This document has been translated from the Japanese original FOR REFERENCE PURPOSES ONLY. In the event of any discrepancy between this translated document and the Japanese original, THE ORIGINAL SHALL PREVAIL. Mitsubishi Steel Mfg. Co.,Ltd. assumes NO RESPONSIBILITY for this translation or for direct, indirect or any other forms of damages arising from the translation.

Disclosures on the Internet under Laws, Regulations and the Articles of Incorporation

91st Fiscal Year

(April 1, 2014 – March 31, 2015)

(i) Notes to the Consolidated Financial Statements

(ii) Notes to the Non-consolidated Financial Statements

Mitsubishi Steel Mfg. Co., Ltd.

This information is posted on the Company's website and thereby provided to its shareholders pursuant to the provisions of laws, regulations and Article 14 of the Articles of Incorporation.

Notes to the Consolidated Financial Statements

(April 1, 2014 – March 31, 2015)

(Notes on Significant Information Regarding the Preparation of Consolidated Financial Statements)

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 14

Name of major consolidated subsidiaries: MSSC CANADA INC.
MSSC US INC.
MSM NINGBO SPRING CO., LTD.
MSM CEBU, INC.
MSM (THAILAND) CO., LTD.
Mitsubishi Steel Muroran Inc.
Mitsubishi Nagasaki Machinery Mfg. Co., Ltd.
Ryokoh Express Co., Ltd.

The newly-established MSM Spring India Pvt. Ltd has been included in the scope of consolidation from the consolidated fiscal year under review.

(2) Name of major non-consolidated subsidiaries: Marunaka Sangyo Co., Ltd.,
Ryoki Engineering Co., Ltd.

The non-consolidated subsidiaries are excluded from the scope of consolidation due to both being small in size and not having a significant impact on the Consolidated Financial Statements in terms of the total amount of total assets, net sales, net income (amount proportionate to equity interest), retained earnings (amount proportionate to equity interest), etc.

2. Application of the equity method

(1) Number of non-consolidated subsidiaries accounted for under the equity method: 0

(2) Number of affiliates accounted for under the equity method: 4

Name of affiliates accounted for under the equity method:
Hokkai Iron & Coke Corporation
CROFT PROPERTIES HOLDINGS, INC.
(New) Stumpp Schuele & Somappa Auto Suspension Systems Pvt. Ltd.
(New) PT. JATIM TAMAN STEEL MFG.

The two companies whose equity interests were newly acquired have been included in the scope of affiliates accounted for under the equity method from the consolidated fiscal year under review.

(3) Non-consolidated subsidiaries and affiliate not accounted for under the equity method

Name of major non-consolidated subsidiaries: Marunaka Sangyo Co., Ltd., Ryoki Engineering Co., Ltd.

Name of major affiliate: Dai-ichi Heat Muroran Co., Ltd.

The non-consolidated subsidiaries and affiliate are excluded from the scope of application of the equity method as their impact on net income, retained earnings, etc. is not only miniscule individually but also insignificant as a whole.

3. Accounting standards

(1) Valuation standards and methods of principal assets

(i) Securities

Available-for-sale securities:

For which market value is available:	The present market value is recorded based on the market prices, etc. on the last day of the period. (Valuation differences are incorporated into net assets in full. Selling prices were computed based on the moving-average method.)
For which market value is not available:	Stated at cost mainly using the moving-average method.
(ii) Inventories	Stated at cost based mainly on the periodic average method (Method in which book values are lowered based on declines in profitability).

(2) Depreciation and amortization methods of principal depreciable assets

(i) Property, plant and equipment (excluding leased assets):	The Company depreciates property, plant and equipment (excluding leased assets) using mainly the declining-balance method. The range of useful lives of main property, plant and equipment is as follows: Buildings and structures: 8 - 33 years Machinery, equipment and vehicles: 4 - 14 years
(ii) Intangible assets (excluding leased assets):	The Company amortizes intangible assets (excluding leased assets) using the straight-line method.
(iii) Leased assets:	Leased assets associated with finance leases in which ownership of the leased assets is not transferred to the lessee The straight-line method is used assuming the lease period equals the estimated useful life and the residual value at the end of the lease term is nil.

(3) Accounting standards for principal provisions and allowances

(i) Allowance for doubtful accounts:	In order to provide for potential credit losses due to the uncollectibility of accounts receivable, loans receivable, etc., allowances for the estimated unrecoverable amounts are reported based on historical loan loss rates for general claims, and on an individual basis for specific receivables including doubtful receivables.
(ii) Provision for directors' retirement benefits	With respect to some consolidated subsidiaries, in order to provide for the payment of retirement

benefits for directors, an allowance in the amount to be paid at the end of the fiscal year is reported as required by internal rules.

(4) Method of amortization and amortization period of goodwill and negative goodwill

Goodwill and negative goodwill are amortized over 7 years from the time of accrual using the straight-line method. The difference in investment amounts arising upon the application of the equity method is amortized over 8 or 9 years from the time of accrual using the straight-line method.

(5) Other significant information for the preparation of Consolidated Financial Statements

(i) Hedge accounting method	Deferral hedge accounting is used. In addition, special treatment is applied to interest rate swap contracts that meet the requirements for special treatment.
(ii) Accounting method for retirement benefits	In order to provide for the payment of employee retirement benefits, the Company reports the amount of the retirement benefit obligations less pension assets at the end of the consolidated fiscal year under review as net defined benefit liability (or net defined benefit asset if the amount of pension assets exceeds the amount of retirement benefit obligations). In the calculation of retirement benefit obligations, the benefit formula has been used to attribute expected benefits to periods until the end of the consolidated fiscal year under review. The difference due to the change in the accounting standards is amortized over 15 years using the straight-line method. Prior service costs are expensed using the straight-line method based on a certain number of years (mainly 12 years) within the average remaining service years of the employees when incurred in each fiscal year. Actuarial differences are expensed from the following fiscal year as incurred using the straight-line method based on a certain number of years (mainly 12 years) within the average remaining service years of the employees when incurred in each fiscal year. Unrecognized actuarial differences and unrecognized prior service costs have been recorded under remeasurements of defined benefit plans under accumulated other comprehensive income in net assets upon adjustment of tax effects. In certain of the Company's subsidiaries in North America, non-pension post-retirement health benefits are treated similarly to retirement benefits, i.e. their total amounts are estimated and allocated on the basis of the employee's years of service, and due to their similar nature to retirement benefits, have been included in net defined benefit liability.

(iii) Standards for the recognition of net sales of completed construction contracts and cost of sales of completed construction contracts	Construction contracts in progress for which the outcome of the progress made by the end of the fiscal year under review is deemed certain are subject to the percentage-of-completion method, and other construction contracts are subject to the completed-contract method. The percentage of completion as of the end of the current fiscal year of contracts subject to the percentage-of-completion method is estimated on a cost-to-cost basis.
(iv) Accounting for consumption taxes	In terms of accounting for consumption tax and local consumption tax, amounts are shown exclusive of such taxes.

(Notes on Changes in Accounting Policies)

The provisions of Article 35 of the “Accounting Standard for Retirement Benefits” (Accounting Standards Board of Japan - ASBJ - Statement No.26 of May 17, 2012) and the provisions of Article 67 of the “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No.25 of March 26, 2015) are applied, effective the fiscal year ended March 31, 2015. Accordingly, the method of calculating retirement benefit obligations and prior service costs has been revised, and the method of attributing projected retirement benefits has been changed from the straight-line attribution method to the benefit formula. Additionally, the method of determining the discount rate has been changed from the method in which the discount rate is determined by the number of years that approximate the average remaining years of service of the employees to the method in which a single weighted average discount rate is used that reflects the estimated timing of retirement benefit payments and the amount of retirement benefit payment for each estimated payment period.
In accordance with the interim measures stipulated in Article 37 of the Accounting Standard for Retirement Benefits, the effect of this change in the calculation method of retirement benefit obligations and prior service costs as of April 1, 2014, is recorded as changes in retained earnings.
As a result, as of April 1, 2014, net defined benefit liability decreased by 234 million yen and retained earnings increased by 157 million yen, while the impact of this change on the profit or loss for the fiscal year under review is minimal.

(Notes on Changes in Presentation Method)

Electronically recorded monetary claims - operating, which had been included in notes and accounts receivable - trade in the previous consolidated fiscal year (1,251 million yen in the previous consolidated fiscal year), is presented as a separate item in the consolidated fiscal year under review due to having increased in significance.

(Notes to the Consolidated Balance Sheet)

1. Assets pledged as collateral and secured liabilities

Assets pledged as collateral	Buildings and structures	2,929	million yen
	Machinery, equipment and vehicles	424	
	Land	2,216	
	Total	5,570	
Secured liabilities	Short-term loans receivable	3,518	million yen
	Long-term loans receivable	2,240	
	Total	5,758	

The above liabilities include liabilities in the amount of 5,483 million yen related to revolving mortgage (maximum amount: 4,625 million yen).

2. Accumulated depreciation of property, plant and equipment: 74,888 million yen

3. Obligatory repurchase amount in notes receivable securitization: 359 million yen

(Notes to the Consolidated Statement of Changes in Equity)

1. Type and total number of shares outstanding at end of consolidated fiscal year under review:

Common shares 156,556,683 shares

2. Dividends

(1) Dividend payments

Date of resolution	Total dividends (Millions of yen)	Cash dividends per share (Yen)	Effective date	Record date
Ordinary general meeting of shareholders held on June 20, 2014	385	2.50	June 23, 2014	March 31, 2014
Board of Directors meeting held on October 30, 2014	384	2.50	November 26, 2014	September 30, 2014

(2) Dividends whose record date is in the current fiscal year and the effective date is in the following fiscal year

At the ordinary general meeting of shareholders to be held on June 19, 2015, the following proposal on dividends will be submitted.

Total dividends	538 million yen
Cash dividends per share	3.50 yen per share
Effective date	June 22, 2015

Record date March 31, 2015

The source of dividends shall be retained earnings.

(Notes on Financial Instruments)

1. Information regarding status of financial instruments

The Group limits its fund management activities to short-term deposits, etc., and raises funds by borrowings from financial institutions such as banks.

The Group seeks to reduce credit risks of customers concerning notes and accounts receivable – trade in accordance with the Credit Management Rules. Investment securities mainly consist of shares, and the market prices of listed shares are identified on a quarterly basis.

Borrowings are used for operating funds (mainly short term) and capital investment funds (long term). With respect to the risk of interest rate fluctuations for some long-term loans payable, the Group performs interest rate swap transactions to fix interest expenses.

Of note, derivative transactions are performed within the bounds of real demand in accordance with the Derivative Transaction Management Rules.

2. Information regarding market value, etc. of financial instruments

The Consolidated Balance Sheet amount and market value at the end of the consolidated fiscal year under review and the difference between the two are as follows. Of note, financial instruments whose market value is deemed to be extremely difficult to identify are not included in the table below (see Note 2).

(Millions of yen)

	Consolidated Balance Sheet amount*	Market value *	Difference
(1) Cash and deposits	11,453	11,453	-
(2) Notes and accounts receivable - trade	23,830	23,830	-
(3) Securities	11,500	11,500	-
(4) Investment securities			
Available-for-sale securities	14,511	14,511	-
(5) Notes and accounts payable - trade	(17,284)	(17,284)	-
(6) Short-term loans payable	(7,227)	(7,227)	-
(7) Long-term loans payable	(11,505)	(11,688)	(183)
(8) Derivative transactions	-	-	-

* Those recorded in Liabilities are shown in parentheses.

(Note 1) Calculation method of market value of financial instruments and information regarding securities and derivative transactions

(1) Cash and deposits and (2) Notes and accounts receivable – trade

As these items are settled in a short period of time, their market value is more or less the same as their carrying amount; therefore, they are stated at the carrying amount.

(3) Securities

As these are negotiable deposits and settled in a short period of time, their market value is more or less the same as their carrying amount; therefore, they are stated at the carrying amount.

(4) Investment securities

The market value of shares is based on the price at exchanges, etc.

(5) Notes and accounts payable-trade and (6) Short-term loans payable

As these items are settled in a short period of time, their market value is more or less the same as their carrying amount; therefore, they are stated at the carrying amount.

(7) Long-term loans payable (including current portion of long-term loans payable)

The calculation method of the market value of long-term loans payable involves discounting the sum of the principal and interest divided into certain periods by the interest rate that is expected to be applied if a similar new loan is taken out.

Long-term loans payable with variable interest rates are subject to special treatment for interest rate swaps (see (8) below), and the calculation method involves discounting the sum of the principal and interest processed integrally with such swaps by a reasonably-estimated interest rate that would be applied if a similar loan is taken out.

(9) Derivative transactions

Those subject to special treatment for interest rate swaps are processed integrally with the hedged long-term loans payable, so their market value is included in the market value of such long-term loans payable (see (7) above).

(Note 2) Unlisted shares (Consolidated Balance Sheet amount: 9,642 million yen) are not included in "(4) Investment securities Available-for-sale securities" as it is deemed extremely difficult to determine their market value because there is no quoted market price and it is impossible to estimate future cash flows.

(Notes on Per Share Information)

1. Net assets per share: ¥388.82
2. Net income per share: ¥23.03

Notes to the Non-consolidated Financial Statements

(April 1, 2014 – March 31, 2015)

(Notes on Information Regarding Significant Accounting Standards)

1. Valuation standards and methods of assets

(1) Valuation standards and methods of securities

(i) Shares of subsidiaries and shares of affiliates	Stated at cost using the moving-average method.
(ii) Available-for-sale securities:	
For which market value is available:	The present market value is recorded based on the market prices, etc. on the last day of the period. (Valuation differences are incorporated into net assets in full. Selling prices were computed based on the moving-average method.)
For which market value is not available:	Stated at cost using the moving-average method.

(2) Valuation standards and methods of inventories

Finished goods, semi-finished goods, work in process, raw materials and supplies	Stated at cost based on the periodic average method (Method in which book values are lowered based on declines in profitability).

2. Depreciation and amortization methods of depreciable assets

(i) Property, plant and equipment (excluding leased assets):	The Company depreciates property, plant and equipment (excluding leased assets) using the declining-balance method; however, the straight-line method is used for some buildings (excluding facilities attached to buildings). The range of useful lives of main property, plant and equipment is as follows: Buildings: 8 - 31 years Machinery and equipment: 8 - 14 years
(ii) Intangible assets (excluding leased assets):	The Company amortizes intangible assets (excluding leased assets) using the straight-line method. Software used in-house is amortized by the straight-line method over its useful life assuming in-house use (5 years).
(iii) Leased assets:	Leased assets associated with finance leases in which ownership of the leased assets is not transferred to the lessee The straight-line method is used assuming the lease period equals the estimated useful life and the residual value at the end of the lease term is nil.

3. Accounting standards for provisions and allowances

(i) Allowance for doubtful accounts:	In order to provide for potential credit losses due to the uncollectibility of accounts receivable, loans receivable, etc., allowances for the estimated unrecoverable amounts are reported based on

	historical loan loss rates for general claims, and on an individual basis for specific receivables including doubtful receivables.
(ii) Provision for retirement benefits	In order to provide for the payment of retirement benefits for employees, an allowance in the amount deemed to have accrued at the end of the fiscal year under review is recorded based on the projected amount of retirement benefit obligations and pension assets at the end of the fiscal year under review. In the calculation of retirement benefit obligations, the benefit formula has been used to attribute expected benefits to periods until the end of the fiscal year under review. The difference due to the change in the accounting standards is amortized over 15 years using the straight-line method. Prior service costs are expensed using the straight-line method based on a certain number of years (12 years) within the average remaining service years of the employees at the time of accrual. Actuarial differences are expensed from the fiscal year subsequent to the year of accrual using the straight-line method based on a certain number of years (12 years) within the average remaining service years of the employees at the time of accrual in each fiscal year.

4. Other basic and significant information regarding the preparation of Non-consolidated Financial Statements

(i) Hedge accounting method	Deferral hedge accounting is used. In addition, special treatment is applied to interest rate swap contracts that meet the requirements for special treatment.
(ii) Accounting for consumption taxes	In terms of accounting for consumption tax and local consumption tax, amounts are shown exclusive of such taxes.

(Notes on Changes in Accounting Policies)

The “Accounting Standard for Retirement Benefits” (Accounting Standards Board of Japan - ASBJ - Statement No.26 of May 17, 2012) and the “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No.25 of March 26, 2015) are applied, effective the fiscal year ended March 31, 2015. Accordingly, the method of calculating retirement benefit obligations and prior service costs has been revised, and the method of attributing projected retirement benefits has been changed from the straight-line attribution method to the benefit formula. Additionally, the method of determining the discount rate has been changed from the method in which the discount rate is determined by the number of years that approximate the average remaining years of service of the

employees to the method in which a single weighted average discount rate is used that reflects the estimated timing of retirement benefit payments and the amount of retirement benefit payment for each estimated payment period.

In accordance with the interim measures stipulated in Article 37 of the Accounting Standard for Retirement Benefits, the effect of this change in the calculation method of retirement benefit obligations and prior service costs as of April 1, 2014, is recorded as changes in retained earnings brought forward. As a result, as of April 1, 2014, provision for retirement benefits decreased by 230 million yen and retained earnings brought forward increased by 148 million yen, while the impact of this change on the profit or loss for the fiscal year under review is minimal.

(Notes on Changes in Presentation Method)

Electronically recorded monetary claims - operating, which had been included in accounts receivable - trade in the previous fiscal year (1,176 million yen in the previous fiscal year), is presented as a separate item in the fiscal year under review due to having increased in significance.

(Notes to the Non-consolidated Balance Sheet)

1. Assets pledged as collateral and secured liabilities

Assets pledged as collateral	Buildings	2,735	million yen
	Structures	154	
	Machinery and equipment	406	
	Land	1,131	
	Total	4,428	
Secured liabilities	Short-term loans receivable	3,339	million yen
	Long-term loans receivable	2,100	
	Total	5,439	

The above liabilities include liabilities in the amount of 5,203 million yen related to revolving mortgage (maximum amount: 3,565 million yen).

2. Accumulated depreciation of property, plant and equipment: 32,188 million yen

3. Contingent liabilities:

Guarantees for borrowings of subsidiaries and affiliates	2,120 million yen
Obligatory repurchase amount in notes receivable securitization:	359

4. Monetary claims and obligations to subsidiaries and affiliates

Short-term monetary claims:	1,866 million yen
Long-term monetary claims:	8,256
Short-term monetary obligations:	10,834

(Notes to the Non-consolidated Statement of Income)

1. Amount of transactions with subsidiaries and affiliates

Sales	421 million yen
Purchases	40,524
Amount of non-business transactions	82

2. Amount of write-down of inventories held for ordinary sale purposes due to decline in profitability

Cost of sales:	8 million yen

(Notes to the Non-consolidated Statement of Changes in Equity)

1. Type and total number of treasury shares at end of fiscal year under review:

Common shares	2,692,974 shares

(Notes on Tax Effect Accounting)

1. Breakdown of major components of deferred tax assets and deferred tax liabilities

Deferred tax assets		
Enterprise tax payable	47	million yen
Accrued expenses	316	
Provision for retirement benefits	615	
Long-term accounts payable - other (directors' retirement benefits)	17	
Amount in excess of depreciation limit	239	
Other	2,550	
Deferred tax assets—Subtotal	3,786	
Valuation allowance	(2,418)	
Deferred tax assets—Total	1,368	
Deferred tax liabilities		
Valuation difference on available-for-sale securities	3,272	million yen
Reserve for advanced depreciation of non-current assets	724	
Deferred tax liabilities—Total	3,996	
Deferred tax liabilities—Net	2,627	

2. Adjustment of amount of deferred tax assets and deferred tax liabilities due to change in tax rate of income taxes

Due to the promulgation of the Act to Amend the Income Tax Act, etc. (Act No.9 of 2015) and the Act to Amend the Local Taxation Act, etc. (Act No.2 of 2015) on March 31, 2015, the statutory effective tax rate used in the calculation of deferred tax assets and deferred tax liabilities for the fiscal year under review (limited to those to be eliminated on and after April 1, 2015) has been changed from 35.6% in the previous fiscal year to 33.1% with respect to those for which the estimated collection or payment period is from April 1, 2015 to March 31, 2016 and 32.3% with respect to those for which the estimated collection or payment period is on or after April 1, 2016.
As a result of such change in tax rate, the amount of deferred tax assets and deferred tax liabilities at the end of the fiscal year under review decreased by 127 million yen and 406 million yen, respectively, and income taxes – deferred and valuation difference on available-for-sale securities increased by 54 million yen and 334 million yen, respectively.

(Notes on Transactions with Related Parties)

1. Subsidiaries and affiliates, etc.

Type	Company name	Percentage of voting rights held	Relationship with related party	Description of transaction	Transaction amount	Account	Closing balance
					(Millions of yen)		(Millions of yen)
Subsidiary	Mitsubishi Steel Muroran Inc.	Directly owns 77.8%	Purchase of finished goods	Purchase of special steel bars (Note 1)	Amount of purchase 40,135	Accounts payable – trade	10,489
			Subcontracting	Receipt of subcontracting fee	Subcontracting fee 3,512	Accounts receivable – other	1,070
			Debt guarantee	Guarantee for borrowings (Note 2)	Guarantee amount 1,840		
			Lending of funds	Lending of operating funds and equipment funds (Note 3)	Amount of lending 1,330	Short-term loans receivable	-
			Receipt of interest	Interest on loans receivable (Note 3)	Interest income 9		
			Common officers				
	MSSC US INC.	Directly owns 89.3%	Lending of funds	Lending of operating funds and equipment funds (Note 3)	Amount of lending -	Long-term loans receivable	7,684
			Receipt of interest	Interest on loans receivable (Note 3)	Interest income 53		
			Common officers				

(Notes) Terms of transactions, policies for determining terms of transactions, etc.

1. The price at which finished goods are purchased is determined on the basis of the price at which orders are received by the Company.
2. This is a guarantee for borrowings from banks; no guarantee commission is received.
3. For the lending of funds, the interest rate is determined based on the market interest rate, and the terms of repayment are determined according to the purpose of the funds. Of note, no collateral is received.
4. The amount of transactions does not include consumption taxes. The closing balance includes consumption taxes.
5. For loans receivable from subsidiaries, allowance for doubtful accounts totaling 6,119 million yen is recorded. Also, provision of allowance for doubtful accounts totaling 980 million yen is recorded in the fiscal year under review.

(Notes on Per Share Information)

1. Net assets per share: ¥297.91
2. Net income per share: ¥11.05