

1

Corporate Vision

- 4 Potential of Steel
- 6 Nippon Steel's Efforts

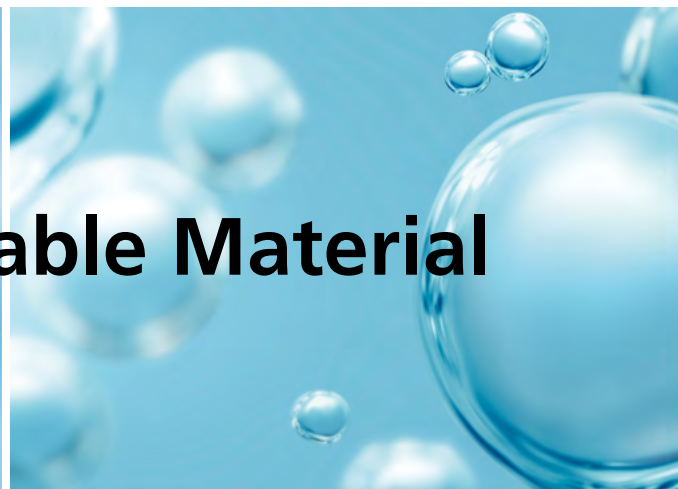
Potential
of Steel

1

Steel as a Sustainable Material

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

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.



For details,
please see [“Attractiveness of Steel”](#) on P.154

Potential
of Steel
2

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, supporting our infrastructure and affluent lives. In the future, global steel demand will continue to increase, driven by economic growth and population growth in emerging countries.

In addition, “high-grade steel,” which contributes to the resolution of social issues such as climate change by leveraging its inherent material capability, is becoming an increasingly important material worldwide, regardless of whether it is used in developed or emerging countries. We will unlock the limitless potential of steel and enhance its value as a material that supports a more sustainable future.

For details,
📖 please see “Potential Risks and Opportunities
in the Steel Market” on P.19

Nippon Steel's
Efforts
1

Aiming to become the best steelmaker with world-leading capabilities

Early realization of the 100 Million Tons, 1 Trillion Yen Vision by developing a robust business structure with vertical and horizontal expansion

We have drastically improved our break-even point by restructuring the domestic steelmaking business. To make it happen, we implemented this initiative ahead of the steel industry through structural measures for production facilities, increased margins from direct contract-based sales to customers, sophisticated order mix, and equipment modernization. From now on, while maintaining this direction in the domestic steelmaking business, we will drastically strengthen our competitiveness by streamlining operations across the entire group. 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 early 100 million tons/year in global crude steel production capacity. As shown in the diagram, with the domestic steelmaking 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 ensure a stable business profit of 1 trillion yen regardless of the external environment.

For details,
please see [“The 100 Million Tons,
1 Trillion Yen Vision” on P.21](#)

Nippon Steel's
Efforts
2

Towards carbon neutrality

Leading the global steel industry in realizing a carbon neutral society

Nippon Steel will achieve net-zero CO₂ emissions from its steel manufacturing process by 2050 by drastically changing the conventional process that relies on reducing iron ore with coal.

We are promoting a multi-track approach to develop innovative technologies, such as "high-grade steel production in large electric arc furnaces," "reduced iron production with hydrogen," and "hydrogen reduction in blast furnaces." We will combine the technologies obtained from demonstration tests using an experimental electric arc furnace and a reduction furnace newly installed at our laboratory in anticipation of commercial implementation.

Furthermore, we will lead the steel industry's efforts to achieve a carbon-neutral society.

(The following photos show the operation rooms for experimental shaft furnace (front) and the experimental shaft furnace (back))



For details,
📖 please see "Carbon Neutral Vision"
on P.36