

November 9, 2022

Company name: Kobe Steel, Ltd.
Representative: Mitsugu Yamaguchi
President, CEO and Representative
Director
Code number: 5406 Prime Market of Tokyo Stock
Exchange
Contact: General Administration and CSR Dept.
Tel: +81 (0)3 5739-6010

Announcement on the Differences between the Forecasts and Actual Results for the First Half of Fiscal 2022

Kobe Steel, Ltd. announces that differences have arisen between the forecasts and actual results concerning the consolidated forecast for the first half of fiscal 2022 (April 1–September 30, 2022) announced on August 9, 2022 and the non-consolidated forecast for the first half of fiscal 2022 (April 1–September 30, 2022) announced on May 11, 2022.

Difference between the forecasts and actual results

Difference between the consolidated forecast and actual results for the first half of fiscal 2022 (April 1–September 30, 2022)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Net income per share
Previous forecast (A)	1,170,000	19,000	32,000	25,000	63.36 yen
Actual result (B)	1,169,657	19,771	41,826	28,008	70.96 yen
Change (B-A)	(342)	771	9,826	3,008	
% change	(0.0%)	4.1%	30.7%	12.0%	
FY2021 results for the same period	972,182	46,814	44,336	34,519	95.16 yen

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

Reason for the difference between the consolidated forecast and actual results for the first half of fiscal 2022

Compared with the previous forecast (as of August 9, 2022), ordinary income and net income attributable to owners of the parent increased due to cost improvements, particularly in the steel business, increased inventory valuation gains in the materials businesses due to the weaker yen, improved project profitability in the machinery businesses, and increased foreign exchange gains in non-operating income and expenses, despite a decline in profits due to the difference between the expected and actual electricity selling prices in the electric power business.

**Difference between the non-consolidated forecast and actual results for the first half of fiscal 2022
(April 1– September 30, 2022)**

	Net sales	Ordinary income	Net income	Net income per share
Previous forecast (A)	660,000	10,000	10,000	25.29 yen
Actual result (B)	655,512	29,322	25,726	65.04 yen
Change (B-A)	(4,487)	19,322	15,726	
% change	(0.7%)	193.2%	157.3%	
FY2021 results for the same period	548,852	29,444	26,073	71.75 yen

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

Reason for the difference between the non-consolidated forecast and actual results for the first half of fiscal 2022

Compared with the previous forecast (as of May 11, 2022), ordinary income and net income increased due to cost improvements, particularly in the steel business, increased inventory valuation gains in the materials businesses due to the weaker yen, improved project profitability in the machinery businesses.