

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2020 (Based on Japanese GAAP)

November 9, 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: November 12, 2020  
 Scheduled date to commence dividend payments: December 10, 2020  
 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, 2020 (from April 1, 2020 to September 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	%
Six months ended September 30, 2020	90,100	(15.2)	4,729	(57.7)	5,080	(58.2)	3,580	(31.2)
Six months ended September 30, 2019	106,282	(3.1)	11,176	(9.7)	12,157	(11.2)	5,205	(56.4)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2020	48.69		-	
Six months ended September 30, 2019	70.82		-	

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2020	302,887	134,856	44.0
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				
Year ended March 31, 2020	-	27.50	-	17.50	45.00
Year ending March 31, 2021	-	17.50	-	-	-
Year ending March 31, 2021 (Forecast)	-	-	-	17.50	35.00

### 3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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	195,000	(10.4)	10,000	(46.6)	10,000	(49.8)	6,500	(30.2)	88.40

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 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 September 30, 2020	74,359,182 shares	As of March 31, 2020	74,332,356 shares
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Number of treasury shares at the end of the period

As of September 30, 2020	803,439 shares	As of March 31, 2020	803,339 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, 2020	73,528,971 shares	Six months ended September 30, 2019	73,506,004 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2020	As of September 30, 2020
<b>Assets</b>		
Current assets		
Cash and deposits	75,525	85,113
Notes and accounts receivable - trade	51,297	49,956
Merchandise and finished goods	3,792	3,635
Work in process	62,927	64,328
Raw materials and supplies	5,643	6,501
Other	11,485	9,256
Allowance for doubtful accounts	(156)	(152)
Total current assets	210,515	218,639
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	18,909	18,615
Machinery, equipment and vehicles, net	7,556	8,711
Other, net	12,679	13,289
Total property, plant and equipment	39,146	40,616
Intangible assets		
Goodwill	782	656
Other	2,186	1,936
Total intangible assets	2,968	2,592
Investments and other assets		
Investment securities	21,295	20,033
Other	23,685	21,438
Allowance for doubtful accounts	(438)	(432)
Total investments and other assets	44,542	41,039
Total non-current assets	86,657	84,248
Total assets	297,173	302,887
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	48,409	41,023
Short-term borrowings	10,048	11,025
Current portion of long-term borrowings	5,155	133
Income taxes payable	1,143	2,235
Advances received	19,012	21,762
Provision for loss on business of wind power	1,421	1,421
Provision for business restructure	5,596	4,161
Other provisions	828	552
Other	13,859	15,023
Total current liabilities	105,475	97,339
Non-current liabilities		
Long-term borrowings	35,691	45,636
Provisions	57	44
Retirement benefit liability	11,172	12,782
Asset retirement obligations	1,329	1,341
Other	10,954	10,888
Total non-current liabilities	59,205	70,692
Total liabilities	164,680	168,031

(Millions of yen)

	As of March 31, 2020	As of September 30, 2020
Net assets		
Shareholders' equity		
Share capital	19,737	19,758
Capital surplus	5,383	5,405
Retained earnings	108,454	110,757
Treasury shares	(2,312)	(2,313)
Total shareholders' equity	131,262	133,608
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,017	1,176
Deferred gains or losses on hedges	(69)	39
Foreign currency translation adjustment	(356)	(563)
Remeasurements of defined benefit plans	(1,049)	(1,048)
Total accumulated other comprehensive income	(458)	(395)
Non-controlling interests	1,688	1,643
Total net assets	132,492	134,856
Total liabilities and net assets	297,173	302,887

**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, 2019	Six months ended September 30, 2020
Net sales	106,282	90,100
Cost of sales	79,781	69,025
Gross profit	26,500	21,075
Selling, general and administrative expenses	15,324	16,346
Operating profit	11,176	4,729
Non-operating income		
Interest income	28	13
Dividend income	472	301
Gain on non-current assets rent	426	256
Miscellaneous income	564	377
Total non-operating income	1,491	949
Non-operating expenses		
Interest expenses	125	128
Expenses for delayed delivery	75	184
Share of loss of entities accounted for using equity method	1	26
Miscellaneous loss	307	260
Total non-operating expenses	510	598
Ordinary profit	12,157	5,080
Extraordinary income		
Gain on sales of non-current assets	1,244	2
Gain on transfer from business divestitures	–	2,537
Gain on sales of investment securities	–	224
Other	361	–
Total extraordinary income	1,606	2,764
Extraordinary losses		
Loss on sales of non-current assets	5	1
Loss on retirement of non-current assets	123	154
Loss on valuation of investment securities	3,347	–
Provision for business restructuring	2,244	–
Other	95	–
Total extraordinary losses	5,817	155
Profit before income taxes	7,946	7,689
Income taxes - current	1,343	2,310
Income taxes - deferred	1,266	1,708
Total income taxes	2,610	4,018
Profit	5,336	3,670
Profit attributable to non-controlling interests	130	90
Profit attributable to owners of parent	5,205	3,580

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

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Profit	5,336	3,670
Other comprehensive income		
Valuation difference on available-for-sale securities	1,797	159
Deferred gains or losses on hedges	178	109
Foreign currency translation adjustment	(218)	(223)
Remeasurements of defined benefit plans, net of tax	(53)	1
Total other comprehensive income	1,703	47
Comprehensive income	7,039	3,717
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,906	3,643
Comprehensive income attributable to non-controlling interests	133	74