

FY2024 First Half Financial Results Report

- ◆ Due to the sluggish recovery of the domestic industries, the stagnation in steel demand, and the decreasing prices of steel both domestically and internationally caused by the increase in steel exports from China, SCGM's Net Income decreased by 2.3 billion yen, and Net Income Attributable To SCGM Group decreased by 0.8 billion yen.
- ◆ Net Income Attributable To SCGM Group forecast for the full fiscal year 2024 is 21.3 billion yen.

| | First Half of FY2023 | First Half of FY2024 | Increase/ (Decrease) |
|---|-------------------------|-------------------------|-------------------------|
| SCGM's Net Income (Non-audited, Japanese Accounting Standards) | ¥6.8billion | ¥4.5billion | △¥2.3billion |
| Net Income Attributable To SCGM Group※ (Non-audited, International Accounting Standards) | ¥11.5billion | ¥10.7billion | △¥0.8billion |

※ "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.