

November 6, 2006
Nippon Steel Corporation

Acquisition of Ordinary Stock in USIMINAS
and Participation in the Shareholders Agreement

Nippon Steel Corporation (hereinafter "NSC") has agreed to acquire 1,917,211 voting shares (percentage of voting shares: 1.7%) in Usinas Siderúrgicas de Minas Gerais S.A. (hereinafter "USIMINAS"), a foremost steel company in South America, on November 6, from Caixa dos Empregados da Usiminas (hereinafter "CEU", pension fund of USIMINAS' employees and retirees) and Mr. Johannes Bernardus Sleumer, who are both parties to the current shareholders agreement of USIMINAS, and has also entered into a 15-year-term new shareholders agreement (hereinafter the "Agreement") with the major shareholders of USIMINAS. As a result, NSC has become a member of the controlling shareholders group which has a voting-share majority in USIMINAS.

1. The object of NSC's acquisition of voting shares and signing of the Agreement.

USIMINAS, having been established in 1958 with financial and technical cooperation of Japan, mostly from NSC, followed by the acquisition of COSIPA in 1993, has now grown to be a foremost steel company in South America in terms of overall competitiveness including production scale, technical levels and financial results.

Since the establishment of USIMINAS, NSC, in cooperation with Nippon Usiminas Co., Ltd. which is a large Japanese shareholder of USIMINAS, has participated in the management of USIMINAS, while also providing technical cooperation. In 1999, NSC and USIMINAS established "UNIGAL", a joint venture for the manufacture of hot-dip galvanized automotive steel sheet, contributing 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.

NSC's acquisition of the voting shares and signing of the Agreement will facilitate more specific response, through USIMINAS, to the increasingly sophisticated needs of customers in South America especially in Brazil. Through strengthened ties with NSC, USIMINAS will also find it possible to strengthen the production capacities, including the implementation of the medium- and long-term investment plan currently under formulation, enhance its product mix, including new products and improve the daily quality and delivery of the products to meet diversified and specific requirements of its demanding customers. In our view, all these will help continue to ensure the growth of profit and increase the corporate value of both NSC and USIMINAS.

2. Equity shares and composition of controlling shareholders to the Agreement

	Ratio in voting shares	Ratio in Agreement
Nippon Usiminas	21.6%	33.8%
NSC	1.7%	2.7%
Mitsubishi Corporation Group	1.5%	2.3%
Nippon Group Total	24.7%	38.7%
Votorantim	11.6%	18.1%
Camargo Corrêa	11.6%	18.1%
V/C Group Total	23.1%	36.2%
CEU Group	10.1%	15.9%
CVRD	5.9%	9.2%
Total	63.9%	100.0%

Note: Since the sums of equity ratios of individual shareholders are given after rounding off to the first decimal place, they do not agree with the total figures.

Note: Shareholders agreements regulating the purchase and sale of shares, the rights of first refusal to acquire shares, the exercise of voting rights shall be observed by the company when filed at its headquarters. This is a unique system in Brazil and the agreement is registered on the securities exchanges in Brazil.

As the parties to the Agreement holds a voting-share majority, an agreement reached among the controlling-shareholders is in effect to be the decision of the USIMINAS.

For more information, please contact:

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[Reference]

Outline of USIMINAS

1. Official name: Usinas Siderúrgicas de 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\$2,400 million
6. Net Sales: R\$13,041 million (2005 results, consolidated)
7. Net Income: R\$3,918 million reais (2005 results, consolidated)
8. Crude steel production: 8.66 million tons of crude steel (2005 results, consolidated)
9. Start of production: October 1962 (established in January 1958)

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. Quotas: USIMINAS 79.3% NSC 20.7%
7. Net Sales: R\$191 million reais (2005 results)
8. Start of production: October 2000 (established in June 1999)
9. Employees: 164
10. Main equipment: 400,000 t/y hot-dip galvanizing line (CGL)