

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2022 (Based on Japanese GAAP)

August 8, 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 toshio matsuo  
 General Manager, General Affairs hideo nakanishi  
 Inquiries: Department TEL 03-5745-2001  
 Scheduled date to file Quarterly Securities Report: August 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 three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

(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	%
Three months ended June 30, 2022	45,029	(2.1)	648	(82.5)	1,546	(62.3)	518	(82.9)
Three months ended June 30, 2021	46,000	10.6	3,704	269.1	4,105	245.8	3,035	236.3

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2022	7.05		–	
Three months ended June 30, 2021	41.26		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2022	330,578	149,371	44.7
As of March 31, 2022	339,729	151,083	44.0

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, 2022	–	22.50	–	34.50	57.00
Year ending March 31, 2023	–	–	–	–	–
Year ending March 31, 2023 (Forecast)	–	–	–	–	–

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	266,000	24.4	21,500	39.1	22,000	31.2	–	–	–

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2022  
 (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: No
- 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 June 30, 2022	74,373,265 shares	As of March 31, 2022	74,373,265 shares
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Number of treasury shares at the end of the period

As of June 30, 2022	804,171 shares	As of March 31, 2022	804,074 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2022	73,569,120 shares	Three months ended June 30, 2021	73,555,503 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	106,239	91,777
Notes and accounts receivable - trade	55,840	45,115
Electronically recorded monetary claims - operating	3,723	4,814
Merchandise and finished goods	4,735	7,159
Work in process	62,863	69,581
Raw materials and supplies	6,985	8,784
Other	12,036	15,208
Allowance for doubtful accounts	(333)	(352)
<b>Total current assets</b>	<b>252,091</b>	<b>242,089</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	22,004	21,933
Machinery, equipment and vehicles, net	10,635	10,666
Other, net	11,869	11,882
<b>Total property, plant and equipment</b>	<b>44,509</b>	<b>44,483</b>
<b>Intangible assets</b>		
Goodwill	407	366
Other	1,543	1,467
<b>Total intangible assets</b>	<b>1,951</b>	<b>1,834</b>
<b>Investments and other assets</b>		
Investment securities	19,602	20,124
Other	21,894	22,362
Allowance for doubtful accounts	(319)	(317)
<b>Total investments and other assets</b>	<b>41,177</b>	<b>42,170</b>
<b>Total non-current assets</b>	<b>87,638</b>	<b>88,488</b>
<b>Total assets</b>	<b>339,729</b>	<b>330,578</b>

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	31,500	31,522
Electronically recorded obligations - operating	24,407	28,172
Short-term borrowings	10,412	11,304
Current portion of long-term borrowings	15,939	2,173
Income taxes payable	3,136	898
Contract liabilities	31,083	33,906
Provision for loss wind power generator business	734	733
Provision for business restructure	1,617	1,617
Other provisions	1,290	885
Other	14,291	17,167
<b>Total current liabilities</b>	<b>134,413</b>	<b>128,381</b>
<b>Non-current liabilities</b>		
Long-term borrowings	31,142	29,871
Provisions	41	42
Retirement benefit liability	12,341	12,482
Asset retirement obligations	1,377	1,383
Other	9,330	9,045
<b>Total non-current liabilities</b>	<b>54,232</b>	<b>52,825</b>
<b>Total liabilities</b>	<b>188,646</b>	<b>181,207</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	19,778	19,778
Capital surplus	5,510	5,510
Retained earnings	123,790	121,771
Treasury shares	(2,314)	(2,315)
<b>Total shareholders' equity</b>	<b>146,765</b>	<b>144,745</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	2,217	2,567
Deferred gains or losses on hedges	(453)	(1,004)
Foreign currency translation adjustment	250	853
Remeasurements of defined benefit plans	661	621
<b>Total accumulated other comprehensive income</b>	<b>2,674</b>	<b>3,038</b>
<b>Non-controlling interests</b>	<b>1,643</b>	<b>1,586</b>
<b>Total net assets</b>	<b>151,083</b>	<b>149,371</b>
<b>Total liabilities and net assets</b>	<b>339,729</b>	<b>330,578</b>

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales	46,000	45,029
Cost of sales	35,011	36,379
Gross profit	10,989	8,649
Selling, general and administrative expenses	7,284	8,000
Operating profit	3,704	648
Non-operating income		
Interest income	4	6
Dividend income	271	324
Foreign exchange gains	4	212
Gain on non-current assets rent	127	145
Miscellaneous income	111	312
Total non-operating income	518	1,001
Non-operating expenses		
Interest expenses	68	52
Share of loss of entities accounted for using equity method	2	8
Miscellaneous losses	46	43
Total non-operating expenses	117	104
Ordinary profit	4,105	1,546
Extraordinary income		
Gain on sale of non-current assets	120	1
Total extraordinary income	120	1
Extraordinary losses		
Loss on sale of non-current assets	–	0
Loss on retirement of non-current assets	75	95
Loss on inappropriate conduct in quality inspections	–	177
Total extraordinary losses	75	273
Profit before income taxes	4,150	1,273
Income taxes - current	1,837	1,196
Income taxes - deferred	(754)	(471)
Total income taxes	1,082	724
Profit	3,068	549
Profit attributable to non-controlling interests	32	30
Profit attributable to owners of parent	3,035	518

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	3,068	549
Other comprehensive income		
Valuation difference on available-for-sale securities	(483)	350
Deferred gains or losses on hedges	3	(550)
Foreign currency translation adjustment	380	632
Remeasurements of defined benefit plans, net of tax	(39)	(40)
Total other comprehensive income	(139)	392
Comprehensive income	2,928	941
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,883	882
Comprehensive income attributable to non-controlling interests	44	59