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## Announcement on Earnings Forecast

Kobe Steel, Ltd. announces its consolidated earnings forecast for fiscal 2023 (April 1, 2023–March 31, 2024).

### Consolidated forecast for the first half of fiscal 2023 (April 1–September 30, 2023)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Profit per share
First half of FY2022 results (A)	1,169,657	19,771	41,826	28,008	70.96 yen
Current forecast (B)	1,320,000	55,000	45,000	40,000	101.28 yen
Change (B-A)	150,342	35,228	3,173	11,991	
% change	12.9%	178.2%	7.6%	42.8%	

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

### Consolidated forecast for fiscal 2023 (April 1, 2023–March 31, 2024)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Profit per share
FY2022 results (A)	2,472,508	86,365	106,837	72,566	183.80 yen
Current forecast (B)	2,680,000	150,000	130,000	100,000	253.21 yen
Change (B-A)	207,491	63,634	23,162	27,433	
% change	8.4%	73.7%	21.7%	37.8%	

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

## Overview of Earnings Forecast

The Japanese economy is expected to continue its upward trend, driven by growing domestic demand against the backdrop of the resumption of normal economic activity. Meanwhile, the outlook for the global economy remains uncertain due in part to concerns about financial system instability, as the pace of economic growth slows due to high prices and monetary tightening despite the expected resumption of economic activity in China.

Under these circumstances, Kobe Steel anticipates consolidated net sales of approximately 2,680 billion yen, operating profit of approximately 150 billion yen, ordinary profit of approximately 130 billion yen, and profit attributable to owners of parent of approximately 100 billion yen for fiscal 2023. This forecast is based on certain assumptions of demand trends and raw material market conditions, such as improvements in steel metal spreads, higher selling prices and improved margins for aluminum rolled products, advanced materials, welding and construction machinery, reflecting higher procurement costs of raw materials, etc. In addition, the forecast also factors in steady progress in the implementation of the priority measures to establish a stable earnings base as set forth in the Kobelco Group Medium-Term Management Plan (Fiscal 2021–2023).

For the details of the earnings forecast, please refer to the Financial Results for Fiscal 2022 and Forecast for Fiscal 2023, 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.