

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Based on Japanese GAAP)

February 13, 2024

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, 2024
 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, 2023 (from April 1, 2023 to December 31, 2023)

(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, 2023	173,887	7.2	11,238	86.0	12,709	70.7	8,968	170.1
Nine months ended December 31, 2022	162,196	10.3	6,041	(40.4)	7,444	(34.3)	3,319	(63.3)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2023	121.87		–	
Nine months ended December 31, 2022	45.13		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	362,792	167,821	45.8
As of March 31, 2023	348,358	160,636	45.7

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, 2023	–	29.00	–	29.00	58.00
Year ending March 31, 2024	–	29.00	–		
Year ending March 31, 2024 (Forecast)				29.00	58.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	250,000	4.7	17,000	22.8	18,000	20.3	14,000	16.9	190.23

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2023
(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, 2023	74,399,910 shares	As of March 31, 2023	74,387,779 shares
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Number of treasury shares at the end of the period

As of December 31, 2023	804,644 shares	As of March 31, 2023	804,399 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, 2023	73,590,697 shares	Nine months ended December 31, 2022	73,569,048 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	87,286	88,670
Notes and accounts receivable - trade	68,524	57,080
Electronically recorded monetary claims - operating	3,672	4,292
Merchandise and finished goods	5,668	6,879
Work in process	76,245	90,961
Raw materials and supplies	8,839	10,787
Other	13,988	15,693
Allowance for doubtful accounts	(369)	(304)
Total current assets	263,856	274,060
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	21,197	24,093
Machinery, equipment and vehicles, net	11,084	12,066
Other, net	12,301	11,482
Total property, plant and equipment	44,583	47,642
Intangible assets		
Goodwill	242	121
Other	1,294	1,359
Total intangible assets	1,537	1,480
Investments and other assets		
Investment securities	19,388	21,955
Other	19,244	17,978
Allowance for doubtful accounts	(251)	(325)
Total investments and other assets	38,381	39,608
Total non-current assets	84,501	88,732
Total assets	348,358	362,792
Liabilities		
Current liabilities		
Notes and accounts payable - trade	34,715	32,223
Electronically recorded obligations - operating	34,481	35,982
Short-term borrowings	10,905	12,662
Current portion of long-term borrowings	2,523	4,344
Income taxes payable	1,605	1,013
Contract liabilities	33,358	41,274
Provision for loss on wind power generator business	512	512
Provision for business restructure	1,541	1,538
Other provisions	744	215
Other	17,024	17,968
Total current liabilities	137,412	147,735
Non-current liabilities		
Long-term borrowings	29,118	25,868
Provisions	44	46
Retirement benefit liability	11,174	11,544
Asset retirement obligations	1,401	1,420
Other	8,569	8,355
Total non-current liabilities	50,308	47,235
Total liabilities	187,721	194,970

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Net assets		
Shareholders' equity		
Share capital	19,799	19,818
Capital surplus	5,531	5,550
Retained earnings	131,093	135,793
Treasury shares	(2,315)	(2,316)
Total shareholders' equity	154,108	158,845
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,956	4,906
Deferred gains or losses on hedges	(359)	(937)
Foreign currency translation adjustment	1,168	2,304
Remeasurements of defined benefit plans	1,225	1,120
Total accumulated other comprehensive income	4,991	7,394
Non-controlling interests	1,536	1,581
Total net assets	160,636	167,821
Total liabilities and net assets	348,358	362,792

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, 2022	Nine months ended December 31, 2023
Net sales	162,196	173,887
Cost of sales	130,771	134,474
Gross profit	31,425	39,413
Selling, general and administrative expenses	25,383	28,174
Operating profit	6,041	11,238
Non-operating income		
Interest income	25	54
Dividend income	624	632
Foreign exchange gains	151	270
Gain on non-current assets rent	426	261
Share of profit of entities accounted for using equity method	–	27
Miscellaneous income	476	519
Total non-operating income	1,704	1,766
Non-operating expenses		
Interest expenses	158	158
Share of loss of entities accounted for using equity method	26	–
Miscellaneous losses	116	137
Total non-operating expenses	301	295
Ordinary profit	7,444	12,709
Extraordinary income		
Gain on sale of non-current assets	4	13
Gain on sale of investment securities	38	344
Total extraordinary income	43	357
Extraordinary losses		
Loss on retirement of non-current assets	194	267
Loss on valuation of investment securities	343	–
Loss on inappropriate conduct in quality inspections	745	240
Total extraordinary losses	1,282	508
Profit before income taxes	6,205	12,558
Income taxes - current	2,226	3,075
Income taxes - deferred	569	392
Total income taxes	2,795	3,467
Profit	3,409	9,091
Profit attributable to non-controlling interests	89	122
Profit attributable to owners of parent	3,319	8,968

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	3,409	9,091
Other comprehensive income		
Valuation difference on available-for-sale securities	119	1,950
Deferred gains or losses on hedges	225	(578)
Foreign currency translation adjustment	1,550	1,176
Remeasurements of defined benefit plans, net of tax	(120)	(105)
Total other comprehensive income	1,774	2,442
Comprehensive income	5,184	11,533
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,051	11,371
Comprehensive income attributable to non-controlling interests	132	162