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Announcement on the Differences between the Forecast and Actual Results for the First Half of Fiscal 2023

Kobe Steel, Ltd. announces that differences have arisen between the consolidated forecast, announced on August 8, 2023, and actual results for the first half of fiscal 2023 (April 1–September 30, 2023). In addition, there are differences between the non-consolidated actual results for the first half of fiscal 2022 and those for the same period of fiscal 2023.

Difference between the consolidated forecast and actual results

Difference between the consolidated forecast and actual results 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
Previous forecast (A)	1,270,000	80,000	70,000	65,000	164.59 yen
Actual results (B)	1,253,833	92,142	91,601	80,348	203.44 yen
Change (B-A)	(16,166)	12,142	21,601	15,348	
% change	(1.3%)	15.2%	30.9%	23.6%	
FY2022 results for the same period	1,169,657	19,771	41,826	28,008	70.96 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

Compared with the previous forecast (as of August 8, 2023), operating profit, ordinary profit and profit attributable to owners of parent increased due to factors such as improvements in steel metal spreads associated with lower-than-expected raw material prices in the steel business, temporary gains from changes in electricity selling prices (differences between the coal trade statistics price, which is an indicator for determining electricity selling price, and our Company purchase price), and improvements in costs centered on fixed costs.

Non-consolidated actual results

Year-on-year difference in non-consolidated actual results for the first half of fiscal 2023

	Net sales	Ordinary profit	Profit	Profit per share
Actual results FY2022 1H (A)	655,512	29,322	25,726	65.04 yen
Actual results FY2023 1H (B)	662,860	58,521	50,241	126.96 yen
Change (B-A)	7,348	29,199	24,515	
% change	1.1%	99.6%	95.3%	

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

Reason for the year-on year difference in non-consolidated actual results

Compared with the actual results for the first half of fiscal 2022, ordinary profit and profit increased year on year due to a significant improvement in steel metal spreads in the steel business, despite a drop in inventory valuation gains and a decline in sales volume in the materials businesses due to weak demand in the IT, semiconductor and construction sectors, among others.