

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

February 13, 2023

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: February 13, 2023  
 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, 2022 (from April 1, 2022 to December 31, 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                         | %      |
| Nine months ended December 31, 2022 | 162,196         | 10.3 | 6,041            | (40.4) | 7,444           | (34.3) | 3,319                                   | (63.3) |
| Nine months ended December 31, 2021 | 147,041         | 5.2  | 10,130           | 15.9   | 11,331          | 21.2   | 9,047                                   | 51.5   |

|                                     | Earnings per share |  | Diluted earnings per share |  |
|-------------------------------------|--------------------|--|----------------------------|--|
|                                     | Yen                |  | Yen                        |  |
| Nine months ended December 31, 2022 | 45.13              |  | –                          |  |
| Nine months ended December 31, 2021 | 123.00             |  | –                          |  |

#### (2) Consolidated financial position

|                         | Total assets    | Net assets      | Equity ratio |
|-------------------------|-----------------|-----------------|--------------|
|                         | Millions of yen | Millions of yen | %            |
| As of December 31, 2022 | 341,237         | 151,520         | 43.9         |
| 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 | 242,000         | 13.2 | 13,000           | (15.9) | 14,000          | (16.5) | 12,000          | (14.0) | 163.11             |

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 2022 | 74,387,779 shares | As of March 31, 2022 | 74,373,265 shares |
|-------------------------|-------------------|----------------------|-------------------|

Number of treasury shares at the end of the period

|                         |                |                      |                |
|-------------------------|----------------|----------------------|----------------|
| As of December 31, 2022 | 804,316 shares | As of March 31, 2022 | 804,074 shares |
|-------------------------|----------------|----------------------|----------------|

Average number of shares during the period (cumulative from the beginning of the fiscal year)

|                                     |                   |                                     |                   |
|-------------------------------------|-------------------|-------------------------------------|-------------------|
| Nine months ended December 31, 2022 | 73,569,048 shares | Nine months ended December 31, 2021 | 73,555,368 shares |
|-------------------------------------|-------------------|-------------------------------------|-------------------|

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

|   | As of March 31, 2022 | As of December 31, 2022 |
|---|----------------------|-------------------------|
| <b>Assets</b>                                       |                      |                         |
| Current assets                                      |                      |                         |
| Cash and deposits                                   | 106,239              | 84,527                  |
| Notes and accounts receivable - trade               | 55,840               | 54,995                  |
| Electronically recorded monetary claims - operating | 3,723                | 4,821                   |
| Merchandise and finished goods                      | 4,735                | 5,975                   |
| Work in process                                     | 62,863               | 80,541                  |
| Raw materials and supplies                          | 6,985                | 8,977                   |
| Other   | 12,036               | 15,670                  |
| Allowance for doubtful accounts                     | (333)                | (405)                   |
| Total current assets                                | 252,091              | 255,103                 |
| Non-current assets                                  |                      |                         |
| Property, plant and equipment                       |                      |                         |
| Buildings and structures, net                       | 22,004               | 21,673                  |
| Machinery, equipment and vehicles, net              | 10,635               | 10,563                  |
| Other, net  | 11,869               | 12,154                  |
| Total property, plant and equipment                 | 44,509               | 44,391                  |
| Intangible assets                                   |                      |                         |
| Goodwill  | 407                  | 284                     |
| Other   | 1,543                | 1,308                   |
| Total intangible assets                             | 1,951                | 1,592                   |
| Investments and other assets                        |                      |                         |
| Investment securities                               | 19,602               | 19,430                  |
| Other   | 21,894               | 20,990                  |
| Allowance for doubtful accounts                     | (319)                | (272)                   |
| Total investments and other assets                  | 41,177               | 40,149                  |
| Total non-current assets                            | 87,638               | 86,133                  |
| Total assets  | 339,729              | 341,237                 |
| <b>Liabilities</b>                                  |                      |                         |
| Current liabilities                                 |                      |                         |
| Notes and accounts payable - trade                  | 31,500               | 33,817                  |
| Electronically recorded obligations - operating     | 24,407               | 33,967                  |
| Short-term borrowings                               | 10,412               | 10,708                  |
| Current portion of long-term borrowings             | 15,939               | 2,210                   |
| Income taxes payable                                | 3,136                | 589                     |
| Contract liabilities                                | 31,083               | 39,290                  |
| Provision for loss on wind power generator business | 734                  | 512                     |
| Provision for business restructure                  | 1,617                | 1,617                   |
| Other provisions                                    | 1,290                | 1,032                   |
| Other   | 14,291               | 13,625                  |
| Total current liabilities                           | 134,413              | 137,372                 |
| Non-current liabilities                             |                      |                         |
| Long-term borrowings                                | 31,142               | 29,714                  |
| Provisions  | 41                   | 43                      |
| Retirement benefit liability                        | 12,341               | 12,446                  |
| Asset retirement obligations                        | 1,377                | 1,395                   |
| Other   | 9,330                | 8,744                   |
| Total non-current liabilities                       | 54,232               | 52,344                  |
| Total liabilities                                   | 188,646              | 189,716                 |

(Millions of yen)

|   | As of March 31, 2022 | As of December 31, 2022 |
|---|----------------------|-------------------------|
| Net assets  |                      |                         |
| Shareholders' equity                                  |                      |                         |
| Share capital   | 19,778               | 19,799                  |
| Capital surplus                                       | 5,510                | 5,531                   |
| Retained earnings                                     | 123,790              | 122,438                 |
| Treasury shares                                       | (2,314)              | (2,315)                 |
| Total shareholders' equity                            | 146,765              | 145,453                 |
| Accumulated other comprehensive income                |                      |                         |
| Valuation difference on available-for-sale securities | 2,217                | 2,336                   |
| Deferred gains or losses on hedges                    | (453)                | (228)                   |
| Foreign currency translation adjustment               | 250                  | 1,757                   |
| Remeasurements of defined benefit plans               | 661                  | 540                     |
| Total accumulated other comprehensive income          | 2,674                | 4,406                   |
| Non-controlling interests                             | 1,643                | 1,659                   |
| Total net assets                                      | 151,083              | 151,520                 |
| Total liabilities and net assets                      | 339,729              | 341,237                 |

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

### Consolidated statements of income (cumulative)

(Millions of yen)

|   | Nine months ended<br>December 31, 2021 | Nine months ended<br>December 31, 2022 |
|---|--|--|
| Net sales   | 147,041                                | 162,196                                |
| Cost of sales   | 113,707                                | 130,771                                |
| Gross profit  | 33,334                                 | 31,425                                 |
| Selling, general and administrative expenses                  | 23,203                                 | 25,383                                 |
| Operating profit  | 10,130                                 | 6,041                                  |
| Non-operating income  |  |  |
| Interest income   | 25                                     | 25                                     |
| Dividend income   | 700                                    | 624                                    |
| Foreign exchange gains  | 99                                     | 151                                    |
| Gain on non-current assets rent                               | 380                                    | 426                                    |
| Share of profit of entities accounted for using equity method | 10                                     | –                                      |
| Miscellaneous income  | 325                                    | 476                                    |
| Total non-operating income                                    | 1,543                                  | 1,704                                  |
| Non-operating expenses  |  |  |
| Interest expenses   | 208                                    | 158                                    |
| Share of loss of entities accounted for using equity method   | –                                      | 26                                     |
| Miscellaneous losses  | 134                                    | 116                                    |
| Total non-operating expenses                                  | 342                                    | 301                                    |
| Ordinary profit   | 11,331                                 | 7,444                                  |
| Extraordinary income  |  |  |
| Gain on sale of non-current assets                            | 125                                    | 4                                      |
| Gain on sale of investment securities                         | 2,209                                  | 38                                     |
| Total extraordinary income                                    | 2,335                                  | 43                                     |
| Extraordinary losses  |  |  |
| Loss on sale of non-current assets                            | 1                                      | –                                      |
| Loss on retirement of non-current assets                      | 143                                    | 194                                    |
| Loss on sale of investment securities                         | 94                                     | –                                      |
| Loss on valuation of investment securities                    | –                                      | 343                                    |
| Loss on inappropriate conduct in quality inspections          | –                                      | 745                                    |
| Total extraordinary losses                                    | 239                                    | 1,282                                  |
| Profit before income taxes                                    | 13,427                                 | 6,205                                  |
| Income taxes - current  | 3,463                                  | 2,226                                  |
| Income taxes - deferred                                       | 795                                    | 569                                    |
| Total income taxes  | 4,259                                  | 2,795                                  |
| Profit  | 9,168                                  | 3,409                                  |
| Profit attributable to non-controlling interests              | 121                                    | 89                                     |
| Profit attributable to owners of parent                       | 9,047                                  | 3,319                                  |

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

(Millions of yen)

|  | Nine months ended<br>December 31, 2021 | Nine months ended<br>December 31, 2022 |
|--|--|--|
| Profit   | 9,168                                  | 3,409                                  |
| Other comprehensive income                                     |  |  |
| Valuation difference on available-for-sale securities          | (2,733)                                | 119                                    |
| Deferred gains or losses on hedges                             | 24                                     | 225                                    |
| Foreign currency translation adjustment                        | 378                                    | 1,550                                  |
| Remeasurements of defined benefit plans, net of tax            | (119)                                  | (120)                                  |
| Total other comprehensive income                               | (2,450)                                | 1,774                                  |
| Comprehensive income   | 6,718                                  | 5,184                                  |
| Comprehensive income attributable to                           |  |  |
| Comprehensive income attributable to owners of parent          | 6,610                                  | 5,051                                  |
| Comprehensive income attributable to non-controlling interests | 107                                    | 132                                    |