

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2020 (Based on Japanese GAAP)

February 15, 2021

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 15, 2021
 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, 2020 (from April 1, 2020 to December 31, 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	%
Nine months ended December 31, 2020	139,763	(11.4)	8,740	(41.4)	9,347	(42.3)	5,971	(18.5)
Nine months ended December 31, 2019	157,668	(3.7)	14,907	(21.7)	16,213	(23.9)	7,326	(56.1)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2020	81.22		–	
Nine months ended December 31, 2019	99.67		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2020	309,352	138,079	44.1
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 nine months ended December 31, 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 December 31, 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 December 31, 2020	803,536 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)

Nine months ended December 31, 2020	73,528,937 shares	Nine months ended December 31, 2019	73,505,983 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
Assets		
Current assets		
Cash and deposits	75,525	83,988
Notes and accounts receivable - trade	51,297	54,045
Merchandise and finished goods	3,792	2,869
Work in process	62,927	66,210
Raw materials and supplies	5,643	6,221
Other	11,485	10,771
Allowance for doubtful accounts	(156)	(150)
Total current assets	210,515	223,956
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	18,909	18,372
Machinery, equipment and vehicles, net	7,556	8,412
Other, net	12,679	14,450
Total property, plant and equipment	39,146	41,235
Intangible assets		
Goodwill	782	614
Other	2,186	1,904
Total intangible assets	2,968	2,518
Investments and other assets		
Investment securities	21,295	22,854
Other	23,685	19,219
Allowance for doubtful accounts	(438)	(432)
Total investments and other assets	44,542	41,641
Total non-current assets	86,657	85,395
Total assets	297,173	309,352
Liabilities		
Current liabilities		
Notes and accounts payable - trade	48,409	47,201
Short-term borrowings	10,048	11,013
Current portion of long-term borrowings	5,155	116
Income taxes payable	1,143	1,931
Advances received	19,012	19,872
Provision for loss on business of wind power	1,421	1,421
Provision for business restructure	5,596	4,075
Other provisions	828	547
Other	13,859	14,141
Total current liabilities	105,475	100,321
Non-current liabilities		
Long-term borrowings	35,691	45,663
Provisions	57	45
Retirement benefit liability	11,172	12,950
Asset retirement obligations	1,329	1,346
Other	10,954	10,946
Total non-current liabilities	59,205	70,952
Total liabilities	164,680	171,273

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
Net assets		
Shareholders' equity		
Share capital	19,737	19,758
Capital surplus	5,383	5,405
Retained earnings	108,454	111,862
Treasury shares	(2,312)	(2,313)
Total shareholders' equity	131,262	134,712
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,017	3,250
Deferred gains or losses on hedges	(69)	75
Foreign currency translation adjustment	(356)	(563)
Remeasurements of defined benefit plans	(1,049)	(1,031)
Total accumulated other comprehensive income	(458)	1,729
Non-controlling interests	1,688	1,636
Total net assets	132,492	138,079
Total liabilities and net assets	297,173	309,352

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, 2019	Nine months ended December 31, 2020
Net sales	157,668	139,763
Cost of sales	119,712	107,298
Gross profit	37,955	32,465
Selling, general and administrative expenses	23,047	23,725
Operating profit	14,907	8,740
Non-operating income		
Interest income	39	17
Dividend income	772	507
Gain on non-current assets rent	626	379
Miscellaneous income	718	460
Total non-operating income	2,157	1,365
Non-operating expenses		
Interest expenses	186	197
Share of loss of entities accounted for using equity method	0	37
Expenses for delayed delivery	154	184
Miscellaneous loss	511	340
Total non-operating expenses	852	758
Ordinary profit	16,213	9,347
Extraordinary income		
Gain on sales of non-current assets	1,249	7
Gain on sales of investment securities	–	224
Gain on transfer from business divestitures	–	2,540
Other	361	–
Total extraordinary income	1,611	2,771
Extraordinary losses		
Loss on sales of non-current assets	5	1
Loss on retirement of non-current assets	181	194
Loss on valuation of investment securities	3,112	166
Provision for business restructuring	2,244	–
Other	95	–
Total extraordinary losses	5,640	362
Profit before income taxes	12,184	11,756
Income taxes - current	2,456	2,919
Income taxes - deferred	2,211	2,769
Total income taxes	4,667	5,688
Profit	7,516	6,067
Profit attributable to non-controlling interests	189	95
Profit attributable to owners of parent	7,326	5,971

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Profit	7,516	6,067
Other comprehensive income		
Valuation difference on available-for-sale securities	2,310	2,233
Deferred gains or losses on hedges	63	144
Foreign currency translation adjustment	(357)	(235)
Remeasurements of defined benefit plans, net of tax	(77)	18
Total other comprehensive income	1,938	2,160
Comprehensive income	9,454	8,227
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,261	8,159
Comprehensive income attributable to non-controlling interests	193	67