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## Announcement on Earnings Forecast

Kobe Steel, Ltd. announces its consolidated and non-consolidated earnings forecast for fiscal 2022 (April 1, 2022–March 31, 2023).

### Consolidated forecast 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
First half of FY2021 results (A)	972,182	46,814	44,336	34,519	95.16 yen
Current forecast (B)	1,160,000	25,000	35,000	30,000	76.03 yen
Change (B-A)	187,817	(21,814)	(9,336)	(4,519)	
% change	19.3%	(46.6%)	(21.1%)	(13.1%)	

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

### Consolidated forecast for fiscal 2022 (April 1, 2022–March 31, 2023)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Net income per share
FY2021 results (A)	2,082,582	87,622	93,233	60,083	160.23 yen
Current forecast (B)	2,370,000	80,000	80,000	60,000	152.07 yen
Change (B-A)	287,417	(7,622)	(13,233)	(83)	
% change	13.8%	(8.7%)	(14.2%)	(0.1%)	

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

**Non-consolidated forecast for the first half of fiscal 2022 (April 1–September 30, 2022)**

	Net sales	Ordinary income	Net income	Net income per share
First half of FY2021 results (A)	548,852	29,444	26,073	71.75 yen
Current forecast (B)	660,000	10,000	10,000	25.29 yen
Change (B-A)	111,147	(19,444)	(16,073)	
% change	20.3%	(66.0%)	(61.6%)	

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

**Non-consolidated forecast for fiscal 2022 (April 1, 2022–March 31, 2023)**

	Net sales	Ordinary income	Net income	Net income per share
FY2021 results (A)	1,229,177	54,470	45,396	120.84 yen
Current forecast (B)	1,400,000	40,000	35,000	88.53 yen
Change (B-A)	170,822	(14,470)	(10,396)	
% change	13.9%	(26.6%)	(22.9%)	

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

**Overview of Earnings Forecast**

Although domestic economic activities are gradually returning to normal, the outlook for the future remains uncertain due to the stagnation of supply chains, the prolonged global shortage of semiconductors, and soaring prices of raw and other materials and energy. Overseas economies are also showing signs of recovery, but a full-fledged recovery will take time. In addition, the Russia's invasion of Ukraine has caused turmoil in the world economy and rapid exchange rate fluctuations, increasing uncertainty in demand trends and costs.

Under these circumstances, Kobe Steel anticipates consolidated net sales of approximately 2,370 billion yen, operating income of approximately 80 billion yen, ordinary income of approximately 80 billion yen, and net income attributable to owners of the parent of approximately 60 billion yen for fiscal 2022. This forecast is based on assumptions of uncertain factors: sales volume in the materials businesses that may be affected by automobile production trends; orders in the machinery businesses that may be affected by infrastructure investment; the resolution of the gap between rising materials/energy prices and sales prices, etc. In addition, the forecast assumes that the Company will steadily implement the priority measures to establish a stable earnings base as set forth in the KOBELCO Group Medium-Term Management Plan (FY2021–FY2023).

For the details of the earnings forecast, please refer to the Financial Results for Fiscal 2021 and Forecast for Fiscal 2022, 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.