

# FY2023 First Half Financial Results Report

Due to the impact of global economic slowdown, both domestic and international steel demands were still weak in this period. Although there was positive effect from exchange rate, SCGM's Net Income decreased by JPY 0.2 billion and Net Income Attributable To SCGM Group also decreased by JPY 4.0 billion.

	End of First Half of FY2022	End of First Half of FY2023	Increase/ (Decrease)
SCGM's Net Income (Japanese Accounting Standards)	¥7.0billion	¥6.8billion	△¥0.2billion
Net Income Attributable To SCGM Group※ (Non-audited, International Accounting Standards)	¥15.5billion	<b>¥11.5billion</b>	△¥4.0billion

※ "Net Income Attributable To SCGM Group" refers to the sum of the following four profits.

- (1) Profits of SCGM
- (2) Profits of SCGM's affiliated companies
- (3) Profits of companies affiliated with Sumitomo Corporation (the parent company of SCGM and hereinafter called "SC") which are, to be precise, under the Steel Products Division of SC ("SC Steel Products Division") and with which SCGM have no direct capital relationship (hereinafter called "SC's Affiliated Companies")
- (4) Profits related to the steel products business of the SC Steel Products Division and SC's global organizations (hereinafter collectively referred to as "SC Organizations").

The reason for including profits described in item (3) and (4) in "Net Income Attributable To SCGM Group" is because SCGM is currently involved in and supporting the operations of SC's Affiliated Companies (described in item (3)) and assisting the execution of the transactions related to the steel products business of SC Organizations (described in item (4)) through contractual relationships and joint strategic planning and promotion with SC.

## Topics

### SCGM's Net Income

SCGM's Net Income decreased by 0.2 billion yen from the same period of FY2022 due to the weak demand in both international and domestic steel market.

### Net Income Attributable To SCGM Group

Net Income Attributable To SCGM Group decreased by 4.0 billion yen from the same period of FY2022 due to the absence of soaring price mainly in North America in FY2022.