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Announcement on Earnings Forecast

Kobe Steel, Ltd. announces its consolidated and non-consolidated earnings forecast for fiscal 2021 (April 1, 2021–March 31, 2022).

Consolidated forecast for the first half of fiscal 2021 (April 1–September 30, 2021)

	Net Sales	Operating income (loss)	Ordinary income (loss)	Net income (loss) attributable to owners of the parent	Net income (loss) per share
First half of FY2020 results (A)	776,406	(27,142)	(35,259)	(15,209)	(41.93) yen
Current forecast (B)	910,000	20,000	15,000	10,000	27.57 yen
Change (B-A)	133,593	47,142	50,259	25,209	
% change	17.2%	-	-	-	
FY2019 results for the same period	944,464	7,443	1,493	(6,281)	(17.32) yen

Figures are in millions of yen unless otherwise indicated. Sums under 1 million yen have been omitted.

Consolidated forecast for fiscal 2021 (April 1, 2021–March 31, 2022)

	Net Sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Net income per share
FY2020 results (A)	1,705,566	30,398	16,188	23,234	64.05 yen
Current forecast (B)	1,870,000	55,000	45,000	25,000	68.92 yen
Change (B-A)	164,433	24,601	28,811	1,765	
% change	9.6%	80.9%	178.0%	7.6%	

Figures are in millions of yen unless otherwise indicated. Sums under 1 million yen have been omitted.

Non-consolidated forecast for the first half of fiscal 2021 (April 1–September 30, 2021)

	Net Sales	Ordinary income (loss)	Net income (loss)	Net income (loss) per share
First half of FY2020 results (A)	410,153	(34,907)	(15,795)	(43.47) yen
Current forecast (B)	510,000	20,000	20,000	55.04 yen
Change (B-A)	99,846	54,907	35,795	
% change	24.3%	-	-	

Figures are in millions of yen unless otherwise indicated. Sums under 1 million yen have been omitted.

Non-consolidated forecast for fiscal 2021 (April 1, 2021–March 31, 2022)

	Net Sales	Ordinary income (loss)	Net income	Net income per share
FY2020 results (A)	924,648	(7,634)	7,888	21.70 yen
Current forecast (B)	1,120,000	35,000	30,000	82.56 yen
Change (B-A)	195,351	42,634	22,111	
% change	21.1%	-	280.3%	

Figures are in millions of yen unless otherwise indicated. Sums under 1 million yen have been omitted.

Overview of Earnings Forecast

The Japanese economy is seeing an upturn in its economic activities while industries continue to take measures to prevent the spread of COVID-19. In some manufacturing industries, business confidence has recovered to the level before the pandemic. As for overseas economies, the impact of the pandemic on economic activities is expected to gradually diminish owing to large-scale measures being implemented by governments in fiscal, monetary, and employment policies. On the other hand, there are still concerns both in Japan and overseas about a resurgence of COVID-19 cases, and uncertainty in demand trends is growing as some automakers are forced to reduce production due to the global semiconductor shortage.

Under these circumstances, Kobe Steel anticipates consolidated net sales of approximately 1,870 billion yen, operating income of approximately 55 billion yen, ordinary income of approximately 45 billion yen, and net income attributable to owners of parent of approximately 25 billion yen for fiscal 2021, mainly due to an increase in sales volume in the automotive and semiconductor fields. As for non-consolidated results, the Company anticipates net sales of approximately 1,120 billion yen, ordinary income of approximately 35 billion yen, and net income of approximately 30 billion yen.

For details of the earnings forecast, please refer to the Financial Results for Fiscal 2020 and Forecast for Fiscal 2021 announced today.

Note:

This earnings forecast is based on currently available information as of today. Actual business results may differ considerably due to various changeable conditions in the future.