

Translation

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

November 14, 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: November 14, 2022  
 Scheduled date to commence dividend payments: December 12, 2022  
 Preparation of supplementary material on quarterly financial results: No  
 Holding of quarterly financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2022 (from April 1, 2022 to September 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	%
Six months ended September 30, 2022	103,649	13.7	3,109	(56.3)	4,272	(45.8)	1,760	(73.8)
Six months ended September 30, 2021	91,199	1.2	7,113	50.4	7,889	55.3	6,713	87.5

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2022	23.93		-	
Six months ended September 30, 2021	91.27		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	335,884	151,097	44.5
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	-	29.00	-	-	-
Year ending March 31, 2023 (Forecast)	-	-	-	29.00	58.00

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		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	263,000	23.0	19,000	22.9	20,000	19.2	14,000	0.4	190.30

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 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 September 30, 2022	74,387,779 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 September 30, 2022	804,263 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)

Six months ended September 30, 2022	73,569,084 shares	Six months ended September 30, 2021	73,555,463 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	106,239	90,951
Notes and accounts receivable - trade	55,840	50,623
Electronically recorded monetary claims - operating	3,723	5,244
Merchandise and finished goods	4,735	6,390
Work in process	62,863	74,528
Raw materials and supplies	6,985	8,289
Other	12,036	13,714
Allowance for doubtful accounts	(333)	(388)
Total current assets	252,091	249,354
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	22,004	21,727
Machinery, equipment and vehicles, net	10,635	10,692
Other, net	11,869	11,642
Total property, plant and equipment	44,509	44,062
Intangible assets		
Goodwill	407	325
Other	1,543	1,389
Total intangible assets	1,951	1,715
Investments and other assets		
Investment securities	19,602	19,298
Other	21,894	21,770
Allowance for doubtful accounts	(319)	(316)
Total investments and other assets	41,177	40,752
Total non-current assets	87,638	86,529
Total assets	339,729	335,884
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	31,500	32,823
Electronically recorded obligations - operating	24,407	29,287
Short-term borrowings	10,412	10,422
Current portion of long-term borrowings	15,939	2,198
Income taxes payable	3,136	1,308
Contract liabilities	31,083	38,613
Provision for loss on wind power generator business	734	676
Provision for business restructure	1,617	1,617
Other provisions	1,290	889
Other	14,291	14,181
Total current liabilities	134,413	132,017
Non-current liabilities		
Long-term borrowings	31,142	29,788
Provisions	41	42
Retirement benefit liability	12,341	12,462
Asset retirement obligations	1,377	1,389
Other	9,330	9,086
Total non-current liabilities	54,232	52,769
Total liabilities	188,646	184,786

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Net assets		
Shareholders' equity		
Share capital	19,778	19,799
Capital surplus	5,510	5,531
Retained earnings	123,790	123,012
Treasury shares	(2,314)	(2,315)
Total shareholders' equity	146,765	146,028
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,217	1,999
Deferred gains or losses on hedges	(453)	(824)
Foreign currency translation adjustment	250	1,671
Remeasurements of defined benefit plans	661	581
Total accumulated other comprehensive income	2,674	3,427
Non-controlling interests	1,643	1,641
Total net assets	151,083	151,097
Total liabilities and net assets	339,729	335,884

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

### Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	91,199	103,649
Cost of sales	69,447	83,873
Gross profit	21,752	19,776
Selling, general and administrative expenses	14,639	16,666
Operating profit	7,113	3,109
Non-operating income		
Interest income	16	14
Dividend income	448	354
Foreign exchange gains	34	295
Gain on non-current assets rent	263	287
Share of profit of entities accounted for using equity method	1	–
Miscellaneous income	229	409
Total non-operating income	994	1,362
Non-operating expenses		
Interest expenses	138	109
Share of loss of entities accounted for using equity method	–	22
Miscellaneous losses	80	67
Total non-operating expenses	218	199
Ordinary profit	7,889	4,272
Extraordinary income		
Gain on sale of non-current assets	120	1
Gain on sale of investment securities	1,699	22
Total extraordinary income	1,819	24
Extraordinary losses		
Loss on retirement of non-current assets	103	185
Loss on inappropriate conduct in quality inspections	–	449
Total extraordinary losses	103	634
Profit before income taxes	9,605	3,662
Income taxes - current	2,605	1,629
Income taxes - deferred	213	208
Total income taxes	2,819	1,838
Profit	6,785	1,823
Profit attributable to non-controlling interests	72	62
Profit attributable to owners of parent	6,713	1,760

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

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	6,785	1,823
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,616)	(217)
Deferred gains or losses on hedges	33	(370)
Foreign currency translation adjustment	404	1,472
Remeasurements of defined benefit plans, net of tax	(79)	(80)
Total other comprehensive income	(1,258)	803
Comprehensive income	5,527	2,626
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,452	2,512
Comprehensive income attributable to non-controlling interests	75	113