

Review of Operations

Steel and Energy Products Business

Steel Products Sector/Steel Plates and Structures Sector/ Wind Turbines Sector



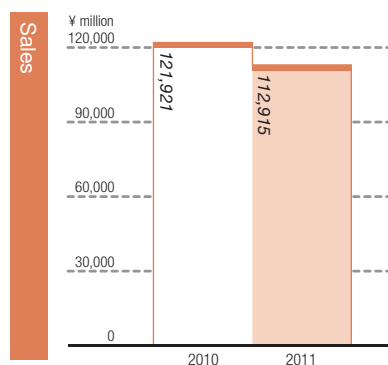
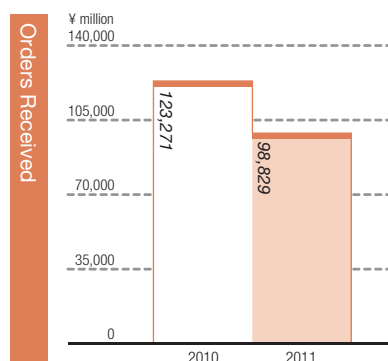
Shell Flange Used for Pressure Chamber for Nuclear Power Plant



Clad Steel Plate



J82 Wind Turbine System



■ Performance in fiscal 2010

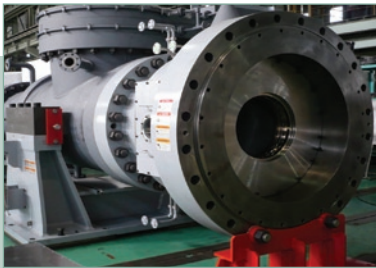
Orders came to ¥98,829 million (US\$1,188 million), a year-on-year decrease of 20%. Despite a significant increase in sales of clad steel pipes for natural gas pipelines, total orders declined due to project cancellations of wind turbine system equipment and project delays of some nuclear power plants in North America.

Sales came to ¥112,915 million (US\$1,357 million), a decrease of 7%. Despite brisk sales of pressure vessels for oil refineries, the decrease was attributable to a substantial decline in sales of wind turbine system equipment and the postponement of shipments of components used in power plants and of some clad steel pipes for overseas customers to next year due to the effects of the Great East Japan Earthquake.

Operating income came to ¥25,059 million (US\$301 million), a decline of 17%. This was due to intensifying price competition and an increase in depreciation expenses resulting from capital investments in JSW's Muroran Plant, as well as the effects of sharply rising raw material prices.

Industrial Machinery Products Business

Plastics Machinery Sector/ Other Machinery Sector



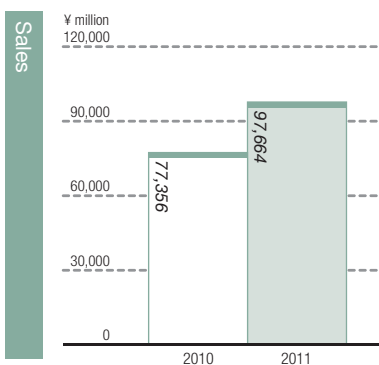
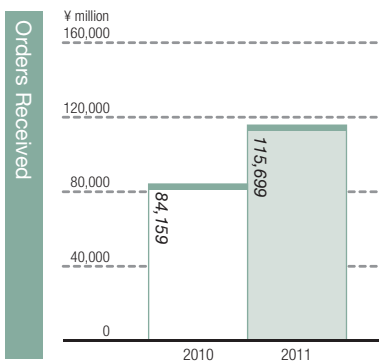
Polyolefin Extruder/Pelletizer



Large-Size All-Electric Injection Molding Machine (24600kN)



Magnesium Alloy Injection Molding Machine (280t)



■ Performance in fiscal 2010

Orders climbed 37%, to ¥115,699 million (US\$1,391 million). This was attributable to a substantial increase in orders for plastic injection molding machines due to growing demand in emerging countries, especially Asia, as well as for plastics manufacturing and processing machinery, and laser annealing systems.

Sales rose 26%, to ¥97,664 million (US\$1,174 million). The increase was due to brisk orders for plastic injection molding machines and for plastics manufacturing and processing machinery.

Operating income jumped 149%, to ¥3,253 million (US\$39 million), owing to higher sales and successful cost-cutting activities.

Review of Operations

Real Estate and Other Businesses

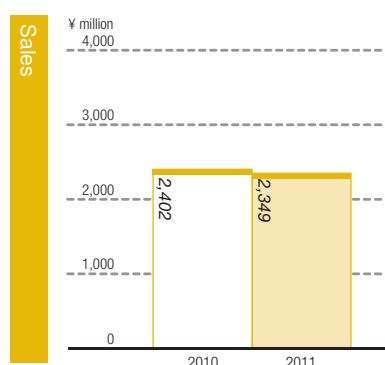
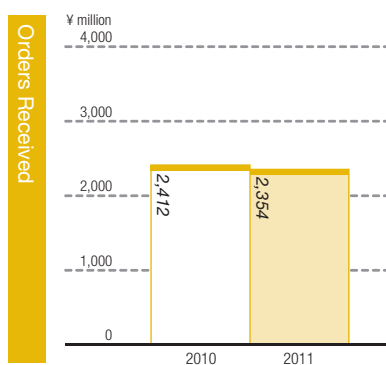
Regional Development



Business Office Development
(Fuchu Intelligent Park)



JSW Apartment Building Development
(Fuchu, Tokyo)



■ Performance in fiscal 2010

Orders totaled ¥2,354 million (US\$28 million), sales came to ¥2,349 million (US\$28 million) and operating income amounted to ¥715 million (US\$8 million).

Capital Expenditures

Capital expenditures for the reporting period totaled ¥26,722 million (US\$321 million), with the majority spent on installation, improvement and maintenance work on a variety of production facilities.

Details of capital expenditure by individual business segment are as follows.

In the Steel and Energy Products Business, capital expenditures totaled ¥25,217 million (US\$303 million). This expenditure consisted largely of investments to construct new buildings and equipment for the forging and heat treatment facilities at Muroran Plant, as well as upgrade equipment at steel-making plants.

In the Industrial Machinery Products Business, capital expenditures came to ¥1,309 million (US\$15 million) as a result of investments to raise machine processing efficiency at our Hiroshima Plant.

In the Real Estate and Other Businesses, capital expenditure consisted primarily of the upgrading of facilities on real estate for rental purposes, totaling ¥73 million (US\$0.8 million).

Capital expenditures unallocable to individual segments came to ¥121 million (US\$1 million).