

FY2023 Financial Results Report

FY2023 was a difficult business environment due to sluggish demand for steel products in Japan and overseas against a backdrop of global inflation, monetary tightening, and the sluggish Chinese economy. As for our company, SCGM's Net Income, SCGM's Net Total Assets, and Net Income Attributable To SCGM Group are as follows.

	FY2022	FY2023	Comparison of the two figures on the left
SCGM's Net Income (Japanese Accounting Standards)	¥9.6billion	¥10.2billion	+¥0.6billion
SCGM's Net Total Assets (Japanese Accounting Standards)	¥164.0billion	¥151.7billion	+¥12.3billion
Net Income Attributable To SCGM Group※ (Non-audited, International Accounting Standards)	¥25.1billion	¥21.2billion	△¥3.9billion

※ "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 increased by 0.6 billion yen from the previous fiscal year due to an increase in dividends received from group companies.

SCGM's Net Total Assets

SCGM's Net Total Assets decreased by 12.3 billion yen from the previous year mainly due to a decrease in trade receivables.

Net Income Attributable To SCGM Group

Net Income Attributable To SCGM Group decreased by 3.9 billion yen from the previous fiscal year due to the impact of sluggish demand in China and a rebound from the previous year's price hikes in North America and other regions.