

Translation

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**Summary of Consolidated Financial Results
for the Year Ended March 31, 2024
(Based on Japanese GAAP)**

May 10, 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
 Executive Officer
 Inquiries: General Manager, General Affairs hideo nakanishi TEL 03-5745-2001
 Department
 Scheduled date of ordinary general meeting of shareholders: June 24, 2024
 Scheduled date to file Securities Report: June 24, 2024
 Scheduled date to commence dividend payments: June 25, 2024
 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, 2024 (from April 1, 2023 to March 31, 2024)

(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, 2024	252,501	5.8	18,014	30.1	19,945	33.3	14,278	19.2
Year ended March 31, 2023	238,721	11.7	13,846	(10.4)	14,958	(10.8)	11,974	(14.1)

	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, 2024	194.02	–	8.5	5.6	7.1
Year ended March 31, 2023	162.75	–	7.8	4.3	5.8

(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, 2024	366,775	178,613	48.3	2,404.83
As of March 31, 2023	348,358	160,636	45.7	2,162.18

(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, 2024	21,707	(6,841)	(4,899)	96,902
Year ended March 31, 2023	(986)	947	(20,112)	86,400

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, 2023	–	29.00	–	29.00	58.00	4,267	35.6	2.8
Year ended March 31, 2024	–	29.00	–	30.00	59.00	4,342	30.4	2.6
Year ending March 31, 2025 (Forecast)	–	37.00	–	37.00	74.00		35.1	

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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	265,000	4.9	20,000	11.0	20,500	2.8	15,500	8.6	210.61

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(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: No

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, 2024	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 March 31, 2024	804,752 shares	As of March 31, 2023	804,399 shares
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Average number of shares during the period

Year ended March 31, 2024	73,591,835 shares	Year ended March 31, 2023	73,579,295 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	87,286	97,613
Notes receivable - trade	1,826	1,129
Electronically recorded monetary claims - operating	3,672	4,143
Accounts receivable - trade	66,697	59,718
Merchandise and finished goods	5,668	6,292
Work in process	76,245	81,293
Raw materials and supplies	8,839	9,988
Other	13,988	14,228
Allowance for doubtful accounts	(369)	(198)
Total current assets	263,856	274,209
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	21,197	23,927
Machinery, equipment and vehicles, net	11,084	12,085
Tools, furniture and fixtures, net	1,915	2,363
Land	7,502	6,628
Leased assets, net	761	931
Construction in progress	2,121	787
Total property, plant and equipment	44,583	46,723
Intangible assets		
Goodwill	242	80
Leased assets	30	13
Other	1,264	1,564
Total intangible assets	1,537	1,658
Investments and other assets		
Investment securities	19,388	25,276
Long-term loans receivable	300	300
Distressed receivables	151	225
Retirement benefit asset	3,394	5,787
Deferred tax assets	11,873	9,384
Other	3,525	3,529
Allowance for doubtful accounts	(251)	(322)
Total investments and other assets	38,381	44,182
Total non-current assets	84,501	92,565
Total assets	348,358	366,775

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	34,715	30,357
Electronically recorded obligations - operating	34,481	35,489
Short-term borrowings	10,905	12,360
Current portion of long-term borrowings	2,523	4,844
Lease liabilities	292	387
Income taxes payable	1,605	3,214
Contract liabilities	33,358	34,690
Provision for bonuses for directors (and other officers)	46	44
Provision for warranties for completed construction	310	52
Provision for loss on construction contracts	388	583
Provision for loss on wind power generator business	512	512
Provision for business restructure	1,541	1,498
Other	16,731	19,873
Total current liabilities	137,412	143,909
Non-current liabilities		
Long-term borrowings	29,118	25,272
Lease liabilities	581	771
Deferred tax liabilities	352	318
Provision for retirement benefits for directors (and other officers)	44	44
Retirement benefit liability	11,174	9,168
Long-term guarantee deposits	7,056	6,716
Asset retirement obligations	1,401	1,427
Other	578	532
Total non-current liabilities	50,308	44,251
Total liabilities	187,721	188,161
Net assets		
Shareholders' equity		
Share capital	19,799	19,818
Capital surplus	5,531	5,550
Retained earnings	131,093	141,103
Treasury shares	(2,315)	(2,316)
Total shareholders' equity	154,108	164,155
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,956	7,351
Deferred gains or losses on hedges	(359)	(644)
Foreign currency translation adjustment	1,168	1,919
Remeasurements of defined benefit plans	1,225	4,202
Total accumulated other comprehensive income	4,991	12,828
Non-controlling interests	1,536	1,629
Total net assets	160,636	178,613
Total liabilities and net assets	348,358	366,775

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

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	238,721	252,501
Cost of sales	189,340	195,688
Gross profit	49,380	56,813
Selling, general and administrative expenses		
Freight and packing costs	7,583	8,174
Sales commission	3,641	4,403
Other direct selling expenses	1,207	931
Personnel expenses	9,999	11,042
Retirement benefit expenses	323	277
Travel expenses	807	994
Research and development expenses	4,219	4,643
Other indirect selling, general and administrative expenses	7,750	8,331
Total selling, general and administrative expenses	35,533	38,799
Operating profit	13,846	18,014
Non-operating income		
Interest income	50	73
Dividend income	628	636
Foreign exchange gains	182	839
Gain on non-current assets rent	555	306
Share of profit of entities accounted for using equity method	–	30
Miscellaneous income	622	669
Total non-operating income	2,039	2,555
Non-operating expenses		
Interest expenses	210	212
Compensation expenses	13	188
Share of loss of entities accounted for using equity method	2	–
Miscellaneous losses	699	223
Total non-operating expenses	927	624
Ordinary profit	14,958	19,945
Extraordinary income		
Gain on sale of non-current assets	5,273	1,092
Gain on sale of investment securities	415	644
Gain on liquidation of subsidiaries and associates	151	–
Total extraordinary income	5,840	1,737
Extraordinary losses		
Loss on sale of non-current assets	227	13
Loss on retirement of non-current assets	325	566
Impairment losses	–	1,427
Loss on valuation of investment securities	344	–
Loss on inappropriate conduct in quality inspections	1,383	473
Total extraordinary losses	2,280	2,480
Profit before income taxes	18,518	19,201
Income taxes - current	4,388	5,118
Income taxes - deferred	2,190	(365)
Total income taxes	6,578	4,752
Profit	11,940	14,449
Profit (loss) attributable to non-controlling interests	(34)	170
Profit attributable to owners of parent	11,974	14,278

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	11,940	14,449
Other comprehensive income		
Valuation difference on available-for-sale securities	739	4,394
Deferred gains or losses on hedges	94	(285)
Foreign currency translation adjustment	965	794
Remeasurements of defined benefit plans, net of tax	564	2,976
Total other comprehensive income	2,363	7,880
Comprehensive income	14,303	22,329
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	14,291	22,115
Comprehensive income attributable to non-controlling interests	12	214

Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	19,778	5,510	123,790	(2,314)	146,765
Changes during period					
Issuance of new shares	20	20			41
Dividends of surplus			(4,672)		(4,672)
Profit attributable to owners of parent			11,974		11,974
Purchase of treasury shares				(1)	(1)
Net changes in items other than shareholders' equity					-
Total changes during period	20	20	7,302	(1)	7,343
Balance at end of period	19,799	5,531	131,093	(2,315)	154,108

	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	2,217	(453)	250	661	2,674	1,643	151,083
Changes during period							
Issuance of new shares					-		41
Dividends of surplus					-		(4,672)
Profit attributable to owners of parent					-		11,974
Purchase of treasury shares					-		(1)
Net changes in items other than shareholders' equity	739	94	918	564	2,316	(107)	2,209
Total changes during period	739	94	918	564	2,316	(107)	9,553
Balance at end of period	2,956	(359)	1,168	1,225	4,991	1,536	160,636

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	19,799	5,531	131,093	(2,315)	154,108
Changes during period					
Issuance of new shares	18	18			37
Dividends of surplus			(4,268)		(4,268)
Profit attributable to owners of parent			14,278		14,278
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		(0)		0	0
Transfer of loss on disposal of treasury shares		0	(0)		-
Net changes in items other than shareholders' equity					-
Total changes during period	18	18	10,010	(0)	10,046
Balance at end of period	19,818	5,550	141,103	(2,316)	164,155

	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	2,956	(359)	1,168	1,225	4,991	1,536	160,636
Changes during period							
Issuance of new shares					-		37
Dividends of surplus					-		(4,268)
Profit attributable to owners of parent					-		14,278
Purchase of treasury shares					-		(1)
Disposal of treasury shares					-		0
Transfer of loss on disposal of treasury shares					-		-
Net changes in items other than shareholders' equity	4,394	(285)	750	2,976	7,836	93	7,930
Total changes during period	4,394	(285)	750	2,976	7,836	93	17,977
Balance at end of period	7,351	(644)	1,919	4,202	12,828	1,629	178,613

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	18,518	19,201
Depreciation	6,572	7,743
Amortization of goodwill	164	161
Impairment losses	–	1,427
Increase (decrease) in allowance for doubtful accounts	(8)	(192)
Interest and dividend income	(679)	(709)
Interest expenses	210	212
Share of loss (profit) of entities accounted for using equity method	2	(30)
Loss (gain) on sale of investment securities	(415)	(644)
Loss (gain) on valuation of investment securities	344	–
Loss (gain) on sale of property, plant and equipment and intangible assets	(5,045)	(1,079)
Loss on retirement of property, plant and equipment and intangible assets	325	566
Loss (gain) on liquidation of subsidiaries and associates	(151)	–
Decrease (increase) in trade receivables	(10,390)	8,366
Increase (decrease) in trade payables	11,814	(2,982)
Decrease (increase) in inventories	(15,496)	(6,230)
Increase (decrease) in provision for warranties for completed construction	(218)	(257)
Increase (decrease) in provision for loss on wind power generator business	(222)	–
Other, net	(710)	(756)
Subtotal	4,614	24,794
Interest and dividends received	672	708
Interest paid	(229)	(212)
Income taxes refund (paid)	(6,044)	(3,583)
Net cash provided by (used in) operating activities	(986)	21,707
Cash flows from investing activities		
Net decrease (increase) in time deposits	(428)	207
Purchase of property, plant and equipment and intangible assets	(6,107)	(9,864)
Proceeds from sale of property, plant and equipment and intangible assets	6,134	1,802
Payments for retirement of property, plant and equipment	(238)	(387)
Purchase of investment securities	(17)	(19)
Proceeds from sale of investment securities	1,173	1,320
Proceeds from liquidation of subsidiaries and associates	150	–
Proceeds from collection of long-term loans receivable	3	–
Other, net	277	99
Net cash provided by (used in) investing activities	947	(6,841)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	493	1,455
Proceeds from long-term borrowings	500	1,000
Repayments of long-term borrowings	(15,939)	(2,525)
Dividends paid	(4,672)	(4,268)
Dividends paid to non-controlling interests	(119)	(120)
Repayments of finance lease liabilities	(375)	(439)
Net cash provided by (used in) financing activities	(20,112)	(4,899)
Effect of exchange rate change on cash and cash equivalents	752	535
Net increase (decrease) in cash and cash equivalents	(19,399)	10,502
Cash and cash equivalents at beginning of period	105,799	86,400
Cash and cash equivalents at end of period	86,400	96,902