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Nippon Steel & Sumitomo Metal Corporation

Yawata Works Will Install a New State-of-the-Art Continuous Casting Facility
(Changes in Yawata's Iron-Making Production Framework)

Nippon Steel & Sumitomo Metal Corporation Group ("NSSMC") announced the 2017 Mid-Term Management Plan, on March 3, 2015, which included a plan to optimize iron-making production framework in the Yawata Works, consisting of three areas, Yawata, Tobata, and Kokura. Since then, the company has examined specific details and has studied how to enhance competitiveness of bars and wire rods produced in the Kokura Area and the overall competitiveness of the Yawata Works, which also produces other types of products. As a result, NSSMC has decided to modify the initial plan.

NSSMC will install a new state-of-the-art continuous caster (CC) in the Tobata Area and integrating production of steel blooms for rails and bars and wire rods to new CC. The design of the new CC is based on that of Kokura No. 4 CC and the new CC will improve quality responsiveness and productivity.

Improvements in bar and wire rods products and rail products will be as follows.

1. Production volume of bars and wire rods in the Kokura Area will be maintained. Product quality will be enhanced by using steel blooms manufactured by a state-of-the-art CC. The new CC combines Kokura No.3 CC's function of making ultra clean steel with Kokura No. 4 CC's function. Productivity will be raised by utilizing both the new CC and large-sized refining furnaces in the Tobata Area
2. Productivity and quality responsiveness of rail products will be enhanced by using steel blooms manufactured by the new CC.

By installing the new CC, the refining furnaces and No. 4 CC in the Kokura Area and one CC unit in the Tobata Area will cease operation, in addition to No. 3 CC in the Kokura Area as previously announced. NSSMC has also decided to cancel the previously-announced construction of a private railway for transportation of molten iron from the Tobata Area to the Kokura Area. And cessation of operation of Kokura No. 2 blast furnace will be postponed by two years to the end of fiscal 2020.

1. Previously announced plans (March 3, 2015)

- (a) Raise productivity of the Tobata No. 4 blast furnace and install a private railway and a tunnel for transportation of molten iron to provide Tobata's molten iron to the Kokura Area within the Yawata Works (Completion within fiscal 2018)
- (b) Cease operation of the Kokura No. 2 blast furnace (Around the end of fiscal 2018)
- (c) Streamlining of steelmaking plant in the Kokura Area (cease operation of Kokura's No. 3 CC; around the end of fiscal 2018)

2. New announcement of plans (Major changes are underlined.)

- (a) Install a state-of-the-art new bloom CC in the Tobata Area (Around the end of fiscal 2018)
- (b) Cease operation of the Kokura No. 2 blast furnace (Around the end of fiscal 2020)
- (c) Cease operation of a steelmaking plant (refining furnaces and CC) in the Kokura Area (Around the end of fiscal 2020)
- (d) Cease operation of one CC unit in the Tobata Area (Around the end of fiscal 2020)

NSSMC is determined to promote the above and other plans to enhance competitiveness and improve its areas of strength, namely "technology," "cost," and "being global," to become the "best steelmaker with world-leading capabilities" and achieve sustainable profit growth.

For inquiries

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