

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2019 (Based on Japanese GAAP)

August 5, 2019

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 7, 2019  
 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, 2019 (from April 1, 2019 to June 30, 2019)

#### (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, 2019	53,938	(1.4)	6,992	0.1	7,702	(4.1)	6,284	(8.6)
Three months ended June 30, 2018	54,704	22.9	6,987	53.8	8,031	77.7	6,873	113.7

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2019	85.49	–
Three months ended June 30, 2018	93.53	–

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2019	315,495	134,864	42.2
As of March 31, 2019	305,471	129,827	42.0

### 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, 2019	–	25.00	–	30.00	55.00
Year ending March 31, 2020	–				
Year ending March 31, 2020 (Forecast)		27.50	–	27.50	55.00

### 3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2019	112,500	2.6	9,500	(23.2)	10,500	(23.3)	7,500	(37.2)	102.05
Full year	225,000	2.2	19,000	(21.8)	20,000	(28.4)	14,000	(29.9)	190.50

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2019  
 (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 June 30, 2019	74,309,108 shares	As of March 31, 2019	74,309,108 shares
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Number of treasury shares at the end of the period

As of June 30, 2019	803,101 shares	As of March 31, 2019	803,082 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2019	73,506,010 shares	Three months ended June 30, 2018	73,490,081 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	74,304	77,555
Notes and accounts receivable - trade	64,921	62,805
Merchandise and finished goods	2,767	3,274
Work in process	61,004	67,868
Raw materials and supplies	5,675	5,952
Other	6,544	7,200
Allowance for doubtful accounts	(137)	(130)
<b>Total current assets</b>	<b>215,080</b>	<b>224,525</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	15,212	16,749
Machinery, equipment and vehicles, net	7,273	7,096
Other, net	12,027	12,481
<b>Total property, plant and equipment</b>	<b>34,514</b>	<b>36,327</b>
<b>Intangible assets</b>		
Goodwill	268	212
Other	1,957	1,961
<b>Total intangible assets</b>	<b>2,226</b>	<b>2,174</b>
<b>Investments and other assets</b>		
Investment securities	29,078	28,927
Other	24,969	23,936
Allowance for doubtful accounts	(397)	(395)
<b>Total investments and other assets</b>	<b>53,650</b>	<b>52,468</b>
<b>Total non-current assets</b>	<b>90,391</b>	<b>90,970</b>
<b>Total assets</b>	<b>305,471</b>	<b>315,495</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	55,579	58,841
Short-term borrowings	12,088	12,558
Current portion of long-term borrowings	199	5,177
Income taxes payable	3,326	1,974
Advances received	16,619	17,547
Provision for loss on wind power generator business	1,887	1,721
Provision for business restructure	5,295	5,266
Other provisions	836	476
Other	16,637	17,892
<b>Total current liabilities</b>	<b>112,469</b>	<b>121,455</b>
<b>Non-current liabilities</b>		
Long-term borrowings	39,208	34,705
Provisions	73	73
Retirement benefit liability	10,494	10,580
Asset retirement obligations	1,308	1,311
Other	12,089	12,503
<b>Total non-current liabilities</b>	<b>63,174</b>	<b>59,175</b>
<b>Total liabilities</b>	<b>175,643</b>	<b>180,630</b>

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
Net assets		
Shareholders' equity		
Share capital	19,716	19,716
Capital surplus	5,362	5,362
Retained earnings	102,915	107,449
Treasury shares	(2,312)	(2,312)
Total shareholders' equity	125,682	130,216
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,290	3,310
Deferred gains or losses on hedges	(226)	65
Foreign currency translation adjustment	(222)	(171)
Remeasurements of defined benefit plans	(115)	(144)
Total accumulated other comprehensive income	2,725	3,060
Non-controlling interests	1,419	1,588
Total net assets	129,827	134,864
Total liabilities and net assets	305,471	315,495

**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, 2018	Three months ended June 30, 2019
Net sales	54,704	53,938
Cost of sales	40,509	39,075
Gross profit	14,194	14,863
Selling, general and administrative expenses	7,207	7,870
Operating profit	6,987	6,992
Non-operating income		
Interest income	11	18
Dividend income	427	443
Share of profit of entities accounted for using equity method	88	–
Gain on non-current assets rent	208	208
Miscellaneous income	387	268
Total non-operating income	1,123	938
Non-operating expenses		
Interest expenses	60	60
Share of loss of entities accounted for using equity method	–	1
Miscellaneous loss	18	167
Total non-operating expenses	79	228
Ordinary profit	8,031	7,702
Extraordinary income		
Gain on sales of non-current assets	1,747	1,230
Other	235	361
Total extraordinary income	1,982	1,591
Extraordinary losses		
Loss on sales of non-current assets	–	5
Loss on retirement of non-current assets	26	51
Other	–	95
Total extraordinary losses	26	152
Profit before income taxes	9,987	9,141
Income taxes - current	2,915	2,235
Income taxes - deferred	130	557
Total income taxes	3,046	2,793
Profit	6,941	6,348
Profit attributable to non-controlling interests	68	64
Profit attributable to owners of parent	6,873	6,284

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

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Profit	6,941	6,348
Other comprehensive income		
Valuation difference on available-for-sale securities	(851)	19
Deferred gains or losses on hedges	(394)	292
Foreign currency translation adjustment	(338)	55
Remeasurements of defined benefit plans, net of tax	47	(27)
Total other comprehensive income	(1,536)	340
Comprehensive income	5,405	6,688
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,366	6,618
Comprehensive income attributable to non-controlling interests	38	70