

### **Adjustments to Blast Furnace Operations in Response to the Current Steel Demand Trend**

Nippon Steel Corporation (“NSC”) has responded to the sharp and substantial decrease in demand for steel products by reducing overall steel output volume to the bare minimum by decreasing production at its blast furnaces to an unprecedented low level. In response to the current demand conditions, NSC plans to further implement the following measures:

- Move up the scheduled blow off (suspension of operations) to renovate the No. 1 blast furnace at the Oita Works by one month to begin February 1 instead of March 7, 2009.
- Carry out the banking (\*1) of the No. 2 blast furnace at the Kimitsu Works as soon as preparations have been completed with a target date of February or early March 2009.

In addition, NSC has vastly reduced the operating rates of its coke ovens to correlate with the reduced percentage of steel production by blast furnaces and will conduct hot banking (\*2) of certain coke ovens at the Kimitsu, Nagoya, Yawata, and Oita Works.

(\*1) Banking is to take measures to temporarily stop blast furnace production but make it possible to restart production at a later date by stopping the air blast flow.

(\*2) Hot banking is a technique for shutting down a coke oven while insulating (sealing shut) it and maintaining the oven temperature in such conditions as to make it possible to restart production at a later date.

NSC plans to continue swiftly and effectively regulating its production operations to respond to changes in steel demand trends in Japan and overseas.

Reference: NSC Blast Furnaces

		<u>Furnace Volume (m<sup>3</sup>)</u>	<u>Blowing-in Date</u>
Oita Works	No. 1 Blast Furnace (blow off moved up)	4,884	May 1993
	No. 2 Blast Furnace (in operation)	5,775	May 2004
Kimitsu Works	No. 2 Blast Furnace (banking)	3,273	November 1994
	No. 3 Blast Furnace (in operation)	4,822	May 2001
	No. 4 Blast Furnace (in operation)	5,555	May 2003
Yawata Works	No. 4 Blast Furnace (in operation)	4,250	February 1998
Muroran Works (Hokkai Iron & Coke Corporation)	No. 2 Blast Furnace (in operation)	2,902	November 2001
Nagoya Works	No. 1 Blast Furnace (in operation)	5,443	April 2007
	No. 3 Blast Furnace (in operation)	4,300	April 2000