

May 23, 2011
Nippon Steel Corporation

UNIGAL Celebrates the Completion of its Second Continuous Galvanizing Line (No.2 CGL)

UNIGAL Ltda., the joint venture established by Nippon Steel Corporation (president: Shoji Muneoka; hereinafter referred to as “Nippon Steel”) and Usiminas (CEO: Wilson Brumer) to manufacture automotive galvanized steel sheets, recently completed its second continuous galvanizing line (No. 2 CGL) and held a ceremony to celebrate the completion on May 18 at UNIGAL’s premises, located inside the Ipatinga Works of Usiminas.

The ceremony was attended by more than 300 guests, including Development, Industry and Commerce of Brazil Minister Fernando Pimentel, Minas Gerais State Governor Antonio Anastasia, Japanese Ambassador to Brazil Akira Miwa, and customers of UNIGAL, as well as by a large number of people related to UNIGAL, including Usiminas CEO Wilson Brumer and Nippon Steel Vice President Shinichi Taniguchi.

Overview of the press release issued by USIMINAS and UNIGAL on May 18:

UNIGAL Holds Ceremony to Celebrate the Completion of No.2 CGL on May 18

Establishment of a supply system to meet growing demand

The new line will increase UNIGAL’s annual production capacity of galvanized steel by 550,000 tons to more than one million tons. With this capacity, UNIGAL consolidates its competitive advantage to cater to the growing demand for galvanized steel in Brazilian industrial sectors, including automotive, home appliances, and civil construction.

Enhancement of the capacity to produce high-quality steel through the introduction of cutting-edge technologies

The new line will expand the range of UNIGAL product sizes and amplify its value-added product mix for automobile use by including high-strength steel and L-Treatment steel,* such that UNIGAL will be able to respond effectively to the increasingly sophisticated needs of customers both domestic and international.

*L-Treatment steel: A product developed by Nippon Steel, of which the surface is covered with an inorganic film of a very small thickness, which has better performance during stamping processes.

As mentioned above, USIMINAS and UNIGAL are committed to contributing to the further enhancement of the competitiveness of Brazilian industry through the starting-up of No.2 CGL.

Nippon Steel and USIMINAS are committed to both contributing to the economic growth of Brazil and other South American countries by supplying automotive steel sheets/other quality steel products in a stable manner through UNIGAL and further enhancing the corporate value of Nippon Steel and Usiminas.

Reference: Outline of the Joint Venture (UNIGAL)

Name:	UNIGAL Ltda.
Location:	Ipatinga City, Minas Gerais State, Brazil (inside the Ipatinga Works of Usiminas)
Investment ratio:	Nippon Steel 30%, Usiminas 70%
Capital:	Approximately 585 million reais (approximately 29 billion yen)
Major facilities:	No.1 CGL, with an annual capacity of 480,000 tons, and No.2 CGL, with an annual capacity of 550,000 tons
Operation commencement:	May 2011 (October 2000 for No.1 CGL)

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