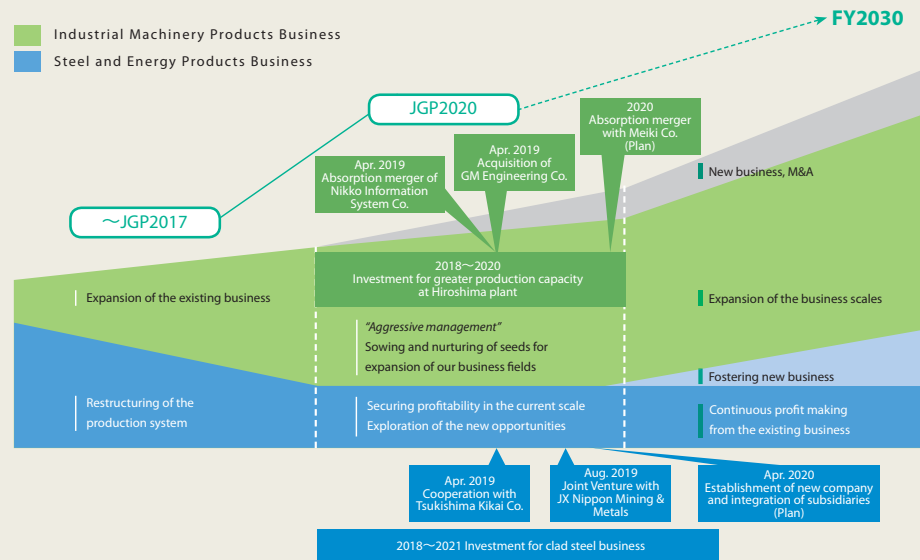


Progress of Medium-Term Management Plan "JGP2020"

Developing Foundations for Growth

To establish the ground to realize our growth in the "Next 10 Years"



Industrial Machinery Products Business

Expanding business scale for film and sheet manufacturing equipment

- ✓ In response to medium- to long-term expansion in demand mainly for manufacturing separator films, we reinforced production capacity and established a structure for expanding the business scale.
- ✓ In April 2018, we commenced a capital and business alliance with GM Engineering Co., Ltd., which possesses a strength in medium to small sheet manufacturing equipment mainly for food use. In April 2019, we acquired additional shares of GM Engineering and welcomed it as a subsidiary of the JSW Group. Through a synergistic effect with JSW's strength in large film manufacturing equipment, we intend to promote rapid business expansion.

Enhancing Production Structure of Large Injection Molding Machines

- ✓ Meiki Co., Ltd., a wholly owned subsidiary of the JSW Group, steadily engages in business centered around large injection molding machines for automobile-related products. In response to a trend toward the increasing use of plastic automotive components, an expansion in demand is expected for large injection molding machines in the automobile industry. To accommodate such expanding demand, we decided on a policy to absorb and merge Meiki on April 1, 2020. Taking this opportunity, we will reinforce production capacity through the optimal allocation of management resources.

Steel and Energy Products Business

Strengthening competitiveness of clad steel plates and pipes

- ✓ In step with an expansion in demand for natural gas, growth is anticipated for clad steel plates and pipes. To strengthen competitiveness of our products, we are proceeding with capital investment over four years from fiscal 2018 (fiscal year ended March 31, 2019) to fiscal 2021 (fiscal year ending March 31, 2022).

Commencing cooperation in production activity with Tsukishima Kikai Co., Ltd.

- ✓ Aimed at cooperation in production activity with Tsukishima, we transferred the manufacturing function of its Ichikawa Factory to the No. 4 steel factory and other factories within our Muroan Plant. The Muroan Factory of Tsukishima Kikai commenced operation in April 2019.

Establishing Muroan Copper Alloy, Co., Ltd., a joint venture to melt and cast copper alloys

- ✓ In August 2019, Japan Steel Works, Ltd. and JX Nippon Mining & Metals Corporation established Muroan Copper Alloy, Co., Ltd., a joint venture to melt and cast copper alloys. The establishment of the joint venture enables JSW to expand its business in the high-performance metal materials field in addition to existing steel products and accelerate the rebuilding of the Steel and Energy Products Business.

Giving consideration into the establishment of a new company

- ✓ To secure stable profitability at the current business composition and scale in the Steel and Energy Products Business, we are under consideration for reorganizing the Steel and Energy Products Business throughout the entire JSW Group and establishing a new company in April 2020.

Other Business

Strengthening the information technology function

- ✓ Aiming to strengthen the function for cutting-edge information technology such as machine learning, we absorbed and merged Nikko Information System Co., Ltd., our wholly owned subsidiary, on April 1, 2019. By keeping the information system department within the same organization, we will strive to solidify the structure related to utilizing the latest information technologies such as the Internet of Things (IoT) and to further improve the value of our products and services.

3 Basic Policies (Priority Issues) in "JGP2020"

Growth
Industry Machinery
Products Business

I. Optimization of Management Resources and Strengthening of Alliances

- Optimization through rearrangement of the resources
 - Active investment for industry machinery product business, Rebuild of cost structure in the steel and energy products business that suits the current sales scale
- Expansion of the businesses through alliance and M&A
 - Breaking free of adherence toward self-sufficient policies

II. Strengthening After-Sales Services (Stock-Based Business)

- Enhancement of service force mainly in industrial machinery
 - Securing stable profitability, improvement of customer satisfaction
- Strengthening customer relationship through service business
 - Development of foundations for the next business

III. Acceleration in Exploration and Development of New Businesses

- Exploration of new businesses from the view point of mega trends
- Fostering and commercialization in the 4 fields (aircrafts, hydrogen, crystals and thin films) + α

Rebirth
Steel and Energy
Products Business

Revision of numerical targets in the JGP2020 medium-term management plan

Due to the drastic change in our business environment arising from the impact of U.S.-China trade frictions and other factors, we are revising the numerical targets in the medium-term management plan (net sales of over ¥260.0 billion (US\$2,343 million) and consolidated operating income of ¥30.0 billion (US\$270 million)). The new numerical targets will be disclosed as soon as possible after deliberate consideration.

We are certain, however, that our basic strategies are still effective, so we will maintain the measures for implementing the plan.