



FY **2021/JGP2025**

**Business Results for the Fiscal Year  
2020 (Ended March 31, 2021)**

May 18, 2021

Naotaka Miyauchi  
Representative Director &  
President, The Japan Steel  
Works, Ltd.

さあ  
次は何を  
つくりたい？

# THE FIRST ENGINEER

## Our vision behind the FIRST ENGINEER

In any group of penguins that is out looking for food, there is a penguin who will take the lead in jumping into the sea, despite the risk of encountering natural predators.

Using this brave penguin as an analogy, a pioneering company that taps an uncharted area can be called the first penguin of the business world.

We believe that our mission is to take on the challenge to create new social value and open up the future, despite facing challenges as first engineer just like the brave penguin does.

## Note

The performance forecasts and other forward-looking statements included in this report are based on the information that was available to The Japan Steel Works, Ltd. (the “Company”) and certain assumptions deemed to be reasonable at the time this report was prepared, and the actual results may differ significantly from these forecasts due to a variety of reasons.

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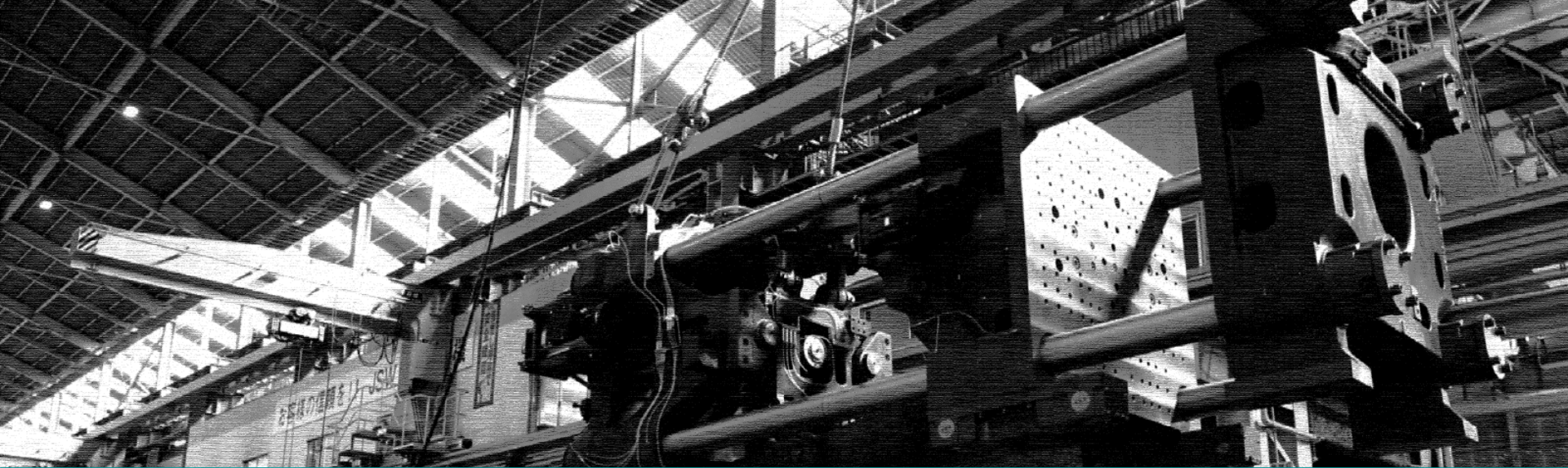
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### **Reference Materials ( 42 - 45):**

Composition of the Business Segments and Main Products / Business Segment Change in the Hydrogen Business / Trends in Net Sales, Operating Income and Profit / Trends in Major Assets and Cash Flows / Corporate Code of Behavior of JSW (revised on April 1, 2018)



# Results for FY2020

## PART I



## FY2020 : Status of Orders Received, Net Sales and Profits

### Orders received, net sales and profits decreased year on year.

(in billions of yen)

	Results for FY2019 (A)	FY2020		Change from the previous year  (C)-(A)	Ratio to the previous forecast  (C)-(B)
		Previous forecast (B)	Results (C)		
Orders received	211.5	205.0	<b>181.0</b>	(30.5)	(24.0)

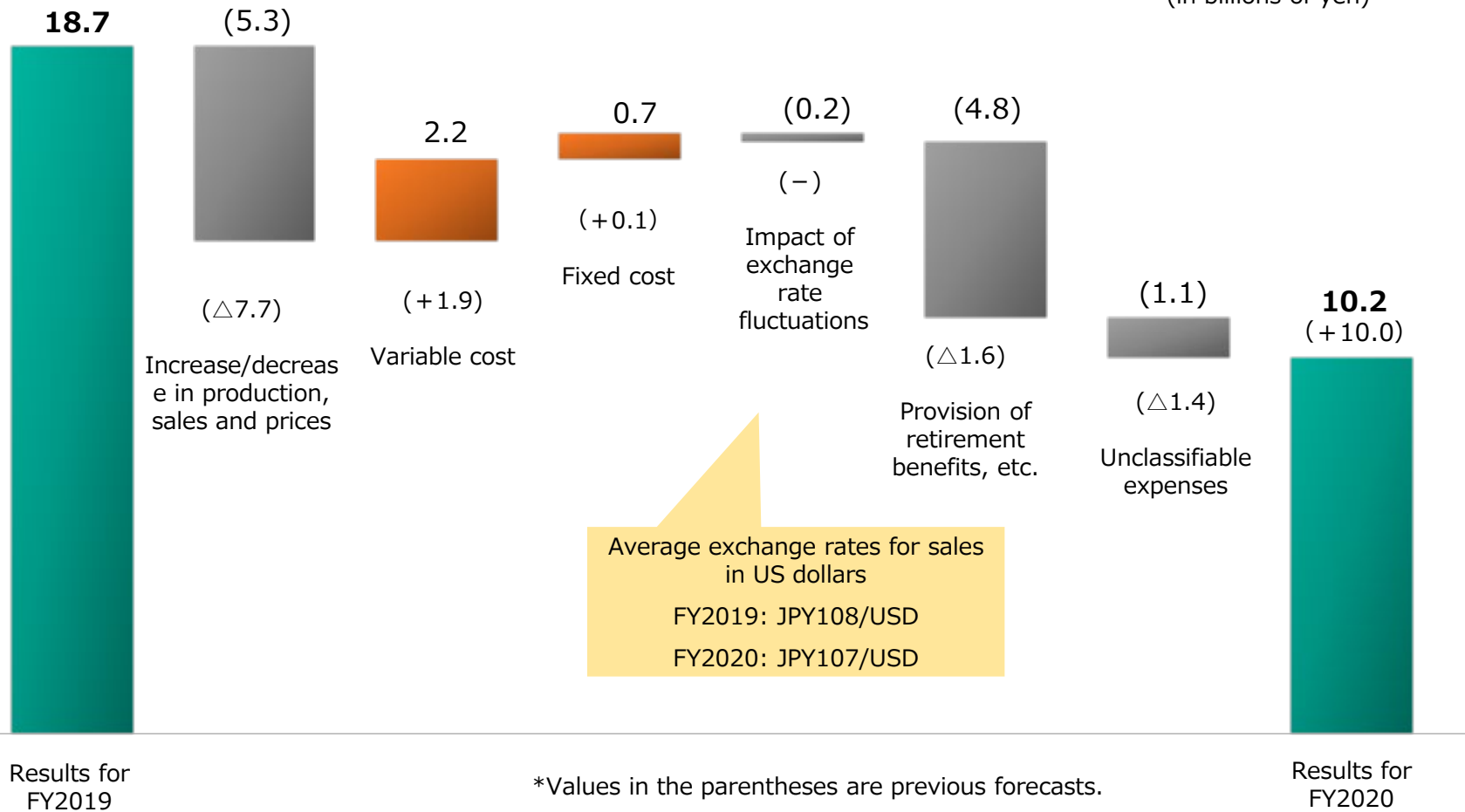
Net sales	217.5	195.0	<b>198.0</b>	(19.5)	3.0
Operating income	18.7	10.0	<b>10.2</b>	(8.5)	0.2
(%)	8.6%	5.1%	<b>5.2%</b>	(3.4%)	0.1%
Ordinary income	19.9	10.0	<b>10.7</b>	(9.2)	0.7
Profit	9.3	6.5	<b>6.8</b>	(2.5)	0.3
Profit per share (yen)	126.66	88.40	<b>93.76</b>	(32.9)	5.36

Dividend per share (yen)	45.0	35.0	<b>35.0</b>	(10.0)	0
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# FY2020 : Reasons for Changes in Operating Income

Operating income declined 8.5 billion yen due to decreases in production, sales and prices, as well as the posting of retirement allowance reserves

(in billions of yen)





### Orders received, net sales and operating income decreased year on year in the two segments.

#### Industrial Machinery Products Business

(in billions of yen)

	Results for FY2019 (A)	FY2020 Change from the previous year		(C)-(A)	Ratio to the previous forecast (C)-(B)
		Previous forecast (B)	Results (C)		
Orders received	162.6	153.0	145.2	(17.4)	(7.8)
Net Sales	171.4	152.0	156.3	(15.1)	4.3
Operating income	19.2	15.0	13.9	(5.3)	(1.1)
(%)	11.2%	9.9%	8.9%	△2.3%	△1.0%

#### Material and Engineering Business

	Results for FY2019 (D)	FY2020		Change from the previous year (F)-(D)	Ratio to the previous forecast (F)-(E)
		Previous forecast (E)	Results (F)		
Orders received	46.2	48.5	32.7	(13.5)	(15.8)
Net Sales	42.8	40.0	38.5	(4.3)	(1.5)
Operating income	2.7	1.5	1.8	(0.9)	0.3
(%)	6.3%	3.8%	4.7%	△1.6%	0.9%

## FY2020 : Industrial Machinery Products Business

Orders for plastic production and processing machinery were lower than expected due to a lag in the expected posting of sales from large orders.

On the other hand, orders for molding machines recovered after hitting the bottom in the first quarter and increased year on year.

	Net sales / Operating income				
	Results for FY2019 (A)	FY2020		Change from the previous year (C)-(A)	Ratio to the previous forecast (C)-(B)
		Previous forecast (B)	Results (C)		
Plastic production and processing machinery	61.3	61.0	58.8	(2.5)	(2.2)
Molding machines	65.3	50.0	54.5	(10.8)	4.5
Others	44.8	41.0	43.0	(1.8)	2.0
Total	171.4	152.0	156.3	(15.1)	4.3
Operating income	19.2	15.0	13.9	(5.3)	(1.1)

	Orders received <span style="float: right;">(in billions of yen)</span>				
	Results for FY2019 (D)	FY2020		Change from the previous year (F)-(D)	Ratio to the previous forecast (F)-(E)
		Previous forecast (E)	Results (F)		
	60.8	60.0	47.4	(13.4)	(12.6)
	53.3	50.0	57.4	4.1	7.4
	48.5	43.0	40.4	(8.1)	(2.6)
Total	162.6	153.0	145.2	(17.4)	(7.8)

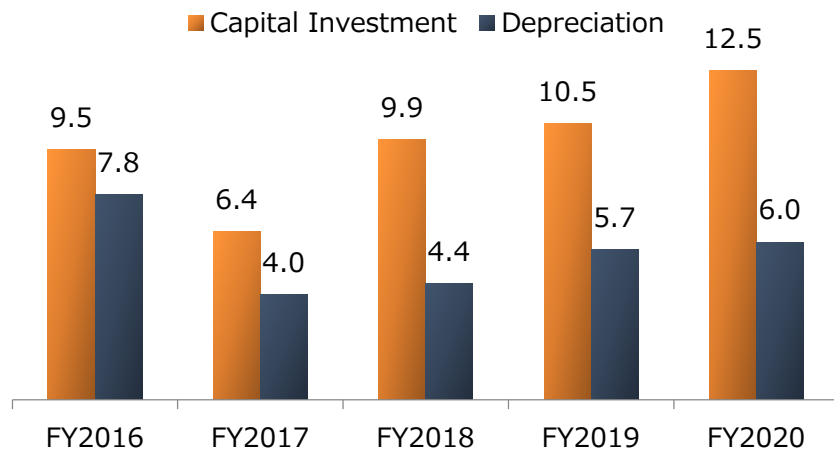
## FY2020 : Material and Engineering Business

Orders for clad steel plates and pipes decreased significantly year on year due to a lag in the expected posting of sales from large orders.

	Net sales / Operating income				
	Results for FY2019 (A)	FY2020		Change from the previous year (C)-(A)	Ratio to the previous forecast (C)-(B)
		Previous forecast (B)	Results (C)		
Steel castings and forgings	19.6	20.5	19.9	0.3	(0.6)
Clad steel plates and pipes	12.8	11.0	10.5	(2.3)	(0.5)
Engineering, etc.	10.4	8.5	8.1	(2.3)	(0.4)
Total	42.8	40.0	38.5	(4.3)	(1.5)
Operating income	2.7	1.5	1.8	(0.9)	0.3

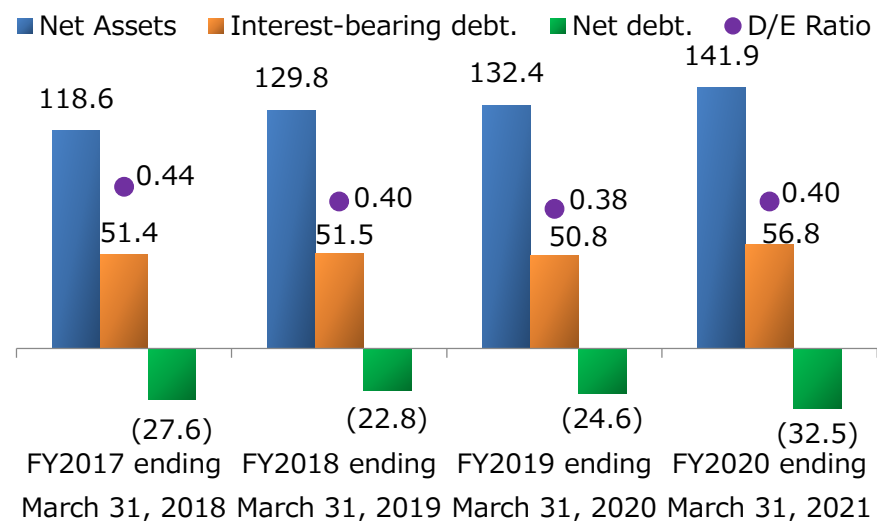
	Orders received (in billions of yen)				
	Results for FY2019 (D)	FY2020		Change from the previous year (F)-(D)	Ratio to the previous forecast (F)-(E)
		Previous forecast (E)	Results (F)		
Steel castings and forgings	22.9	21.0	21.9	(1.0)	0.9
Clad steel plates and pipes	14.9	18.0	1.7	(13.2)	(16.3)
Engineering, etc.	8.4	9.5	9.1	0.7	(0.4)
Total	46.2	48.5	32.7	(13.5)	(15.8)

## Status of Capital Investment and Depreciation

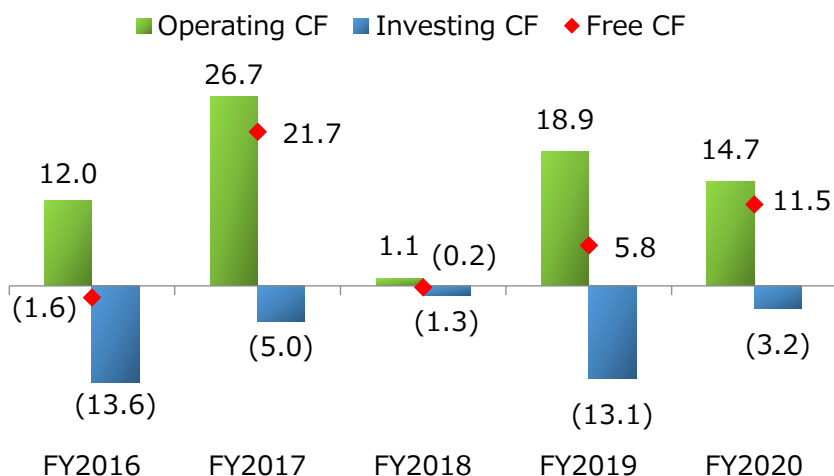


## Financial Position

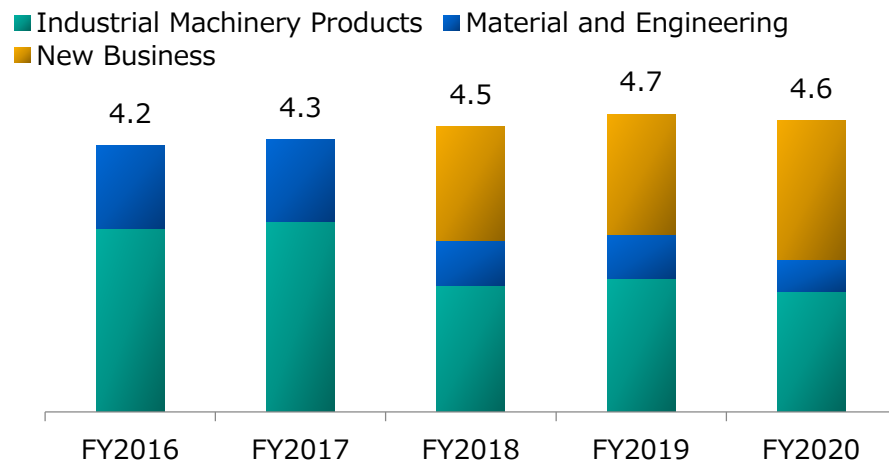
(in billions of yen)



## Status of Cash Flows



## Status of R&D Expenses





# Forecast for FY2021

## PART II



## FY2021 : Forecasts for Orders, Net Sales and Profits

Orders received, net sales and profits are expected to increase year on year.

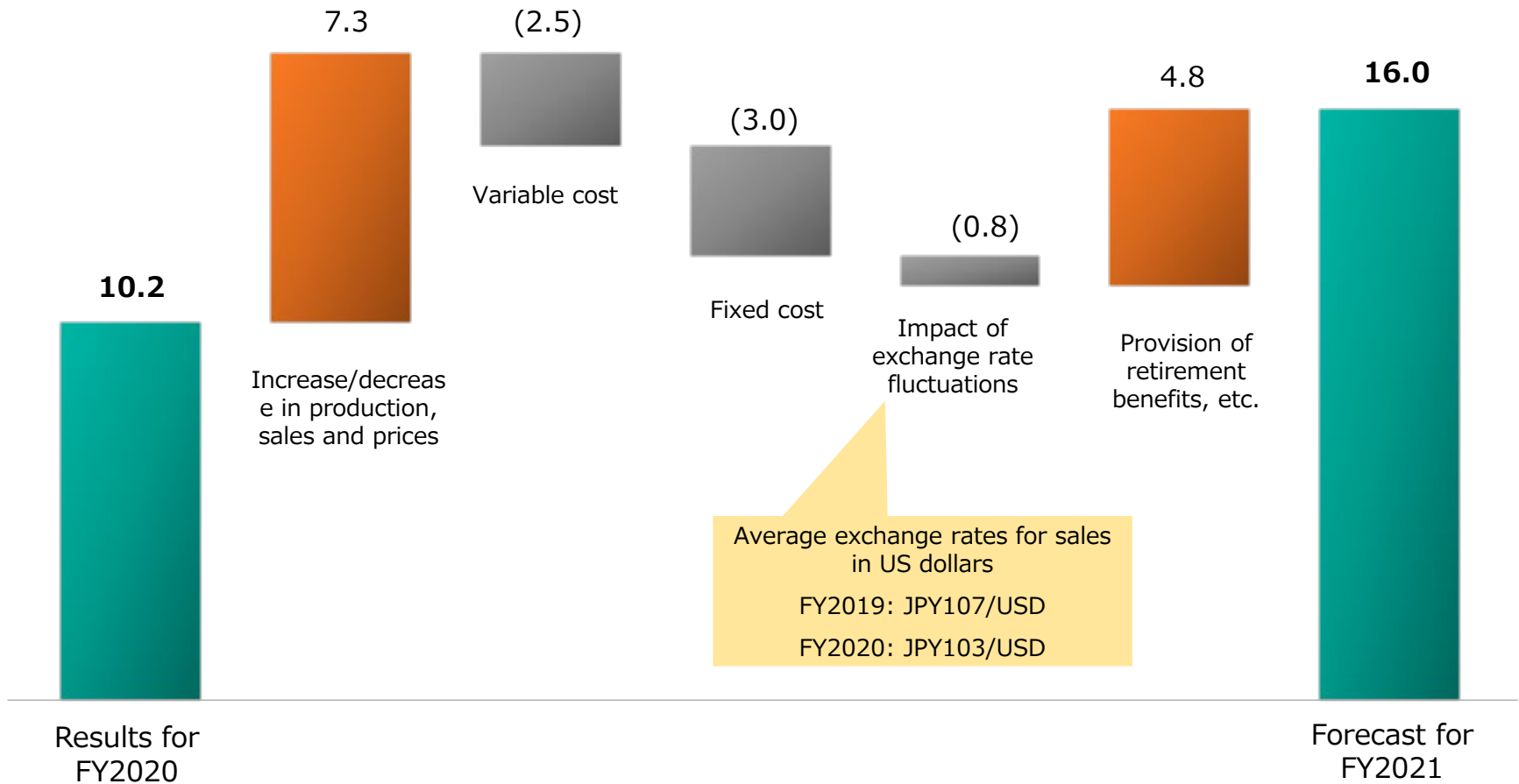
(in billions of yen)

	Results for FY2020 (A)	Forecast for FY2021 (B)	Change from the previous year (B)-(A)
Orders received	181.0	254.0	73.0
Net Sales	198.0	226.0	28.0
Operating income (%)	10.2 5.2%	16.0 7.1%	5.8 1.9%
Ordinary income	10.7	16.0	5.3
Profit	6.8	11.0	4.2
Profit per share (yen)	93.76	149.60	55.84
Dividend per share (yen)	35.0	45.0	10.0

# FY2021 : Reasons for Changes in Operating Income

Increase of 5.8 billion yen mainly due to rises in production and net sales.

(Unit : billions of yen)



Orders received, net sales and operating income are expected to increase year on year in the two segments.

### Industrial Machinery Products Business

(in billions of yen)

	Results for FY2020 (A)	Forecast for FY2021 (B)	Change from the previous year (B)-(A)
Orders received	145.2	207.0	61.8
Net Sales	156.3	176.0	19.7
Operating income (%)	13.9 8.9%	17.8 10.1%	3.9 1.2%

### Material and Engineering Business

	Results for FY2020 (A)	Forecast for FY2021 (B)	Change from the previous year (B)-(A)
Orders received	32.7	43.0	10.3
Net Sales	38.5	46.0	7.5
Operating income (%)	1.8 4.7%	1.9 4.1%	0.1 (0.6%)



## FY2021 : Industrial Machinery Products Business

Economic conditions will be strong from the perspective of orders for plastic production and processing machinery as well as molding machines.

Net sales / Operating income

Orders received

(in billions of yen)

	Results for FY2020 (A)	Forecast for FY2021 (B)	Change from the previous year (B)-(A)	Results for FY2020 (C)	Forecast for FY2021 (D)	Change from the previous year (D)-(C)
Plastic production and processing mach inery	58.8	<b>64.0</b>	5.2	47.4	<b>97.0</b>	49.6
Molding machines	54.5	<b>66.0</b>	11.5	57.4	<b>70.0</b>	12.6
Others	43.0	<b>46.0</b>	3.0	40.4	<b>40.0</b>	(0.4)
Total	156.3	<b>176.0</b>	19.7	145.2	<b>207.0</b>	61.8
Operating income	13.9	<b>17.8</b>	3.9			

## FY2021 : Material and Engineering Business

Orders for clad steel plates and pipes are expected to rise sharply due to the posting of sales from orders carried over from the previous year.

### Net sales / Operating income

	Results for FY2020 (A)	Forecast for FY2021 (B)	Change from the previous year (B)-(A)
Steel castings and forgings	19.9	24.0	4.1
Clad steel plates and pipes	10.5	11.6	1.1
Engineering, etc.	8.1	10.4	2.3
Total	38.5	46.0	7.5
Operating income	1.8	1.9	0.1

### Orders received

(in billions of yen)

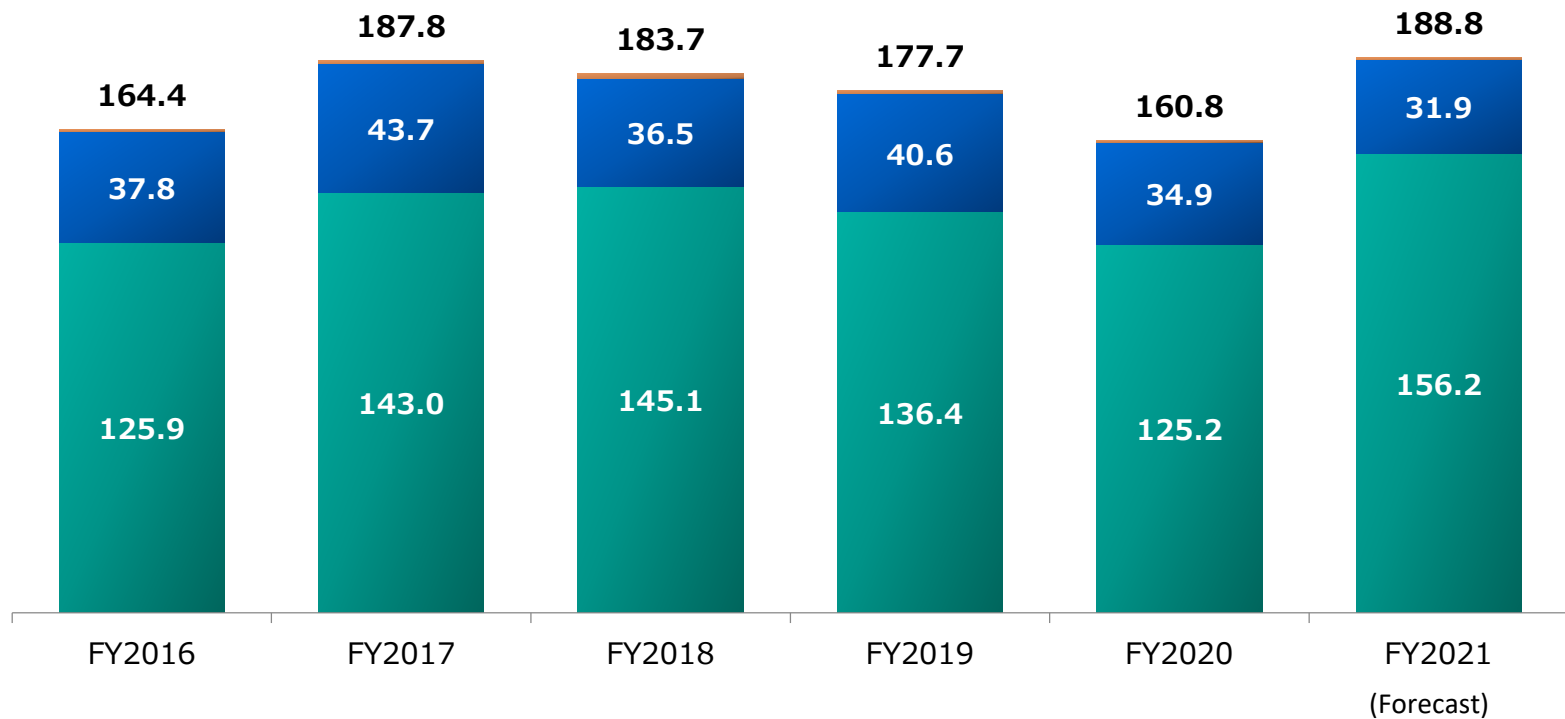
	Results for FY2020 (C)	Forecast for FY2021 (D)	Change from the previous year (D)-(C)
	21.9	20.0	(1.9)
	1.7	15.0	13.3
	9.1	8.0	(1.1)
	32.7	43.0	10.3

# Order backlog trends and forecast

(in billions of yen)

## Trends in Order Backlogs by Segments

■ Industrial Machinery Products   ■ Material and Engineering   ■ Others











# Business Overview




## PART III



# Overview of Orders Received in the Current Period for Main Products in the Industrial Machinery Products Business

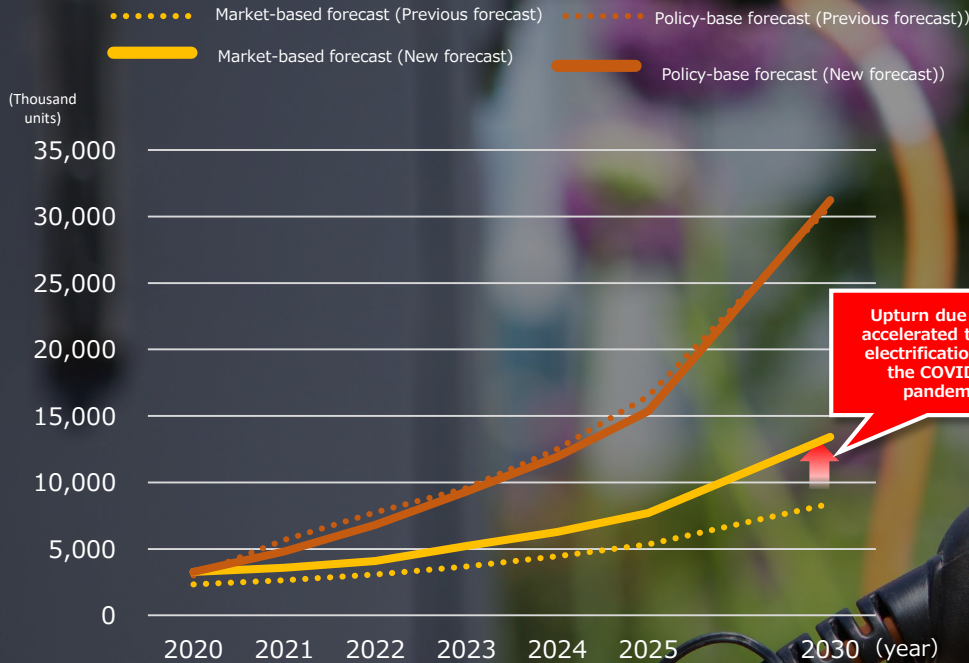
Industrial Machinery Products Business	Business sentiment (Year-on-year comparisons)	Economic conditions from the perspectives of order acquisition
Film and sheet manufacturing equipment		<ul style="list-style-type: none"> <li>● Market conditions for equipment for separators are favorable, reflecting active investments against the backdrop of an increase in EV production.</li> </ul>
Pelletizers		<ul style="list-style-type: none"> <li>● Market conditions continues to be favorable mainly in China, among other countries.</li> </ul>
Twin-screw extruders		<ul style="list-style-type: none"> <li>● The market is on a path toward recovery from the slump caused by the impact of COVID-19.</li> </ul>
Molding machines		<ul style="list-style-type: none"> <li>● The market has recovered and continues to be strong.</li> </ul>
FPD equipment		<ul style="list-style-type: none"> <li>● The FPD market continues to be tough despite recovery in demand for smartphones, among other products, because the appetite for new investment is still weak.</li> </ul>
After-sales services		<ul style="list-style-type: none"> <li>● The market is on a path to recovery after hitting bottom in the first quarter of the previous year (April to June in 2020) due to the impact of COVID-19.</li> </ul>

# Overview of Orders Received in the Current Period for Main Products in the Material and Engineering Business

Material and Engineering Business	Business sentiment (Year-on-year comparisons)	Economic conditions from the perspectives of order acquisition
Steel castings and forgings		<ul style="list-style-type: none"> <li>● The market is gradually recovering for the impact of COVID-19.</li> </ul>
Clad steel plates and pipes		<ul style="list-style-type: none"> <li>● Business conditions are difficult in terms of order acquisition due to the postponement and review of the natural gas project.</li> </ul>
Engineering, etc.		<ul style="list-style-type: none"> <li>● Orders for plant repair work continues to solid and those for public works are expected to contribute.</li> </ul>

# Film and sheet manufacturing equipment

## Forecast of the number of EV (PHEV andEV) produced(\*)



**The market is responding to EV promotion policies launched in many countries in the world. Business conditions are improving in terms of acquiring orders for our film sheet manufacturing equipment.**

Source: Data for the previous forecast and new forecast have been cited, respectively, from the "2020 CURRENT STATUS AND FUTURE PROSPECTS OF XEV LIB MARKET ~the 1st HALF REPORT", and the on the "Automotive Lithium-ion Battery Market 2020-2021" issued by Yano Research Institute Ltd. The report on data for the new forecast reflects trends, such as the economic effects of COVID-19, observed after the issuance of the report on data for the previous forecast

(\*) The policy-based forecast is based on the scenario in which relative high growth rates are maintained, providing that targeted numbers of xEV (electric vehicles) introduced by automobile manufacturers and governments of respective countries will be in line with their projections. The market-base forecast is based on the scenario in which growth rates are lower than those in the policy-based forecast, taking into consideration a certain amount of time required to address a range of issues for the popularization of xEV and expansion of the market thereof. "Previous" data is the estimated value for 2020, predicted value after 2021 (as of July 2020), this data is the actual value for 2020, predicted value after 2021 (as of February 2021)

## Our strategy

1

**Strengthen measures to respond to enhancements in quality**

**Develop facilities to respond to an increase in battery density in cooperation with customers.**

2

**Strengthen our ability to provide competitive maintenance services.**

**Strengthen the service structures in China and Europe.**

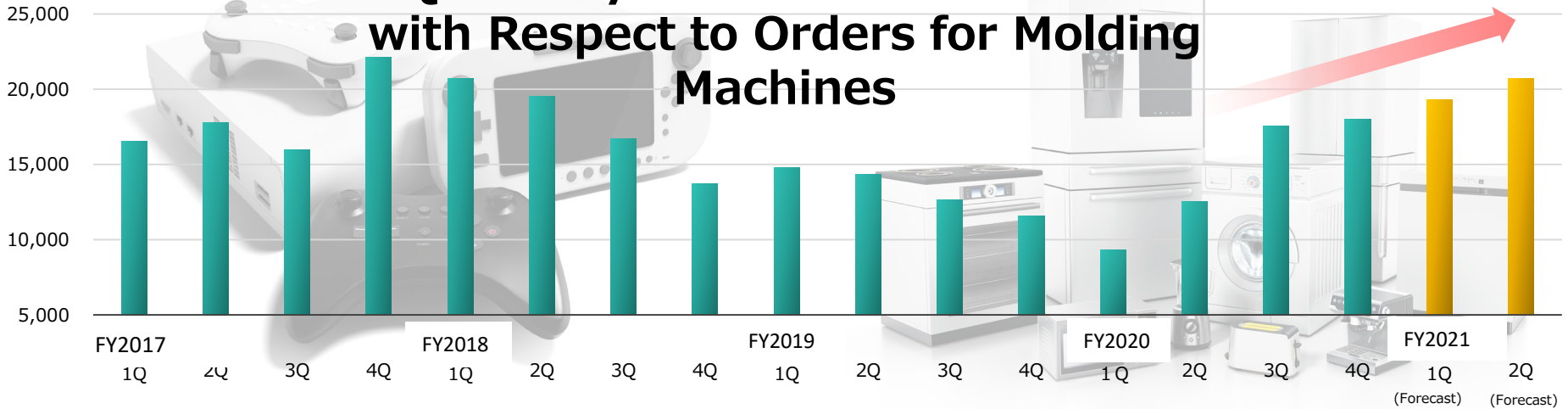


Film and sheet manufacturing equipment

# Molding machines

(in millions of yen)

## Quarterly Results and Forecasts with Respect to Orders for Molding Machines



## Market Outlook

**The market, which had been sluggish for more than two years, is recovering after hitting bottom in the first quarter of the fiscal year ended March 31, 2021.**

- Domestic demand will remain strong, mainly due to demand associated with stay-at-home requirements and automotive-related orders are expected to recover fully in the current fiscal year.
- In the second half of the fiscal year ended March 31, 2021, the overseas market will remain strong, mainly in China and the United States, which have achieved a recovery ahead of other countries.

## Our initiatives / Target markets

- 1 Strengthening the household goods and sundries sector, which is expected to grow due to a rise in demand associated with stay-at-home requirements
- 2 Targeting the automotive sector
  - (i) Introducing a new series of large machines.
  - (ii) Expand the lineup of 2 Platen Ultra Large Injection Molding Machine.
  - (iii) Introduction of a large-scale magnesium alloy injection molding machines.
- 3 Establish global production systems and increase production capacity





# New medium-term management plan JGP2025

PART IV



## JGP2020: 3 Basic Policies (priority issues)

1

### Optimization of Management Resources and Strengthening of Alliances

Achievements

- Expanded the plastic processing machine complex Made GM Engineering Co., Ltd. into a subsidiary, and executed absorption-type mergers with Nichiyu Machinery Co., Ltd. and Meiki Co., Ltd.
- Spun off the material and engineering business (into Japan Steel Works M&E, Inc.)
- Started collaboration with Tsukishima Kikai Co., Ltd.
- Set up a joint venture with JX Nippon Mining & Metals Corporation

2

### Strengthening of After-Sales services (Stock-Based Business)

Achievements

- Launched parts centers in Japan and in Europe
- Built a plant dedicated to services
- Commenced operation of remote maintenance

3

### Acceleration in Exploration and Development of New Businesses

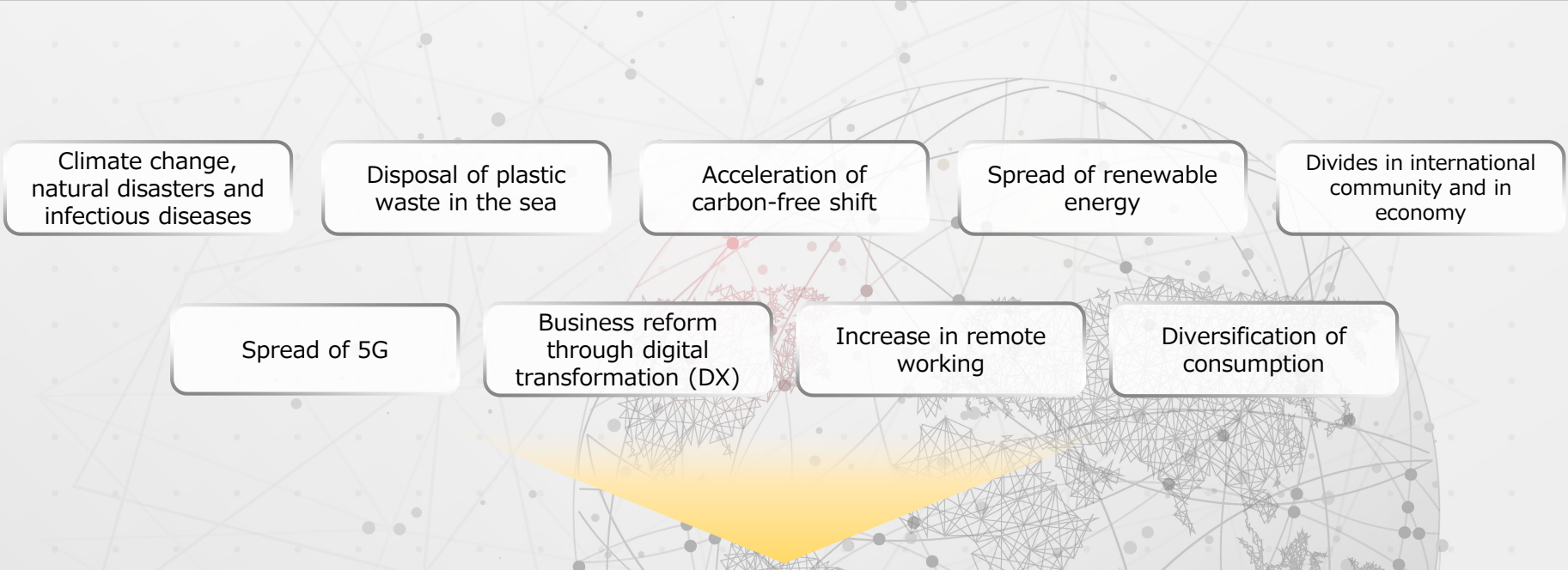
Achievements

- Launched a hydrogen-related business and transferred it to Japan Steel Works M&E, Inc.
- Decided on focus on three business domains of photonics, composite materials and metal materials.

#### Issues still to be addressed

- Press further ahead with the shift to plastic processing machine complex
- Increase competitiveness of existing products
- Create new core businesses that will follow plastic processing machinery
- Generate constant profit in the Material and Engineering Business
- Swiftly attain profitability in new businesses

# Recognition of Business Circumstances and the Company's Business Opportunities and Risks



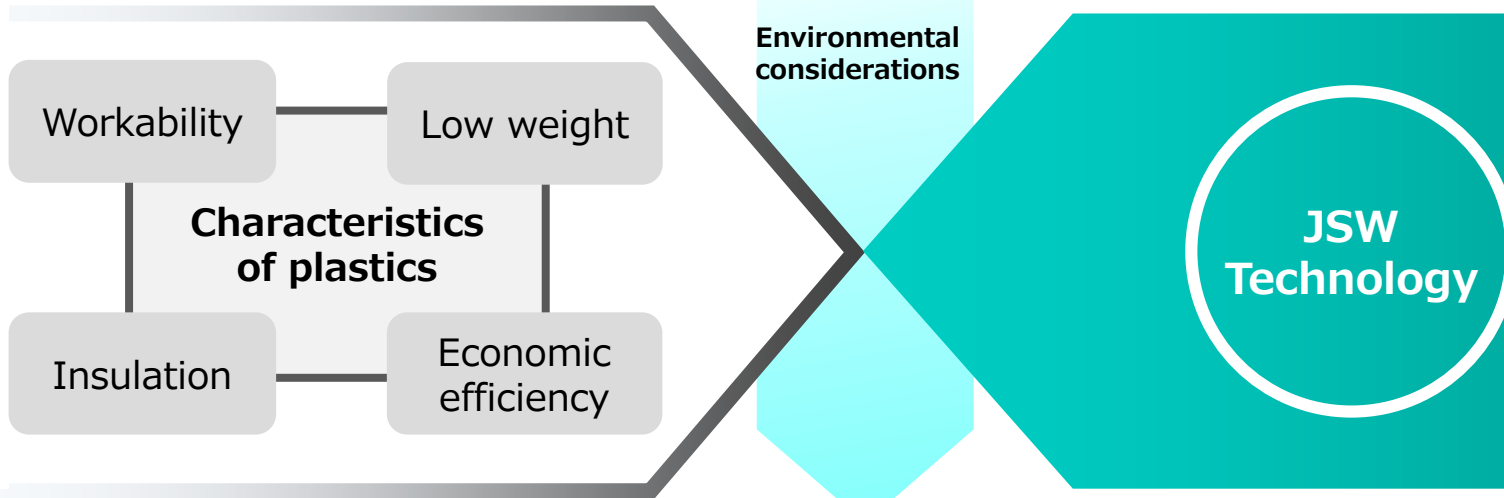
## Opportunities

- Electric vehicle (EV) market expansion
- Emergence of biodegradable plastics
- Full-scale investment in 5G infrastructure
- Advancement of artificial intelligence (AI) and Internet of Things (IoT) technologies
- Expansion of consumption chiefly in emerging economies

## Risks

- Demand shrinkage for plastic processing machines amid a trend towards reducing plastic consumption
- Reduction in investment in thermal power generation and oil and gas applications amid a trend towards decarbonization
- Contraction of demand for separator films after widespread use of all-solid batteries

# Environmental Actions Taken as Manufacturer of General Plastic Processing Machinery



**Advancing technological capabilities cultivated as a manufacturer of general plastic processing machinery to address environmental issues  
Continuously supporting manufacturing essential to all parts of society**



IT



Home electric appliances



Automobile-related products

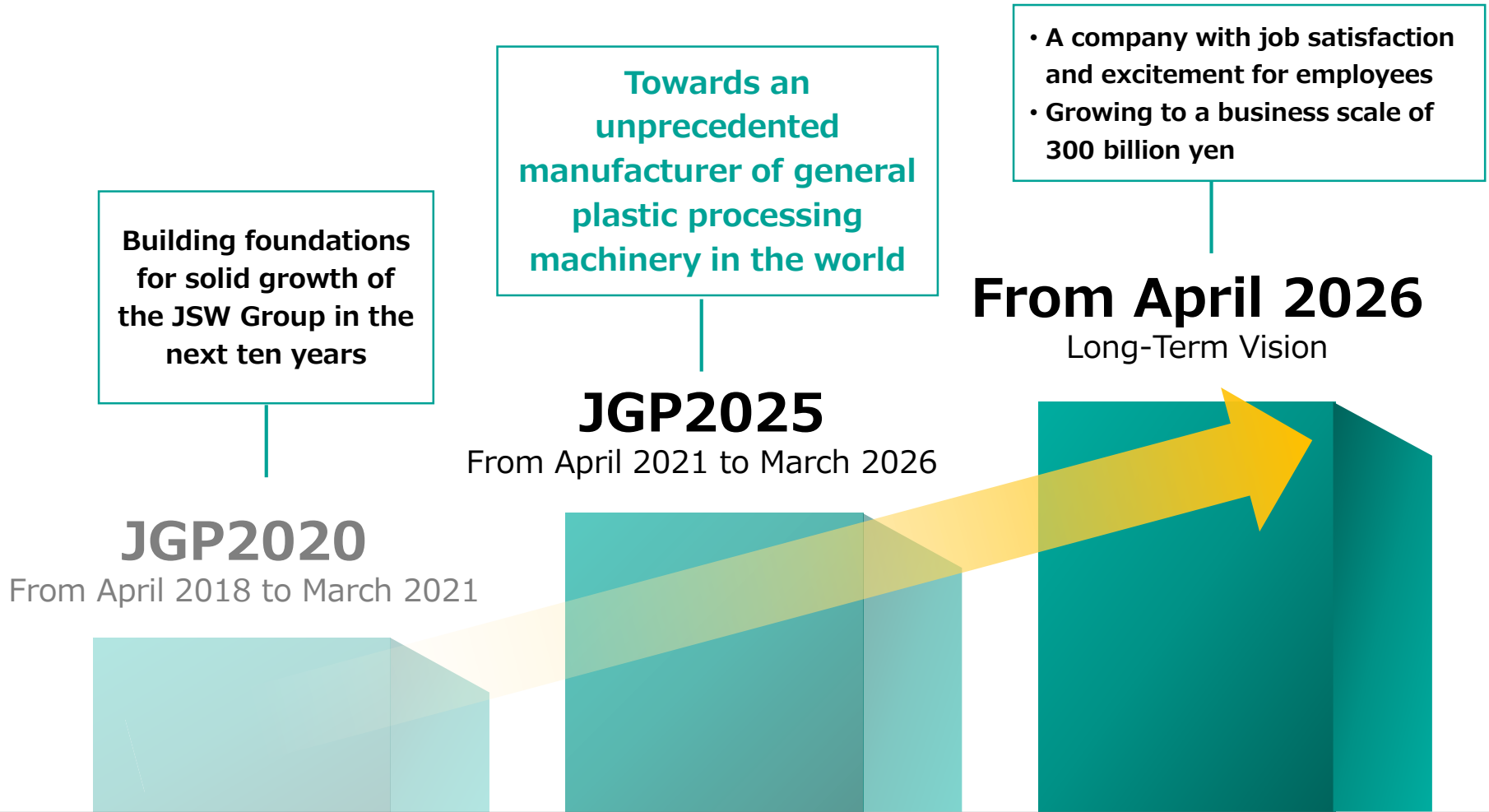


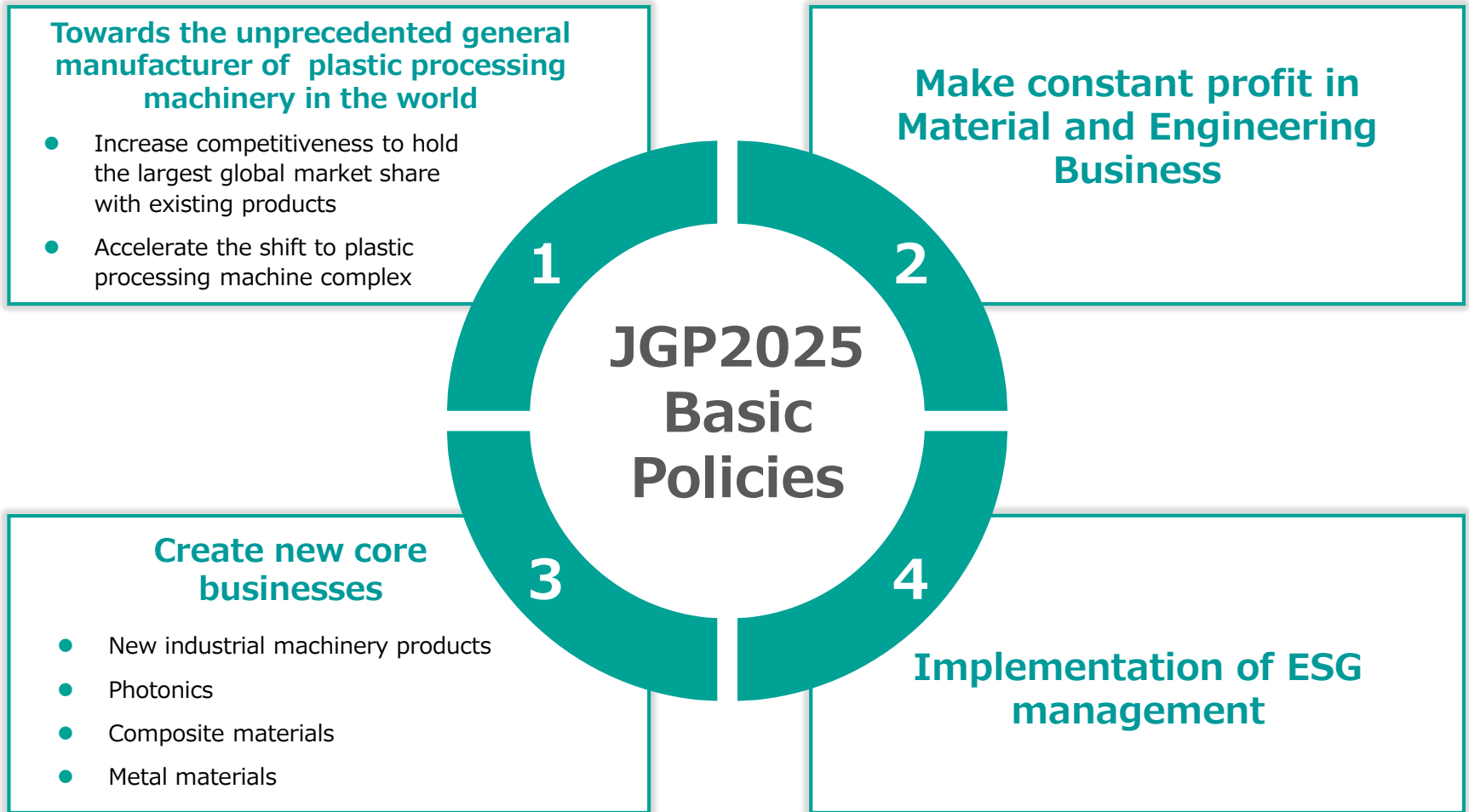
Food packages



Healthcare-related products

# Position of New Medium-Term Management Plan JGP2025





# Segment policies

Segment	Sub-segment	Business policy
<b>Industrial Machinery Products Business</b>	Plastic production and processing machinery	Increase the competitiveness of existing products, expand plastic processing machine complex and expand the service business to play the role of a core business and drive growth.
	Molding machines	Increase production capacity and strengthen sales efforts in key areas with the aim to be among the world's top five manufacturers.
	Other machinery	Spread existing products centering on ELA systems and create a core business subsequent to plastic processing machinery.
<b>Material and Engineering Business</b>	Steel castings and forgings	Strengthen the production system and implement strict cost control to consistently generate profit.
	Clad steel plates and pipes	
	Engineering services and others	
<b>New Business</b>		Focus on three domains and swiftly attain profitability in each.

## Drive growth as JSW's core business



### Priority measures

#### 1. Increase the competitiveness of existing products.

##### (1) Pelletizers

Continue to increase the market share mainly in the brisk Chinese market.

##### (2) Twin-screw extruders

Step up overseas expansion chiefly in China and Southeast Asia.

##### (3) Film and sheet manufacturing equipment

Step up actions to high-quality separator films for lithium-ion batteries.  
Focus on growth areas such as 5G-related films with a view to develop a post separator film business.

#### 2. Expand to plastic processing machine complex.

Boost and capture demand for new products through mergers and acquisitions.

#### 3. Enlarge the after-sales service business.

Expand the service structures in China and Europe.

Make use of the factory dedicated to services to shorten delivery lead times and to satisfy customer needs.



# Aim to be among the world's top five



## Priority measures

### 1. Plastic injection molding machines

#### (1) Optimize global production systems and increase production capacity

##### Hiroshima Plant:

Increase production capacity, mainly for small-sized machines as well as the capacity to supply to Japan and overseas.

##### Meiki Plant:

Boost the capacity as a production base for ultra-large machines and special machines.

##### Overseas production bases:

Increase production in China and the United States and commence production in Europe.

#### (2) Strengthen sales efforts in key areas

Japan, the United States, China, Southeast Asia and Europe

### 2. Magnesium alloy injection molding machines

Expand sales of ultra-large machinery to the automobile sector.

### 3. Blow molding machines

Expand business in the Asia region, including China.

# Enhance and reform the structure for consistently generating a profit.



### Priority measures

#### 1. Steel castings and forgings

Gain orders for high value-added functional materials to boost revenue.  
Establish production systems for small and midsize products and mass produced products to win more orders.

#### 2. Clad steel plates and pipes

Build a production system resilient to fluctuations in operation loads by reducing the variable and fixed expenses of plants.

#### 3. Engineering service

Increase competitiveness of hydrogen-related products and market them outside Japan.

Win projects on welded structures for plants and infrastructure geared to the National Resilience Policy.

Expand the inspection service business using original technologies.

# Implementation of ESG management

## Creation of the ESG Promotion Committee

Set up a cross-departmental committee in April 2021 to carry out ESG activities effectively.

### E nvironment



**Conduct business activities with environmental considerations.**

- Reduce CO<sub>2</sub> emissions
- Move forward with conservation and recycling of resources (to lower environmental impacts).
- Step up efforts for carbon neutral products and environmentally friendly products.

### S ocial



**Creation of a human resource base for continuous growth**

- Actions to shift the focus from work styles to job satisfaction
- Advancement of the safety culture
- Development of next-generation leaders
- Securing of diversity in the workforce

### G overnance



**Practice management with greater awareness of capital costs for increasing corporate value**

**Secure both growth potential and capital profitability**

- Assess the business portfolio with the use of a four-quadrant framework
- Establishment and of criteria for business withdrawal
- Toughening of criteria of investment

## JGP2025 Target Values (consolidated)

**FY2025**  
Ending Mar. 2026

Net Sales  
**270** billion yen

Operating income  
**27** billion yen

ROE  
**10%**

	FY2019 Results	FY2020 Results	FY2023 Plan	FY2025 Plan	Change from FY2019
Net Sales	217.5 billion yen	198 billion yen	250.0 billion yen	<b>270.0 billion yen</b>	+ 24%
Operating income	18.7 billion yen	10.2 billion yen	20.0 billion yen	<b>27.0 billion yen</b>	+ 44%
Operating income ratio	8.6%	5.2%	8.0%	<b>10.0%</b>	+ 1.4PP
ROE	7.2%	5.1%	8.5%	<b>10.0%</b>	+ 2.8PP

# JGP2025 Target Values (by segment)

## Industrial Machinery Products Business

Plastic production and processing machinery

Molding machines

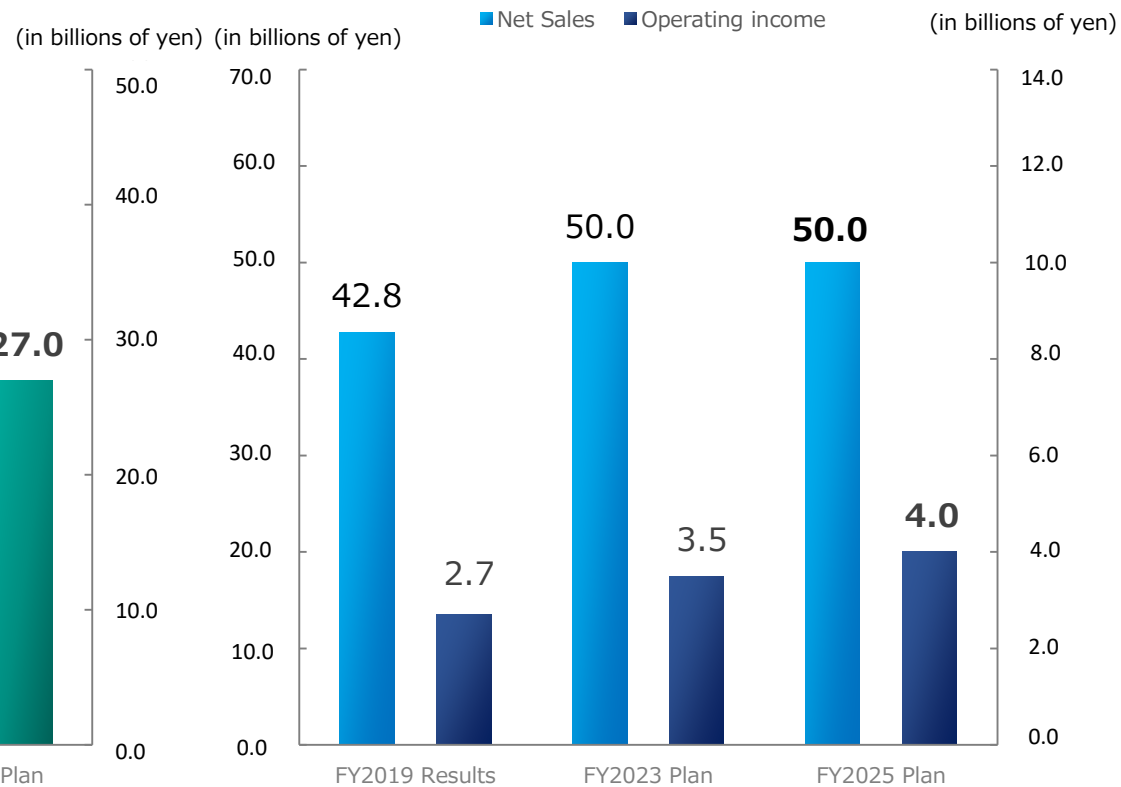
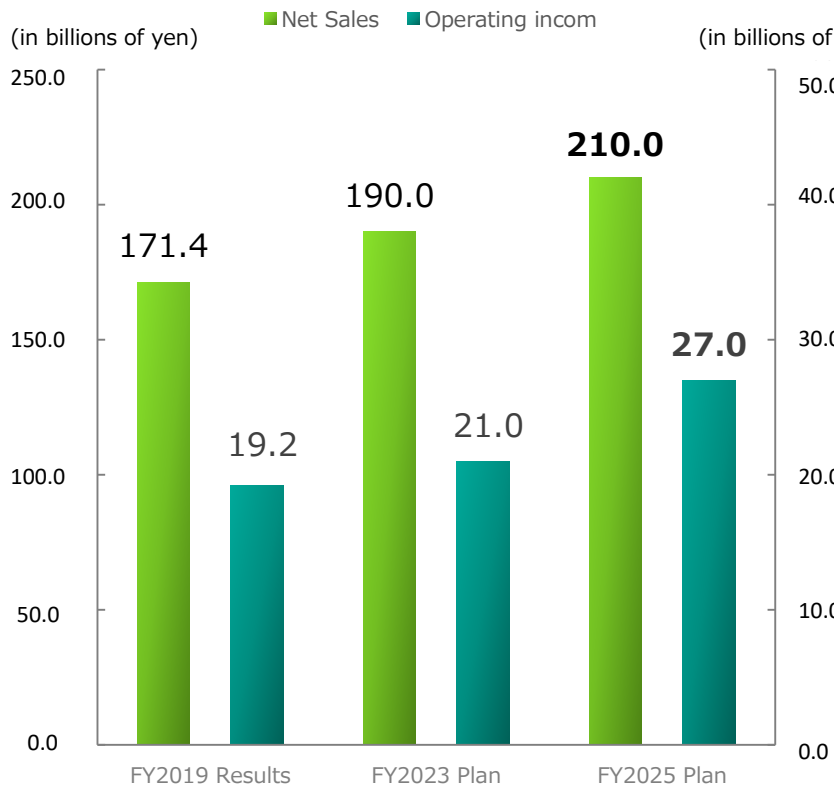
Other machinery

## Material and Engineering Business

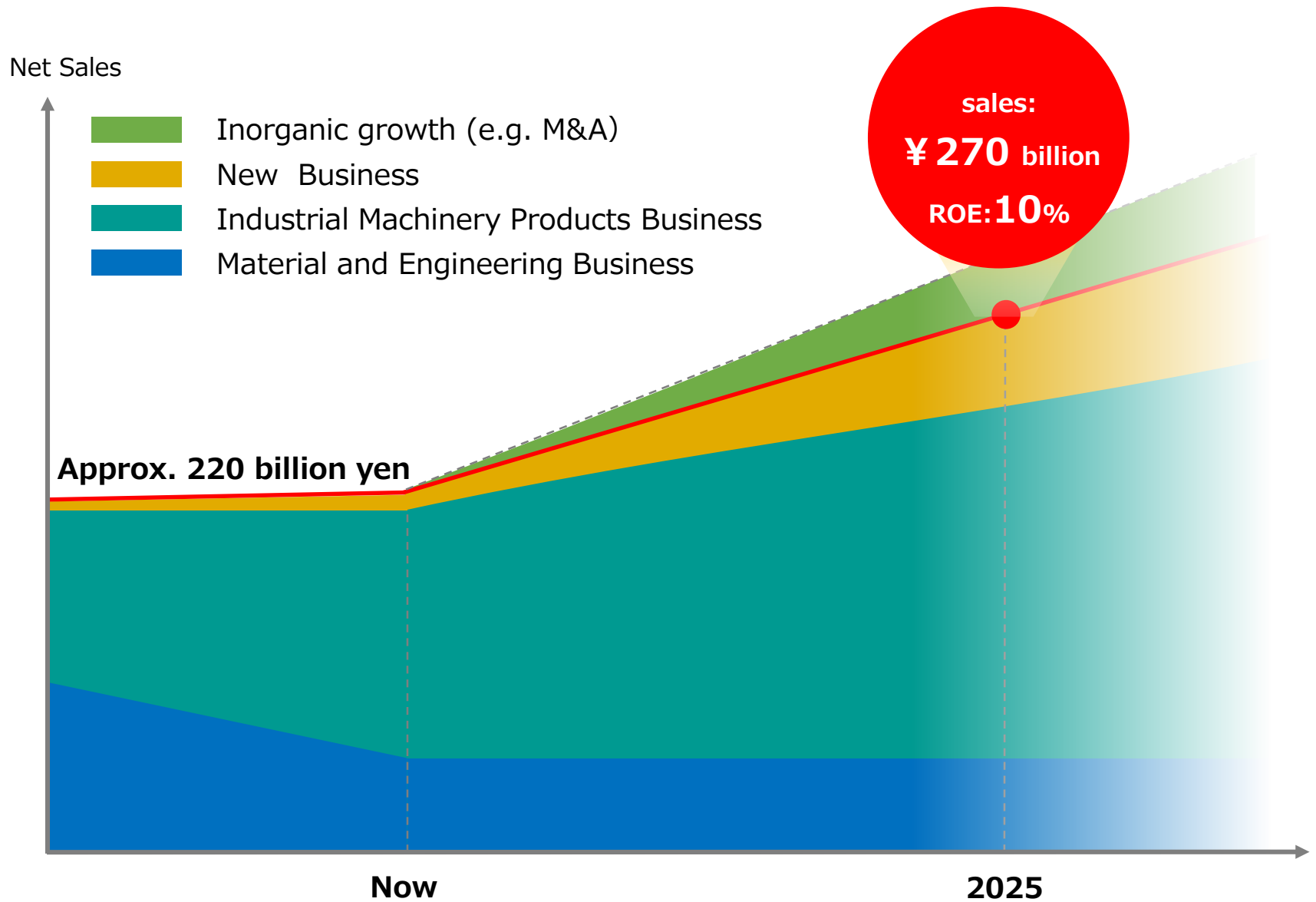
Steel castings and forgings

Clad steel plates and pipes

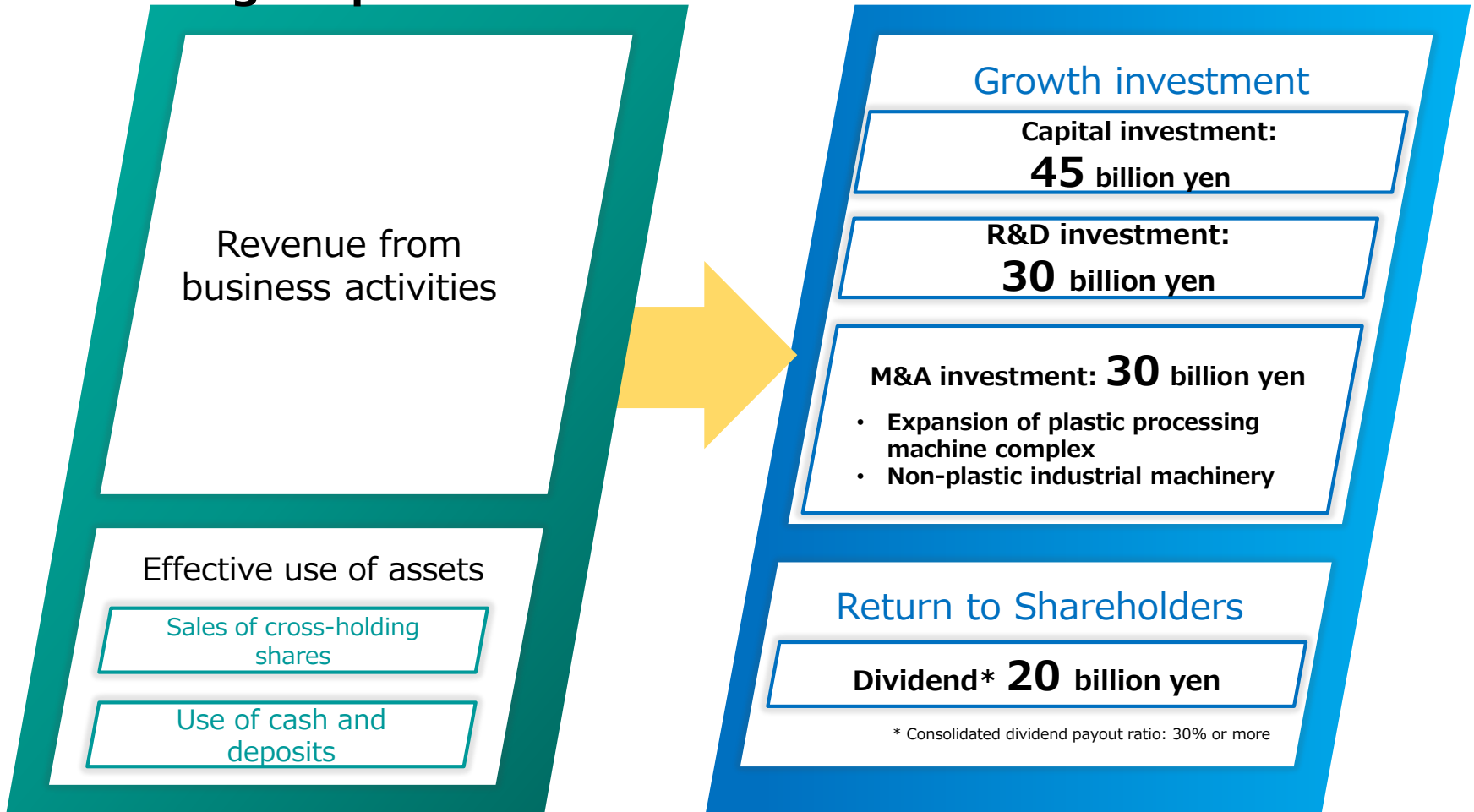
Engineering services



# Future Growth Envisioned



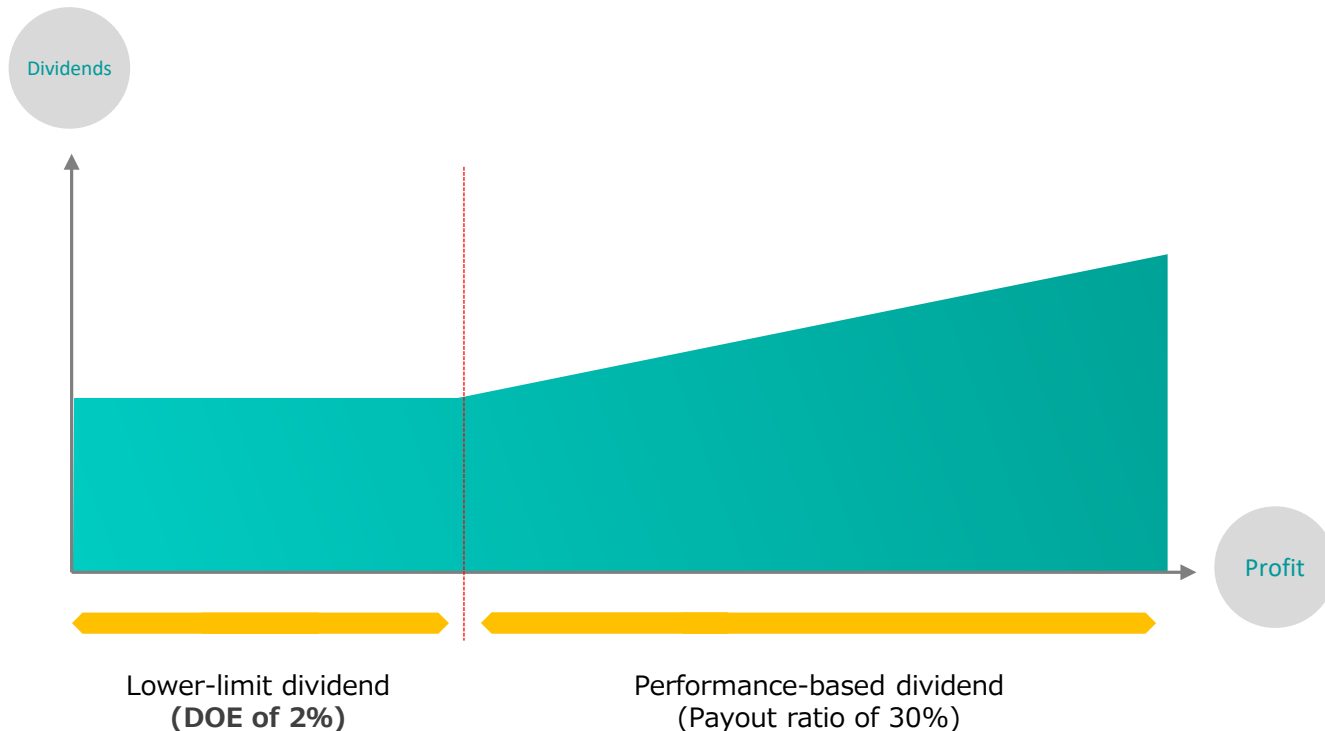
# Ensure a proper balance between growth investment and return to shareholders for the purpose of continuously increasing corporate value



# Dividend policy in the period of JGP2025

Paying dividends at a level that ensures dividend on equity (DOE) is 2% or higher while aiming for a consolidated dividend payout ratio of 30% or more.

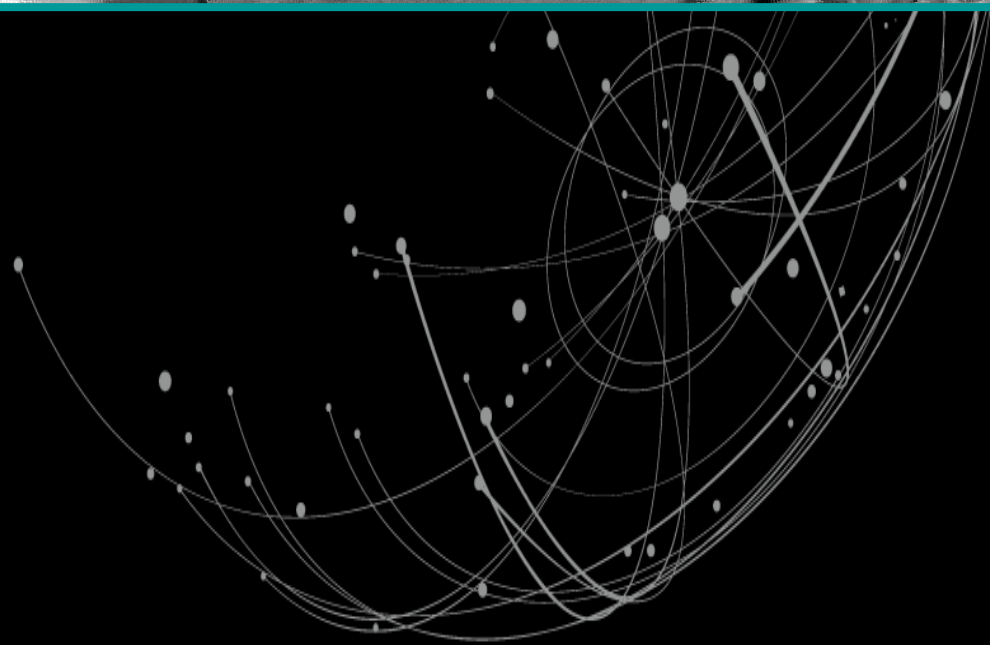
### ■ Schematic of dividend policy







# REFERENCE



# Composition of Business Segments and Major Products

Business Segments	Industrial Machinery Products Business			Material and Engineering Business		Other Business			
Organizations	Plastic Machinery B.D. / Injection Molding Machinery B.D. / Industrial Machinery B.D. / Ordnance Business H.Q.			Japan Steel Works M&E, Inc.		New Business Promotion H.Q.			
Production Bases	<p>Hiroshima      Yokohama      Nagoya(Meiki)</p> 			Muroran					
Products	<p><b>Plastic production and processing machinery</b></p> <ul style="list-style-type: none"> <li>• Pelletizers</li> <li>• Film and sheet manufacturing equipment</li> <li>• Twin-screw extruders</li> <li>• After-sales services</li> </ul>  <p><b>Molding machines</b></p> <ul style="list-style-type: none"> <li>• Plastic injection molding machines</li> <li>• Magnesium alloy injection molding machines</li> <li>• Blow molding machines</li> <li>• After-sales services</li> </ul>   <p><b>Other machinery</b></p> <ul style="list-style-type: none"> <li>• Excimer laser annealing (ELA) systems</li> <li>• Defense equipment</li> <li>• Railway products</li> <li>• Hot press devices</li> </ul>  <ul style="list-style-type: none"> <li>• Laminators</li> <li>• Deposition systems</li> <li>• After-sales services</li> </ul> 			<p><b>Steel castings and forgings</b></p> <ul style="list-style-type: none"> <li>• Parts for reactors (shell, head etc.)</li> <li>• Parts for steam generators</li> </ul>  <p><b>Clad steel products</b></p> <ul style="list-style-type: none"> <li>• Clad steel plates</li> <li>• Clad steel pipes</li> </ul>   <p><b>Engineering services</b></p> <ul style="list-style-type: none"> <li>• Rotor shafts</li> <li>• Turbine casings</li> <li>• Die steel</li> <li>• Steel rolls for steel manufacturing</li> <li>• Steel structure for plant and infrastructure</li> <li>• Non-destructive inspection and analytical inspection services</li> <li>• Steel pressure vessels for hydrogen storage and hydrogen storage tanks using hydrogen absorbing alloys</li> </ul>   		<p><b>New Business</b></p> <ul style="list-style-type: none"> <li>• Photonics</li> <li>• Composite materials</li> <li>• Metal materials</li> </ul>			
Markets	Petrochemicals	Industrial Machinery	Automobiles	IT	Defense	Electric Power and Steel	Oil and Natural Gas	Natural Energy	New Business

# Trends in Net Sales, Operating Income and Profit

(Unit: billions of yen)

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Net Sales	223.3	212.4	212.9	220.1	217.5	198.0
Industrial Machinery Products Business	144.3	159.3	170.2	173.6	171.4	156.3
Plastic production and processing machinery	36.4	36.1	50.2	52.5	61.3	58.8
Molding machines	56.4	57.6	64.5	72.7	65.3	54.5
FPD equipment	-	-	-	16.4	-	-
Others	32.6	46.8	37.0	20.4	44.8	43.0
Consolidated subsidiaries, etc.	18.9	18.8	18.5	11.6	-	-
Material and Engineering Business	74.8	51.2	40.8	41.2	42.8	38.5
Steel castings and forgings	-	-	-	-	19.6	19.9
Electric and nuclear power	19.2	19.3	17.2	12.5	-	-
Pressure vessel for oil refineries	1.4	1.7	1.0	-	-	-
Clad steel plates and pipes	39.3	13.5	7.0	13.0	12.8	10.5
Engineering, etc.	-	-	-	-	10.4	8.1
Wind turbines	1.2	3.9	1.6	-	-	-
Others	6.9	5.3	5.5	9.5	-	-
Consolidated subsidiaries, etc.	6.8	7.5	8.5	6.2	-	-
Other Businesses	4.0	1.8	1.7	5.2	4.6	3.1
Operating income	14.4	12.3	21.3	24.2	18.7	10.2
Industrial Machinery Products Business	12.4	15.1	23.8	23.5	19.2	13.9
Material and Engineering Business	0.7	(2.8)	(1.5)	2.6	2.7	1.8
Other Businesses	2.0	0.9	0.8	0.3	(0.4)	0.0
Profit	(16.6)	(4.9)	10.7	19.9	9.3	6.8

## Trends in Main Assets and Cash Flows

(Unit: billions of yen)

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Total Assets	293.1	275.3	297.4	305.5	297.1	316.2
Net Assets	111.3	107.5	118.6	129.8	132.4	141.9
Net Assets per Share (yen) * * Since FY2016, amounts are after reserve split of stocks	299.41	1,446.44	1,592.47	1,746.91	1,778.94	1,908.76
Equity Ratio (%)	37.5	38.6	39.3	42.0	44.0	44.4
Return on Equity (%)	(13.5)	(4.6)	9.6	16.3	7.2	5.1
Operating Cash Flow	19.7	12.0	26.7	1.1	18.9	14.7
Investing Cash Flow	(12.1)	(13.5)	(5.0)	(1.3)	(13.1)	(3.2)
Financing Cash Flow	4.7	(1.2)	(2.4)	(3.7)	(6.1)	2.7
Cash and Cash Equivalents at End of the Period	61.4	58.6	77.8	73.8	74.4	88.7

# Corporate Code of Behavior of JSW (revised on April 1, 2018)

At The Japan Steel Works, Ltd., we will comply with all laws and international rules, both to the letter and in spirit, and fulfill our social responsibilities with a strong sense of ethics in Japan and overseas as a company that aims to realize a sustainable society based on the following ten principles.

1. To promote sustainable economic growth and the resolution of social issues, we will develop useful products, technologies and services that give consideration to safety through innovation and provide them to society.
2. We will conduct appropriate transactions and responsible procurement based on fair and free competition. We will also maintain sound relationships with political and government bodies.
3. To enhance our corporate value, we will make appropriate corporate information available to the public willingly and fairly and have constructive dialogues with a wide range of stakeholders.
4. We will respect the human rights of all people.
5. We will earn the trust and satisfaction of society and customers by responding promptly to inquiries from customers after reflecting the market and customer needs in our products, technologies and services.
6. We will provide a sound working environment by developing workstyles that respect the diversity, personality and individuality of employees.
7. We will take actions proactively, recognizing that addressing environmental issues is an important duty for us as a company.
8. We will participate in the community and contribute to its development as a corporate citizen.
9. We will conduct thorough and systematic crisis management against antisocial forces, terrorism, cyberattacks and natural disasters, etc. that will pose a threat to civil society and corporate activities.
10. Recognizing the realization of the spirit of this code of behavior as its own role, our management will make it fully known to the employees of the Company and its affiliates after establishing effective governance and encourage the chains to perform acts based on the spirit of this code of behavior  
If any situation that will lose the trust of society occurs in conflict with the spirit of this code of behavior, our management will take the initiative in solving the problem, investigating the cause and preventing recurrence to fulfill our responsibility.



**JSW**  
THE JAPAN STEEL WORKS, LTD.

