

## Message from the President

We, Daido Steel, are responsible for contributing to the society through the operation and preserving natural resources and environment of the earth as a corporate citizen.

We naturally manage our company complying with the law, rules, regulations and common sense of the society. "Code of Ethics" and "Daido Steel's Code of Conduct" have been established to reinforce the recognition of our social responsibility.

The core business of Daido Steel is the production of specialty steels mainly made from steel scrap in the society using electric arc furnaces. We are proud of playing a part in the recycling-oriented society ever since the establishment of the company. We are making efforts to reduce the impact to the environment.

The mid-term environmental plan has been established in accordance with the autonomous activity plan of the Japan Iron and Steel Federation. Our plan promotes "reducing global warming substances" by efficient use of energy, "zero emission" and so on. We have been providing specialty steels with various functions such as long life, lighter weight and improved workability that contribute to resources and energy savings. Furthermore, we are working harder to contribute to society through engineering based on our superior technology built up through years of experience in specialty steel production.

Corporate management should be done with care for environment in every aspect of business operation. We make open to the public about the environmental information related to our operation. Our ultimate goal is to establish "recycling-oriented society." In this sense, Daido Steel positively promotes effective countermeasure based on the Environmental Management System as well as active investment for environmental protection.

This environmental report is published to deepen your understanding of the latest activities and countermeasures for the environmental issues of the Daido Steel Group. It would be our delight if this report is some of help for your understanding of our attitudes and actions toward environmental matters. We would be happy to have your comments and advice on this report. We would kindly ask for your understanding in environmental issues as well as our business operations as ever.

August, 2003



President *J. Takayama*