

SEMI-ANNUAL REPORT 2014

SEPTEMBER 30, 2014

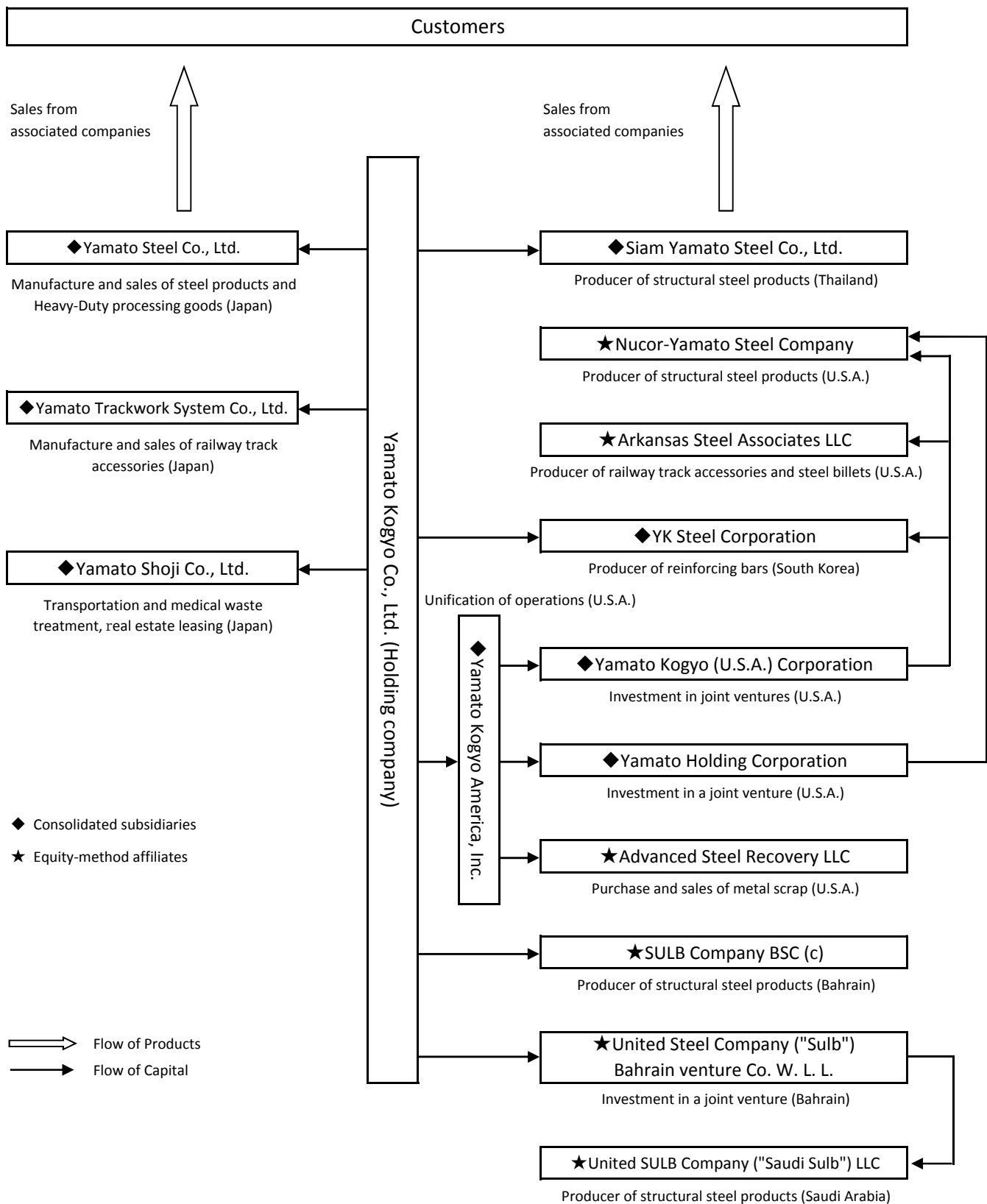
YAMATO KOGYO CO., LTD.

Contents

Corporate Structure and Affiliates	1
Operating Results For the Six-Month Period Ended September 30, 2014	2
Consolidated Balance Sheets	7
Consolidated Statements of Income	8
Consolidated Statements of Comprehensive Income	9
Consolidated Statements of Changes in Net Assets	10
Consolidated Statements of Cash Flows	11
Situation of Issue Shares	12
Board of Directors	12

Corporate Structure and Affiliates

As of September 30, 2014



*1 In May of 2013, United Steel Company ("Sulb") BSC (c) changed its corporate name to SULB Company BSC (c).

*2 We have stakes in 2 non-consolidated subsidiary not accounted for by the equity method and 3 affiliates not accounted for by the equity method, however these have been omitted as they are immaterial.

YAMATO KOGYO CO., LTD.
OPERATING RESULTS FOR THE SIX-MONTH PERIOD
ENDED SEPTEMBER 30, 2014

1. Business Performance and Financial Status

(1) Business Performance

Status During the Current Mid-Term Consolidated Accounting Period

The business environment for Yamato Kogyo Group (the Group) during the current mid-term consolidated accounting period remained almost unchanged from the 1st consolidated cumulative quarter.

In Japan, we have expected the construction and civil engineering industries-related steel demand to expand. We, however, have worked for the production and sales that meet demand, reflecting lower shipment volumes due to delays in design and civil engineering processes resulting from worker shortages. In addition, in accepting orders from shipbuilders, we still face tough conditions in terms of quantity and pricing.

In South Korea and Thailand, where we have consolidated subsidiaries, and in the United States, the kingdom of Bahrain and the Kingdom of Saudi Arabia where we have affiliated companies with equity method applied, the business performance between January and June of 2014 was reflected in the current mid-term accounting period.

YK Steel Corporation in South Korea still remains in a tough situation due to the sluggish demand in the construction industry and sagging rebar prices. Revenues of Siam Yamato Steel Co., Ltd. in Thailand fell down below the level of the mid-term of the previous year, mainly due to the market slowdown.

Results of Nucor-Yamato Steel Company accounted for under the equity method in the United States remained almost steady in spite of the 3 weeks shut-down of its operations to renovate parts of its rolling facilities in June 2014. SULB Company BSC(c) accounted for under the equity method in the Kingdom of Bahrain continued to work for sales expansion through the concerted efforts in its production and sales areas in the midst of sales competitions. Thanks to lower prices for main materials known as pellets due to softened market condition of iron ores, the effects of cost reductions was seen.

As a result of the above, sales for the current mid-term consolidated accounting period were 95,524 million yen(a decrease of 1,171 million yen in comparison with the same period in the previous year), operating income was 4,934 million yen(an increase of 810 million yen in comparison with the same period in the previous year), ordinary income was 10,496 million yen(an increase of 196 million yen in comparison with the same period in the previous year), and the net income was 6,221 million yen(an increase of 954 million yen in comparison with the same period in the previous year).

Please note that the exchange rates, used to convert profits and losses in financial statements of overseas subsidiaries and affiliates, are as follows:

(Each company's accounting period is from January to June, 2014)

Average rate: 102.21 yen/U.S. dollar, 3.13 yen/baht, and 10.27 won/yen

The average exchange rates for same period in the previous year are as follows:

(Each company's accounting period is from January to June, 2013)

Average rate: 95.89 yen/U.S. dollar, 3.21 yen/baht, and 11.51 won/yen

Steel (Japan)

In Japan, we have expected the construction and civil engineering industries-related steel demand to expand. We, however, have worked for the production and sales that meet demand, reflecting lower shipment volumes due to delays in design and civil engineering processes resulting from worker shortages. In addition, in accepting orders for stern frames from shipbuilders, we still face tough conditions in terms of quantity and pricing. As a result, sales were 24,397 million yen (a decrease of 116 million yen in comparison with the same period in the previous year), the operating income was 2,625 million yen (an increase of 1,275 million yen in comparison with the same period in the previous year).

Steel (South Korea)

In South Korea, still remains in a tough situation due to the sluggish demand in the construction industry and sagging rebar prices. As a result, sales were 27,774 million yen (a decrease of 1,287 million over yen in comparison with the same period in the previous year), the operating loss was 1,424 million yen (the operating loss of 1,562 million yen was posted during the previous second quarter).

Steel (Thailand)

In Thailand, due to the market slowdown, sales were 39,743 million yen (a decrease of 149 million yen in comparison with the same period in the previous year), the operating income was 3,930 million yen (a decrease of 618 million yen in comparison with the same period in the previous year).

Railway Track Accessories

Sales were 3,477 million yen (an increase of 381 million yen in comparison with the same period in the previous year), and the operating income was 567 million yen (an increase of 76 million over yen in comparison with the same period in the previous year).

Other Business Sectors

Other sales were 131 million yen, (an increase of 0 million yen in comparison with the same period in the previous year) and operating loss was 45 million yen (the operating income of 6 million yen was posted during the previous second quarter).

Future Outlook

The forecast for the entire fiscal year is as follows:

Given our results for the first fiscal half and the future outlook of the companies within the group, we have upwardly revised our previous consolidated earnings forecast made at the time of announcing the 1st quarter earnings (on July 31, 2014) in consideration of the results obtained for the first fiscal half.

As a result, the forecast for the entire fiscal year is as follows: Sales of 185,000 million yen, operating income of 7,500 million yen, ordinary income of 21,000 million yen, and net income of 12,000 million yen. Our group has been affected by the high-level exports of steel products and semi-products from China that had turned down the steel market conditions around the world. It is necessary to continue to pay attention to the trend of China's steel supplies.

Given the recent situations of foreign exchange markets, please note that the exchange rates used to convert revenues and expenses of our overseas subsidiaries and affiliates are based on their fiscal year, January to December, 2014.

The rates are as follows:

Average rate: 103.69 yen/U.S. dollar, 3.20 yen/baht, and 9.95 won/yen

Current rate: 105.00 yen/U.S. dollar, 3.25 yen/baht, and 9.52 won/yen

(2) Analysis of Financial Status

Total assets at the end of the current mid-term consolidated accounting period year were 306,556 million yen, a decrease of 3,680 million yen in comparison with the end of the previous consolidated fiscal year. This was due to decrease in the assets for our foreign subsidiaries due to fluctuations in exchange rates.

Liabilities were 47,886 million yen, a decrease of 2,667 million yen in comparison with the end of the previous consolidated fiscal year. This was due to decrease of notes and accounts payable-trade.

Also, net assets were 258,669 million yen, a decrease of 1,012 million yen in comparison with the end of the previous consolidated fiscal year. This was due to factors such as increase in net income, decrease by the payment of dividends, and decrease of 6,993 million yen in foreign currency translation adjustment.

Please note that the following exchange rates are used in preparation of financial statements for overseas subsidiaries and affiliates at the end of the current consolidated fiscal year.

(The end of first fiscal half for each overseas company is end of June 2014)

101.30 yen/U.S. dollar, 3.11 yen/baht, and 10.01 won/yen

Also, exchange rates for the end of previous consolidated fiscal year are as follows:

(The end of fiscal year for each overseas company is end of December 2013)

105.40 yen/U.S. dollar, 3.21 yen/baht, and 10.01 won/yen

(Cash Flows from Operating Activities)

The increase in funds from operating activities was 12,047 million yen, primarily due to the income before income taxes, and cash dividend from affiliated companies in U.S. with equity method applied.

(Cash Flows from Investing Activities)

The decrease in funds from investing activities was 14,641 million yen, primarily due to payments into time deposits.

(Cash Flows from Financing Activities)

The decrease in funds from financing activities was 1,532 million yen, due to payment of dividend.

With the addition of a 443 million yen, in effect of exchange rate change on cash and cash equivalents, the balance of cash and cash equivalents at the end of the current consolidated fiscal year was 10,914 million yen, which is a decrease of 4,570 million yen in comparison with the end of the previous year.

(3) Basic Policy Regarding Profit Allocation and Dividends for the Current and Next Fiscal Year

We believe that the dividend shall be determined in view of the Group's consolidated performance, financial situation, and development of future policies based on internal reserves.

Regarding the dividend for the current fiscal year, the plan is for an annual dividend of 34 yen per share, with interim dividend of 17 yen per share, and the end-of-term dividend of 17 yen per share.

(4) Business Risks

Following is a description of the main items we consider to be possible risk factors involved in developing the Group's business. Items relating to the future reflect our company's judgment based on data as of today.

Latent Risks in Doing Business Overseas

The Group's manufacturing and sales activities are not only in Japan, but also in the U.S., Thailand, South Korea, Kingdom of Saudi Arabia, and the steel plant is being constructed through a joint company in Bahrain in the Middle East, as we are developing a global business targeting the world market.

When entering overseas markets, there is a possibility that terrorism, war, and other factors could arise in various countries, causing social unrest, and having a huge impact on a company's results and financial standing. Moreover, problems in conducting business could also arise such as unpredictable changes in the political or legal environment, or changes in the economic environment in various countries.

Exchange Rate Fluctuations

The Group is developing global operations which target world markets, thus the performance of subsidiaries greatly affects consolidated business results. Since figures in the consolidated financial statements are converted to yen from the local currencies, the financial standing can be affected by the exchange rate. Also, foreign currency holdings make up a high percentage of the Group's cash and savings. Generally, appreciation of the yen will have a negative influence on our company, and on the contrary, depreciation of yen will have a positive influence.

Fluctuations in Sales Prices and Scrap Prices

The performance of the Group's vital steel business is greatly affected by fluctuations in sales prices of products and the scrap prices, the primary raw material. These market prices can be greatly affected by the external environment, and first and foremost, the domestic and foreign economic situation.

Electrical Power Risks

Since our Company's Group is an steel producer using electric furnaces to melt scrap steel which operates on a global scale and utilizes large amounts of electrical power, the Company's performance could be negatively impacted if there are steep unit price increases in electrical power and if there are restrictions of electrical power consumption.

2. Management Policy

(1) Basic Business Policy

We have served as a responsible member of the business community and strive to manufacture high quality and high value added products based on customer needs. We utilize scrap steel to make final products in order to respond to global needs to conserve energy and resources, and we are striving on a global scale to meet the challenge of environmental protection, which is the most pressing task of modern society. We make products that enable high-speed and high-volume rail and ocean transportation. With all of its products, the Group contributes to the betterment of society and the economy, through the development of its domestic and global business enterprises.

(2) Our Target Business Indicator

We have been promoting the decentralization of investments by primarily investing in overseas business, so as to achieve a management environment capable of responding to dramatic changes in the structure of the global economy, and to avoid a unipolar approach to conducting business. We will conduct our business with an emphasis on cash flow, aiming to invest in future growth fields, while maintaining a sound financial standing.

(3) Medium- and Long-term Corporate Business Strategy, and Challenges Facing the Company

In the business areas in which the Group deals, we anticipate increasingly vigorous competition with both foreign and domestic manufacturers in the future. Under such tough business environment, we will aim to improve productivity and reduce costs by renewing and expanding manufacturing facilities at our operations in Japan and overseas, so as to achieve greater profitability as a manufacturing group. Furthermore, we are holding technical conferences among the steel manufacturing companies in our group, exchanging information and striving to raise the level of our technology.

In addition, on the basis of its structure as a holding company, the Group will look at how it can contribute to society from a variety of standpoints. The Group will maximize the unique qualities and functions of each company under its umbrella, and will promote an active and harmonious group business, as it develops its operations to target the global market.

YAMATO KOGYO CO., LTD.
AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
September 30, 2014 and March 31, 2014

In Japanese Yen

(In millions of Japanese Yen)

	Mar-14	Sep-14		Mar-14	Sep-14
Assets			Liabilities		
Current assets			Current liabilities		
Cash and deposits	¥73,058	¥76,093	Notes and accounts payable-trade	¥19,887	¥17,673
Notes and accounts receivable-trade	34,917	34,362	Short-term loans payable	1,797	2,241
Short-term investment securities	0	2,950	Income taxes payable	1,583	1,231
Merchandise and finished goods	15,949	16,482	Provision for bonuses	437	601
Work in process	457	407	Other	8,355	8,646
Raw materials and supplies	19,413	16,691	Total current liabilities	32,061	30,395
Other	3,334	2,112			
Allowance for doubtful accounts	(18)	(17)	Noncurrent liabilities		
Total current assets	147,114	149,082	Long-term loans payable	3,466	2,488
Noncurrent assets			Deferred tax liabilities	10,755	10,664
Property, plant and equipment			Net defined benefit liability	2,649	2,707
Buildings and structures, net	15,151	14,580	Provision for directors' retirement benefits	1,426	1,474
Machinery, equipment and vehicles, net	32,323	30,487	Other	194	156
Land	16,535	16,479	Total noncurrent liabilities	18,492	17,491
Construction in progress	565	674	Total liabilities	50,554	47,886
Other, net	296	284			
Total property, plant and equipment	64,872	62,506	Net assets		
Intangible assets			Shareholders' equity		
Goodwill	1,978	1,798	Capital stock	7,996	7,996
Other	352	353	Capital surplus	341	341
Total intangible assets	2,330	2,151	Retained earnings	231,428	236,542
Investments and other assets			Treasury stocks	(588)	(613)
Investments securities	47,240	45,986	Total shareholders' equity	239,177	244,266
Investments in capital	35,432	33,950	Accumulated other comprehensive income		
Long-term time deposits	10,540	10,135	Valuation difference on available-for-sale securities	3,408	3,652
Net defined benefit asset	2,089	2,151	Foreign currency translation adjustment	928	(6,065)
Other	844	771	Remeasurements of defined benefit plans	180	162
Allowance for doubtful accounts	(228)	(179)	Total accumulated other comprehensive income	4,517	(2,250)
Total investments and other assets	95,919	92,816	Minority interests	15,987	16,652
Total noncurrent assets	163,122	157,473	Total net assets	259,682	258,669
Total assets	¥310,236	¥306,556	Total liabilities and net assets	¥310,236	¥306,556

In U.S. Dollars for Convenience Purposes (Note 1)

(In thousands of U.S. Dollars)

	Mar-14	Sep-14		Mar-14	Sep-14
Assets			Liabilities		
Current assets			Current liabilities		
Cash and deposits	\$667,509	\$695,232	Notes and accounts payable-trade	\$181,704	\$161,477
Notes and accounts receivable-trade	319,024	313,957	Short-term loans payable	16,423	20,480
Short-term investment securities	5	26,952	Income taxes payable	14,470	11,255
Merchandise and finished goods	145,724	150,593	Provision for bonuses	3,995	5,495
Work in process	4,184	3,723	Other	76,341	78,998
Raw materials and supplies	177,376	152,504	Total current liabilities	292,936	277,707
Other	30,464	19,298			
Allowance for doubtful accounts	(165)	(159)	Noncurrent liabilities		
Total current assets	1,344,123	1,362,103	Long-term loans payable	31,674	22,731
Noncurrent assets			Deferred tax liabilities	98,271	97,432
Property, plant and equipment			Net defined benefit liability	24,203	24,738
Buildings and structures, net	138,436	133,220	Provision for directors' retirement benefits	13,029	13,476
Machinery, equipment and vehicles, net	295,323	278,554	Other	1,779	1,433
Land	151,075	150,564	Total noncurrent liabilities	168,958	159,812
Construction in progress	5,169	6,158	Total liabilities	461,894	437,520
Other, net	2,705	2,595			
Total property, plant and equipment	592,711	571,093	Net assets		
Intangible assets			Shareholders' equity		
Goodwill	18,073	16,430	Capital stock	73,062	73,062
Other	3,221	3,225	Capital surplus	3,117	3,117
Total intangible assets	21,295	19,656	Retained earnings	2,114,467	2,161,196
Investments and other assets			Treasury stocks	(5,380)	(5,609)
Investments securities	431,621	420,162	Total shareholders' equity	2,185,266	2,231,767
Investments in capital	323,735	310,191	Accumulated other comprehensive income		
Long-term time deposits	96,299	92,607	Valuation difference on available-for-sale securities	31,141	33,371
Net defined benefit asset	19,088	19,655	Foreign currency translation adjustment	8,482	(55,413)
Other	7,713	7,044	Remeasurements of defined benefit plans	1,649	1,483
Allowance for doubtful accounts	(2,085)	(1,636)	Total accumulated other comprehensive income	41,273	(20,559)
Total investments and other assets	876,373	848,025	Minority interests	146,068	152,149
Total noncurrent assets	1,490,380	1,438,775	Total net assets	2,372,609	2,363,358
Total assets	\$2,834,503	\$2,800,878	Total liabilities and net assets	\$2,834,503	\$2,800,878

Notes:

¥ 109.45 = \$1 as of September 30, 2014.

YAMATO KOGYO CO., LTD.
AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
For the Six-Month Period Ended September 30, 2014 and 2013

In Japanese Yen

(In millions of Japanese Yen)

	Sep-13	Sep-14
Net sales	¥96,696	¥95,524
Cost of sales	86,065	83,965
Selling, general and administrative expenses	6,507	6,625
Operating income	4,123	4,934
Non-operating income	6,589	6,276
Non-operating expenses	413	715
Ordinary income	10,299	10,496
Extraordinary income	2	0
Extraordinary loss	0	9
Income before income taxes	10,301	10,487
Income taxes		
Income taxes-current	3,247	3,435
Income taxes-deferred	405	(341)
Total income taxes	3,653	3,093
Income before minority interests	6,648	7,393
Minority interests in income	1,381	1,171
Net income	¥5,266	¥6,221

In U.S. Dollars for Convenience Purposes (Note 1)

(In thousands of U.S. Dollars)

	Sep-13	Sep-14
Net sales	\$883,477	\$872,770
Cost of sales	786,343	767,155
Selling, general and administrative expenses	59,457	60,530
Operating income	37,676	45,084
Non-operating income	60,206	57,348
Non-operating expenses	3,779	6,534
Ordinary income	94,103	95,898
Extraordinary income	23	3
Extraordinary loss	4	86
Income before income taxes	94,122	95,815
Income taxes		
Income taxes-current	29,673	31,386
Income taxes-deferred	3,703	(3,118)
Total income taxes	33,377	28,267
Income before minority interests	60,744	67,547
Minority interests in income	12,622	10,706
Net income	\$48,122	\$56,841

Notes:

1. U.S. Dollar amounts are translated from Japanese Yen, for convenience only, at the rate of ¥109.45 = \$1 as of September 30, 2014.
2. All figures are prepared under accounting principles generally accepted in Japan.
3. All figures are rounded down to the nearest millions of Japanese Yen or thousands of U.S. Dollars.

**YAMATO KOGYO CO., LTD.
AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Six-Month Period Ended September 30, 2014 and 2013**

In Japanese Yen

(In millions of Japanese Yen)

	Sep-13	Sep-14
Income before minority interests	¥6,648	¥7,393
Other comprehensive income		
Valuation difference on available-for-sale securities	1,386	244
Foreign currency translation adjustment	14,211	(4,628)
Remeasurements of defined benefit plans	-	(18)
Share of other comprehensive income of entities accounted for using equity method	8,273	(2,868)
Total other comprehensive income	23,871	(7,271)
Comprehensive income	¥30,520	¥121
(Breakdown)		
Comprehensive income attributable to owners of the parent	27,723	(546)
Comprehensive income attributable to minority interests	2,796	667

In U.S. Dollars for Convenience Purposes (Note 1)

(In thousands of U.S. Dollars)

	Sep-13	Sep-14
Income before minority interests	\$60,744	\$67,547
Other comprehensive income		
Valuation difference on available-for-sale securities	12,668	2,236
Foreign currency translation adjustment	129,848	(42,293)
Remeasurements of defined benefit plans	-	(172)
Share of other comprehensive income of entities accounted for using equity method	75,590	(26,212)
Total other comprehensive income	218,106	(66,441)
Comprehensive income	\$278,851	\$1,106
(Breakdown)		
Comprehensive income attributable to owners of the parent	253,300	(4,991)
Comprehensive income attributable to minority interests	25,551	6,098

Notes:

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2. All figures are prepared under accounting principles generally accepted in Japan.
3. All figures are rounded down to the nearest millions of Japanese Yen or thousands of U.S. Dollars.

YAMATO KOGYO CO., LTD.
AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
For the Six-Month Period Ended September 30, 2014

In Japanese Yen

(In millions of Japanese Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at April 1, 2014	¥7,996	¥341	¥231,428	(¥588)	¥239,177
Cumulative effects of changes in accounting policies			¥36		¥36
Currently stated	¥7,996	¥341	¥231,464	(¥588)	¥239,213
Changes of items during the period					
Dividends from surplus			(1,143)		(1,143)
Net income			6,221		6,221
Purchase of treasury stock				(0)	(0)
Purchase of shares of consolidated subsidiaries				(24)	(24)
Net changes of items other than shareholders' equity					-
Total changes of items during the period	-	-	5,078	(25)	5,053
Balance at September 30, 2014	¥7,996	¥341	¥236,542	(¥613)	¥244,266

	Accumulated other comprehensive income				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at April 1, 2014	¥3,408	¥928	¥180	¥4,517	¥15,987	¥259,682
Cumulative effects of changes in accounting policies				-	¥2	¥38
Currently stated	¥3,408	¥928	¥180	¥4,517	¥15,989	¥259,720
Changes of items during the period						
Dividends from surplus						(1,143)
Net income						6,221
Purchase of treasury stock						(0)
Purchase of shares of consolidated subsidiaries					(2)	(27)
Net changes of items other than shareholders' equity	243	(6,993)	(¥18)	(6,767)	666	(6,101)
Total changes of items during the period	243	(6,993)	(¥18)	(6,767)	663	(1,051)
Balance at September 30, 2014	¥3,652	(¥6,065)	¥162	(¥2,250)	¥16,652	¥258,669

In U.S. Dollars for Convenience Purposes (Note 1)

(In thousands of U.S. Dollars)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at April 1, 2014	\$73,062	\$3,117	\$2,114,467	(\$5,380)	\$2,185,266
Cumulative effects of changes in accounting policies			\$333		\$333
Currently stated	\$73,062	\$3,117	\$2,114,800	(\$5,380)	\$2,185,600
Changes of items during the period					
Dividends from surplus			(10,445)		(10,445)
Net income			56,841		56,841
Purchase of treasury stock				(4)	(4)
Purchase of shares of consolidated subsidiaries				(223)	(223)
Net changes of items other than shareholders' equity					-
Total changes of items during the period	-	-	46,395	(228)	46,167
Balance at September 30, 2014	\$73,062	\$3,117	\$2,161,196	(\$5,609)	\$2,231,767

	Accumulated other com				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at April 1, 2014	\$31,141	\$8,482	\$1,649	\$41,273	\$146,068	\$2,372,609
Cumulative effects of changes in accounting policies				-	\$18	\$352
Currently stated	\$31,141	\$8,482	\$1,649	\$41,273	\$146,087	\$2,372,961
Changes of items during the period						
Dividends from surplus						(10,445)
Net income						56,841
Purchase of treasury stock						(4)
Purchase of shares of consolidated subsidiaries					(23)	(246)
Net changes of items other than shareholders' equity	2,229	(63,896)	(\$165)	(61,833)	6,085	(55,747)
Total changes of items during the period	2,229	(63,896)	(\$165)	(61,833)	6,062	(9,603)
Balance at September 30, 2014	\$33,371	(\$55,413)	\$1,483	(\$20,559)	\$152,149	\$2,363,358

Notes:

1. U.S. Dollar amounts are translated from Japanese Yen, for convenience only, at the rate of ¥ 109.45 = \$1 as of September 30, 2014.
2. All figures are prepared under accounting principles generally accepted in Japan.
3. All figures are rounded down to the nearest millions of Japanese Yen or thousands of U.S. Dollars.

YAMATO KOGYO CO., LTD.
AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Six-Month Period Ended September 30, 2014

	In millions of Japanese Yen	In thousands of U.S. Dollars
		(Note1)
. Cash flows from operating activities		
Income before income taxes	¥10,487	\$95,815
Depreciation and amortization	3,212	29,351
Interest and dividends income	(457)	(4,178)
Interest expenses	175	1,604
Equity in earnings of affiliates	(4,740)	(43,310)
Increase in notes and accounts receivable-trade	269	2,462
Increase in inventories	1,684	15,387
Decrease in notes and accounts payable-trade	(2,043)	(18,670)
Other, net	1,025	9,368
Subtotal	9,613	87,830
Interest and dividends income received	5,403	49,370
Interest expenses paid	(215)	(1,970)
Income taxes paid	(2,753)	(25,156)
Net cash used in operating activities	12,047	110,074
. Cash flows from investment activities		
Payments into time deposits	(20,250)	(185,021)
Proceeds from withdrawal of time deposits	7,568	69,146
Purchase of property, plant and equipment	(1,863)	(17,029)
Other, net	(95)	(872)
Net cash used in investment activities	(14,641)	(133,777)
. Cash flows from financing activities		
Net decrease in short-term loans payable	500	4,568
Repayment of long-term loans payable	(876)	(8,007)
Purchase of treasury stock	(0)	(4)
Cash dividends paid	(1,143)	(10,446)
Cash dividends paid to minority shareholders	(1)	(13)
Other, net	(10)	(99)
Net cash used in financing activities	(1,532)	(14,003)
. Effect of exchange rate change on cash and cash equivalents	(443)	(4,051)
. Net decrease in cash and cash equivalents	(4,570)	(41,759)
. Cash and cash equivalents at beginning of year	15,484	141,478
. Cash and cash equivalents at end of year	¥10,914	\$99,719

Notes:

1. U.S. Dollar amounts are translated from Japanese Yen, for convenience only, at the rate of ¥109.45 = \$1 as of September 30, 2014.
2. All figures are prepared under accounting principles generally accepted in Japan.
3. All figures are rounded down to the nearest millions of Japanese Yen or thousands of U.S. Dollars.

Situation of Issue Shares

The situation of shares in this fiscal year is as outlined below.
(As of September 30, 2014)

(1) Total number of shares authorized to be issued	171,257,770
Number of shares outstanding	69,750,000
Total number of shareholders	3,073

(2) Dividends

The following table shows the dividends per share paid by Company.

2014	2013	2013	2012	2012	
Mar.	Sep.	Mar.	Sep.	Mar.	
17	15	15	15	15	(Unit : Japanese Yen)
0.16	0.15	0.15	0.15	0.15	(Unit : U.S. Dollar)

Note: U.S. Dollar amounts are translated from Japanese Yen, for convenience only, at the rate of
¥ 109.45 = \$1 as of September 30, 2014.

Board of Directors

(As of September 30, 2014)

President	Senior Managing Director	Managing Directors	Director and Executive Advisor	Directors	Auditors
Hiroyuki Inoue	Kazumi Kajihara	Takafumi Yoshida	Shigeo Kawata	Yoshinori Toritani	Hisakazu Fukuhara
				Yoshio Morikawa	Tamaki Tsukada
		Mikio Kobayashi		Damri Tunshevavong	Hisashi Sawada

Yamato Kogyo Group MISSION



「ものづくり」企業としての誇りとフェアな経営姿勢をベースに、
鉄事業をとおして、和の精神をもって、
グローバルな事業展開により、新たな価値を創造し、
豊かな社会の実現に貢献します。

Generate unique value and contribute to society
through our global steel business,
based on pride in our manufacturing skill,
fair management, and a spirit of Harmony.



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