

Metal Products

Medium-to long-term Strategy

Strategies for FY2019

Existing Earnings Pillars to enhance

- Tubular products
 - Expand value chain in oilfield related field based on OCTG business
 - Expand to oilfield equipment, material and services
 - Build distribution network for oil & gas transport pipelines and special pipes in addition to OCTG network
- Metal products for transportation
 - Establish strong position in railway field (rail/wheel/axle)
 - Gain 10% of global market share in automobile equipment field
 - Pursue synergies with existing steel service centers

Future Earnings Pillars to develop

- Aluminum smelting and rolling business
 - Build value chain from upstream (smelting) to middle stream (rolling)
- Specialty steel
- Electrical steel sheet and tin mill products

Focus on Fields in BBBO2014

- Tubular products
 - Oilfield services
- Steel sheets
 - Deepen and enhance manufacturing business of railway wheels and axles in the U.S.
 - Establish and strengthen steel service centers in strategic areas
 - Manufacturing and selling secondary processing of specialty steel products in India
 - Manufacturing and sales of motor core parts in Europe
- Non-ferrous products
 - Expand aluminum smelting business in Malaysia
 - Enhance aluminum rolling business and trading

Transportation & Construction Systems

Medium-to long-term Strategy

Strategies for FY2019

Existing Earnings Pillars to enhance

- Leasing business
 - Expand joint business base with Sumitomo Mitsui Finance & Leasing Company
 - Promote development of SMBC Aviation Capital
- Ships
 - Strengthen good customer base through trading new ships
 - Expand ship-owning/ship-co-owning and operating business
- Automobile
 - Expand auto leasing business to abroad and diversify finance businesses
 - Expand sale and distribution mainly to growing market such as Africa, the Middle East and its neighbor countries
 - Strengthen manufacturing mainly in emerging countries
- Construction equipment
 - Enhance sales distributor/service business in emerging countries and mining areas
 - Expand and globalize rental business of comprehensive construction equipment in developed countries

Future Earnings Pillars to develop

- Civil aviation
- Railways related business
- Integrated car manufacturing and sales business in Mexico

Focus on Fields in BBBO2014

- Ships, aerospace and railway car
 - Expand leasing businesses such as aircraft leasing
 - Enhance quality and quantity in ship trading
Replace and increase assets in ship-owning /ship finance business
 - Acquiring order of large EPC rail project
- Automobile
 - Expand automotive leasing from Japan to mainly Asian emerging countries
 - Diversify finance businesses in emerging countries
 - Manufacturing automobile parts and finished car
Increase global production capacity of KIRIU
Start up automobile assembly plant of JV with Mazda in FY13.4Q (plan)
- Construction equipment
 - Strengthen and expand business base of dealer business in Asia and the Middle East
 - Deepen rental business in the U.S.

Environment & Infrastructure

Medium-to long-term Strategy

Strategies for FY2019

Existing Earnings Pillars to enhance

- IPP/IWPP (overseas)
 - Power generation capacity target for FY19: 10,000MW
⇒ As of Mar, 2013: 5,271MW
- Power generation from renewable energy (overseas)
- Electricity business (Japan)
- Industrial park (overseas)

Future Earnings Pillars to develop

- Water infrastructure
- Environment related business

Focus on Fields in BBBO2014

- IPP/IWPP (overseas)
 - Enhance IPP/IWPP businesses in Asia, the Middle East and Americas
- Power generation from renewable energy (overseas)
 - Develop new project using subsidies in each country
 - Entry to offshore wind-generated electricity field
- Electricity business (Japan)
 - New business renewable energy generation leveraging FIT
 - Expand retail business as the deregulation of the electric power industry moves forward
- Industrial park (overseas)
 - Expand existing industrial park and improve our functions
 - Develop new projects in Asia
- Water
 - Strengthen concession, desalination and treatment businesses
- Environment
 - CO2 selective permeable membranes
 - Recycling business in Japan and abroad
 - Energy management business centering on storage battery

Media, Network, Lifestyle Related Goods & Services

Medium-to long-term Strategy

Strategies for FY2019

Existing Earnings Pillars to enhance

- Further strengthen business base of core companies in media, IT and retail field (J:COM/SCSK/SHOP etc.)
- Strengthen business base of food resources (grain/raw sugar/meat/banana)
- Strengthen earnings base of timber resources and tire business
- Urban real estate business leveraging our integrated corporate strength

Future Earnings Pillars to develop

- Expand successful business models in media, IT and retail field from Japan to abroad
- Woody biomass fuel related business
- Overseas real estate, logistics related real estate business

Focus on Fields in BBBO2014

- J:COM
 - Implement capital reorganization and establish joint management system with KDDI
 - Complete JCN integration
- Promote media, IT and retail businesses in emerging countries such as Asia
 - Media
 - TV shopping
 - E-commerce
 - Drugstore
- Secure and strengthen business base of food resources
 - Meat
 - Grain etc.
- Strengthen business base of timber resources in Asia-Pacific basin
- Promote development of real estate businesses in domestic strategic area
 - Redevelopment plan of the Tokyo Denki University site
 - Joint business in reconstruction of Kandnishikicho buildings
 - Urban retail facilities and condominium sales etc.

Mineral Resources, Energy, Chemical & Electronics

Medium-to long-term Strategy

Strategies for FY2019

Existing Earnings Pillars to enhance

- Enhance earnings base in upstream area of mineral resources & energy
 - Value-up our existing interests by strengthen earning power
 - Enhance earnings base along mid-long term portfolio strategy
 - *Commodities: increase interests in four key strategic resources and approach to new strategic resources
 - *Time: create a best mix of exploration, development and production
 - *Region: disperse and mitigate country risk
 - *Form of participation: cooperate with prime partners and improve our function

Future Earnings Pillars to develop

- Promote middle and down stream businesses leveraging synergy with upstream business
 - Shale oil & gas related business in the U.S. (LNG/LPG/Gas chemical etc.)
 - Value chain from raw material of fertilizer to sales of product
 - Development of rare earth and establish stable supply by trading
- Create new additional value through combining our functions
 - Promote sales of pesticide and fertilizer globally and expand agricultural cooperative business model to emerging countries
 - Expand each value chain in chemicals from energy and minerals, electronics etc.

Focus on Fields in BBBO2014

- Upstream of mineral resources and energy
Promote project under development and strengthen earning power of our existing interests
 - U.S. : Shale oil & gas
 - Chile : Sierra Gorda copper mine } Promote development plan steadily
 - Brazil : Iron ore
 - Americas: Copper } Promote expansion plan steadily
 - Madagascar : Nickel
Work for completion of construction and full operation
 - Australia : Coal
Cost reduction and promote expansion plan
 - Bolivia : Silver, zinc & lead
Stable operation and enhance business value
- Middle and down stream trading and investment in businesses
 - Carbon related business
 - Chemical from energy (Shale gas chemistry etc.)
 - Chemical from minerals (Rare earth, soda ash)
 - Strengthen EMS* business base
 - Promote agricultural cooperative business model globally
 - Formulator of cosmetic ingredients

*Electronics Manufacturing Service