

April 5, 2021

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## Announcement on Revisions to Earnings Forecast for Fiscal 2020, ending March 31, 2021

Kobe Steel, Ltd. announces that it has revised its consolidated earnings forecast for fiscal 2020 (April 1, 2020–March 31, 2021), announced on February 5, 2021, and its non-consolidated earnings forecast for fiscal 2020 (April 1, 2020–March 31, 2021), announced on November 5, 2020, as provided below.

### 1. Revision to Consolidated Earnings Forecast

#### Revision to fiscal 2020 consolidated forecast (April 1, 2020 – March 31, 2021)

	Net Sales	Operating income	Ordinary income (loss)	Net income (loss) attributable to owners of the parent	Net income (loss) per share
Previous forecast (A)	1,690,000	10,000	(10,000)	0	0.00 yen
Current forecast (B)	1,700,000	23,000	6,000	7,000	19.29 yen
Change (B-A)	10,000	13,000	16,000	7,000	
% change	0.6%	130.0%	-	-	
FY2019 results	1,869,835	9,863	(8,079)	(68,008)	(187.55) 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 previous forecast (announced on February 5, 2021), operating income, ordinary income (loss), and net income attributable to owners of the parent have been revised upward.

The main factor for the increase in earnings is a reduction in company-wide expenditure, which was restrained amid the second state of emergency declared by the Japanese government.

Other factors include: (1) an increase of approximately 4 billion yen anticipated in the materials businesses, partly because the assumed risk of reduced production of automobiles due to the shortage of semiconductors, factored in the previous forecast, was not materialized most notably in the steel & aluminum business; (2) an increase of approximately 6 billion yen anticipated in the machinery businesses, mainly in the construction machinery business, which was boosted by a weaker yen; and (3) an increase of approximately 4.5 billion yen in the electric power business owing to the impact of an increase in power transmission caused by tight electricity supply and demand in winter.

Taking these factors into account, previously forecast ordinary loss of 10 billion yen has been revised upward to ordinary income of 6 billion yen in this forecast, up 16 billion yen.

## 2. Revision to Non-Consolidated Earnings Forecast

### Revision to fiscal 2020 non-consolidated forecast (April 1, 2020 – March 31, 2021)

	Net Sales	Ordinary income (loss)	Net income (loss)	Net income (loss) per share
Previous forecast (A)	900,000	(35,000)	(15,000)	(41.28) yen
Current forecast (B)	930,000	(14,000)	3,000	8.25 yen
Change (B-A)	30,000	21,000	18,000	
% change	3.3%	-	-	
FY2019 results	995,447	(14,269)	(48,759)	(134.22) 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 previous forecast (announced on November 5, 2020), ordinary income (loss) and net income (loss) have been revised upward owing to an increase in sales volume mainly in the materials businesses, driven by the recovery in global demand for automobiles, additional cost reductions that were implemented through the accumulation of profit improvement measures, and other factors.

### 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.