

PROGRESS OF JGP2017 (JSW GROUP GROWTH PLAN FY2015-2017)

CORPORATE VISION

“Advancing toward Top Global & Niche Corporate Group”

Aiming to achieve top share at key points in customer value chains

BASIC POLICIES

Policy 1

Increase profitability of existing businesses

- Pursue product & service differentiation
- Strengthen total-cost competitiveness
- Develop service & solution businesses
- Reinforce initiatives in growth markets

Policy 2

Foster new products & businesses and make them competitive as soon as possible

- Promote businesses based on core management resources
- Optimize timeframe and systems for promoting new products & businesses

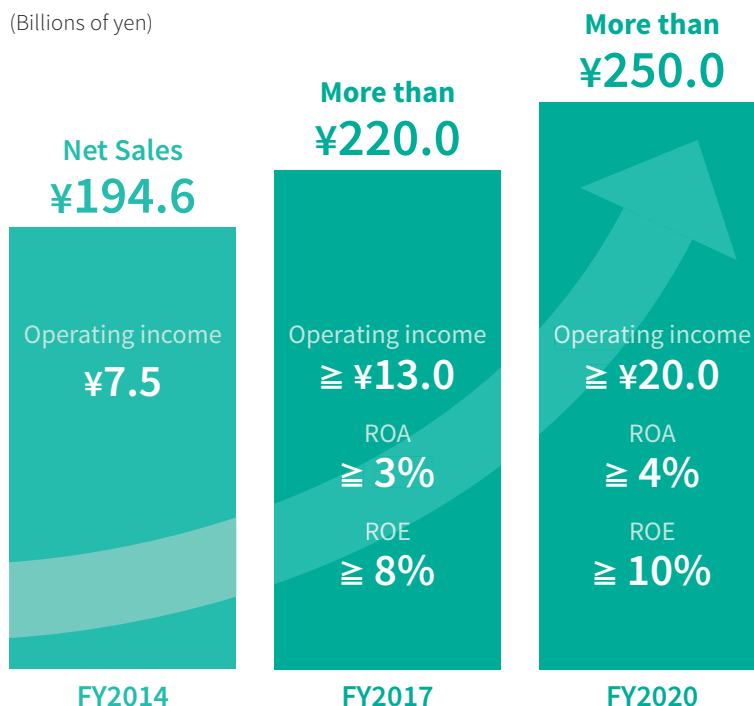
Policy 3

Reinforce Group management and promote alliances

NUMERICAL TARGETS

Renewed challenge: Net sales of ¥250 billion in FY 2020

(Billions of yen)



* The ROE target has been revised upwards.

Strict management control based on Action Plan (implement PDCA)

BUSINESS STRATEGIES

Steel and Energy Products Segment

Defensive management

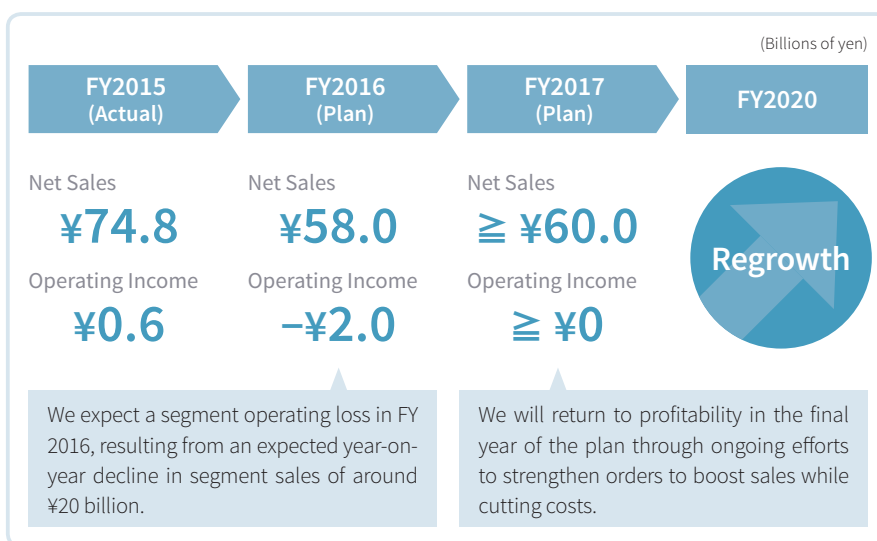
Achieve steady growth and prepare for renewed growth after JGP2017

Reduce invested capital

- Rationalize facilities
- Reallocate personnel
- Promote cost-reduction measures

Review business domains

- Strengthen “profitable products”
- Secure volume of “operable products”
- Expand new products
- Review unprofitable businesses



Industrial Machinery Products Segment

Offensive management

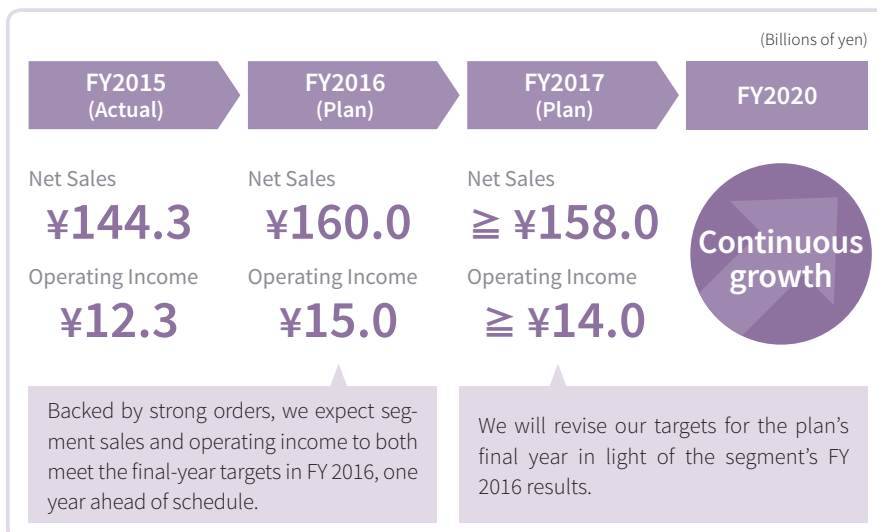
Identify growth opportunities and accelerate business expansion

Pursue strategic investments

- Reinforce production capacity at Hiroshima and Yokohama Plants
- Reinforce personnel
- Promote strategic alliances

Expand business domains

- Strengthen service businesses
- Acquired South Korea’s SM PLATEK
- Acquired “simultaneous biaxial stretching machine business” for film and sheet manufacturing equipment
- Expand sales of J-ADS series
- Expand thin-film coating business



**FOSTER NEW PRODUCTS AND BUSINESSES AND
MAKE THEM COMPETITIVE AS SOON AS POSSIBLE**

**Groupwide effort to achieve sales of ¥30 billion in
new businesses by FY 2020**

Overview of Groupwide commercialization project activities



Targeted fields	Prioritized projects	FY 2016 initiatives
Next-generation energy → → →	Hydrogen business	<ul style="list-style-type: none"> ▶ Develop highly reliable steel pressure vessels and hydrogen compressors for use at hydrogen stations ▶ Develop fuel cell systems
	Offshore-related equipment business	<ul style="list-style-type: none"> ▶ Develop offshore structure components and welding technologies for deep-sea use
Electronics, information, and communications → → →	Organic EL-related business	<ul style="list-style-type: none"> ▶ Develop sealing film forming equipment for flexible panels ▶ Develop excimer laser annealing systems for high definition
	High-value-added film business	<ul style="list-style-type: none"> ▶ Develop film processing equipment for high-endurance, heat-resistant lithium ion batteries
	Semiconductor business	<ul style="list-style-type: none"> ▶ Develop manufacturing equipment for gallium nitride crystals and crystal-related technologies
Automotive and aerospace → → →	Carbon fiber business	<ul style="list-style-type: none"> ▶ Develop manufacturing equipment for carbon fiber composite parts
	Aircraft components business	<ul style="list-style-type: none"> ▶ Enter the aircraft components business

JGP2017: BASIC STRATEGIES

REINFORCE GROUP MANAGEMENT AND PROMOTE ALLIANCES

Seek maximum synergistic benefits

Increase profitability of existing businesses

Foster new products and businesses and make them competitive as soon as possible

Continue and strengthen further

FY 2015 initiatives

Reinforce Group management

- ▶ Restructured the Hiroshima Plant (to be completed in July 2016)
- ▶ Pressed ahead with the Muroran Restructuring Project (improve production efficiency, etc.)
- ▶ Transformed Meiki Co., Ltd. into a wholly-owned subsidiary
- ▶ Formulated a corporate governance policy

Expand and evolve further

FY 2015 initiatives

Promote alliances

Film and sheet equipment

- ▶ Acquired the simultaneous biaxial stretching machine business

Compound twin-screw extruders

- ▶ Acquired South Korea's SM PLATEK

Molding machines

- ▶ Jointly developed small machinery with Toyo Machinery & Metal Co., Ltd.

Large cast and forged steel products

- ▶ Formed alliance with India's LTSSHF
- ▶ Formed joint venture with Brazil's Gerdau S.A.