



News Release

October 11, 2024

Nippon Steel Corporation

Nippon Steel Stainless Steel Corporation

Decision is Made to Apply for Government Support Based on the GX Promotion Act for the Conversion from the Blast Furnace Steelmaking Process to the Electric Arc Furnace Steelmaking Process

Nippon Steel Corporation ("NSC") and Nippon Steel Stainless Steel Corporation ("NSSC") have decided to apply for the "Energy and Manufacturing Process Transformation Support Business (Business I (Steel))" based on the Green Transformation (GX) Promotion Act, for which acceptance of applications began on October 8, 2024.

In its "Nippon Steel Carbon Neutral Vision 2050" announced in March 2021, NSC aims to achieve carbon neutrality in 2050 by using three breakthrough technologies: hydrogen injection into BFs; hydrogen direct reduction of iron; and high-grade steel production in large-sized EAF.

In October 2022, NSC commenced commercial operation of the EAF in the Setouchi Works Hirohata Area, and has been operating an integrated EAF steelmaking process to manufacture and supply high-grade electrical steel sheets and other high-grade steel products. Since May 2023, we have been conducting full-scale studies on the conversion to the EAF steelmaking process, with the aim at achieving our 2030 decarbonization target. We have decided to apply for the "Energy and Manufacturing Process Transformation Support Business (Business I (Steel))" registration based on the GX Promotion Act, in order to implement the conversion of the upstream steelmaking process at the NSC Group's high-grade steel manufacturing bases. Specific plans are to make a conversion from the BF process to the large-sized EAF process in the Kyushu Works Yawata Area, to expand the EAF in the Setouchi Works Hirohata Area, and to resume EAF operations at NSSC's Yamaguchi Works (Shunan Area).

While the conversion from the BF process to the EAF process would have a significant effect of CO₂ reduction, huge capital expenditures and considerable increases in production costs, including costs of raw materials and electricity, are expected. In order to create and expand the market for green steel, where the effects of CO₂ reduction are appropriately evaluated, regulatory and institutional measures need to be embodied as soon as possible. As part of the study on the creation of the GX market, which was proposed in the "Grand design for studies toward the GX 2040 Vision" at the GX Implementation Council meeting in August this year, we will continue to strongly urge the early embodiment of these regulatory and institutional measures. We will also work to promote greater public understanding of green steel, including establishment of international standardization, and work to achieve carbon neutrality.

For inquiries:

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