

New Shareholders' Agreement of Usiminas

Nippon Steel Corporation (President: Shoji Muneoka) ("NSC") executed on February 18 a new shareholders' agreement of Usinas Siderúrgicas de Minas Gerais S.A. – Usiminas (President: Wilson Brumer) ("Usiminas") with Votorantim Industrial S.A. ("Votorantim Group"), Camargo Corrêa S.A., Construções e Comércio Camargo Corrêa S.A. and Camargo Corrêa Investimentos em Infra-estrutura S.A. (collectively, "Camargo Group"), Nippon Usiminas Co., Ltd. (a subsidiary company of NSC) ("Nippon"), Mitsubishi Corporation do Brasil, S.A. ("Mitsubishi") and Metal One Corporation ("Metal One"), the major shareholders of Usiminas.

At Usiminas, the parties to the current Shareholders' Agreement executed in November 2006 (the "Current SHA"), which are composed of (1) "Nippon Group" consisting of NSC, Nippon, Mitsubishi and Metal One, (2) "V/C Group" consisting of Votorantim Group and Camargo Group and (3) Pension Fund of the Employees of Usiminas (Caixa dos Empregados da Usiminas, "CEU") hold 63.9% of the voting shares.

Discussions have been held among Nippon Group, Votorantim Group and Camargo Group with the purpose of providing certainty about the stability of the controlling group assuring the continuous growth and development of Usiminas. Nippon Group, Votorantim Group and Camargo Group, (1) notified CEU about their intention to terminate the Current SHA in November 2016 and (2) executed a new shareholders' agreement of Usiminas, subject to the formal internal corporate approvals (as applicable). The new shareholders' agreement shall only become effective immediately upon the termination of the Current SHA and shall be in force until November 2031 (and its terms also provide for the possibility of subsequent 5-year extensions from then onwards).

Usiminas will capture the fast growing South American steel demand, especially in Brazil, by starting operation of high quality thick plates production facilities (already in operation since 2010), No.2 Hot-Dip Galvanizing Line at Unigal (a joint venture between NSC and Usiminas for manufacturing hot-dip galvanized steel sheets for automotive use) and New Hot Strip Mill in Cubatão etc. each of which will be in operation in 2011. Moreover, Usiminas will increase its competitiveness and expand its production capacity through plans for expanding iron ore mining business and optimization of the production structures of existing steelworks, which are now under planning phases.

NSC has always cooperated for the management of Usiminas and provided it with technology assistance since the foundation of Usiminas. NSC will continue to support Usiminas under the new shareholders' agreement with a view to achieving even higher corporate values of both NSC and Usiminas.

Equity shares and composition of parties to the shareholders' agreement

		Shares under the Current SHA (-November 2016)		Shares under the new shareholders' agreement (from November 2016 on)	
		% of Voting Shares	% of Bound Shares	% of Voting Shares	% of Bound Shares
	NSC/ Nippon	26.1%	40.9%	26.1%	48.6%
	Mitsubishi/ Metal One	1.6%	2.5%	1.6%	3.0%
Nippon Group Total		27.8%	43.5%	27.8%	51.7%
	Votorantim Group	13.0%	20.3%	13.0%	24.2%
	Camargo Group	13.0%	20.3%	13.0%	24.2%
V/C Group Total		26.0%	40.7%	26.0%	48.3%
CEU		10.1%	15.9%	-	-
Controlling Shareholders Total		63.9%	100.0%	53.7%	100.0%

* Each percentile number is rounded at first decimal place. Total numbers will not necessarily be arithmetic totals.

(Contacts) Public Relations Center, General Administration Div.

TEL : +81-3-6867-2135, +81-3-6867-2146, +81-3-6867-2147

References:

[Outline of Usiminas]

1. Head office: Belo Horizonte, MG, Brazil
Steelworks: Ipatinga, MG, Brazil and Cubatão, SP, Brazil
2. CEO: Wilson Nélio Brumer
3. Capital: R\$ 12,150 million
4. Net sales: R\$ 9,870 million (Jan – Sep, 2010, consolidated)
5. Net income: R\$ 1,171 million (Jan – Sep, 2010, consolidated)
6. Production: 5.71 million tons of crude steel (Jan – Sep, 2010)
7. Start of operation: October 1962 (Founded in January 1958)

Attachment:

[Material Fact Disclosed by Usiminas]

Usinas Siderúrgicas de Minas Gerais S.A. – Usiminas communicates to the market that on February 18, 2011, it was informed by Nippon Group (Nippon Steel Corporation, Nippon Usiminas Co., Ltd., Mitsubishi Corporation do Brasil, S.A. and Metal One Corporation), Votorantim Group (Votorantim Industrial S.A.), and Camargo Corrêa Group (Camargo Corrêa S.A., Construções e Comércio Camargo Corrêa S.A. and Camargo Corrêa Investimentos em Infra-estrutura S.A.), all of which are members of the company’s controlling group and for the purposes hereof defined as the “*Notifying Shareholders*”, that:

(i) taking into account the early termination possibility set out in the current Shareholders’ Agreement of Usiminas for year 2016 (the 10th Anniversary), discussions have been held among the Notifying Shareholders with the purpose of providing the various stakeholders of the company and the market with certainty about the stability of the controlling group and, consequently, assuring both the company continuous growth and development;

(ii) as a result of such discussions – but without prejudice to their firm intention to fully comply with and abide by the Shareholders’ Agreement as currently in force –, on February 18, 2011, the Notifying Shareholders notified Caixa dos Empregados da Usiminas – CEU about their intention to terminate the current Shareholders’ Agreement on its 10th Anniversary, and executed a new shareholders’ agreement of Usiminas, which shall only become effective immediately upon the termination of the existing Shareholders’ Agreement, subject to the formal internal corporate approvals (as applicable) of the Notifying Shareholders. The new shareholders’ agreement, entered into on the date hereof among the Notifying Shareholders (which currently hold approximately 53.7% of the voting capital of Usiminas), shall be in force until 2031 (and its terms also provide for the possibility of subsequent 5-year extensions from then onwards).

The company understands that the new shareholders’ agreement does not derive from nor result in a disposal of control, nor is it expected to significantly change the current control structure of Usiminas given that the Notifying Shareholders, i.e. the main controlling shareholders of the current agreement, will continue to be parties to the new agreement in a similar equity proportion.