

FY2021 Financial Results Report

In FY2021, the Company's financial results showed a significant increase in profit compared to FY2020. Due to a sharp recovery in the steel market and stable high prices, mainly caused by soaring raw material costs and tight supply-demand balance, as well as improved earnings in the domestic and overseas steel service center business.

	FY2020	FY2021	Comparison of the two figures on the left
SCGM's Net Income (Japanese Accounting Standards)	¥5.6billion	¥7.9billion	+¥2.3billion
SCGM's Net Total Assets (Japanese Accounting Standards)	¥136.2billion	¥159.7billion	+¥23.5billion
Net Income Attributable To SCGM Group※1 (Non-audited, International Accounting Standards)	▲¥5.5billion ※2	¥26.6billion	+¥32.1billion

※1 "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.

※2 "Net Income Attributable To SCGM Group" for FY2020 reflects the transfer of some subsidiaries under the Company to the SC's other division in April 2021.

Topics

SCGM's Net Income

SCGM's Net Income increased by 2.3 billion yen from the previous fiscal year due to a sharp recovery in the steel market and stable high prices.

SCGM's Net Total Assets

SCGM's Net Total Assets increased by 23.5 billion yen from the previous year due to the impact of receivables and inventories affected by the soaring market prices.

Net Income Attributable To SCGM Group

While there was a one-time loss in FY2020, Net Income Attributable To SCGM Group rose sharply to +32.1 billion yen in FY2021 due to a rapid recovery in the steel market.