

Corporate Vision

Potential of Steel



Steel as a Sustainable Material

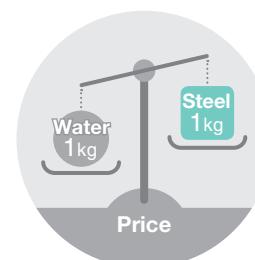
An abundant material that can be reborn
as any types of steel products endlessly

Steel is an essential material in our daily lives, thanks to its diverse properties including abundance, affordability, strength, and excellent workability. It is also a sustainable material that retains much of its quality even after the recycling process. In addition, it is the material that has been continuing to evolve with the addition of various properties through technology, and has limitless potential for the future.

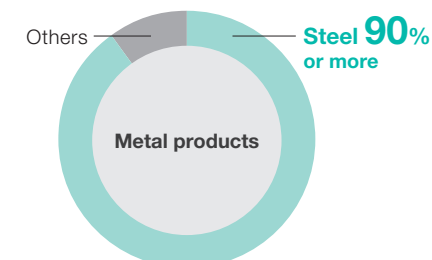
Iron is believed to constitute
one-third
of the Earth's weight.



Steel is an **affordable material** and is cheaper than water in a plastic bottle (in comparing price per unit weight).



Steel represents **90% or more** of metal products, as steel being abundant, cheap, and having good workability, and has a wide range of applications.



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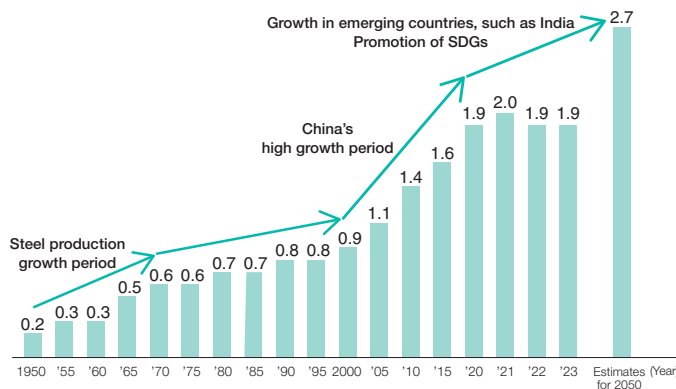
Growth Potential of Steel

Global steel demand driven by emerging countries and high-grade steel

Steel is accumulated in our society in a wide variety of forms including buildings, bridges, automobiles, and household appliances and is supporting infrastructure and affluent lives. Driven by steel accumulation associated with economic and population growth in emerging countries, global steel demand will continue to increase.

"High-grade steel" contributes to solving climate change issues and other diverse social issues with its material capability. Its functionality will be increasingly improved, and its demand will continue to grow worldwide as well.

[Global crude steel production (billion tons/year)]



[Ways in which high-grade steel can contribute to resolving social issues]

Diverse properties and infinite potential of steel

Positive impact on resolving social issues

Carbon neutrality

Reduction of environmental impact

Safe living in sound health

Disaster prevention and reduction
National resilience

Corporate Vision

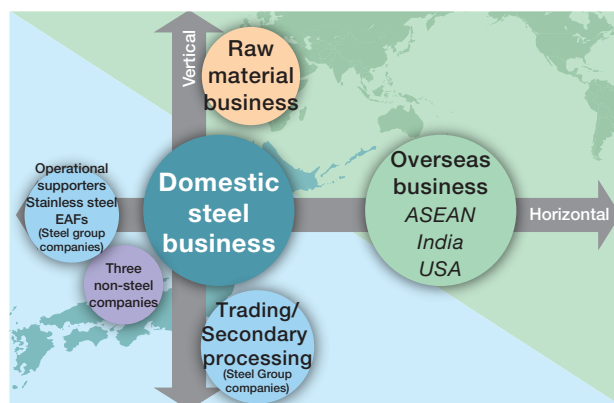
Nippon Steel's Challenges

Aiming to become the best steelmaker with
world-leading capabilities

Realization of the 100 Million Ton/1 Trillion Yen Vision by developing
a robust business structure with vertical and horizontal expansion

We will rebuild the domestic steel business as mother mills that efficiently produce high-grade steel, an optimal production system will be established, and the breakeven point will be drastically improved. Overseas, we will expand our integrated production capacity in the regions of demand in "areas where demand is surely expected to grow" and in "sectors in which our technological and product capabilities can be utilized." Our target is to realize 100 million tons/year in global crude steel production capacity. As shown in the diagram, with the domestic steel business at the origin, namely, as the core, we will expand our overseas business along the horizontal axis showing the width of overseas growth, and make upstream raw materials business and downstream distribution business our own business along the vertical axis showing the growing depth of business domains. We will thus evolve into a more robust business structure and strive to realize an earnings structure that can stably secure 1 trillion yen in business profit regardless of the external environment.

[Nippon Steel's Strategy for Growth]



[Vision of 100 million tons in global crude steel production capacity]

		2014	2023	After acquisition of U. S. Steel	Future Vision
Global crude steel production capacity (Million tons/year)	Japan	52	47	47	
	Overseas	6	19	39	> 60
	Total	58	66	86	> 100



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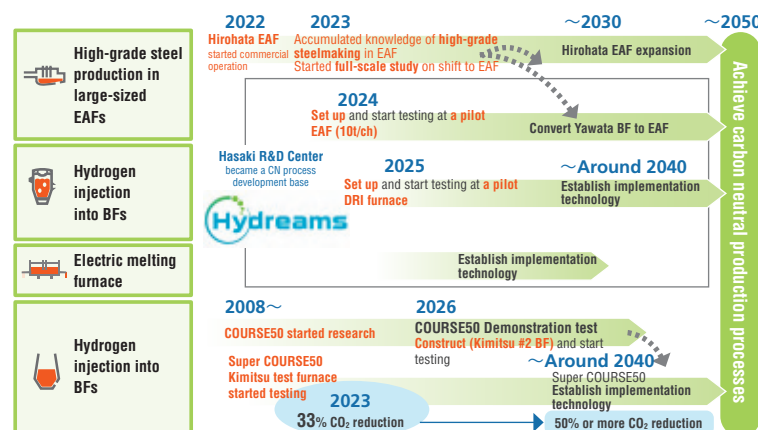
Nippon Steel's Challenges



Nippon Steel aims to attain carbon neutrality through a fundamental transformation of the steel production process, which has relied on coal for reduction for as long as three centuries.

Our goal is to achieve net-zero CO₂ emissions from the steel production process by 2050 through a multi-track approach of developing three breakthrough technologies: "hydrogen injection into blast furnaces," "high-grade steel production in large size electric arc furnaces" and "hydrogen direct reduction of iron." Furthermore, we will lead the steel industry's efforts to achieve a carbon-neutral society.

[Roadmap to achieve the Carbon Neutral]



[Development of three super innovative technologies to lead the world]

