

Medium-Term Management Plan (JGP2012)

JSW has drawn up a medium-term management plan (JGP2012) that covers the three-year period from fiscal 2010 through fiscal 2012.

Basic Policies

JSW's business vision is to become a "company that creates change" with creative technology, and contributes to the development of society. Under this vision, to further develop *monozukuri*—the source of corporate value—and continue to provide products and services that win customer trust, JSW has instituted the following basic policies.

- 1) Strengthen product competitiveness and raise earnings
- 2) Execute strategic investments and achieve results
- 3) Pass technologies and skills to the next generation and develop human resources
- 4) Create a culture of innovation
- 5) Build a stronger foundation to support our business activities

Our Corporate Ideal

Since its founding in 1907, JSW has accumulated rich reserves of sophisticated technologies and skills by meeting a wide range of market needs in the steel and machinery fields. JSW has inherited innovator's DNA, which enables it to work diligently toward the further improvement of these reserves.

As a company that has made *monozukuri* its foundation, JSW has set its sights on becoming the "number one global

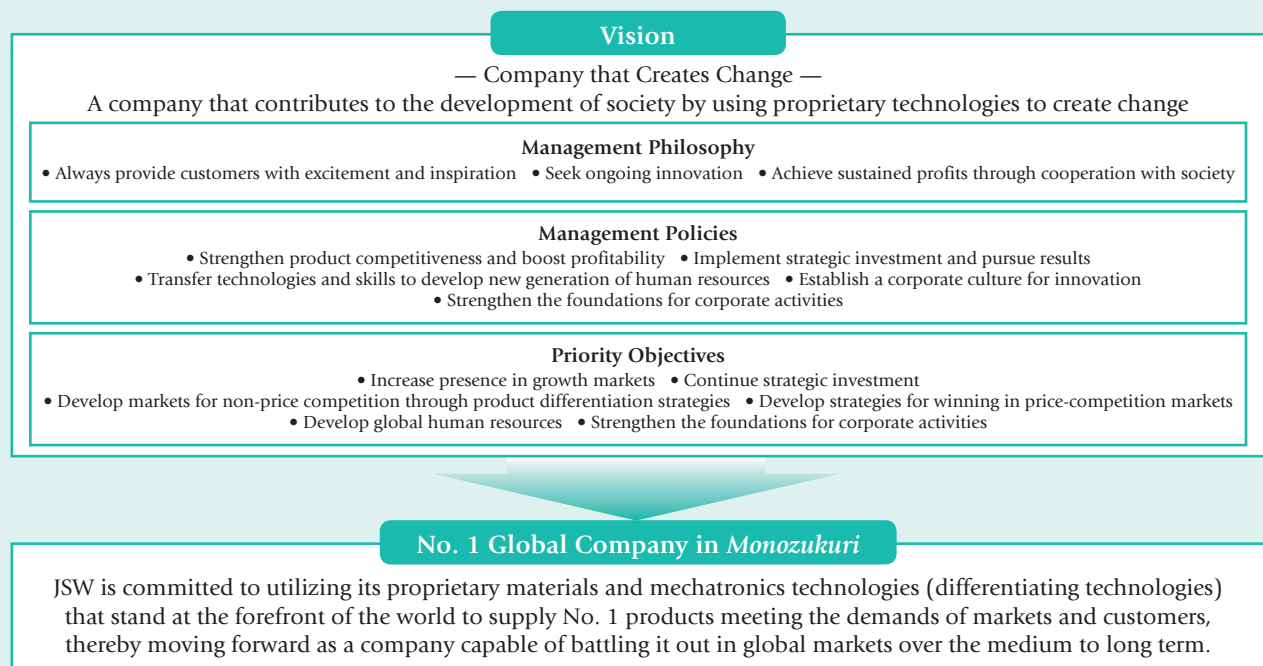
monozukuri company" (see note below) to further meet the wide-ranging needs of this day and age.

Note:

Number one global *monozukuri* company: A company that creates the world's most advanced creative technologies (differentiated technologies) in the areas of materials and mechatronics, provides the world's best products that continue to meet market and customer needs, and can compete in global markets over the long-term.

Numerical Targets (Consolidated)

(1) Outline of Medium-Term Management Plan Corporate Objective: "No. 1 Global Company in *Monozukuri*" (customer-centered manufacturing)



(2) Outline of Medium-Term Management Plan: Timeframe and Numerical Goals

Title: JGP2012 (JSW Growth Plan FY2010 – FY2012)
Duration: FY2010 – FY2012
Numerical goals:



		(¥ million)				
		2009	2010	2011 forecast	2012 forecast	2013 forecast
Sales	Steel products	107,883	101,736	109,000	108,000	120,000
	Machinery products	117,462	98,164	97,200	120,000	138,000
	Regional development	1,767	1,779	1,800	2,000	2,000
	Total	227,113	201,680	208,000	230,000	260,000
Operating income	Steel products	31,473	31,640	28,000	24,000	30,500
	Machinery products	11,435	6,535	4,300	8,500	13,500
	Regional development	743	733	700	700	700
	Expenses that could not be disposed or allocated	(7,019)	(6,723)	(7,500)	(7,200)	(7,700)
	Total	36,633	32,185	25,500	26,000	37,000
Ordinary income		35,949	31,246	25,000	25,500	36,500
Net income		16,034	17,528	14,000	14,500	21,000

Priority Issues by Segment

• Steel Products

1) Thermal and nuclear power products

As the world's leading and most trusted business with the number one market share, we will expand our business scale by executing our capital investment plan as scheduled (now in progress), and swiftly unleash our competitive power.

2) Pressure vessels for oil refineries

Being the world's number one business supplying inevitable components for oil refineries, we will further strengthen our advantages in technology, quality and delivery as a manufacturer that handles every phase of the total production process, from materials to welding and final assembly.

3) Clad steel plates and pipes

As a global business that supplies a diverse range of products that address natural gas and desalination demand, we will stabilize and expand business through unrivaled production capacity and more high value-added products.

• Machinery Products

1) Plastics manufacturing and processing machinery

As a comprehensive plastics machinery business with a lineup of market leading products, we will develop differentiated products and technologies and further expand globally.

2) Molding machinery

As a comprehensive molding machinery business focused on medium- and large-scale machinery, we will address demand in emerging countries and pursue synergies with Meiki Co., Ltd.

3) Wind turbine system equipment

As a business with the number one market share in Japan for high-performance products and improved maintenance systems, we will flexibly accommodate changing market demands while winning greater customer trust with improved maintenance systems.

• Regional Development

As a business that ensures stable earnings, we will continue to maintain the value of Company-owned land.