

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2014 (Based on Japanese GAAP)

November 4, 2014

Company name: The Japan Steel Works, Ltd.  
 Stock exchange listing: Tokyo, Nagoya  
 Stock code: 5631 URL <http://www.jsw.co.jp/>  
 Representative: Representative Director & President Ikuo Sato  
 General Manager  
 Inquiries: Masanori Nakanishi TEL 03-5745-2001  
 General Affairs Department  
 Scheduled date to file Quarterly Securities Report: November 14, 2014  
 Scheduled date to commence dividend payments: December 5, 2014  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2014 (from April 1, 2014 to September 30, 2014)

(1) Consolidated financial results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2014	94,183	11.5	3,672	54.0	4,843	64.5	(7,349)	-
Six months ended September 30, 2013	84,482	(21.4)	2,384	(70.9)	2,944	(64.6)	1,779	(36.9)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended September 30, 2014	(19.85)	-
Six months ended September 30, 2013	4.80	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2014	298,762	132,048	43.7
As of March 31, 2014	293,139	139,268	47.1

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, 2014	-	2.50	-	2.50	5.00
Year ending March 31, 2015	-	2.00	-	-	-
Year ending March 31, 2015 (Forecast)	-	-	-	2.00	4.00

3. Forecast of consolidated financial results for the year ending March 31, 2015 (from April 1, 2014 to March 31, 2015)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	200,000	6.0	7,500	(15.4)	8,500	(12.4)	(4,500)	-	(12.15)

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2014  
(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 September 30, 2014	371,463,036 shares	As of March 31, 2014	371,463,036 shares
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Number of treasury shares at the end of the period

As of September 30, 2014	1,191,038 shares	As of March 31, 2014	1,189,350 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2014	370,273,403 shares	Six months ended September 30, 2013	370,829,286 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2014	As of September 30, 2014
<b>Assets</b>		
Current assets		
Cash and deposits	42,329	36,994
Notes and accounts receivable - trade	48,869	52,319
Merchandise and finished goods	1,802	1,394
Work in process	59,477	61,419
Raw materials and supplies	4,208	5,089
Deferred tax assets	5,374	11,173
Other	5,724	5,941
Allowance for doubtful accounts	(310)	(291)
Total current assets	167,476	174,040
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	45,941	45,070
Machinery, equipment and vehicles, net	25,553	23,255
Other, net	14,177	14,292
Total property, plant and equipment	85,672	82,618
Intangible assets	855	772
Investments and other assets		
Investment securities	32,816	35,102
Other	6,891	6,801
Allowance for doubtful accounts	(572)	(573)
Total investments and other assets	39,134	41,330
Total non-current assets	125,662	124,721
Total assets	293,139	298,762
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	42,339	43,153
Short-term loans payable	12,292	12,919
Income taxes payable	1,802	1,345
Advances received	22,048	18,910
Provision for loss on wind power generator business	–	15,594
Other provision	4,614	3,698
Other	15,752	16,680
Total current liabilities	98,848	112,302
Non-current liabilities		
Bonds payable	10,000	10,000
Long-term loans payable	15,095	15,090
Provision	115	100
Net defined benefit liability	10,405	11,007
Asset retirement obligations	1,271	1,283
Other	18,132	16,929
Total non-current liabilities	55,021	54,411
Total liabilities	153,870	166,714

(Millions of yen)

	As of March 31, 2014	As of September 30, 2014
Net assets		
Shareholders' equity		
Capital stock	19,694	19,694
Capital surplus	5,425	5,425
Retained earnings	110,635	102,048
Treasury shares	(730)	(730)
Total shareholders' equity	135,026	126,437
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,293	5,766
Deferred gains or losses on hedges	(130)	(677)
Foreign currency translation adjustment	(96)	(183)
Remeasurements of defined benefit plans	(1,042)	(861)
Total accumulated other comprehensive income	3,024	4,044
Minority interests	1,218	1,566
Total net assets	139,268	132,048
Total liabilities and net assets	293,139	298,762

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2013	Six months ended September 30, 2014
Net sales	84,482	94,183
Cost of sales	69,144	76,696
Gross profit	15,337	17,486
Selling, general and administrative expenses	12,952	13,814
Operating income	2,384	3,672
Non-operating income		
Interest income	26	35
Dividend income	337	412
Miscellaneous income	720	1,068
Total non-operating income	1,084	1,516
Non-operating expenses		
Interest expenses	214	131
Share of loss of entities accounted for using equity method	1	1
Miscellaneous loss	308	212
Total non-operating expenses	524	345
Ordinary income	2,944	4,843
Extraordinary income		
Gain on bargain purchase	–	218
Other	119	4
Total extraordinary income	119	222
Extraordinary losses		
Loss on retirement of non-current assets	34	73
Provision for loss on business of subsidiaries and associates	–	21
Provision for loss on wind power generator business	–	15,967
Other	2	3
Total extraordinary losses	36	16,065
Income (loss) before income taxes and minority interests	3,027	(10,999)
Income taxes - current	1,398	1,933
Income taxes - deferred	(159)	(5,697)
Total income taxes	1,239	(3,764)
Income (loss) before minority interests	1,788	(7,235)
Minority interests in income	9	114
Net income (loss)	1,779	(7,349)

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

(Millions of yen)

	Six months ended September 30, 2013	Six months ended September 30, 2014
Income (loss) before minority interests	1,788	(7,235)
Other comprehensive income		
Valuation difference on available-for-sale securities	4,075	1,473
Deferred gains or losses on hedges	348	(546)
Foreign currency translation adjustment	249	(90)
Remeasurements of defined benefit plans, net of tax	–	181
Total other comprehensive income	4,673	1,017
Comprehensive income	6,462	(6,218)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,442	(6,329)
Comprehensive income attributable to minority interests	19	111