

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2014 (Based on Japanese GAAP)

February 2, 2015

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: February 13, 2015
 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, 2014 (from April 1, 2014 to December 31, 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	%
Nine months ended December 31, 2014	141,975	8.2	6,033	(0.9)	7,679	4.7	(5,620)	–
Nine months ended December 31, 2013	131,181	(18.4)	6,087	(54.9)	7,335	(53.9)	4,489	(51.8)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended December 31, 2014	(15.18)	–
Nine months ended December 31, 2013	12.11	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2014	308,685	135,769	43.5
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 nine months ended December 31, 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 December 31, 2014	371,463,036 shares	As of March 31, 2014	371,463,036 shares
-------------------------	--------------------	----------------------	--------------------

Number of treasury shares at the end of the period

As of December 31, 2014	1,192,617 shares	As of March 31, 2014	1,189,350 shares
-------------------------	------------------	----------------------	------------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2014	370,272,829 shares	Nine months ended December 31, 2013	370,675,376 shares
-------------------------------------	--------------------	-------------------------------------	--------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2014	As of December 31, 2014
Assets		
Current assets		
Cash and deposits	42,329	40,845
Notes and accounts receivable - trade	48,869	54,194
Merchandise and finished goods	1,802	1,584
Work in process	59,477	61,399
Raw materials and supplies	4,208	5,696
Deferred tax assets	5,374	9,564
Other	5,724	9,118
Allowance for doubtful accounts	(310)	(271)
Total current assets	167,476	182,131
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	45,941	44,669
Machinery, equipment and vehicles, net	25,553	21,958
Other, net	14,177	14,698
Total property, plant and equipment	85,672	81,326
Intangible assets	855	728
Investments and other assets		
Investment securities	32,816	38,400
Other	6,891	6,620
Allowance for doubtful accounts	(572)	(522)
Total investments and other assets	39,134	44,498
Total non-current assets	125,662	126,553
Total assets	293,139	308,685
Liabilities		
Current liabilities		
Notes and accounts payable - trade	42,339	45,296
Short-term loans payable	12,292	12,983
Current portion of long-term loans payable	2,700	12,578
Current portion of bonds	–	10,000
Advances received	22,048	25,635
Provision for loss on wind power generator business	–	14,865
Other provision	4,614	2,983
Other	14,854	14,670
Total current liabilities	98,848	139,015
Non-current liabilities		
Bonds payable	10,000	–
Long-term loans payable	15,095	5,065
Provision	115	104
Net defined benefit liability	10,405	10,944
Asset retirement obligations	1,271	1,288
Other	18,132	16,498
Total non-current liabilities	55,021	33,900
Total liabilities	153,870	172,915

(Millions of yen)

	As of March 31, 2014	As of December 31, 2014
Net assets		
Shareholders' equity		
Capital stock	19,694	19,694
Capital surplus	5,425	5,425
Retained earnings	110,635	103,037
Treasury shares	(730)	(731)
Total shareholders' equity	135,026	127,425
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,293	7,867
Deferred gains or losses on hedges	(130)	(356)
Foreign currency translation adjustment	(96)	(5)
Remeasurements of defined benefit plans	(1,042)	(770)
Total accumulated other comprehensive income	3,024	6,734
Minority interests	1,218	1,608
Total net assets	139,268	135,769
Total liabilities and net assets	293,139	308,685

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, 2013	Nine months ended December 31, 2014
Net sales	131,181	141,975
Cost of sales	105,484	115,276
Gross profit	25,696	26,698
Selling, general and administrative expenses	19,608	20,665
Operating income	6,087	6,033
Non-operating income		
Interest income	39	49
Dividend income	533	657
Miscellaneous income	1,439	1,508
Total non-operating income	2,012	2,216
Non-operating expenses		
Interest expenses	322	198
Share of loss of entities accounted for using equity method	1	1
Miscellaneous loss	440	369
Total non-operating expenses	765	570
Ordinary income	7,335	7,679
Extraordinary income		
Gain on bargain purchase	–	218
Other	185	4
Total extraordinary income	185	223
Extraordinary losses		
Loss on retirement of non-current assets	55	87
Loss on valuation of shares of subsidiaries and associates	–	55
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	57	16,135
Income (loss) before income taxes and minority interests	7,462	(8,233)
Income taxes - current	1,985	1,774
Income taxes - deferred	961	(4,525)
Total income taxes	2,946	(2,751)
Income (loss) before minority interests	4,516	(5,481)
Minority interests in income	27	138
Net income (loss)	4,489	(5,620)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Income (loss) before minority interests	4,516	(5,481)
Other comprehensive income		
Valuation difference on available-for-sale securities	5,328	3,574
Deferred gains or losses on hedges	(34)	(226)
Foreign currency translation adjustment	226	99
Remeasurements of defined benefit plans, net of tax	–	272
Total other comprehensive income	5,520	3,719
Comprehensive income	10,036	(1,762)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,000	(1,909)
Comprehensive income attributable to minority interests	36	147