



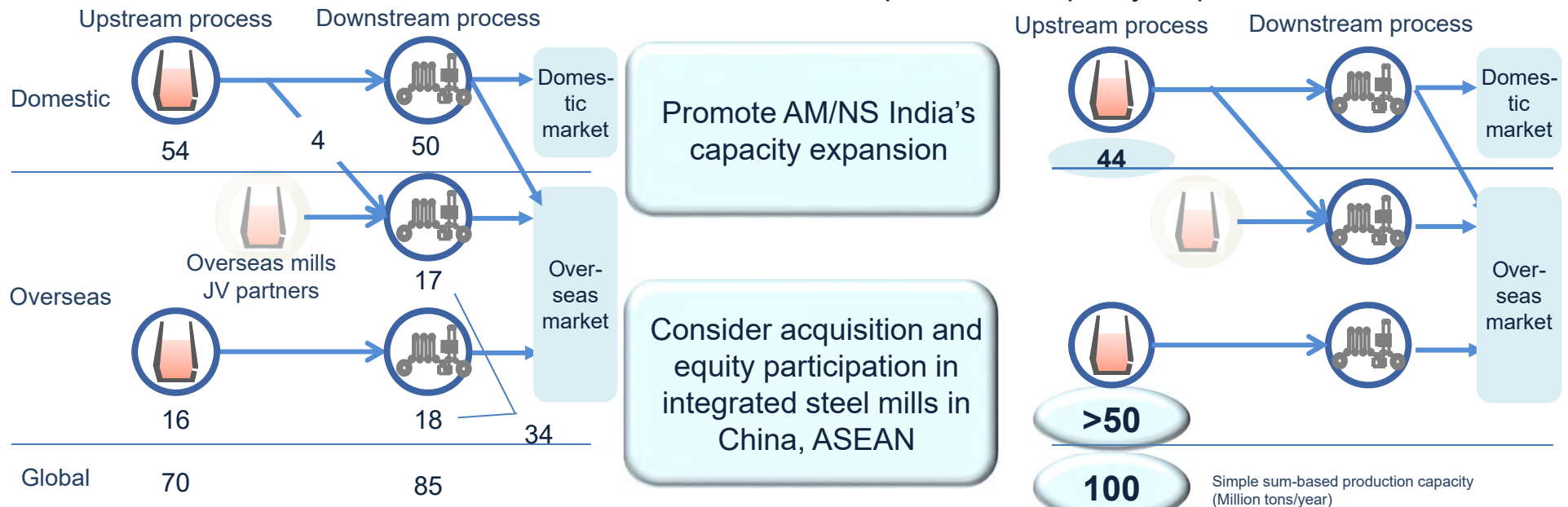
Toward 100 million ton global crude steel capacity

Planning to move up to a full-scale overseas business stage to secure higher added value with integrated production framework in “districts and areas where demand is promisingly expected to grow” and in “sectors in which our technologies and products are appreciated”.

At present, our global supply framework is centered on export of mainly high-grade steel products from Japan and local supply of products such as cold-rolled and galvanized steel sheets produced by overseas companies, involving mainly downstream processes.



- Aiming to expand to a full-scale overseas business that will capture the entire local demand, while maintaining the current supply framework.
- Overseas business development focusing on M&A to avoid new start-up risks amid global steel production capacity surpluses



* Figures are calculated by simple sum of full production capacity of i) companies in which we have 30% or more equity interests (including USIMINAS) among companies subject to World Steel Association's crude steel production statistics; and ii) our equity method affiliates with less than 30% equity interests to which we provide semi-finished products (AGIS), in each process.