

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Three Months Ended June 30, 2020 (Based on Japanese GAAP)

August 11, 2020

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: August 13, 2020
 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 three months ended June 30, 2020 (from April 1, 2020 to June 30, 2020)

(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	%
Three months ended June 30, 2020	41,598	(22.9)	1,003	(85.6)	1,187	(84.6)	902	(85.6)
Three months ended June 30, 2019	53,938	(1.4)	6,992	0.1	7,702	(4.1)	6,284	(8.6)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2020	12.27	–
Three months ended June 30, 2019	85.49	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2020	301,180	132,074	43.3
As of March 31, 2020	297,173	132,492	44.0

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2020	–	27.50	–	17.50	45.00
Year ending March 31, 2021	–	–	–	–	–
Year ending March 31, 2021 (Forecast)	–	–	–	–	–

3. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2020
(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (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 June 30, 2020	74,332,356 shares	As of March 31, 2020	74,332,356 shares
---------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of June 30, 2020	803,405 shares	As of March 31, 2020	803,339 shares
---------------------	----------------	----------------------	----------------

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

Three months ended June 30, 2020	73,529,003 shares	Three months ended June 30, 2019	73,506,010 shares
----------------------------------	-------------------	----------------------------------	-------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
Assets		
Current assets		
Cash and deposits	75,525	80,435
Notes and accounts receivable - trade	51,297	48,828
Merchandise and finished goods	3,792	3,924
Work in process	62,927	66,017
Raw materials and supplies	5,643	6,334
Other	11,485	11,051
Allowance for doubtful accounts	(156)	(133)
Total current assets	210,515	216,459
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	18,909	18,661
Machinery, equipment and vehicles, net	7,556	7,303
Other, net	12,679	12,646
Total property, plant and equipment	39,146	38,612
Intangible assets		
Goodwill	782	697
Other	2,186	2,030
Total intangible assets	2,968	2,727
Investments and other assets		
Investment securities	21,295	21,612
Other	23,685	22,199
Allowance for doubtful accounts	(438)	(430)
Total investments and other assets	44,542	43,381
Total non-current assets	86,657	84,721
Total assets	297,173	301,180
Liabilities		
Current liabilities		
Notes and accounts payable - trade	48,409	43,343
Short-term borrowings	10,048	10,698
Current portion of long-term borrowings	5,155	150
Income taxes payable	1,143	2,014
Advances received	19,012	20,326
Provision for loss on wind power generator business	1,421	1,421
Provision for business restructure	5,596	4,987
Other provisions	828	757
Other	13,859	14,942
Total current liabilities	105,475	98,641
Non-current liabilities		
Long-term borrowings	35,691	45,668
Provisions	57	53
Retirement benefit liability	11,172	12,458
Asset retirement obligations	1,329	1,335
Other	10,954	10,950
Total non-current liabilities	59,205	70,465
Total liabilities	164,680	169,106

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
Net assets		
Shareholders' equity		
Share capital	19,737	19,737
Capital surplus	5,383	5,383
Retained earnings	108,454	108,079
Treasury shares	(2,312)	(2,312)
Total shareholders' equity	131,262	130,888
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,017	1,270
Deferred gains or losses on hedges	(69)	(48)
Foreign currency translation adjustment	(356)	(569)
Remeasurements of defined benefit plans	(1,049)	(1,065)
Total accumulated other comprehensive income	(458)	(412)
Non-controlling interests	1,688	1,597
Total net assets	132,492	132,074
Total liabilities and net assets	297,173	301,180

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Net sales	53,938	41,598
Cost of sales	39,075	31,535
Gross profit	14,863	10,062
Selling, general and administrative expenses	7,870	9,059
Operating profit	6,992	1,003
Non-operating income		
Interest income	18	7
Dividend income	443	285
Gain on non-current assets rent	208	118
Miscellaneous income	268	135
Total non-operating income	938	547
Non-operating expenses		
Interest expenses	60	62
Provision for warranties for completed construction	–	152
Share of loss of entities accounted for using equity method	1	6
Miscellaneous loss	167	141
Total non-operating expenses	228	363
Ordinary profit	7,702	1,187
Extraordinary income		
Gain on sales of non-current assets	1,230	0
Gain on transfer from business divestitures	–	2,537
Other	361	–
Total extraordinary income	1,591	2,538
Extraordinary losses		
Loss on sales of non-current assets	5	1
Loss on retirement of non-current assets	51	97
Other	95	–
Total extraordinary losses	152	99
Profit before income taxes	9,141	3,626
Income taxes - current	2,235	2,008
Income taxes - deferred	557	663
Total income taxes	2,793	2,671
Profit	6,348	955
Profit attributable to non-controlling interests	64	53
Profit attributable to owners of parent	6,284	902

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Profit	6,348	955
Other comprehensive income		
Valuation difference on available-for-sale securities	19	253
Deferred gains or losses on hedges	292	21
Foreign currency translation adjustment	55	(242)
Remeasurements of defined benefit plans, net of tax	(27)	(15)
Total other comprehensive income	340	17
Comprehensive income	6,688	972
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,618	948
Comprehensive income attributable to non-controlling interests	70	23