

**Translation**

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**Summary of Consolidated Financial Results  
for the Year Ended March 31, 2022  
(Based on Japanese GAAP)**

May 11, 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  
 Inquiries: Department hideo nakanishi TEL 03-5745-2001  
 Scheduled date of ordinary general meeting of shareholders: June 24, 2022  
 Scheduled date to file Securities Report: June 24, 2022  
 Scheduled date to commence dividend payments: June 27, 2022  
 Preparation of supplementary material on financial results: No  
 Holding of financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Consolidated operating results

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	%
Year ended March 31, 2022	213,790	8.0	15,460	51.2	16,772	56.4	13,948	102.3
Year ended March 31, 2021	198,041	(9.0)	10,226	(45.3)	10,724	(46.1)	6,893	(26.0)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2022	189.63	–	9.6	5.1	7.2
Year ended March 31, 2021	93.76	–	5.1	3.5	5.2

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2022	339,729	151,083	44.0	2,031.29
As of March 31, 2021	316,249	141,985	44.4	1,908.76

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2022	22,325	(2,976)	(2,860)	105,799
Year ended March 31, 2021	14,712	(3,243)	2,767	88,759

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2021	–	17.50	–	17.50	35.00	2,574	37.3	1.9
Year ended March 31, 2022	–	22.50	–	34.50	57.00	4,193	30.1	2.9
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 year ended March 31, 2022

(changes in specified subsidiaries resulting in the change in scope of consolidation):

No

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2022	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 March 31, 2022	804,074 shares	As of March 31, 2021	803,655 shares
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Average number of shares during the period

Year ended March 31, 2022	73,555,306 shares	Year ended March 31, 2021	73,528,887 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	89,441	106,239
Notes and accounts receivable - trade	54,389	55,840
Electronically recorded monetary claims - operating	2,416	3,723
Merchandise and finished goods	2,550	4,735
Work in process	57,019	62,863
Raw materials and supplies	6,126	6,985
Other	10,889	12,036
Allowance for doubtful accounts	(190)	(333)
Total current assets	222,643	252,091
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	23,045	22,004
Machinery, equipment and vehicles, net	9,167	10,635
Tools, furniture and fixtures, net	1,463	1,436
Land	7,987	7,989
Leased assets, net	886	764
Construction in progress	3,652	1,679
Total property, plant and equipment	46,201	44,509
Intangible assets		
Goodwill	573	407
Leased assets	119	82
Other	1,683	1,460
Total intangible assets	2,376	1,951
Investments and other assets		
Investment securities	24,950	19,602
Long-term loans receivable	313	303
Distressed receivables	209	209
Retirement benefit asset	2,807	3,302
Deferred tax assets	13,685	14,543
Other	3,395	3,536
Allowance for doubtful accounts	(333)	(319)
Total investments and other assets	45,027	41,177
Total non-current assets	93,606	87,638
Total assets	316,249	339,729

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	50,524	31,500
Electronically recorded obligations - operating	–	24,407
Short-term borrowings	10,147	10,412
Current portion of long-term borrowings	1,950	15,939
Lease liabilities	386	340
Income taxes payable	2,484	3,136
Advances received	17,928	–
Contract liabilities	–	31,083
Provision for bonuses for directors (and other officers)	67	59
Provision for warranties for completed construction	153	528
Provision for loss on construction contracts	479	702
Provision for loss on wind power generator business	1,421	734
Provision for business restructuring	2,482	1,617
Other	17,522	13,950
<b>Total current liabilities</b>	<b>105,548</b>	<b>134,413</b>
<b>Non-current liabilities</b>		
Long-term borrowings	44,781	31,142
Lease liabilities	775	608
Deferred tax liabilities	362	351
Provision for retirement benefits for directors (and other officers)	46	41
Retirement benefit liability	12,404	12,341
Long-term guarantee deposits	8,442	7,551
Asset retirement obligations	1,352	1,377
Other	549	819
<b>Total non-current liabilities</b>	<b>68,715</b>	<b>54,232</b>
<b>Total liabilities</b>	<b>174,263</b>	<b>188,646</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	19,758	19,778
Capital surplus	5,490	5,510
Retained earnings	112,784	123,790
Treasury shares	(2,313)	(2,314)
<b>Total shareholders' equity</b>	<b>135,719</b>	<b>146,765</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	4,962	2,217
Deferred gains or losses on hedges	(286)	(453)
Foreign currency translation adjustment	(458)	250
Remeasurements of defined benefit plans	461	661
<b>Total accumulated other comprehensive income</b>	<b>4,679</b>	<b>2,674</b>
<b>Non-controlling interests</b>	<b>1,586</b>	<b>1,643</b>
<b>Total net assets</b>	<b>141,985</b>	<b>151,083</b>
<b>Total liabilities and net assets</b>	<b>316,249</b>	<b>339,729</b>

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	198,041	213,790
Cost of sales	155,758	165,974
Gross profit	42,283	47,816
Selling, general and administrative expenses		
Direct selling expenses	9,345	10,666
Indirect selling, general and administrative expenses	22,710	21,689
Total selling, general and administrative expenses	32,056	32,355
Operating profit	10,226	15,460
Non-operating income		
Interest income	28	43
Dividend income	511	704
Foreign exchange gains	–	201
Gain on non-current assets rent	501	461
Share of profit of entities accounted for using equity method	–	29
Miscellaneous income	616	424
Total non-operating income	1,657	1,864
Non-operating expenses		
Interest expenses	275	281
Compensation expenses	–	104
Share of loss of entities accounted for using equity method	27	–
Miscellaneous losses	858	167
Total non-operating expenses	1,160	553
Ordinary profit	10,724	16,772
Extraordinary income		
Gain on sale of non-current assets	7	1,268
Gain on sale of investment securities	233	2,235
Gain on transfer from business divestitures	2,540	–
Total extraordinary income	2,780	3,503
Extraordinary losses		
Loss on sale of non-current assets	1	1
Loss on retirement of non-current assets	474	369
Loss on sale of investment securities	69	94
Loss on valuation of investment securities	–	73
Total extraordinary losses	545	539
Profit before income taxes	12,960	19,736
Income taxes - current	3,620	5,342
Income taxes - deferred	2,297	270
Total income taxes	5,917	5,613
Profit	7,042	14,123
Profit attributable to non-controlling interests	148	174
Profit attributable to owners of parent	6,893	13,948

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	7,042	14,123
Other comprehensive income		
Valuation difference on available-for-sale securities	3,945	(2,745)
Deferred gains or losses on hedges	(216)	(167)
Foreign currency translation adjustment	(115)	709
Remeasurements of defined benefit plans, net of tax	1,511	200
Total other comprehensive income	5,124	(2,003)
Comprehensive income	12,166	12,119
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,032	11,943
Comprehensive income attributable to non-controlling interests	134	176

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	19,737	5,383	108,454	(2,312)	131,262
Changes during period					
Issuance of new shares	21	21			42
Dividends of surplus			(2,573)		(2,573)
Profit attributable to owners of parent			6,893		6,893
Purchase of shares of consolidated subsidiaries		85			85
Purchase of treasury shares				(0)	(0)
Change in scope of consolidation			10		10
Net changes in items other than shareholders' equity					
Total changes during period	21	106	4,330	(0)	4,457
Balance at end of period	19,758	5,490	112,784	(2,313)	135,719

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,017	(69)	(356)	(1,049)	(458)	1,688	132,492
Changes during period							
Issuance of new shares							42
Dividends of surplus							(2,573)
Profit attributable to owners of parent							6,893
Purchase of shares of consolidated subsidiaries							85
Purchase of treasury shares							(0)
Change in scope of consolidation							10
Net changes in items other than shareholders' equity	3,945	(216)	(101)	1,511	5,138	(102)	5,035
Total changes during period	3,945	(216)	(101)	1,511	5,138	(102)	9,493
Balance at end of period	4,962	(286)	(458)	461	4,679	1,586	141,985

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	19,758	5,490	112,784	(2,313)	135,719
Changes during period					
Issuance of new shares	20	20			40
Dividends of surplus			(2,942)		(2,942)
Profit attributable to owners of parent			13,948		13,948
Purchase of treasury shares				(1)	(1)
Net changes in items other than shareholders' equity					
Total changes during period	20	20	11,005	(1)	11,045
Balance at end of period	19,778	5,510	123,790	(2,314)	146,765

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	4,962	(286)	(458)	461	4,679	1,586	141,985
Changes during period							
Issuance of new shares							40
Dividends of surplus							(2,942)
Profit attributable to owners of parent							13,948
Purchase of treasury shares							(1)
Net changes in items other than shareholders' equity	(2,745)	(167)	708	200	(2,005)	57	(1,947)
Total changes during period	(2,745)	(167)	708	200	(2,005)	57	9,097
Balance at end of period	2,217	(453)	250	661	2,674	1,643	151,083

## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	12,960	19,736
Depreciation	6,040	6,183
Amortization of goodwill	207	165
Interest and dividend income	(540)	(747)
Interest expenses	275	281
Share of loss (profit) of entities accounted for using equity method	27	(29)
Loss (gain) on sale of investment securities	(163)	(2,140)
Loss (gain) on valuation of investment securities	–	73
Loss (gain) on sale of non-current assets	(6)	(1,266)
Loss on retirement of non-current assets	474	369
Loss (gain) on sale of businesses	(2,540)	–
Decrease (increase) in trade receivables	(7,132)	9,899
Increase (decrease) in trade payables	2,014	3,629
Decrease (increase) in inventories	6,570	(8,458)
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	(612)	(299)
Increase (decrease) in provision for loss on construction contracts	(77)	222
Increase (decrease) in provision for loss on wind power generator business	–	(686)
Increase (decrease) in business restructuring reserve	(3,114)	(864)
Other, net	1,237	456
Subtotal	15,618	26,524
Interest and dividends received	556	747
Interest paid	(313)	(280)
Income taxes refund (paid)	(1,149)	(4,664)
Net cash provided by (used in) operating activities	14,712	22,325
Cash flows from investing activities		
Decrease (increase) in time deposits	420	357
Purchase of non-current assets	(8,276)	(8,805)
Proceeds from sale of non-current assets	11	1,968
Purchase of investment securities	(14)	(14)
Proceeds from sale of investment securities	2,144	3,501
Proceeds from collection of long-term loans receivable	9	9
Proceeds from sale of businesses	2,652	–
Other, net	(190)	6
Net cash provided by (used in) investing activities	(3,243)	(2,976)

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	99	265
Proceeds from long-term borrowings	11,040	2,300
Repayments of long-term borrowings	(5,155)	(1,950)
Dividends paid	(2,573)	(2,942)
Dividends paid to non-controlling interests	(123)	(118)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(28)	–
Repayments of finance lease liabilities	(490)	(413)
Net cash provided by (used in) financing activities	2,767	(2,860)
Effect of exchange rate change on cash and cash equivalents	(46)	551
Net increase (decrease) in cash and cash equivalents	14,189	17,040
Cash and cash equivalents at beginning of period	74,477	88,759
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	92	–
Cash and cash equivalents at end of period	88,759	105,799