

August 5, 2021

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Announcement on Revisions to Earnings Forecast and Dividend Forecast for Fiscal 2021, ending March 31, 2022

Kobe Steel, Ltd. announces that it has revised its consolidated and non-consolidated earnings forecast and dividend forecast for fiscal 2021 (April 1, 2021–March 31, 2022), announced on May 11, 2021, as provided below.

1. Revision to Consolidated Earnings Forecast

Revision to first half fiscal 2021 consolidated forecast (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
Previous forecast (A)	910,000	20,000	15,000	10,000	27.57 yen
Current forecast (B)	990,000	35,000	32,000	20,000	55.13 yen
Change (B-A)	80,000	15,000	17,000	10,000	
% change	8.8%	75.0%	113.3%	100.0%	
FY2020 results for the same period	776,406	(27,142)	(35,259)	(15,209)	(41.93) yen

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

Revision to fiscal 2021 consolidated forecast (April 1, 2021 – March 31, 2022)

	Net Sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Net income per share
Previous forecast (A)	1,870,000	55,000	45,000	25,000	68.92 yen
Current forecast (B)	2,030,000	80,000	70,000	40,000	110.27 yen
Change (B-A)	160,000	25,000	25,000	15,000	
% change	8.6%	45.5%	55.6%	60.0%	
FY2020 results	1,705,566	30,398	16,188	23,234	64.05 yen

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

Revision to first half fiscal 2021 non-consolidated forecast (April 1 – September 30, 2021)

	Net Sales	Ordinary income (loss)	Net income (loss)	Net income (loss) per share
Previous forecast (A)	510,000	20,000	20,000	55.04 yen
Current forecast (B)	550,000	28,000	25,000	68.80 yen
Change (B-A)	40,000	8,000	5,000	
% change	7.8%	40.0%	25.0%	
FY2020 results for the same period	410,153	(34,907)	(15,795)	(43.47) yen

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

Revision to fiscal 2021 non-consolidated forecast (April 1, 2021 – March 31, 2022)

	Net Sales	Ordinary income (loss)	Net income	Net income per share
Previous forecast (A)	1,120,000	35,000	30,000	82.56 yen
Current forecast (B)	1,200,000	60,000	50,000	137.60 yen
Change (B-A)	80,000	25,000	20,000	
% change	7.1%	71.4%	66.7%	
FY2020 results	924,648	(7,634)	7,888	21.70 yen

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

Reason for the Revision

Compared with the situation at the time of the previous forecast (announced on May 11, 2021), the economy is showing signs of recovery particularly in the manufacturing sector although there are uncertainties associated with the resurgence of COVID-19. On the other hand, in the steel business, the price of iron ore, coal and other raw materials has continued to rise more than expected.

Under these circumstances, Kobe Steel has revised upward its consolidated net sales, operating income, ordinary income, and net income attributable to owners of the parent for the first half of consolidated fiscal 2021 and for the full year of consolidated fiscal 2021 owing to factors such as an increase in the sales volume of steel products, an improvement in inventory valuation on the steel & aluminum and advanced materials businesses, and cost reductions mainly in the machinery business, despite a decrease in profit due to a delay in the timing of reflecting the increase in raw material prices to sales prices in the steel business. As for non-consolidated financial results, the Company has also revised upward its forecasts for net sales, ordinary income, and net income.

For more information, please refer to the “Financial Results for the First Quarter of Fiscal 2021 and Forecast for the Full Fiscal Year” announced on August 5, 2021.

2. Revision to Dividend Forecast

	Dividend per share				
	1Q	2Q	3Q	4Q	Full year
Previous forecast (announced on May 11, 2021)	—	—	—	—	—
Current Forecast		10.00 yen	—	—	—
FY2021 Results	—				
FY2020 Results	—	0.00 yen	—	10.00 yen	10.00 yen

Reason for the Revision

Kobe Steel determines dividends taking its financial condition, business performance, future capital needs and other factors into overall consideration with the aim of paying dividends on a continuous and steady basis in principle. In accordance with this policy, the Board of Directors today resolved to pay an interim dividend of 10 yen per share for the current fiscal year.

The year-end dividend for the fiscal year ending March 31, 2022 has not yet been determined.

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.