

FOREWORD

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We are pleased to announce the publication of JFE Technical Report No.2. First Issue presented an overview of the member companies of the JFE Holdings Group. This “Special Issue on JFE Steel” introduces distinctive products of JFE Steel by customer field.

The world’s steel industry is now at a historical turning point. Supported by a growing world population and remarkable economic development in many countries, beginning with China, demand for basic materials represented by steel is expanding rapidly. Moreover, the standard of living will also continue to rise worldwide. Considering these trends, we must recognize anew that global resources are limited, and at the same time, reconfirm the importance of steel as a basic material for the social infrastructure. At JFE Steel, we take a great pride in the fact that steel business is the one which contributes to humankind, and we endeavor to supply environment-friendly products which contribute to society.

When we consider the future of technical development, a viewpoint which gives a high priority to protection of the global environment is essential. In particular, JFE Steel recognizes that global warming is an urgent issue, but it is also the one where steel can play a key role. To help solve this problem, we are putting an enormous effort in the technical development aimed at reducing energy consumption and CO₂ emission in the iron and steel manufacturing processes by at least 10% by 2010 against the baseline year of 1990. We are also contributing to energy saving and the reduction of emissions in our customer industries. In the transportation sector, which generates a large part of Japan’s total CO₂ emissions, JFE Steel supplies a wide range of materials contributing to the reduction of automobile weight. For example, to reduce passenger car weight, we provide a full range of high strength steel products, including use technologies, which also offer outstanding formability, weldability and corrosion resistance. For the energy sector, we have created a number of distinctive products such as electrical steel sheets which reduce power loss and high corrosion resistance steel tubes suitable for producing natural gas as clean alternative to oil. JFE Steel products are also contributing to the creation of a recycling-based society and reduced

environmental loads. They include the steel products with long life and excellent recyclability for safety, reliable infrastructure, and materials which reduce environmental loads by eliminating toxic substances such as lead, particularly in home electric appliances.

JFE Steel has received generous cooperation from many persons over the years, in its technical development efforts. In the future, we should continue to study the needs expressed by customers so that we can respond in a precise and positive way. We should also put our full efforts into product development from the customer's point of view in order to develop true Only 1 and No.1 products which contribute to mutual prosperity with our customers over the long term. We hope that the technologies presented in this special issue will give renewed vitality to future development activities.