

**NSC Has Made USIMINAS Applicable under the Equity Method**

Nippon Steel Corporation (hereinafter “NSC”), for the purpose of further strengthening its relationship with Usinas Siderúrgicas de Minas Gerais S.A. (hereinafter “USIMINAS”), a Brazilian steel company foremost in South America, has made additional share purchases in Nippon Usiminas Co., Ltd. (hereinafter “NU”), which is the largest shareholder of USIMINAS.

As a result of this additional purchase, NSC’s equity ratio in NU has come to 50.9%, and NU has become a consolidated subsidiary of NSC. NSC’s 1.7% voting share in USIMINAS plus 21.6% voting share which NU owns has now made USIMINAS applicable under the equity method for NSC’s consolidated accounts.

<The relationship of NSC and USIMINAS >

Since the establishment of USIMINAS, NSC, together with NU, has participated in the management of USIMINAS, while also providing NSC technologies. In 1999, NSC and USIMINAS established “UNIGAL”, a joint venture for the manufacture of hot-dip galvanized automotive steel sheet and also a significant contribution to fast-growing auto makers in South America, largely in Brazil. The result is that USIMINAS has become one of the most important partners in NSC’s global strategies. On November 6, for the further strengthened relationship with USIMINAS, NSC has obtained 1.7% of the voting stock of USIMINAS to become a party to the shareholders agreement, in which NU is a principal party.

<The purpose of strengthening the relationship between NSC and USIMINAS>

Through the strengthened relationship between NSC and USIMINAS, NSC intends to make more specific response to the increasingly sophisticated needs of customers in South America especially in Brazil. For USIMINAS also, its strengthened ties with NSC will facilitate its efforts to strengthen its productive capabilities, including the implementation of the medium- and long-term investment plans now being scrutinized, and to broaden its product mix, including new products, better tailored to customer requirements. All these are believed to help ensure the continued growth of profits and the enhancement of the corporate values of both NSC and USIMINAS.

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## [Reference]

### [Outline of USIMINAS]

1. Official name: Usinas Siderúrgicas Minas Gerais S.A.  
Abbreviation: USIMINAS
2. Line of business: Manufacture and sale of steel products mainly in South America
3. Location: Head Office: Belo Horizonte, Minas Gerais, Brazil  
Steelworks: Ipatinga, Minas Gerais, Brazil  
Cubataão, São Paulo, Brazil (COSIPA)
4. CEO: Rinaldo Campos Soares
5. Capital: R\$5,400 million
6. Net sales: R\$13,041 million (2005 results, consolidated)
7. Net income: R\$3,918 million (2005 results, consolidated)
8. Crude steel production: 8.66 million tons (2005 results, consolidated)
9. Start of production: October 1962 (established in January 1958)

### [Outline of Nippon Usiminas]

1. Official name: Nippon Usiminas Co., Ltd.
2. Line of business: Capital subscriptions to USIMINAS and incidental business
3. Location: Chiyoda-ku, Tokyo, Japan
4. President: Hidemi Kawai
5. Capital: ¥30,100 million
6. Net sales: ¥6,900 million (2005 results)
7. Establishment: December 1957

### [Outline of UNIGAL]

1. Official name: UNIGAL Ltda.
2. Line of business: Manufacture of hot-dip galvanized steel sheet
3. Location: Ipatinga, Minas Gerais, Brazil (within the premises of USIMINAS)
4. President: Jose Neves Fernandes
5. Capital: R\$235 million
6. Equity ratios: USIMINAS 79.3%, NSC 20.7%
7. Net sales: R\$191 million (2005 results)
8. Start of production: October 2000 (established in June 1999)
9. Employees: 164
10. Main equipment: 400,000t/y hot-dip galvanizing line (CGL)