



## Nippon Steel To Integrate and Reorganize Steelworks

Nippon Steel Corporation has promoted integration and reorganization of some steelworks and adoption of measures for collaboration among steelworks in order to enhance competitiveness. The Company has now decided to make these changes spanning all steelworks as a part of an organizational and operational review. The restructuring will ensure advances in manufacturing capabilities and enhanced autonomy and efficiency of manufacturing workplaces.

Major details are as follows:

### 1. Specific measures

- (1) The Kashima Works, Kimitsu Works, Kamaishi Works of the Bar & Wire Rod Unit, and Naoetsu Works of the Titanium Unit will be integrated and reorganized as the East Nippon Works\*.
- (2) The Wakayama Works, Amagasaki Works of the Pipe & Tube Unit, and Osaka Steel Works of the Railway, Automotive & Machinery Parts Unit will be integrated and reorganized as the Kansai Works.
- (3) The Hirohata Works will be integrated with the Kure Works, Sakai Works, Toyo Works, and Osaka Works of Nippon Steel Nisshin Co., Ltd. (scheduled to be merged with Nippon Steel in April 2020) and reorganized as the Setouchi Works.
- (4) The Yawata Works, Oita Works, and Hikari Titanium Production Division of the Titanium Unit will be integrated and reorganized as the Kyushu Works.
- (5) The Muroran Works of the Bar & Wire Rod Unit will be renamed to the Muroran Works.

The above five steelworks and the Nagoya Works will comprise Nippon Steel's organization of six steelworks. Time of implementation: April 1, 2020

### 2. Objectives of the measures

Nippon Steel enhanced competitiveness of the steelmaking business through integration and reorganization of some steelworks<sup>1</sup> in April 2014 and collaboration among steelworks by taking the following measures.

- (1) Unification of the organization to raise efficiency in operation
- (2) Enhancement of the human resources base from the aspects of hiring, allocation, and development of personnel
- (3) Sharing of technologies, skills, and know-how to enhance the level of operations

1: Integration of the Yawata Works with the (then) Kokura Works of the Bar & Wire Rod Unit to the current Yawata Works; of the Wakayama Works with the (then) Sakai Works of the Construction Products Unit to the current Wakayama Works; and of the Kimitsu Works with the (then) Tokyo Works of the Pipe & Tube Unit to the current Kimitsu Works.

The restructuring of this time was decided on with consideration given to merging with Nippon Steel Nisshin Co., Ltd. in April 2020, which was recently disclosed. The Company will integrate and reorganize

steelworks as a part of an organizational and operational review. The restructuring will ensure advances in manufacturing capabilities and enhanced autonomy and efficiency of manufacturing workplaces.

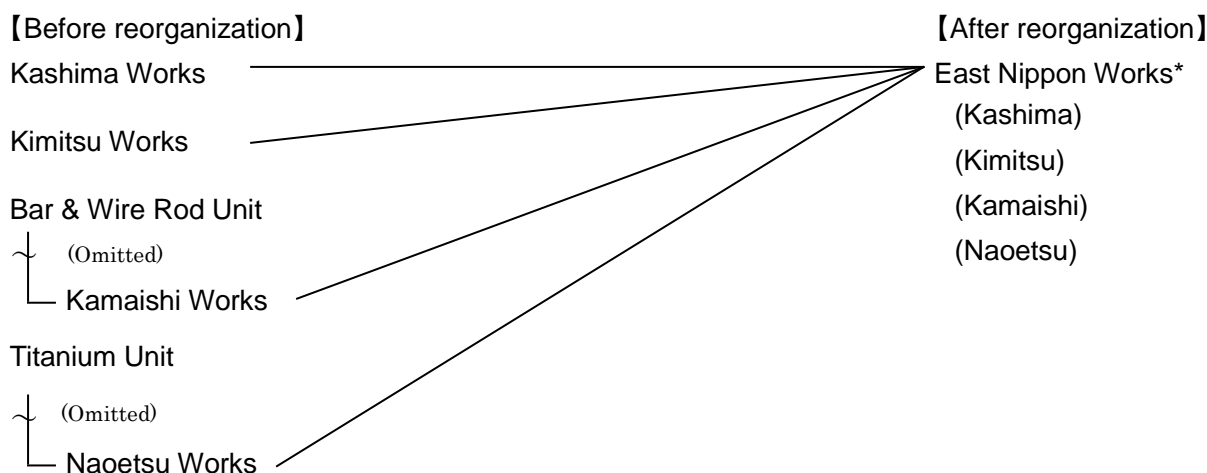
In light of the ongoing work standardization and progress in applying advanced ICT, which is enabling operational management which spans across remote locations, a newly formed six-works structure will be integrated from the viewpoints of geographical relationships of steelworks, their production, quality, and logistical relationships (such as product mix, manufacturing line composition, and common iron sources), human resources, technologies, skills, knowhow, and other factors.

Through the organizational and operational changes, Nippon Steel will make utmost efforts to realize restructuring of manufacturing capabilities, enhance competitiveness of the steelmaking business, and continue to earn trust of customers, people in the communities, and other stakeholders.

### 3. Details of the integration and reorganization

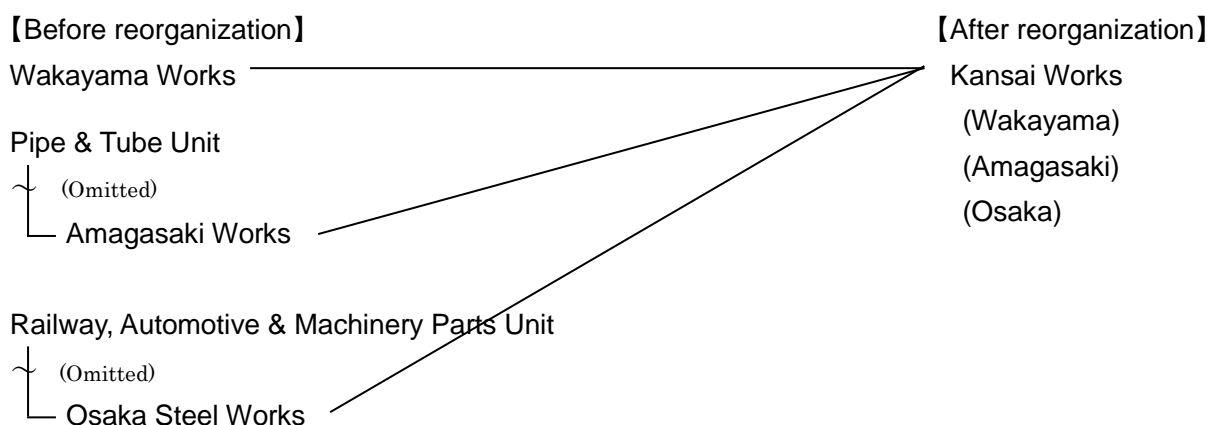
#### (1) East Nippon Works\*

The Kashima Works, Kimitsu Works, Kamaishi Works of the Bar & Wire Rod Unit, and Naoetsu Works of the Titanium Unit will be integrated and reorganized as the East Nippon Works\*.



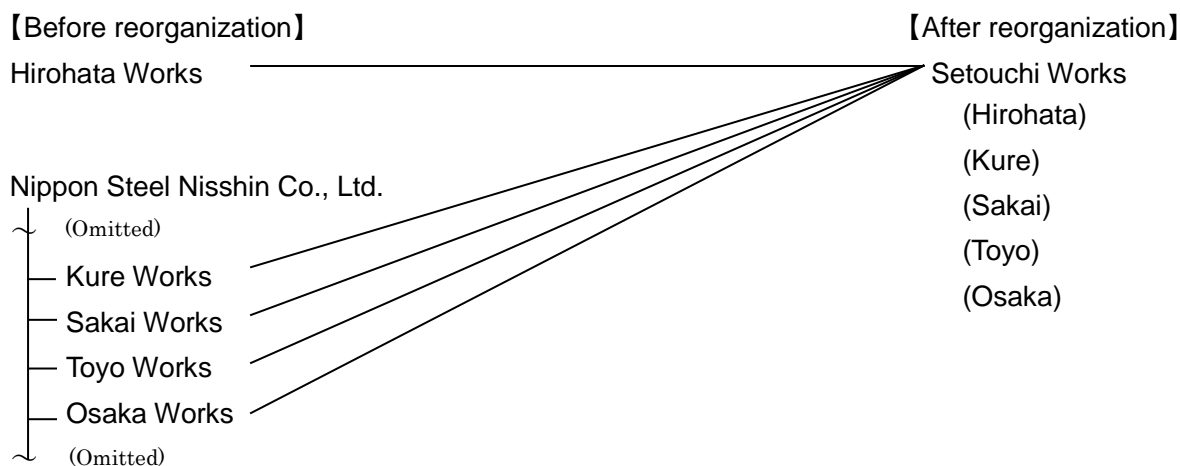
#### (2) Kansai Works

The Wakayama Works, Amagasaki Works of the Pipe & Tube Unit, and Osaka Steel Works of the Railway, Automotive & Machinery Parts Unit will be integrated and reorganized as the Kansai Works.



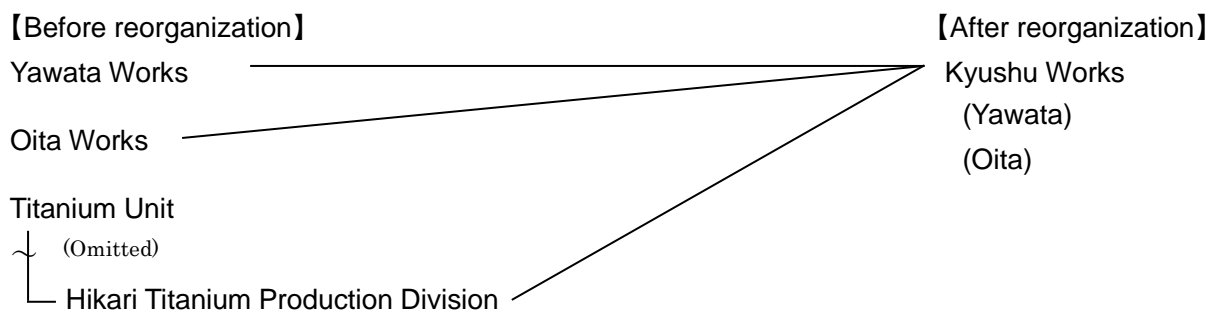
(3) Setouchi Works

The Hirohata Works will be integrated with the Kure Works, Sakai Works, Toyo Works, and Osaka Works of Nippon Steel Nisshin Co., Ltd. (scheduled to be merged with Nippon Steel in April 2020) and reorganized as the Setouchi Works.



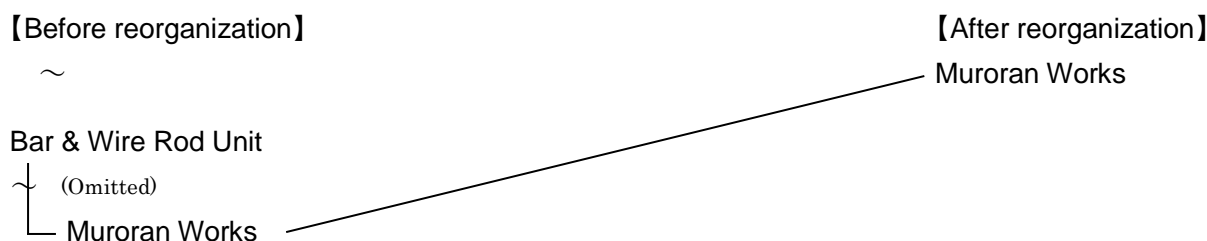
(4) Kyushu Works

The Yawata Works, Oita Works, and Hikari Titanium Production Division of the Titanium Unit will be integrated and reorganized as the Kyushu Works.



(5) Muroran Works

The Muroran Works of the Bar & Wire Rod Unit will be renamed as the Muroran Works.



\* As of November 1<sup>st</sup>, it was announced as "East Japan Works" , but it will be revised to "East Nippon Works".

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[For reference: Overview of current steelworks to be integrated and reorganized]

## 1. Overview of current steelworks to be integrated and reorganized as the East Nippon Works

### (1) Kashima Works

Location: Kashima City, Ibaraki Pref.  
Major product types: Steel plates, hot-rolled steel sheets, cold-rolled steel sheets, coated steel sheets, shaped steel, pipes and tubes  
Crude steel production<sup>1</sup>: 7.16 million tons  
Number of employees<sup>2</sup>: 2,985

### (2) Kimitsu Works

Location: Kimitsu City, Chiba Pref.; Itabashi-ku, Tokyo<sup>3</sup>  
Major product types: Steel plates, hot-rolled steel sheets, cold-rolled steel sheets, coated steel sheets, wire rods, shaped steel, pipes and tubes  
Crude steel production<sup>1</sup>: 8.02 million tons  
Number of employees<sup>2</sup>: 3,485

### (3) Kamaishi Works of the Bar & Wire Rod Unit

Location: Kamaishi City, Iwate Pref.  
Major product types: Wire rods  
Number of employees<sup>2</sup>: 241

### (4) Naoetsu Works of the Titanium Unit

Location: Joetsu City, Niigata Pref.  
Major product types: Titanium  
Number of employees<sup>2</sup>: 201

## 2. Overview of current steelworks to be integrated and reorganized as the Kansai Works

### (1) Wakayama Works

Location: Wakayama City and Kainan City, Wakayama Pref.; Sakai City, Osaka Pref.  
Major product types: Cold-rolled steel sheets, shaped steel, pipes and tubes  
Crude steel production<sup>1</sup>: 4.32 million tons  
Number of employees<sup>2</sup>: 3,045

### (2) Amagasaki Works of the Pipe & Tube Unit

Location: Amagasaki City, Hyogo Pref.  
Major product types: Pipes and tubes  
Number of employees<sup>2</sup>: 705

### (3) Osaka Steel Works of the Railway, Automotive & Machinery Parts Unit

Location: Osaka City, Osaka Pref.  
Major product types: Railway, automotive and machinery parts  
Crude steel production<sup>1</sup>: 0.04 million tons  
Number of employees<sup>2</sup>: 1,225

### 3. Overview of current steelworks to be integrated and reorganized as the Setouchi Works

#### (1) Hirohata Works

Location: Himeji City, Hyogo Pref.  
Major product types: Hot-rolled steel sheets, cold-rolled steel sheets, coated steel sheets, tinplate<sup>4</sup>, electrical steel sheets  
Crude steel production<sup>1</sup>: 0.65 million tons  
Number of employees<sup>2</sup>: 1,303

#### (2) Kure Works of Nippon Steel Nisshin Co., Ltd.

Location: Kure City, Hiroshima Pref.  
Major product types: Hot-rolled steel sheets  
Crude steel production<sup>1</sup>: 2.73 million tons  
Number of employees<sup>2</sup>: 960

#### (3) Sakai Works of Nippon Steel Nisshin Co., Ltd.

Location: Sakai City, Osaka Pref.  
Major product types: Cold-rolled steel sheets, coated steel sheets  
Number of employees<sup>2</sup>: 704

#### (4) Toyo Works of Nippon Steel Nisshin Co., Ltd.

Location: Saijo City, Ehime Pref.  
Major product types: Cold-rolled steel sheets, coated steel sheets  
Number of employees<sup>2</sup>: 114

#### (5) Osaka Works of Nippon Steel Nisshin Co., Ltd.

Location: Osaka City, Osaka Pref.; Amagasaki City, Hyogo Pref.  
Major product types: Cold-rolled steel sheets  
Number of employees<sup>2</sup>: 249

### 4. Overview of current steelworks to be integrated and reorganized as the Kyushu Works

#### (1) Yawata Works

Location: Kitakyushu City, Fukuoka Pref.  
Major product types: Hot-rolled steel sheets, cold-rolled steel sheets, coated steel sheets, tinplate, electrical steel sheets, bars, wire rods, rails, pipes and tubes  
Crude steel production<sup>1</sup>: 4.78 million tons  
Number of employees<sup>1</sup>: 3,548

#### (2) Oita Works

Location: Oita City, Oita Pref.; Hikari City, Yamaguchi Pref.  
Major product types: Steel plates, hot-rolled steel sheets, pipes and tubes  
Crude steel production<sup>1</sup>: 8.75 million tons  
Number of employees<sup>2</sup>: 2,011

(3) Hikari Titanium Production Division of the Titanium Unit

Location: Hikari City, Yamaguchi Pref.  
Major product types: Titanium  
Number of employees<sup>2</sup>: 12

5. Overview of the Muroran Works

Location: Muroran City, Hokkaido  
Major product types: Bars, wire rods  
Crude steel production<sup>1</sup>: 1.43 million tons  
Number of employees<sup>2</sup>: 1,014

1 Fiscal 2018 results

2 As of March 31, 2019

3 Scheduled to integrated production in the Wakayama Area (Kainan) of the Kansai Works in May 2020

4 Scheduled to suspend operation in the second half of fiscal 2021 (disclosed on November 1, 2019)

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