

**Translation**

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**Summary of Consolidated Financial Results  
for the Nine Months Ended December 31, 2018  
(Based on Japanese GAAP)**

February 12, 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: February 14, 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 nine months ended December 31, 2018 (from April 1, 2018 to December 31, 2018)

(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	%
Nine months ended December 31, 2018	163,720	4.5	19,046	14.0	21,297	20.9	16,687	33.0
Nine months ended December 31, 2017	156,603	2.5	16,713	73.4	17,612	63.7	12,546	72.3

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2018	227.07	–
Nine months ended December 31, 2017	170.72	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2018	309,030	127,001	40.7
As of March 31, 2018	297,365	118,600	39.4

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, 2018	–	17.50	–	20.00	37.50
Year ending March 31, 2019	–	25.00	–		
Year ending March 31, 2019 (Forecast)				25.00	50.00

3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

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
Full year	227,000	7.2	24,000	16.6	25,000	13.0	20,000	86.7	272.15

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2018  
(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 December 31, 2018	74,309,108 shares	As of March 31, 2018	74,292,607 shares
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Number of treasury shares at the end of the period

As of December 31, 2018	803,043 shares	As of March 31, 2018	802,503 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2018	73,489,906 shares	Nine months ended December 31, 2017	73,490,835 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
<b>Assets</b>		
Current assets		
Cash and deposits	79,032	80,399
Notes and accounts receivable - trade	54,542	59,923
Merchandise and finished goods	2,027	2,240
Work in process	54,663	62,031
Raw materials and supplies	5,191	5,644
Other	5,710	7,209
Allowance for doubtful accounts	(142)	(99)
Total current assets	201,024	217,348
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	15,400	14,900
Machinery, equipment and vehicles, net	5,689	6,010
Other, net	12,228	14,129
Total property, plant and equipment	33,317	35,040
Intangible assets		
Goodwill	509	329
Other	1,265	1,627
Total intangible assets	1,774	1,957
Investments and other assets		
Investment securities	34,670	28,603
Other	26,981	26,475
Allowance for doubtful accounts	(402)	(395)
Total investments and other assets	61,249	54,684
Total non-current assets	96,341	91,681
Total assets	297,365	309,030
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	54,957	58,718
Short-term loans payable	12,004	12,464
Income taxes payable	2,296	3,212
Advances received	18,843	20,400
Provision for business restructure	6,389	5,796
Other provision	5,973	3,199
Other	14,954	16,046
Total current liabilities	115,418	119,838
Non-current liabilities		
Long-term loans payable	39,268	39,244
Provision	75	70
Net defined benefit liability	10,046	10,103
Asset retirement obligations	1,364	1,366
Other	12,591	11,405
Total non-current liabilities	63,346	62,190
Total liabilities	178,765	182,028

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Net assets		
Shareholders' equity		
Capital stock	19,694	19,716
Capital surplus	5,467	5,362
Retained earnings	86,256	99,636
Treasury shares	(2,310)	(2,312)
Total shareholders' equity	109,107	122,403
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,269	2,949
Deferred gains or losses on hedges	305	(173)
Foreign currency translation adjustment	(21)	(80)
Remeasurements of defined benefit plans	370	506
Total accumulated other comprehensive income	7,923	3,201
Non-controlling interests	1,569	1,396
Total net assets	118,600	127,001
Total liabilities and net assets	297,365	309,030

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

### Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Net sales	156,603	163,720
Cost of sales	119,362	123,027
Gross profit	37,241	40,692
Selling, general and administrative expenses	20,527	21,645
Operating profit	16,713	19,046
Non-operating income		
Interest income	41	34
Dividend income	757	829
Share of profit of entities accounted for using equity method	–	83
Miscellaneous income	1,230	1,705
Total non-operating income	2,029	2,651
Non-operating expenses		
Interest expenses	196	184
Share of loss of entities accounted for using equity method	1	–
Miscellaneous loss	933	216
Total non-operating expenses	1,131	400
Ordinary profit	17,612	21,297
Extraordinary income		
Gain on sales of property, plant and equipment	23	3,807
Gain on sales of investment securities	791	263
Other	1	112
Total extraordinary income	817	4,183
Extraordinary losses		
Loss on retirement of non-current assets	178	88
Loss on disaster	–	299
Provision for business restructuring	–	722
Other	7	0
Total extraordinary losses	185	1,111
Profit before income taxes	18,243	24,370
Income taxes - current	2,130	5,256
Income taxes - deferred	3,342	2,238
Total income taxes	5,472	7,494
Profit	12,771	16,875
Profit attributable to non-controlling interests	224	187
Profit attributable to owners of parent	12,546	16,687

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

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Profit	12,771	16,875
Other comprehensive income		
Valuation difference on available-for-sale securities	3,327	(4,319)
Deferred gains or losses on hedges	277	(479)
Foreign currency translation adjustment	(8)	(80)
Remeasurements of defined benefit plans, net of tax	383	141
Total other comprehensive income	3,980	(4,737)
Comprehensive income	16,751	12,137
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	16,509	11,965
Comprehensive income attributable to non-controlling interests	241	171