

December 6, 2010

### **Investment in Cold Rolling Mill in Nigeria**

Nippon Steel Corporation (President: Shoji Muneoka; hereinafter referred to as “NSC”) and Marubeni-Itochu Steel Inc. (President: Kenichiro Ushino; hereinafter referred to as “MISI”) are pleased to announce that they have reached an agreement with Midland Rolling Mills Limited (Managing Director: M.P. Singh; hereinafter referred to as “MRM”) in regard to equity investment in MRM. According to the agreement, each of NSC and MISI is to respectively invest US\$ 3 million in MRM which manufactures and sells cold-rolled steel in Nigeria under management of SAFAL Group, who has long-term relationship with both NSC and MISI.

MRM, which is the first company to install a cold rolling mill in Nigeria, has completed trial run leading to a commercial production expected to start in January 2011. NSC and MISI, after studying request from MRM for equity investment and stable supply of hot-rolled steel in coil as raw material, have decided to participate in the equity by means of a capital increase through third-party allotment by MRM. Both companies believe that this investment enables to serve the emerging steel demand in Nigeria and West African countries through supply of raw material coils to MRM.

SAFAL Group owns and operates businesses in many of the Sub-Saharan African countries (Southwards of Sahara Desert). This group manufactures steel coils and sheets in form of cold rolling, galvanizing, color coating, etc. and steel pipes and tubes used mainly in the construction and infrastructure projects. In December 2008, NSC and MISI participated in equity to their re-rolling business (cold rolling, galvanizing, and color coating) in South Africa.

Africa is a growing market where future increase of steel consumption is anticipated due to population growth. Nigeria’s economy is expected to grow 5-7 % per year in GDP (real) growth rate. Both NSC and MISI believe that through this investment, they can enlarge the area for collaboration with SAFAL Group, develop further the business relationship and mutual trust, and strengthen the pipeline to the market, to capture demand of flat steel products for construction segment in Sub Saharan area.

#### **Outline of invested company**

Company name: Midland Rolling Mills Limited  
Location: Abeokuta, Ogun State, Nigeria  
Representative: Managing Director MR. M.P. Singh  
Establishment: November 2006  
Registered Capital (before this capital increase through third-party allotment):  
1.5 billion Naira  
(approximately 0.9billion Japanese Yen, as of the end of November 2010)  
Business outline: Manufacture and sale of cold rolled steel sheets and coils  
Land Area: 338,000 m<sup>2</sup>  
Production Capacity: Pickling Line: 300,000 tons per annum (to be constructed)  
Cold Rolling Mill: 150,000 tons per annum (commercial production from January 2011)  
Future Expansion: additional 200,000 tons per annum for cold rolling and annealing facility

#### **Contact information**

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## Reference information

### Nippon Steel Corporation

Headquarters: 2-6-1, Marunouchi, Chiyoda-ku, Tokyo  
Representative: President Shoji Muneoka  
Establishment: March 31, 1970  
Registered Capital: 419.5 billion Japanese Yen  
Turnover: 3,487.7 billion Japanese Yen (year ended in March 2010)  
Number of employee: 15,845 (as of March 31 2010)

### Marubeni-Itochu Steel Inc.

Headquarters: 1-4-1, Nihonbashi, Chuo-ku, Tokyo  
Representative: President Kenichiro Ushino  
Establishment: October 1, 2001  
Registered Capital: 30 billion Japanese Yen  
Turnover: 1,400.7 billion Japanese Yen (year ended in March 2010)  
Number of employee: 798 (as of April 1 2010)



▲ Overview of Midland Rolling Mills



▲ Operating new cold rolling mill