



Infinite Progress of Science and Technology Nippon Steel & Sumitomo Metal Corporation: Fulfilling your Expectations

Hiroshi TOMONO

Representative Director, President and COO

As the first issue of Shinnittetsu Sumikin Giho is published, I would like to speak a few words. Last October, Nippon Steel Corporation and Sumitomo Metal Industries, Ltd., both having a long history, merged into Nippon Steel & Sumitomo Metal Corporation through business integration with the understanding and backing of their customers and many other people concerned. This business integration is a strategic and aggressive move that is intended to enable the new company to not only enhance the efficiency of its business administration but also continue growing in the expanding world steel market and augmenting its corporate value. Our company aims to become “the Best Steelmaker with World-Leading Capabilities,” that is, a “steelmaker with an overwhelming presence in the global market.”

Today, many Japanese manufacturers are facing a tough game in an adverse business climate; this situation is referred to as the sextuple whammy. How our company—a representative Japanese manufacturer—is going to tide over the present situation and augment the corporate value on a global basis is attracting attention and being watched with expectations from all over the world. For our company to prove worthy of the customers’ trust and meet the expectations of all its stakeholders, we are determined to make concerted efforts toward achieving each corporate objective.

The corporate philosophy adopted by the new company is as follows. Having inherited the DNA of the former Nippon Steel and the former Sumitomo Metal Industries positively, the “Nippon Steel & Sumitomo Metal Corporation Group” will pursue world-leading technologies and manufacturing capabilities, and contribute to society by providing excellent products and services.

Under this philosophy, the company shall speedily and positively execute the following four measures.

- (1) Globalizing the steel business*
- (2) Enhancing our technological superiority*
- (3) Improving cost competitiveness*
- (4) Reinforcing non-steel business segments*

For our corporate group to struggle through the ever-intensifying global competition and continue growing, I consider it indispensable to not only properly respond to diverse customer needs through the development of new technologies and the enhancement of technological su-

periority but also implement process innovations for manufacturing general-purpose products economically and carry out R&D on new materials and processes for creating sophisticated high-end products.

As you are aware, steel is among the basic materials that are indispensable for modern civilization. Therefore, steel is a developing material that is profound and very promising. After all, only about 10 percent of the theoretical strength of steel has been exploited. We strive to further enhance the functions of steel materials through R&D on new methods of processing, design, etc., that help in increasing the utility of steel. As a result of the recent integration, the number of researchers in our company has increased to nearly 800. Thus, the R&D staff in the field of component technologies from basic to application has been reinforced significantly. In addition, the company has set up four research departments. I believe that the creative capacity of human beings has no limits and that the progress of science and technology is an endless process. I welcome your expectations on the potential of the highly motivated researchers and engineers of our company.

In the execution of routine operations, I encourage all members of the group to (1) practice customer first, (2) get the facts at the front line, and (3) act to change being always kept in mind. I would like to hear the customers saying that the company has come to get its work done faster since the integration. All members of the group—manufacturing, sales, engineering, and research—make concerted efforts to meet each need of the customers and offer optimum solutions.

In the periodical Shinnittetsu Sumikin Giho, we introduce the company's innovative new products and technologies, advanced new business models, etc., on a timely basis.

The periodical is an expansive successor to the former Shinnittetsu Giho, which attracted considerable readership. This first issue on railways was published as Giho No. 395. As one of the long-established manufacturers of rails, wheels, axles, bogies, etc., the railway-related business of our company has supported the safety and security of Japanese railways. In addition, through its strenuous R&D efforts, it has developed a good number of new innovative technologies that help advance the world railway industry. Thus, our company is one of the businesses that lead the company's global business strategy.

I feel very excited to imagine what new products and technologies will appear in the upcoming issues of the Giho. Please look forward to the future of Nippon Steel & Sumitomo Metal Corporation. Finally, I look forward to your guidance and encouragement.