

May 25, 2012

Metal One Group's Fourth Mid-term Consolidated Management Plan (FY2012–2014)

Metal One Corporation (headquartered in Minato-ku, Tokyo; President: Naoto Matsuoka) followed today's press conference regarding its consolidated financial results for the year ending March 2012 with a briefing to provide an overview of its fourth Mid-term Consolidated Management Plan, for fiscal 2012 to 2014.

■ [Metal One Group's Fourth Mid-term Consolidated Management Plan \(FY2012–2014\)](#)



Fourth Mid-term Consolidated Management Plan
(Fiscal Years 2012 through 2014)

May 25, 2012

1. Overview of Fourth Mid-term Management Plan

FY2014 Profit Target: Over ¥30 billion

Diversified and Dynamic Group Companies

Functionally Strengthened Metal One

Fully Utilize Human Resources and Assets

Restructure to Strengthen Our Domestic Operations

Strategic Approach to Overseas Business

Promote Group Management

New Management Systems

CSR (Internal Control, Compliance)

Basic Strategies

Business Strategy 1: Restructure to Strengthen Our Domestic Operations

- Through the restructuring of our domestic operations and other measures, establish a solid revenue base that responds to shrinking domestic demand
- Utilize domestic and overseas networks to address industrial restructuring in Japan and the transfer of production operations overseas

Business Strategy 2: Strategic Approach to Overseas Business

- Strengthen approaches in infrastructure, energy, and automotive sectors
- Promote superior overseas projects utilizing the strong yen
- Expand business in emerging nations

Promote Group Management

- Pool the collective strength of Metal One and its Group companies, realizing the best overall results
 - Optimum deployment of management resources positioned to further enhance Group-wide competitive strength
 - Group-wide use of information, trust, and networks fostered from customer connections

Fully Utilize Human Resources and Assets

- Promote and achieve optimum allocation of management resources
 - “Revise” and “expand” measures to raise revenue
 - “Build” and “buy” measures to launch new high-profit businesses
 - “Discontinue” measures for effective utilization of limited management resources
 - Priority deployment and training of people to implement the strategies

Build New Management Systems

- Build new management systems to support Group management rooted in the basic strategies
 - Develop management cycle in pursuit of efficiency and speed and administrative system and indicators
 - Revise the organization structure (move from five- to four-division system, add two new departments)
 - Revise the human resource training and personnel systems
 - Redouble promotion of IT, risk management, compliance, internal control, and other systems

2. Perception of the Business Environment

Continuation of structural changes in domestic and overseas environments, together with acceleration in pace of change

Macro-Environment

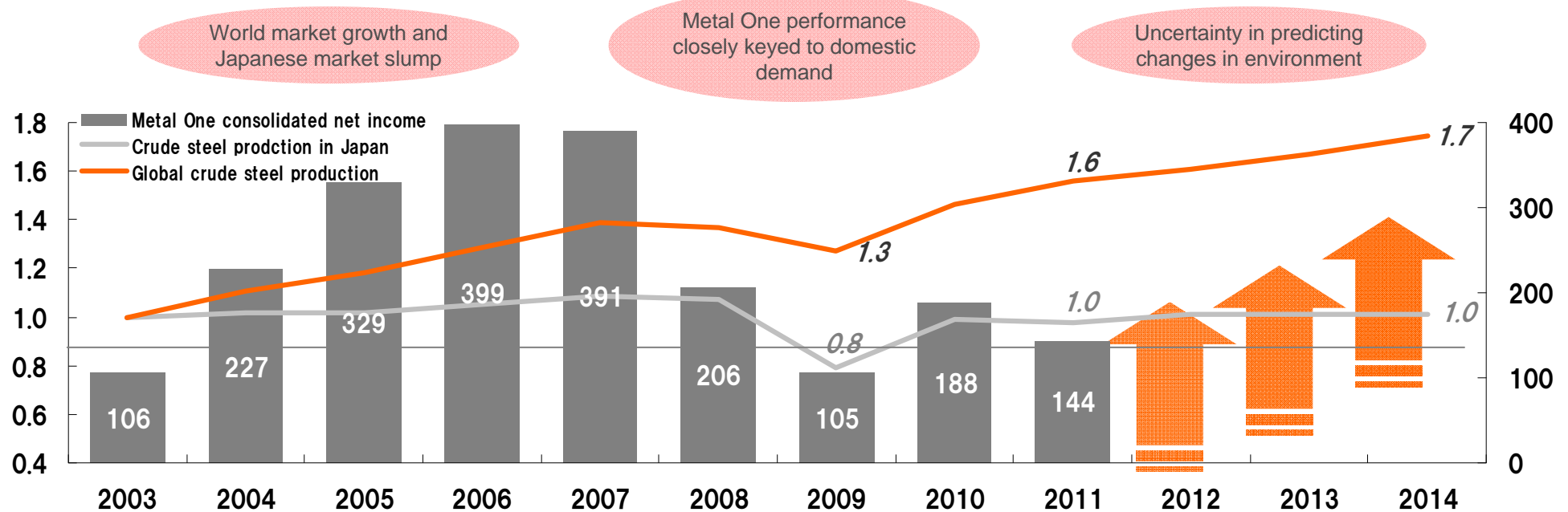
- Prolonged hyper-strength in yen
- Slumps in developed nations and advances by emerging nations
- European crisis
- Changes of leaders in principal nations
- Free trade agreements
- Technical innovation (material replacement and weight reduction)
- Tightened resource supply-demand status

Steel Industry Environment

- Shrinking domestic demand, hollowing of domestic industry
- Intensified global competition
- Exports stagnant due to strong yen
- Industry realignment (merger between Nippon Steel Corporation and Sumitomo Metal Industries, Ltd.; etc.)
- Customer restructuring
- Full-fledged earthquake disaster rebuilding demand

Group Internal Environment

- Expanded share of business investment generated revenue
- Training of personnel to promote Group management
- Expanded share of overseas revenue
- Globalization and greater complexity of risk



(Unit: ¥100 million)

Note: Crude steel production figures treat 2003 as 1.0.

3. Fourth Mid-term Management Plan's Basic Strategies and Quantitative Targets

