

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2021 (Based on Japanese GAAP)

November 15, 2021

Company name: The Japan Steel Works, Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 5631 URL <https://www.jsw.co.jp/>  
 Representative: Representative Director & President Naotaka Miyauchi  
 General Manager, General Affairs  
 Inquiries: Department Atsuya Hodota TEL 03-5745-2001  
 Scheduled date to file Quarterly Securities Report: November 15, 2021  
 Scheduled date to commence dividend payments: December 10, 2021  
 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, 2021 (from April 1, 2021 to September 30, 2021)

(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, 2021	91,199	1.2	7,113	50.4	7,889	55.3	6,713	87.5
Six months ended September 30, 2020	90,100	(15.2)	4,729	(57.7)	5,080	(58.2)	3,580	(31.2)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2021	91.27		-	
Six months ended September 30, 2020	48.69		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2021	322,910	146,150	44.8
As of March 31, 2021	316,249	141,985	44.4

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, 2021	-	17.50	-	17.50	35.00
Year ending March 31, 2022	-	22.50	-	-	-
Year ending March 31, 2022 (Forecast)	-	-	-	22.50	45.00

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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	226,000	14.1	16,000	56.5	16,000	49.2	11,000	59.6	149.55

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2021  
(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: Yes
- 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, 2021	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 September 30, 2021	803,836 shares	As of March 31, 2021	803,655 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, 2021	73,555,463 shares	Six months ended September 30, 2020	73,528,971 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	89,441	94,212
Notes and accounts receivable - trade	56,806	51,273
Merchandise and finished goods	2,550	4,523
Work in process	57,019	65,835
Raw materials and supplies	6,126	6,378
Other	10,889	10,530
Allowance for doubtful accounts	(190)	(211)
Total current assets	222,643	232,542
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	23,045	22,670
Machinery, equipment and vehicles, net	9,167	9,104
Other, net	13,989	13,817
Total property, plant and equipment	46,201	45,592
Intangible assets		
Goodwill	573	490
Other	1,803	1,569
Total intangible assets	2,376	2,059
Investments and other assets		
Investment securities	24,950	22,300
Other	20,410	20,740
Allowance for doubtful accounts	(333)	(325)
Total investments and other assets	45,027	42,715
Total non-current assets	93,606	90,368
Total assets	316,249	322,910
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	50,524	49,752
Short-term borrowings	10,147	9,895
Current portion of long-term borrowings	1,950	16,989
Income taxes payable	2,484	2,268
Advances received	17,928	–
Contract liabilities	–	25,750
Provision for loss on business of wind power	1,421	750
Provision for business restructure	2,482	1,938
Other provisions	701	830
Other	17,908	14,901
Total current liabilities	105,548	123,075
Non-current liabilities		
Long-term borrowings	44,781	30,186
Provisions	46	55
Retirement benefit liability	12,404	12,636
Asset retirement obligations	1,352	1,364
Other	10,130	9,440
Total non-current liabilities	68,715	53,684
Total liabilities	174,263	176,760

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Net assets		
Shareholders' equity		
Share capital	19,758	19,778
Capital surplus	5,490	5,510
Retained earnings	112,784	118,210
Treasury shares	(2,313)	(2,314)
Total shareholders' equity	135,719	141,186
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,962	3,346
Deferred gains or losses on hedges	(286)	(252)
Foreign currency translation adjustment	(458)	(56)
Remeasurements of defined benefit plans	461	381
Total accumulated other comprehensive income	4,679	3,418
Non-controlling interests	1,586	1,545
Total net assets	141,985	146,150
Total liabilities and net assets	316,249	322,910

## 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, 2020	Six months ended September 30, 2021
Net sales	90,100	91,199
Cost of sales	69,025	69,447
Gross profit	21,075	21,752
Selling, general and administrative expenses	16,346	14,639
Operating profit	4,729	7,113
Non-operating income		
Interest income	13	16
Dividend income	301	448
Gain on non-current assets rent	256	263
Share of profit of entities accounted for using equity method	–	1
Miscellaneous income	377	264
Total non-operating income	949	994
Non-operating expenses		
Interest expenses	128	138
Share of loss of entities accounted for using equity method	26	–
Miscellaneous losses	444	80
Total non-operating expenses	598	218
Ordinary profit	5,080	7,889
Extraordinary income		
Gain on sale of non-current assets	2	120
Gain on sale of investment securities	224	1,699
Gain on transfer from business divestitures	2,537	–
Total extraordinary income	2,764	1,819
Extraordinary losses		
Loss on sale of non-current assets	1	–
Loss on retirement of non-current assets	154	103
Total extraordinary losses	155	103
Profit before income taxes	7,689	9,605
Income taxes - current	2,310	2,605
Income taxes - deferred	1,708	213
Total income taxes	4,018	2,819
Profit	3,670	6,785
Profit attributable to non-controlling interests	90	72
Profit attributable to owners of parent	3,580	6,713

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

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit	3,670	6,785
Other comprehensive income		
Valuation difference on available-for-sale securities	159	(1,616)
Deferred gains or losses on hedges	109	33
Foreign currency translation adjustment	(223)	404
Remeasurements of defined benefit plans, net of tax	1	(79)
Total other comprehensive income	47	(1,258)
Comprehensive income	3,717	5,527
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,643	5,452
Comprehensive income attributable to non-controlling interests	74	75