

Translation

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[After Corrections]

## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2015 (Based on Japanese GAAP)

August 3, 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 Ikuro Sato  
 General Manager  
 Inquiries: Hiroki Kikuchi TEL 03-5745-2001  
 General Affairs Department  
 Scheduled date to file Quarterly Securities Report: August 12, 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 three months ended June 30, 2015 (from April 1, 2015 to June 30, 2015)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2015	37,751	(4.4)	<u>532</u>	<u>38.4</u>	<u>895</u>	<u>21.1</u>	<u>334</u>	<u>(31.9)</u>
Three months ended June 30, 2014	39,480	(4.5)	385	(68.8)	739	(60.9)	491	(60.3)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2015	<u>0.91</u>		–	
Three months ended June 30, 2014	1.33		–	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of June 30, 2015	<u>344,833</u>		<u>136,283</u>		<u>38.9</u>	
As of March 31, 2015	<u>319,667</u>		<u>138,234</u>		<u>42.7</u>	

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, 2015	–	2.00	–	2.00	4.00
Year ending March 31, 2016	–	–	–	–	–
Year ending March 31, 2016 (Forecast)	–	2.50	–	2.50	5.00

3. Forecast of consolidated financial results for the year ending March 31, 2016 (from April 1, 2015 to March 31, 2016)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2015	96,500	2.5	3,300	(10.1)	3,500	(27.7)	2,000	–	5.41
Full year	210,000	7.9	10,000	21.7	10,500	5.8	6,700	–	18.14

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2015  
 (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, 2015	371,463,036 shares	As of March 31, 2015	371,463,036 shares
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Number of treasury shares at the end of the period

As of June 30, 2015	6,365,897 shares	As of March 31, 2015	1,192,297 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, 2015	369,408,272 shares	Three months ended June 30, 2014	370,273,659 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2015	As of June 30, 2015
<b>Assets</b>		
Current assets		
Cash and deposits	49,176	70,849
Notes and accounts receivable - trade	56,678	43,225
Merchandise and finished goods	2,103	2,473
Work in process	<u>60,988</u>	<u>74,478</u>
Raw materials and supplies	5,234	5,335
Other	<u>16,952</u>	<u>17,182</u>
Allowance for doubtful accounts	(157)	(254)
Total current assets	<u>190,976</u>	<u>213,290</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	<u>45,086</u>	<u>44,688</u>
Machinery, equipment and vehicles, net	<u>21,852</u>	<u>20,822</u>
Other, net	<u>15,038</u>	<u>16,794</u>
Total property, plant and equipment	<u>81,978</u>	<u>82,305</u>
Intangible assets		
Goodwill	0	1,074
Other	<u>710</u>	<u>775</u>
Total intangible assets	<u>710</u>	<u>1,850</u>
Investments and other assets		
Investment securities	39,131	40,632
Other	<u>7,459</u>	<u>7,339</u>
Allowance for doubtful accounts	(588)	(584)
Total investments and other assets	<u>46,002</u>	<u>47,387</u>
Total non-current assets	<u>128,691</u>	<u>131,543</u>
Total assets	<u>319,667</u>	<u>344,833</u>
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	<u>42,418</u>	<u>44,321</u>
Short-term loans payable	12,255	12,933
Current portion of bonds	10,000	10,000
Income taxes payable	1,171	509
Advances received	34,697	41,929
Provision for loss on wind power generator business	13,203	12,191
Other provision	3,556	2,314
Other	28,216	18,573
Total current liabilities	<u>145,520</u>	<u>142,773</u>
Non-current liabilities		
Long-term loans payable	6,227	36,206
Provision	109	101
Net defined benefit liability	10,857	10,840
Asset retirement obligations	1,295	1,300
Other	17,423	17,327
Total non-current liabilities	<u>35,912</u>	<u>65,776</u>
Total liabilities	<u>181,432</u>	<u>208,550</u>

(Millions of yen)

	As of March 31, 2015	As of June 30, 2015
Net assets		
Shareholders' equity		
Capital stock	19,694	19,694
Capital surplus	5,425	5,425
Retained earnings	<u>103,330</u>	<u>102,924</u>
Treasury shares	(731)	(3,669)
Total shareholders' equity	<u>127,718</u>	<u>124,374</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,195	10,401
Deferred gains or losses on hedges	(194)	(406)
Foreign currency translation adjustment	239	206
Remeasurements of defined benefit plans	(399)	(337)
Total accumulated other comprehensive income	<u>8,839</u>	<u>9,864</u>
Non-controlling interests	<u>1,676</u>	<u>2,044</u>
Total net assets	<u>138,234</u>	<u>136,283</u>
Total liabilities and net assets	<u>319,667</u>	<u>344,833</u>

**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, 2014	Three months ended June 30, 2015
Net sales	39,480	37,751
Cost of sales	32,774	<u>30,607</u>
Gross profit	6,705	<u>7,143</u>
Selling, general and administrative expenses	6,320	6,610
Operating income	385	<u>532</u>
Non-operating income		
Interest income	22	37
Dividend income	329	354
Miscellaneous income	215	233
Total non-operating income	567	626
Non-operating expenses		
Interest expenses	64	86
Share of loss of entities accounted for using equity method	1	1
Miscellaneous loss	146	175
Total non-operating expenses	212	263
Ordinary income	739	<u>895</u>
Extraordinary income		
Gain on sales of non-current assets	2	24
Other	218	–
Total extraordinary income	221	24
Extraordinary losses		
Loss on retirement of non-current assets	41	126
Other	24	38
Total extraordinary losses	66	165
Income before income taxes and minority interests	894	<u>755</u>
Income taxes - current	1,109	987
Income taxes - deferred	(756)	<u>(563)</u>
Total income taxes	352	<u>423</u>
Profit	542	<u>331</u>
Profit (loss) attributable to non-controlling interests	51	(2)
Profit attributable to owners of parent	491	<u>334</u>

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

(Millions of yen)

	Three months ended June 30, 2014	Three months ended June 30, 2015
Profit	542	<u>331</u>
Other comprehensive income		
Valuation difference on available-for-sale securities	1,105	1,205
Deferred gains or losses on hedges	181	(211)
Foreign currency translation adjustment	(54)	(35)
Remeasurements of defined benefit plans, net of tax	90	63
Total other comprehensive income	<u>1,322</u>	<u>1,022</u>
Comprehensive income	<u>1,865</u>	<u>1,354</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,814	<u>1,358</u>
Comprehensive income attributable to non-controlling interests	50	(4)