

March 5, 2010
Nippon Steel Corporation

Investment in Malaysian steel sheet manufacturing firm

Nippon Steel Corporation (President: Shoji Muneoka, “Nippon Steel”) has been in discussion with Yung Kong Galvanising Industries Berhad (Executive Chairman: Dato’ Dr. Hii Wi Sing, “YKGI”), a leading Malaysian steel sheet manufacturing firm, on possible investment in and stable supplies of hot-rolled steel substrates to YKGI.

Nippon Steel has now reached an agreement with YKGI to subscribe for redeemable convertible preference shares which will be newly issued by YKGI (if converted, equivalent to 10% of the total number of ordinary shares of YKGI) around June 2010.

Under a stable political and economic system along with currency and financial policy, Malaysia achieves continuous economic development to the present by attracting foreign investors. Domestic steel demand expansion is regarded as sureness based on high growth rate of population and ratio of younger generations in the future, and demand for flat steel products in Malaysia is expected to grow steadily not in the manufacturing industry alone, but in the construction industry.

YKGI listed on the Main Board of Bursa Malaysia Securities Berhad is a leading local enterprise which has been developing its steel sheet manufacturing business for many years, setting up manufacturing plants east and west of Malaysia in Kuching, Sarawak, an East Malaysian State in the island of Borneo and Klang in Malay Peninsula, and owns trading and construction material processing subsidiaries.

By investing in YKGI, Nippon Steel aims to strengthen their relationships and securely capture flat steel demand which is expected to grow steadily in Malaysia, by expanding its business with YKGI through stable supply of hot-rolled steel substrates to YKGI.

【Outline of the investee company】

Name:	Yung Kong Galvanising Industries Berhad
Establishment:	1977 (Commercial production began in 1984)
Representative:	Dato’ Dr. Hii Wi Sing
Location:	Kuching, Sarawak, Malaysia (Head office, YKGI I) Klang, Selangor, Malaysia (YKGI II)
Turnover:	341 million Ringgit (approximately 9.0billion yen, 2009CY)
Capital:	106million Ringgit (approximately 2.8billion yen)

Listing: Main Board of Bursa Malaysia Securities Berhad
Business: Manufacture and sale of galvanized steel sheets and color coated steel sheets
Capacity of production facilities: Pickling: 300,000 tons/year; Cold-rolling: 250,000 tons/year; CGL: 150,000 tons/year; Color coating line: 90,000 tons/year

For further inquiries, please contact:
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<MAP>



YKGI II
(Klang)

YKGI I
(Kuching)