The value creation process and Nippon Steel’s strengths

**Inputs**
- Global manufacturing bases
- Efficient use of resources and energy
- R&D activities
- Human resources and diversity & inclusion
- Collaboration with society and communities

**Business Activities**
- Mother mills in Japan – a source of technological processes
- Long-accumulated operational and equipment technology under large blast furnaces and seaside integrated steelworks model
- Technology in high-grade steel products developed while responding to customers’ advanced needs
- Global production system
- Support Japanese customers’ overseas expansion and meet local growing demand, based on the strengths of mother mills in Japan

**Decarbonization of steelmaking process**
- Development and practical implementation of the three breakthrough technologies with the aim of realizing a carbon neutral production process by 2050

**Synergies between the steelmaking and three other segments**
- Engineering & Construction business
- System Solutions business
- Chemical & Materials business

**Outputs**

**Fiscal 2021 operating results**
- Establishment of a profit structure that ensures a business profit of ¥600 billion excluding one-off factors regardless of the external environment
- Achieved a record-high profit close to ¥1 trillion (¥800 billion excluding one-off factors) despite the worse external environment than in fiscal 2014 when the previous record-high profit was achieved

**Sustainability Issues**
- Nippon Steel Corporation Group will pursue world-leading technologies and manufacturing capabilities, and contribute to society by providing excellent products and services.

**Corporate Philosophy**
- Nippon Steel Corporation Group will pursue world-leading technologies and manufacturing capabilities, and contribute to society by providing excellent products and services.

**Corporate Governance**
- In response to the delegation of responsibilities by and trust of all stakeholders, Nippon Steel has established a corporate governance structure appropriate for the Group’s business, for its sound and sustainable growth, and improvement of its corporate value in the mid- to long-term.

**History of our development**
- Continual growth as a global leading steelmaker, overcoming crises many times.
- Established a business model with strengths in terms of “technology,” “cost,” and “being global,” such as Process technology (incl. world-top class energy efficiency), High-grade steel product technology, Global production framework, Four-segment structure (incl. the steelmaking business)

**Nippon Steel’s strengths**
- Technology: Products and solutions that contribute to customers’ value creation
- Global: Global value creation, enabled by our process technology and operational technology
- Strength: Global value expansion in response to Japanese customers’ overseas expansion and local demand
- ECO SOLUTION
- Realization of a carbon neutral society
- Contribution to SDGs in society
- Creation of social value
- Creation of economic value

**Fiscal 2021 operating results**

**Risks, opportunities, and strategies**
- Steel supply/demand environment
- Climate change
- Remaking our domestic steel business and strengthening our group’s management
- Promoting a global strategy to deepen and expand our overseas business
- Taking on the challenge of zero-carbon steel
- Promoting digital transformation strategies