

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2021 (Based on Japanese GAAP)

August 10, 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: August 12, 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 three months ended June 30, 2021 (from April 1, 2021 to June 30, 2021)

(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, 2021	46,000	10.6	3,704	269.1	4,105	245.8	3,035	236.3
Three months ended June 30, 2020	41,598	(22.9)	1,003	(85.6)	1,187	(84.6)	902	(85.6)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2021	41.26		–	
Three months ended June 30, 2020	12.27		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2021	320,852	143,510	44.3
As of March 31, 2021	316,249	141,985	44.4

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, 2021	–	17.50	–	17.50	35.00
Year ending March 31, 2022	–				
Year ending March 31, 2022 (Forecast)		22.50	–	22.50	45.00

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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	226,000	14.1	16,000	56.5	16,000	49.2	11,000	59.6	149.60

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2021
 (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: | Yes |
| 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, 2021	74,359,182 shares	As of March 31, 2021	74,359,182 shares
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Number of treasury shares at the end of the period

As of June 30, 2021	803,684 shares	As of March 31, 2021	803,655 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, 2021	73,555,503 shares	Three months ended June 30, 2020	73,529,003 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
Assets		
Current assets		
Cash and deposits	89,441	88,761
Notes and accounts receivable - trade	56,806	55,753
Merchandise and finished goods	2,550	2,693
Work in process	57,019	61,241
Raw materials and supplies	6,126	6,462
Other	10,889	12,577
Allowance for doubtful accounts	(190)	(211)
Total current assets	222,643	227,278
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	23,045	22,806
Machinery, equipment and vehicles, net	9,167	9,054
Other, net	13,989	14,202
Total property, plant and equipment	46,201	46,064
Intangible assets		
Goodwill	573	532
Other	1,803	1,676
Total intangible assets	2,376	2,208
Investments and other assets		
Investment securities	24,950	24,256
Other	20,410	21,376
Allowance for doubtful accounts	(333)	(331)
Total investments and other assets	45,027	45,301
Total non-current assets	93,606	93,573
Total assets	316,249	320,852
Liabilities		
Current liabilities		
Notes and accounts payable - trade	50,524	49,846
Short-term borrowings	10,147	11,130
Current portion of long-term borrowings	1,950	16,964
Income taxes payable	2,484	1,484
Advances received	17,928	–
Contract liabilities	–	21,156
Provision for loss on wind power generator business	1,421	1,421
Provision for business restructure	2,482	2,438
Other provisions	701	1,020
Other	17,908	18,167
Total current liabilities	105,548	123,628
Non-current liabilities		
Long-term borrowings	44,781	29,744
Provisions	46	54
Retirement benefit liability	12,404	12,527
Asset retirement obligations	1,352	1,358
Other	10,130	10,027
Total non-current liabilities	68,715	53,712
Total liabilities	174,263	177,341

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
Net assets		
Shareholders' equity		
Share capital	19,758	19,758
Capital surplus	5,490	5,490
Retained earnings	112,784	114,532
Treasury shares	(2,313)	(2,313)
Total shareholders' equity	135,719	137,467
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,962	4,478
Deferred gains or losses on hedges	(286)	(283)
Foreign currency translation adjustment	(458)	(88)
Remeasurements of defined benefit plans	461	421
Total accumulated other comprehensive income	4,679	4,528
Non-controlling interests	1,586	1,514
Total net assets	141,985	143,510
Total liabilities and net assets	316,249	320,852

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, 2020	Three months ended June 30, 2021
Net sales	41,598	46,000
Cost of sales	31,535	35,011
Gross profit	10,062	10,989
Selling, general and administrative expenses	9,059	7,284
Operating profit	1,003	3,704
Non-operating income		
Interest income	7	4
Dividend income	285	271
Gain on non-current assets rent	118	127
Miscellaneous income	135	115
Total non-operating income	547	518
Non-operating expenses		
Interest expenses	62	68
Provision for warranties for completed construction	152	–
Share of loss of entities accounted for using equity method	6	2
Miscellaneous losses	141	46
Total non-operating expenses	363	117
Ordinary profit	1,187	4,105
Extraordinary income		
Gain on sale of non-current assets	0	120
Gain on transfer from business divestitures	2,537	–
Total extraordinary income	2,538	120
Extraordinary losses		
Loss on sale of non-current assets	1	–
Loss on retirement of non-current assets	97	75
Total extraordinary losses	99	75
Profit before income taxes	3,626	4,150
Income taxes - current	2,008	1,837
Income taxes - deferred	663	(754)
Total income taxes	2,671	1,082
Profit	955	3,068
Profit attributable to non-controlling interests	53	32
Profit attributable to owners of parent	902	3,035

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Profit	955	3,068
Other comprehensive income		
Valuation difference on available-for-sale securities	253	(483)
Deferred gains or losses on hedges	21	3
Foreign currency translation adjustment	(242)	380
Remeasurements of defined benefit plans, net of tax	(15)	(39)
Total other comprehensive income	17	(139)
Comprehensive income	972	2,928
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	948	2,883
Comprehensive income attributable to non-controlling interests	23	44