

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

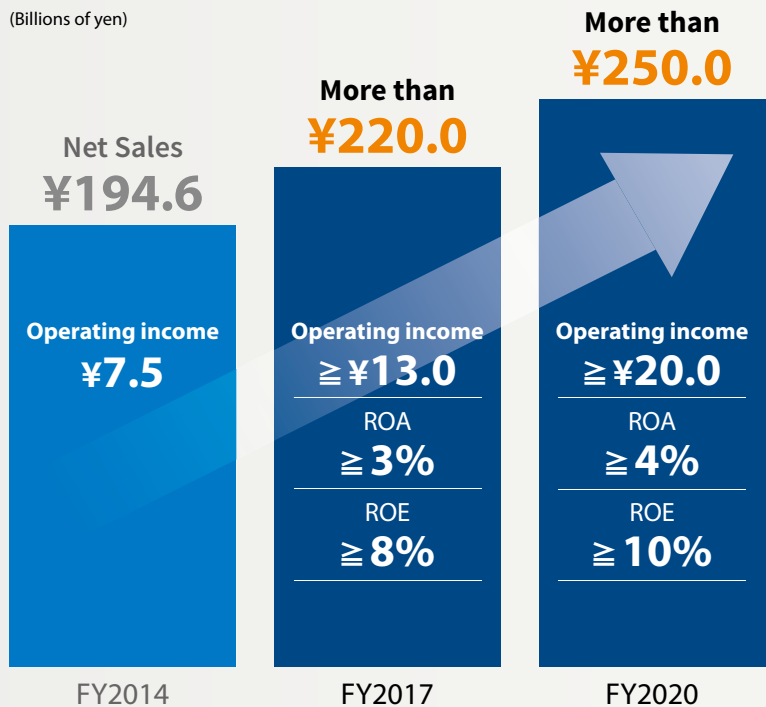
Policy 3

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

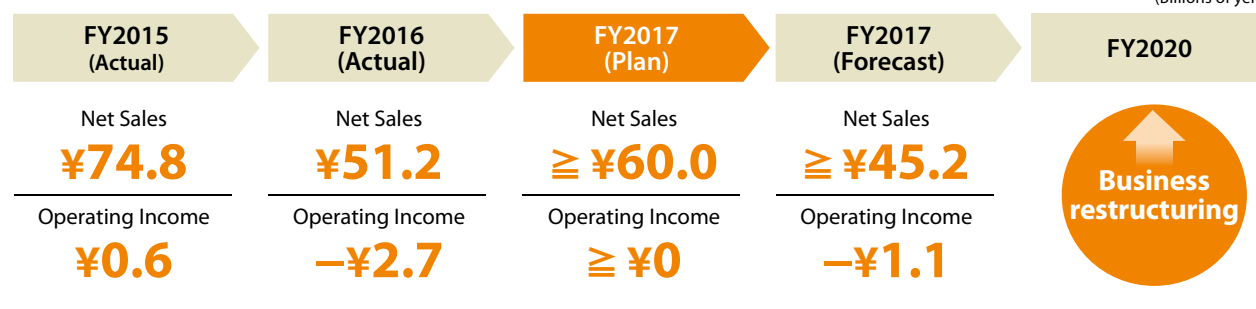
Reduce invested capital

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

Review business domains

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

(Billions of yen)



Industrial Machinery Products Segment

Offensive management

Identify growth opportunities and accelerate business expansion

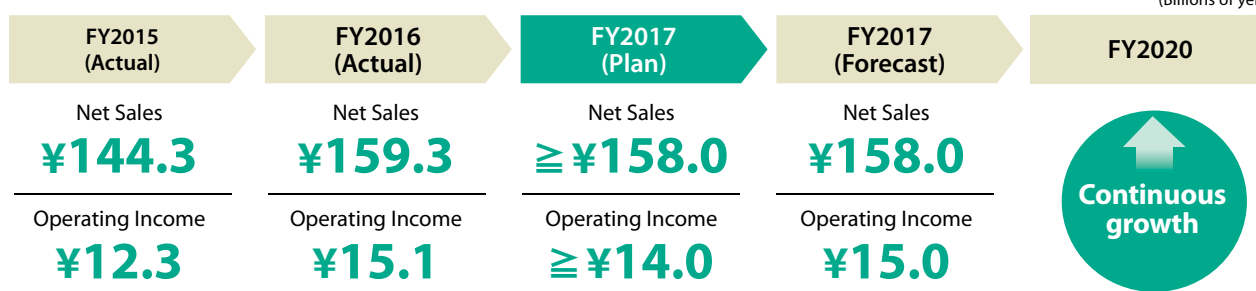
Pursue strategic investments

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

Expand business domains

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

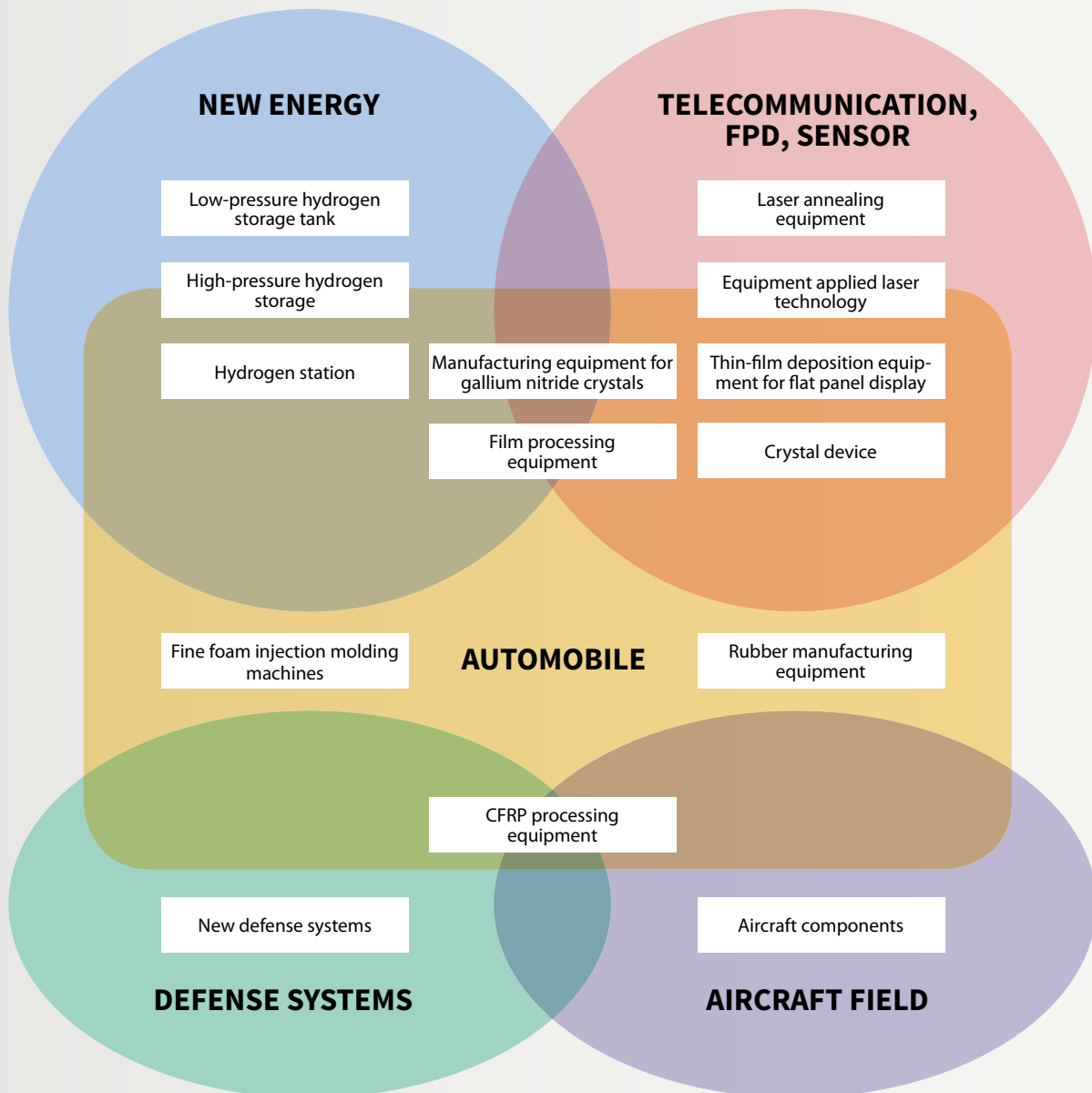
(Billions of yen)



JGP2017: Basic Strategies

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

New fields and product groups of JSW Group



Developing operations in growth fields, primarily automotive, making the most of unique techniques

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

Expand and evolve further

Initiatives and Results from FY2015 to FY2016

Reinforce Group management

- Reallocation at Hiroshima Plant factory (commenced in FY2015 → completed in first half of FY2016)
- Continued to press ahead with Muroran Restructuring Project (improved production efficiency, etc.)
- Increased profitability at affiliates (strengthened and expanded subsidiaries for external sales)
- Made Meiki Co., Ltd. a wholly-owned subsidiary
- Strengthened corporate governance (formulated and executed policy; strengthened the management of affiliates)

Initiatives and Results from FY2015 to FY2016

Promote alliances

Film and sheet equipment

- Acquired simultaneous biaxial stretching technologies

Compounding twin-screw extruders

- Acquired South Korea's SM PLATEK Co., Ltd.

Molding machines

- Joint development of small machinery with Toyo Machinery & Metal Co., Ltd. (started to be sold in October 2016)

Large cast and forged steel products

- Alliance with India's LTSSHF
- Joint venture with Brazil's Gerdau (established in January 2017)

Reallocation at Hiroshima Plant factory and acquisition of the simultaneous biaxial stretching machine business have contributed greatly to the expansion of our Industrial Machinery Products Business. At the same time, we are working to improve the profitability of affiliated companies to bolster consolidated revenue growth. Going forward, we will continue strengthening, expanding, and evolving these efforts to maximize synergies.