

Revision of USIMINAS Investment Plan

USIMINAS (President: Wilson Brumer) - an alliance partner of Nippon Steel Corporation (President: Shoji Muneoka, hereafter NSC) in South America, and an equity-method-applicable affiliate company of NSC - made the following release about the revision of the Investment Plan, currently in progress.

USIMINAS, which had decided (on July 2008) to build an upstream steel plant of 5 million tons per year in Santana do Paraíso, in the vicinity of its Ipatinga Steel Works, conducted studies and surveys of this project.

However, reflecting the steel business conditions in the world, USIMINAS has decided to revise the plan into a more efficient one, to surely achieve strong international competitiveness as well as integrated capacity increase. USIMINAS will study the investment plans, focused on Ipatinga Steel Works, Cubatao Steel Works and its own iron ore mining business.

USIMINAS has already made the investments for rolling-capacity increase, focusing on the area of high grade steel (Ipatinga Plate expansion, Cubatao New-Hot Strip Mill, Unigal New-CGL and others, please see “reference”) to capture the steel demand in Brazil which is expected to rapidly grow. Its revised investment plan is to include the plan to secure the integrated steel capacity in balance with the downstream capacity. Such plans will be released after further progress.

Also USIMINAS will facilitate the expansion of its iron ore mining business to maximize captive mine merit.

<USIMINAS Release>

USIMINAS, hereby informs its shareholders and the general public that the Board of Directors, in a meeting held on November 12, 2010, decided to cancel the project for construction of a new plant in the city of Santana do Paraíso, state of Minas Gerais. This decision took into account its low attractiveness due to current market conditions. The Board has chosen to deepen the studies to increase the competitiveness of the industrial steel operations in order to better position the company to capture opportunities in the Brazilian steel market, by:

1. Optimization of the Ipatinga and Cubatao Plants aiming cost reduction, quality improvement and balance the capacity between steel production and rolled products, currently in expansion.
2. Improving energy efficiency through a revision of the energy balance, including better use of the gases generated in the productive process.

The Board also approved the investments of Mineracao Usiminas S.A., a company controlled by USIMINAS, in the amount of R\$ 550 million, related to the first stage of the Production Capacity Expansion Plan, which will allow Mineracao Usiminas S.A. to reach, on the second half of 2012, the production capacity of 12 million tons per year, overcoming the current 7 million tons.

Nippon Steel will continue to support USIMINAS with a view to further increasing the corporate value of both companies. USIMINAS will carry out the above investment plan with the aim of becoming the No.1 steel company focusing on high-grade steel in the Americas.

For more information, please contact:
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<Reference>

The progress of major investments of USIMINAS

1) Ipatinga Steel Works

- Construction of New-No3 Coke Plant (750,000 t / year): started operation in 3Q/2010
- Revamping of No2 Coke Plant (1,000,000 t / year):
Start-up: 3rd battery in 2Q/2012 and 4th battery in 4Q/2013
- Construction of New-No3 RH: Start-up in 3Q/2011
- High grade plate manufacturing equipment (CLC): finished implementation in 3Q/2010
- Expansion of Plate Mill capacity (+ 500,000 t / year): Start-up in 4Q/2012
- Construction of New-No2 CGL of Unigal (550,000 t / year): Start-up in 1Q/2011

2) Cubatao Steel Works

- Construction of New-No2 Hot Strip Mill (1st phase: 2,300,000 t / year): Start-up in 3Q/2011
- Construction of New-No3 Pickling Line (1,000,000 t / year): Start-up in 4Q/2011