

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2021 (Based on Japanese GAAP)

February 7, 2022

Company name: The Japan Steel Works, Ltd.
 Stock exchange listing: Tokyo
 Stock code: 5631 URL <https://www.jsw.co.jp/>
 Representative: Representative Director & President Naotaka Miyauchi
 General Manager, General Affairs
 Inquiries: Department Atsuya Hodota TEL 03-5745-2001
 Scheduled date to file Quarterly Securities Report: February 10, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2021 (from April 1, 2021 to December 31, 2021)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2021	147,041	5.2	10,130	15.9	11,331	21.2	9,047	51.5
Nine months ended December 31, 2020	139,763	(11.4)	8,740	(41.4)	9,347	(42.3)	5,971	(18.5)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2021	123.00		–	
Nine months ended December 31, 2020	81.22		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2021	332,418	145,684	43.4
As of March 31, 2021	316,249	141,985	44.4

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2021	–	17.50	–	17.50	35.00
Year ending March 31, 2022	–	22.50	–		
Year ending March 31, 2022 (Forecast)				22.50	45.00

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	226,000	14.1	16,000	56.5	16,000	49.2	11,000	59.6	149.55

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2021
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2021	74,373,265 shares	As of March 31, 2021	74,359,182 shares
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Number of treasury shares at the end of the period

As of December 31, 2021	804,057 shares	As of March 31, 2021	803,655 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2021	73,555,368 shares	Nine months ended December 31, 2020	73,528,937 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	89,441	95,440
Notes and accounts receivable - trade	54,389	53,053
Electronically recorded monetary claims - operating	2,416	3,698
Merchandise and finished goods	2,550	4,665
Work in process	57,019	69,199
Raw materials and supplies	6,126	6,837
Other	10,889	12,426
Allowance for doubtful accounts	(190)	(208)
Total current assets	222,643	245,114
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	23,045	22,370
Machinery, equipment and vehicles, net	9,167	8,667
Other, net	13,989	14,337
Total property, plant and equipment	46,201	45,375
Intangible assets		
Goodwill	573	449
Other	1,803	1,495
Total intangible assets	2,376	1,944
Investments and other assets		
Investment securities	24,950	19,703
Other	20,410	20,601
Allowance for doubtful accounts	(333)	(321)
Total investments and other assets	45,027	39,983
Total non-current assets	93,606	87,303
Total assets	316,249	332,418

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	50,524	40,909
Electronically recorded obligations - operating	–	17,003
Short-term borrowings	10,147	10,783
Current portion of long-term borrowings	1,950	17,014
Income taxes payable	2,484	1,278
Advances received	17,928	–
Contract liabilities	–	29,172
Provision for loss on business of wind power	1,421	750
Provision for business restructure	2,482	1,647
Other provisions	701	1,856
Other	17,908	12,742
Total current liabilities	105,548	133,157
Non-current liabilities		
Long-term borrowings	44,781	30,124
Provisions	46	56
Retirement benefit liability	12,404	12,723
Asset retirement obligations	1,352	1,371
Other	10,130	9,300
Total non-current liabilities	68,715	53,576
Total liabilities	174,263	186,733

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Net assets		
Shareholders' equity		
Share capital	19,758	19,778
Capital surplus	5,490	5,510
Retained earnings	112,784	118,888
Treasury shares	(2,313)	(2,314)
Total shareholders' equity	135,719	141,863
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,962	2,229
Deferred gains or losses on hedges	(286)	(261)
Foreign currency translation adjustment	(458)	(66)
Remeasurements of defined benefit plans	461	341
Total accumulated other comprehensive income	4,679	2,243
Non-controlling interests	1,586	1,577
Total net assets	141,985	145,684
Total liabilities and net assets	316,249	332,418

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net sales	139,763	147,041
Cost of sales	107,298	113,707
Gross profit	32,465	33,334
Selling, general and administrative expenses	23,725	23,203
Operating profit	8,740	10,130
Non-operating income		
Interest income	17	25
Dividend income	507	700
Gain on non-current assets rent	379	380
Share of profit of entities accounted for using equity method	–	10
Miscellaneous income	460	425
Total non-operating income	1,365	1,543
Non-operating expenses		
Interest expenses	197	208
Share of loss of entities accounted for using equity method	37	–
Miscellaneous losses	524	134
Total non-operating expenses	758	342
Ordinary profit	9,347	11,331
Extraordinary income		
Gain on sale of non-current assets	7	125
Gain on sale of investment securities	224	2,209
Gain on transfer from business divestitures	2,540	–
Total extraordinary income	2,771	2,335
Extraordinary losses		
Loss on sale of non-current assets	1	1
Loss on retirement of non-current assets	194	143
Loss on sale of investment securities	–	94
Loss on valuation of investment securities	166	–
Total extraordinary losses	362	239
Profit before income taxes	11,756	13,427
Income taxes - current	2,919	3,463
Income taxes - deferred	2,769	795
Total income taxes	5,688	4,259
Profit	6,067	9,168
Profit attributable to non-controlling interests	95	121
Profit attributable to owners of parent	5,971	9,047

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit	6,067	9,168
Other comprehensive income		
Valuation difference on available-for-sale securities	2,233	(2,733)
Deferred gains or losses on hedges	144	24
Foreign currency translation adjustment	(235)	378
Remeasurements of defined benefit plans, net of tax	18	(119)
Total other comprehensive income	2,160	(2,450)
Comprehensive income	8,227	6,718
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,159	6,610
Comprehensive income attributable to non-controlling interests	67	107