

Consolidated Financial Highlights

Kobe Steel, Ltd. and Consolidated Subsidiaries
Years ended March 31, 2006 and 2005

	Millions of yen		Percent change 2006/2005	Thousands of U.S. dollars (Note)
	2006	2005		2006
For the year:				
Net sales.....	¥1,667,313	¥1,443,772	15.5%	\$14,193,522
Operating income.....	220,395	166,577	32.3	1,876,181
Income before income taxes	152,693	94,687	61.3	1,299,847
Net income	84,559	51,289	64.9	719,835
Capital investment.....	92,319	66,016	39.8	785,894
Depreciation and amortization.....	79,507	80,290	(1.0)	676,828
Research and development.....	24,121	19,700	22.4	205,338
At year end:				
Total assets.....	2,074,242	1,901,202	9.1	17,657,632
Stockholders' equity	530,000	379,213	39.8	4,511,790
Interest-bearing debt.....	589,101	669,241	(12.0)	5,014,906
Interest-bearing debt including IPP project finance	720,909	811,572	(11.2)	6,136,963
				U.S. dollars (Note)
	Yen		Percent change	
	2006	2005	2006/2005	2006
Per share data:				
Net income	¥ 27.94	¥ 17.28	61.7%	\$ 0.24
Stockholders' equity	170.65	127.80	33.5	1.45
Cash dividends	6.00	3.00	100.0	0.05

Note: For convenience only, U.S. dollar amounts in this report have been translated from Japanese yen at the rate of ¥117.47 to US\$1, the rate of exchange prevailing on March 31, 2006.

