

## Our Growth Strategy

The Kobe Steel Group's Medium- to Long-Term Business Vision:

# KOBELCO VISION “G”

Integrating its diverse knowledge and technologies that cover materials such as iron and steel, welding and aluminum and copper, as well as machinery such as industrial machinery, natural resources and engineering, and construction machinery

- **Maintains a global market presence**
- **Has a stable profit structure and a strong financial foundation**
- **Prosper together with shareholders, business partners, employees and society**

With these three points representing our image for the Kobe Steel Group, we seek to create new value and global growth.

## Leveraging its unique diversity, the Kobe Steel Group is aggressively expanding its business across the world.

In April 2010, the Kobe Steel Group began its medium- to long-term business vision, KOBELCO VISION “G,” in which the “G” represents “Global,” “Group” and “Growth.” Differing from conventional medium-term business plans that focus on numerical targets, the new vision helps us navigate a course over the next five to ten years. Indeed, it is the main map for the medium to long term.

After forecasting the medium- to long-term global economy and business environment, we defined the Group vision that

we want to achieve. To realize this Group vision under five basic policies, the Group has set numerical business targets for net sales of approximately ¥3 trillion, ordinary income of more than ¥200 billion, and a debt/equity ratio of 1.0 times. The Group also expects to raise its percentage of overseas sales to 50% through aggressive global expansion.

Day by day, the Group is steadily making progress toward achieving KOBELCO VISION “G,” its medium- to long-term business vision for sustained growth.

### Medium- to Long-Term Business Environment

- Overall decline of demand in Japan against a backdrop of declining birthrates and an aging population
- Overseas demand growth, mainly in emerging countries
- Demand structure rapidly changing toward a low-carbon society (operational constraints on domestic manufacturers, increase in hybrid and electric vehicles, etc.)

## Five Basic Policies of KOBELCO VISION “G”

### 1 Thorough pursuit of high-end “Only One” products

- Integrate the Group’s diverse knowledge and technologies to create new “Only One” products that only the Kobe Steel Group can offer
- Improve customer satisfaction by providing better after-sales services, identifying and meeting customers’ changing needs, and providing better products and technologies
- Dramatically raise the level of added value by developing existing businesses in both downstream and upstream domains

### 2 Further improvement of manufacturing strengths

- Kobe Steel’s growth engine is *monozukuri-ryoku*, the ability to consistently provide reliable technologies, products and services
- Strengthen groupwide *monozukuri-ryoku* efforts, the source of the Group’s competitive strength

### 3 Growth and business expansion

- Further expand business into growth regions, especially emerging countries
- Accelerate initiatives in growth fields, including the environment, resources and energy, in Japan and abroad

### 4 Demonstrating the comprehensive capabilities of the Group

- Create new value by transcending existing values and organization framework and organically integrating technologies, human resources, information, ideas and knowledge
- Systematically develop employees’ skills so that they can strengthen and transform the Group’s business foundations and respond to global business development needs

### 5 Contributions to society

- Together with creating a corporate culture that is highly sensitive to compliance issues, Kobe Steel will fulfill its corporate social responsibility, primarily by contributing to local communities and solutions to environmental problems

