

Translation

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[After Corrections]

Summary of Consolidated Financial Results for the Six Months Ended September 30, 2015 (Based on Japanese GAAP)

November 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 Ikuro Sato
 General Manager
 Inquiries: Hiroki Kikuchi TEL 03-5745-2001
 General Affairs Department
 Scheduled date to file Quarterly Securities Report: November 13, 2015
 Scheduled date to commence dividend payments: December 3, 2015
 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, 2015 (from April 1, 2015 to September 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	%
Six months ended September 30, 2015	94,667	0.5	<u>5,012</u>	<u>36.5</u>	<u>5,321</u>	<u>9.9</u>	<u>3,165</u>	—
Six months ended September 30, 2014	94,183	11.5	3,672	54.0	4,843	64.5	(7,349)	—

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2015	<u>8.62</u>		—	
Six months ended September 30, 2014	(19.85)		—	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of September 30, 2015	<u>331,422</u>		<u>134,458</u>		<u>39.9</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	—	2.50			
Year ending March 31, 2016 (Forecast)			—	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
Full year	210,000	7.9	10,500	27.8	11,000	10.9	6,700	—	18.24

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 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 September 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 September 30, 2015	6,366,925 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)

Six months ended September 30, 2015	367,252,507 shares	Six months ended September 30, 2014	370,273,403 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2015	As of September 30, 2015
Assets		
Current assets		
Cash and deposits	49,176	67,472
Notes and accounts receivable - trade	56,678	43,412
Merchandise and finished goods	2,103	2,220
Work in process	<u>60,988</u>	<u>72,772</u>
Raw materials and supplies	5,234	5,890
Other	<u>16,952</u>	<u>15,704</u>
Allowance for doubtful accounts	(157)	(231)
Total current assets	<u>190,976</u>	<u>207,241</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	<u>45,086</u>	<u>44,366</u>
Machinery, equipment and vehicles, net	<u>21,852</u>	<u>20,880</u>
Other, net	<u>15,038</u>	<u>17,094</u>
Total property, plant and equipment	<u>81,978</u>	<u>82,341</u>
Intangible assets		
Goodwill	0	1,073
Other	<u>710</u>	<u>747</u>
Total intangible assets	<u>710</u>	<u>1,820</u>
Investments and other assets		
Investment securities	39,131	33,324
Other	<u>7,459</u>	<u>7,275</u>
Allowance for doubtful accounts	(588)	(580)
Total investments and other assets	<u>46,002</u>	<u>40,018</u>
Total non-current assets	<u>128,691</u>	<u>124,181</u>
Total assets	<u>319,667</u>	<u>331,422</u>
Liabilities		
Current liabilities		
Notes and accounts payable - trade	<u>42,418</u>	<u>44,557</u>
Short-term loans payable	12,255	13,527
Current portion of bonds	10,000	10,000
Income taxes payable	1,171	875
Advances received	34,697	33,512
Provision for loss on business of wind power	13,203	11,114
Other provision	3,556	2,597
Other	28,216	17,078
Total current liabilities	<u>145,520</u>	<u>133,264</u>
Non-current liabilities		
Long-term loans payable	6,227	36,144
Provision	109	99
Net defined benefit liability	10,857	10,755
Asset retirement obligations	1,295	1,303
Other	17,423	15,398
Total non-current liabilities	<u>35,912</u>	<u>63,700</u>
Total liabilities	<u>181,432</u>	<u>196,964</u>

(Millions of yen)

	As of March 31, 2015	As of September 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>105,754</u>
Treasury shares	(731)	(3,670)
Total shareholders' equity	<u>127,718</u>	<u>127,204</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,195	5,430
Deferred gains or losses on hedges	(194)	(345)
Foreign currency translation adjustment	239	265
Remeasurements of defined benefit plans	(399)	(269)
Total accumulated other comprehensive income	<u>8,839</u>	<u>5,081</u>
Non-controlling interests	<u>1,676</u>	<u>2,172</u>
Total net assets	<u>138,234</u>	<u>134,458</u>
Total liabilities and net assets	<u>319,667</u>	<u>331,422</u>

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, 2014	Six months ended September 30, 2015
Net sales	94,183	94,667
Cost of sales	76,696	<u>75,813</u>
Gross profit	17,486	<u>18,854</u>
Selling, general and administrative expenses	13,814	13,841
Operating income	3,672	<u>5,012</u>
Non-operating income		
Interest income	35	51
Dividend income	412	401
Miscellaneous income	1,068	369
Total non-operating income	1,516	822
Non-operating expenses		
Interest expenses	131	181
Share of loss of entities accounted for using equity method	1	1
Miscellaneous loss	212	331
Total non-operating expenses	345	514
Ordinary income	4,843	<u>5,321</u>
Extraordinary income		
Gain on sales of non-current assets	4	29
Gain on bargain purchase	218	–
Other	–	0
Total extraordinary income	222	29
Extraordinary losses		
Loss on retirement of non-current assets	73	157
Provision for loss on business of subsidiaries and associates	21	–
Provision for loss on business of wind power	15,967	–
Other	3	43
Total extraordinary losses	16,065	200
Income (loss) before income taxes and minority interests	(10,999)	<u>5,150</u>
Income taxes - current	1,933	1,378
Income taxes - deferred	(5,697)	<u>513</u>
Total income taxes	(3,764)	<u>1,892</u>
Profit (loss)	(7,235)	<u>3,258</u>
Profit attributable to non-controlling interests	114	93
Profit (loss) attributable to owners of parent	(7,349)	<u>3,165</u>

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Profit (loss)	(7,235)	<u>3,258</u>
Other comprehensive income		
Valuation difference on available-for-sale securities	1,473	(3,764)
Deferred gains or losses on hedges	(546)	(151)
Foreign currency translation adjustment	(90)	22
Remeasurements of defined benefit plans, net of tax	181	131
Total other comprehensive income	<u>1,017</u>	<u>(3,761)</u>
Comprehensive income	<u>(6,218)</u>	<u>(503)</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(6,329)	<u>(593)</u>
Comprehensive income attributable to non-controlling interests	111	90