Chengdu and Hangzhou plants is scheduled to be increased to 25,000 units per year (total production of both facilities) in 2012.



Machinery Business

6 WUXI COMPRESSOR CO., LTD.

Invested in Chinese compressor manufacturer

To meet the growing demand for process gas compressors (non-standard compressors) in China, Kobe Steel acquired a 44.3% equity share of Wuxi Compressor Co., Ltd., a Chinese compressor manufacturer. Kobe Steel will provide new technology to Wuxi Compressor and work to expand sales in China.

Kobelco Cranes

10 CHENGDU KOBELCO CRANES CO., LTD.

Established base for crawler crane business

To reinforce its business efforts in China, the world's largest crawler crane market, Kobelco Cranes decided to begin local production. Production will commence from August 2012 with a focus on 250-ton ultra-large crawler cranes, a class in which it excels.

Iron and Steel Business

1 PRO-TEC COATING COMPANY

New project in automotive steel sheet business

Kobe Steel and United States Steel Corporation reached an agreement to install a Continuous Annealing Line to produce cold-rolled high-strength steel for use in automobiles at their joint venture company, PRO-TEC. With an increasing need for both collision safety performance and greater fuel efficiency from lighter car bodies, demand for cold-rolled high-strength steel for use in automobiles is expected to increase in North America. Start-up of the new line is targeted for early 2013.



Machinery Business

2 KOBELCO COMPRESSORS AMERICA, INC.

Expanded capacity of non-standard compressors

Kobe Steel increased production capacity at Kobelco EDTI Compressors, Inc., a U.S. manufacturer of non-standard compressor systems, with the addition of a new plant. The head office was subsequently moved to the new plant and full operations have commenced at the facility. Production capacity has been increased from an output of \$50 million per year to \$100 million per year. With the relocation, the company name was changed to Kobelco Compressors America, Inc.



Natural Resources and Engineering Business

3 Developed new ironmaking technology business

A joint venture between Kobe Steel and Steel Dynamics, Inc., a U.S. EAF steelmaker, is operating the world's first commercial plant to use the ITmk3® Process. The plant in Hoyt Lakes, Minnesota, USA began production last year. Based on the plant's operating performance to date and the improvements underway, we are confident of successfully achieving the results we expect from the project. We are also confident that the ITmk3® Process will contribute to the global steel industry through the supply of high-grade iron units.

