

JGP2020: 3 Basic Policies (priority issues)

JGP2020: Lay foundations looking ahead to 2030

“Growth” in Industrial Machinery Products Business, “Rebirth” in Steel and Energy Products Business

(1) Optimize management resources and strengthen alliances

Rationalization through reallocation of management resources

➡ Actively invest in Industrial Machinery Products Business and restructure Steel and Energy Products

Business according to sales

Scale up business by promoting alliances and M&A

➡ Move away from principle of self-sufficiency

(2) Strengthen after-sales services (stock-based business)

Strengthen foundations of service structure focusing on Industrial Machinery Products Business

➡ Generate stable profits and increase customer satisfaction

Build strong customer base through service business

➡ Lay foundations for next businesses

(3) Increase exploration and fostering of new businesses

Explore new businesses with an eye on megatrends

Foster and develop business mainly in four areas: aircraft components, hydrogen, crystal devices, and deposition systems

Aircraft



Under the guidance of a partner company, JSW will build a factory for aircraft components, make capital investments and acquire certification to produce cladding metal products and multi-material products at Muroran. JSW will construct a mass production system for multi-material products for commercial aircraft for which demand is expected to grow in the future.

Hydrogen



JSW will expand and step up the hydrogen station business centered on pressure accumulators and compressors, incorporating its own hydrogen-resistant material technologies. JSW will spread MH tanks based on hydrogen storing alloy technologies into the domains of energy storage and supply systems and fuel cell applications.

Crystal



The development of infrastructure and terminals ready for the fifth-generation communication standard (5G) is gathering pace. The applications of crystal materials have expanded in the areas of optical communication, wireless communication and sensing. JSW is working to develop composite substrates for SAW devices, composite substrates for optical communication and gallium nitride (GaN) crystal substrates matched with the aforementioned applications.

Deposition system



The electron cyclotron resonance (ECR) deposition system deposits high quality films such as semiconductor laser coatings with expanding applications and protection layers for electronic devices. JSW will work to further expand sales of ECR systems and broaden the lineup of different deposition systems for wafers, including atomic layer deposition (ALD) systems and electron beam evaporation systems.

Based on the basic policies listed on page 6, we intend to steadily promote the following business strategies.

Industrial Machinery Products Business

Basic strategy in the JGP2020 plan for the Industrial Machinery Products Business is to sow the seeds and nurture them to expand business domains through “offensive management.”

Primary business strategies are listed below.

Film and sheet equipment

- Reinforce production facility as soon as possible in response to robust demand mainly for use in manufacturing separator films.
- Strive to expand business in the areas of packaging materials, industrial materials and optical applications as a comprehensive film equipment manufacturer.

Injection molding machines

- Establish a solid JSW molding machine brand power through mass customization strategy*.

* Mass customization strategy

Provide differentiated, customized machines based on a common base to meet the needs of areas and customers.

- Improve the degree of customer satisfaction through proposal-based services utilizing the Internet of Things (IoT) and other technologies as well as aim for higher profitability through preventive maintenance and repair.

Laser plasma related equipment

- Strive for further improvement of profitability by strengthening product competitiveness through differentiation of existing products and by expanding service businesses.
- Create new products related to flat panel displays by securing competitive core technologies.

Steel and Energy Products Business

Basic strategy in the JGP2020 plan for the Steel and Energy Products Business is to aim for stable profitability for existing products at the current business scale as well as to explore and promote early development of new growth opportunities.

Primary business strategies are listed below.

Collaboration with Tsukishima Kikai Co., Ltd.

- Establish structure for collaboration with Tsukishima Kikai to commence factory operation at the Muroran Plant from April 2019.

Improvement of fixed costs

- Continue to implement measures to achieve cost structure reforms aligned with the scale of sales, including further restructuring at the Muroran Plant group.

Rapid launch of new businesses

- Aim for establishing a future-oriented growth foundation by developing new businesses that will replace existing products while leveraging the Muroran Plant’s long-accumulated expertise on steel and other materials.