

February 9, 2023

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Announcement on Revisions to Earnings Forecast and Dividend Forecast for Fiscal 2022, ending March 31, 2023

Kobe Steel, Ltd. announces that it has revised its consolidated earnings forecasts for fiscal 2022 (April 1, 2022-March 31, 2023), announced on November 9, 2022, as provided below.

In addition, at its Board of Director meeting held today, it passed a resolution for a per-share dividend forecast for fiscal 2022, ending March 2023, as provided below.

1. Revision to Consolidated Earnings Forecast

Revision to fiscal 2022 consolidated forecast (April 1, 2022 – March 31, 2023)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Net income per share
Previous forecast (A)	2,530,000	55,000	70,000	45,000	113.98 yen
Current forecast (B)	2,490,000	67,000	92,000	62,000	157.04 yen
Change (B-A)	(40,000)	12,000	22,000	17,000	
% change	(1.6%)	21.8%	31.4%	37.8%	
FY2021 results	2,082,582	87,622	93,233	60,083	160.23 yen

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

Reason for the Revision

Compared with the situation at the time of the previous forecast (as of November 9, 2022), Kobe Steel anticipates a decrease in sales volume in the materials businesses due to further delayed recovery in the production of automobiles, a major demand sector, and a decline in demand in the IT and semiconductor sectors. On the other hand, the Company expects improvements in steel metal spreads, driven by progress in improving selling prices and lower prices of main raw materials, a diminishing impact of time lags in fuel cost adjustments in the electric power business along with the appreciation of the yen, compensation income related to the engine certification problem in the construction machinery business, etc.

As a result, operating income, ordinary income and net income attributable to owners of the parent have been revised upward from the previously announced forecast.

For more information, please refer to the “Financial Results for the Cumulative Third Quarter of Fiscal 2022 and Forecast for the Full Fiscal Year” announced today.

2. Revision to Dividend Forecast

	Dividend per share				
	1Q	2Q	3Q	4Q	Full year
Previous forecast (announced on November 9, 2022)			—	—	—
Current forecast				25.00yen	40.00yen
FY2022 results	—	15.00 yen	—		
FY2021 results	—	10.00 yen	—	30.00 yen	40.00 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, Kobe Steel has decided to pay a year-end dividend of 25 yen (an annual dividend of 40 yen) per share for the current fiscal year.

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.