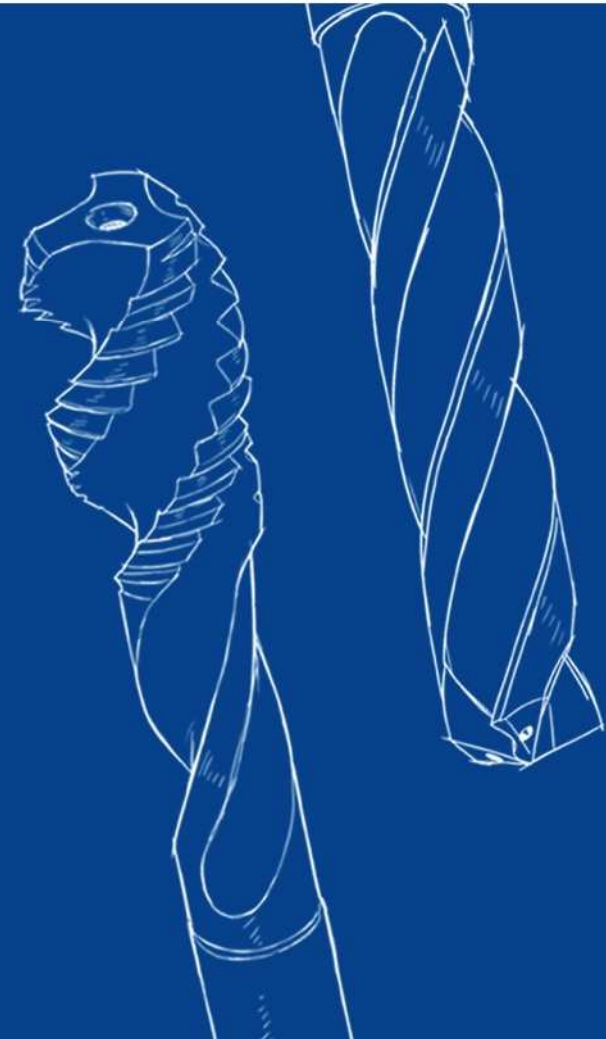




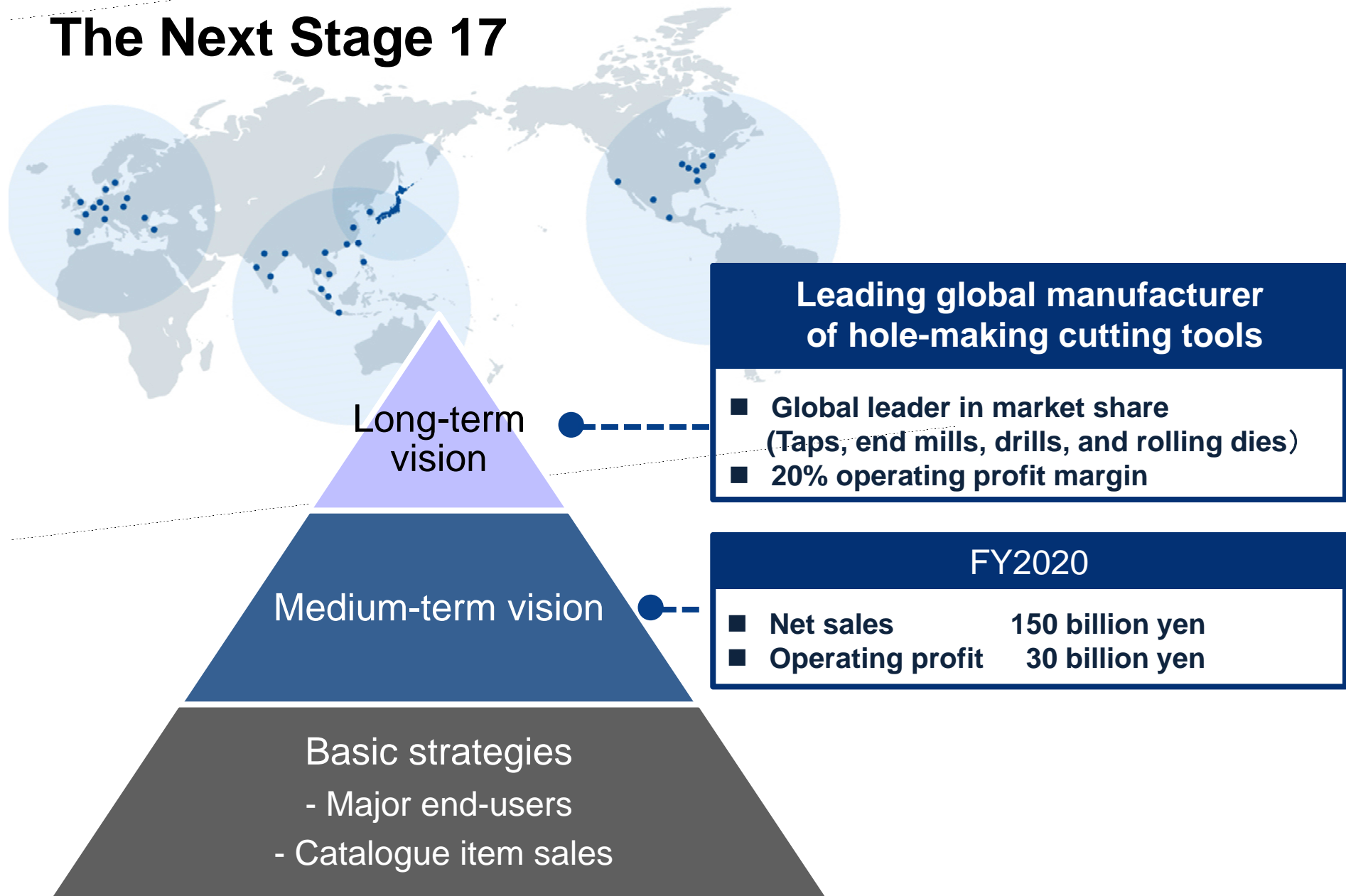
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The Next Stage 17

Medium-term Management Plan FY2017-FY2020



The Next Stage 17



Basic Strategies - The Next Stage 17

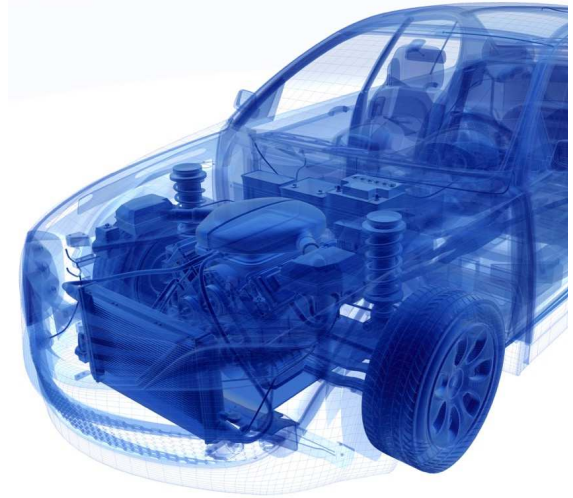
Major end-users

- ✓ Focus on the automotive industry
- ✓ Position the aircraft as a key industry as the automotive
- ✓ Develop new end-users in future fields

METHOD

Face more customers, and suggest total solutions to meet their demands

- 'Best delivery time' and 'Cost competitiveness'
- Expand technical centers globally
- M&A (maximize synergy effect)



Basic Strategies - The Next Stage 17

Catalogue item sales



- ✓ For more customers at the industry of general engineering and mold & die all over the world

METHOD

Contributing to customers' productivity by providing cost-performance tools timely

- Expand carbide items range
- Establish strong 'A-Club' distribution networks in each regions
- Strengthen inventory policy and supply chain



Toward the operating margin 20% - The Next Stage 17

- **Effect of mass production**
 - 'A brand' marketing on each geographic segment
 - Introduce new system of product management
- **High value-added**
 - Employ most advanced coating items
 - Offer total solutions to customers' needs
- **Strengthen a synergy in OSG group**
 - Evolution of core technologies at global field rapidly
 - Global sales and production network between sister companies



Management Target

- The Next Stage 17

Management Target for FY2020

Net sales

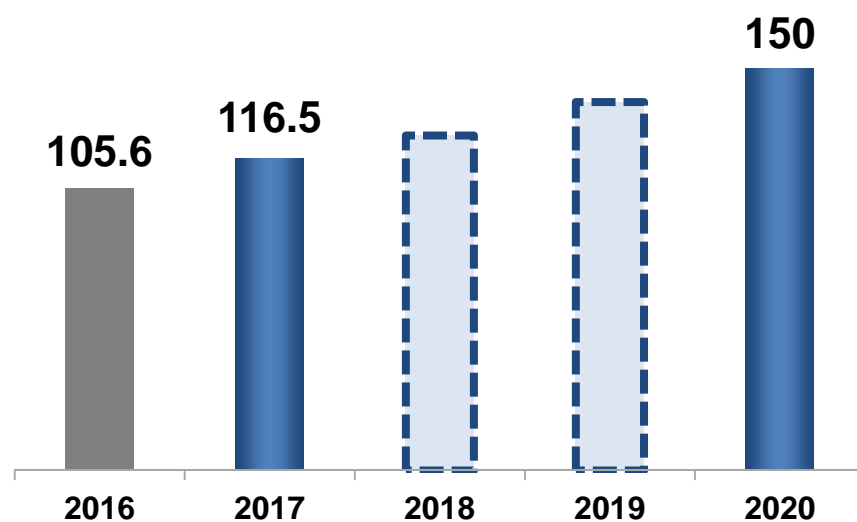
150 billion yen

Operating profit

30 billion yen

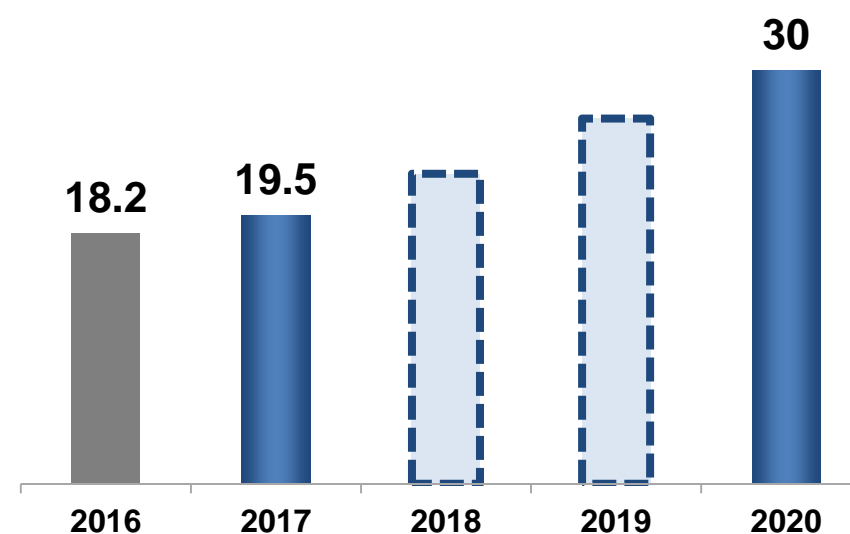
【Net sales】

bil. yen



【Operating profit】

bil. yen





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