

## Consolidated Financial Results for the First Half of FY2020

Metal One Corporation (headquartered in Chiyoda-ku, Tokyo; President & CEO, Shuichi Iwata) is pleased to announce its consolidated results for the first half (April to September) of FY2020. Details are provided below.

### Overview of Consolidated Financial Results for the First Half of FY2020

#### Business environment

Due to worldwide economic deceleration triggered by the novel coronavirus pandemic, domestic steel demand declined in most industrial sectors compared with the same period of the previous fiscal year. Domestic crude steel production was likewise down year on year due to the decline in steel demand. Demand in overseas markets also declined year on year, despite economic recovery in China, reflecting the deceleration of economies in the United States and Europe as well as Asian and other emerging nations.

#### Consolidated statement of income

Looking at key items in the consolidated statement of income, there were decreases in sales, gross profit and profit attributable to owners of parent compared with the same period of the previous fiscal year. This was attributable to the abovementioned factors affecting the business environment. The unaudited figures are presented below under IFRS.

(Unit: ¥ millions)

Item	First half of FY2020 (Apr. to Sep.)	First half of FY2019 (Apr. to Sep.)	Fluctuation
Sales <sup>1</sup>	725,331	1,045,869	(320,538)
Gross profit	34,778	53,140	(18,362)
Profit for the period attributable to owners of the parent	163	12,881	(12,718)

<sup>1</sup> Sales based on Japanese GAAP standards shown for reference

#### Consolidated statement of financial position

Total assets as of September 30, 2020 stood at ¥853.1 billion, a decrease of ¥160.1 billion from the end of FY2019. This decrease was mainly attributable to decreases in trade receivables and inventories. Consolidated interest-bearing liabilities fell by ¥93.6 billion, to ¥226.6 billion.

Equity attributable to owners of the parent decreased ¥10.6 billion from March 31, 2020, to ¥363.4 billion. This was mainly due to lower gains on other investments designated as FVTOCI and exchange differences on translating foreign operations.

### Consolidated Performance Outlook for the Entire Fiscal Year

As for the second half of FY2020, there is a lingering sense of uncertainty about the business environment and market conditions, due to the protectionist policies being embraced by a growing number of countries worldwide, volatility arising from developments in the U.S. policies on China following the presidential election, and anxiety over further economic deceleration attributable to the novel coronavirus pandemic.

As at the start of the fiscal year, we will refrain from announcing full-year numerical projections.