

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2014 (Based on Japanese GAAP)

August 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: August 13, 2014
 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, 2014 (from April 1, 2014 to June 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	%
Three months ended June 30, 2014	39,480	(4.5)	385	(68.8)	739	(60.9)	491	(60.3)
Three months ended June 30, 2013	41,361	(23.6)	1,235	(66.1)	1,891	(51.9)	1,237	(53.4)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended June 30, 2014	1.33	–
Three months ended June 30, 2013	3.34	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2014	295,662	140,132	46.9
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	–	–	–	–	–
Year ending March 31, 2015 (Forecast)	–	2.50	–	2.50	5.00

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
Six months ending September 30, 2014	92,000	8.9	4,000	67.8	4,500	52.8	3,000	68.6	8.10
Full year	200,000	6.0	9,500	7.2	10,000	3.0	6,000	8.6	16.20

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 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 June 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 June 30, 2014	1,189,386 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)

Three months ended June 30, 2014	370,273,659 shares	Three months ended June 30, 2013	370,829,850 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2014	As of June 30, 2014
Assets		
Current assets		
Cash and deposits	42,329	41,451
Notes and accounts receivable - trade	48,869	45,498
Merchandise and finished goods	1,802	1,723
Work in process	59,477	63,483
Raw materials and supplies	4,208	4,600
Other	11,098	13,735
Allowance for doubtful accounts	(310)	(288)
Total current assets	167,476	170,205
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	45,941	45,578
Machinery, equipment and vehicles, net	25,553	24,354
Other, net	14,177	14,010
Total property, plant and equipment	85,672	83,944
Intangible assets	855	808
Investments and other assets		
Investment securities	32,816	34,522
Other	6,891	6,756
Allowance for doubtful accounts	(572)	(575)
Total investments and other assets	39,134	40,703
Total non-current assets	125,662	125,456
Total assets	293,139	295,662
Liabilities		
Current liabilities		
Notes and accounts payable - trade	42,339	42,453
Short-term loans payable	12,292	12,938
Income taxes payable	1,802	534
Advances received	22,048	22,658
Provision	4,614	4,219
Other	15,752	17,397
Total current liabilities	98,848	100,202
Non-current liabilities		
Bonds payable	10,000	10,000
Long-term loans payable	15,095	15,057
Provision	115	95
Net defined benefit liability	10,405	11,156
Asset retirement obligations	1,271	1,289
Other	18,132	17,728
Total non-current liabilities	55,021	55,327
Total liabilities	153,870	155,529

(Millions of yen)

	As of March 31, 2014	As of June 30, 2014
Net assets		
Shareholders' equity		
Capital stock	19,694	19,694
Capital surplus	5,425	5,425
Retained earnings	110,635	109,889
Treasury shares	(730)	(730)
Total shareholders' equity	135,026	134,279
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,293	5,398
Deferred gains or losses on hedges	(130)	51
Foreign currency translation adjustment	(96)	(150)
Remeasurements of defined benefit plans	(1,042)	(951)
Total accumulated other comprehensive income	3,024	4,347
Minority interests	1,218	1,505
Total net assets	139,268	140,132
Total liabilities and net assets	293,139	295,662

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, 2013	Three months ended June 30, 2014
Net sales	41,361	39,480
Cost of sales	33,532	32,774
Gross profit	7,828	6,705
Selling, general and administrative expenses	6,592	6,320
Operating income	1,235	385
Non-operating income		
Interest income	12	22
Dividend income	313	329
Miscellaneous income	533	215
Total non-operating income	859	567
Non-operating expenses		
Interest expenses	106	64
Share of loss of entities accounted for using equity method	1	1
Miscellaneous loss	95	146
Total non-operating expenses	203	212
Ordinary income	1,891	739
Extraordinary income		
Gain on bargain purchase	-	218
Other	111	2
Total extraordinary income	111	221
Extraordinary losses		
Loss on retirement of non-current assets	11	41
Provision for loss on business of subsidiaries and associates	-	21
Other	0	2
Total extraordinary losses	11	66
Income before income taxes and minority interests	1,991	894
Income taxes - current	1,007	1,109
Income taxes - deferred	(230)	(756)
Total income taxes	776	352
Income before minority interests	1,214	542
Minority interests in income (loss)	(22)	51
Net income	1,237	491

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2013	Three months ended June 30, 2014
Income before minority interests	1,214	542
Other comprehensive income		
Valuation difference on available-for-sale securities	1,390	1,105
Deferred gains or losses on hedges	177	181
Foreign currency translation adjustment	163	(54)
Remeasurements of defined benefit plans, net of tax	-	90
Total other comprehensive income	1,732	1,322
Comprehensive income	2,947	1,865
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,957	1,814
Comprehensive income attributable to minority interests	(9)	50