

In Commemoration of the 20th Anniversary of the KSC Technical Research Division



Toshio Kogure
Senior Managing Director
New Business Division

It has now been twenty years since Kawasaki Steel's research facilities were consolidated in Chiba, a move which signaled a fresh start for our R&D activities. These twenty years may be remembered by Japanese industry as a period of wrenching change, and at times of crisis management. In particular, the pace of change and innovation was accelerated by independent corporate strategies which companies devised in response to the dilemmas of two oil crises and the sudden reversal of exchange rates known as the *en-daka*. It is thus that we have arrived at the beginning of a revolutionary new era and have a real opportunity to create the 21st Century.

Guided by a fresh set of corporate principles, Kawasaki Steel has created new management goals directed toward "unique, diversified business innovation with the world's strongest steel business as its foundation." Now we are doing our utmost to provide the high-technology products and services which will meet the needs of an increasingly sophisticated society in the areas of steel products, engineering, new materials, chemicals, and electronics. Although KSC expected to grow rapidly into a ¥2 trillion-a-year company by the year 2000 through these business activities, the guiding principle of Kawasaki Steel's new business development program is to grow as a company not merely by expanding our operations, but also to contribute positively to society by creating new value.

In line with this perspective, the New Business Planning & Development Department was established in 1984, and followed by the New Materials Department in 1985. Since then, the New Business Division has expanded to include seven departments, and having passed through the startup stage, has now entered the stage of growth and development.

On the other hand, Kawasaki Steel's High-Technology Research Laboratories were established when the New Materials Research Center was set up in 1985, joining the Chemical Research Center, which had begun operations in 1983. In 1986, the LSI Research Center was added to complete the high-technology research group we have today. As a whole, the Technical Research Division includes the three Centers of the High-Technology Research Laboratories and the Iron and Steel Research Laboratories.

The success of our new business activities, in my personal view, depends on sensitivity to the needs of society and the market, vigorous creative effort in establishing the commercial viability of leading edge technologies, and the courage to venture into unknown areas. Taken together, these three things lead to the creation of new value, which is the primary function of the technical research laboratory. One necessary condition for success in our selected areas of new business is an outstanding research and development capability, but this must, of course, be backed up by a commitment to nurture developing businesses over the long-term and strongly supported by fundamental, ground-breaking research with an unswerving eye on the future.

It is not always possible to reach our targets by the further development of existing technology, and when this is the case, the cost and technical difficulties involved increase accordingly.

The drive to create significant new technology, and then to continue to develop and elaborate the original concept, is spurred on by an R&D system which manage major long-term goals and stimulates individual creativity.

While this special edition of *Kawasaki Steel Technical Report* commemorates the 20th Anniversary of the establishment of the Technical Research Division by presenting our most recent technology, products, and system developments, it is my hope that this recognition of today's accomplishments will encourage our research staff in new materials, chemicals, and electronics to new and even more exciting work in the coming years.

In closing, I would like to express to all the parties concerned my sincere thanks and appreciation for the kind cooperation and assistance extended to us, together with my hearty request for their continuing support.