

November 17, 2011

Investment in Galvanizing Mill in the United Arab Emirates

Nippon Steel Corporation (President: Shoji Muneoka; hereinafter referred to as “NSC”) is pleased to announce that NSC has reached an agreement with the shareholders of Al Ghurair Iron & Steel L.L.C. (CEO: Mr. Abu Bucker Husain; hereinafter referred to as “AGIS”) with regard to an equity investment in AGIS through a share transfer. AGIS manufactures and sells hot-dip galvanized steel sheets under the management of the Al Ghurair Group, which is one of the largest conglomerates in the United Arab Emirates (“UAE”). Through this transaction, NSC is to secure 20% of voting rights in AGIS, with AGIS becoming an equity method affiliate of NSC for accounting purposes.

AGIS, which is the first company that installed a galvanizing line in the UAE, commenced commercial production in 2009 with a pickling-line, a cold-rolling mill, and a galvanizing-line. Since the first year of commercial production, AGIS has achieved a high level of operation and sales, by taking advantage of its location in the UAE as an international physical distribution base while expanding its customer network in the market of flat steel products applied to construction in the Middle East, North Africa (“MENA”*) and West Asia.

The Middle East is a growing market where steel consumption is anticipated to grow at an annual rate of 8-10% due to investments in the construction field together with a strong petroleum industry. NSC believes that this investment enables it to capture the emerging flat steel products demand in the construction field of MENA and West Asia through the supply of hot-rolled-coils as raw material to AGIS.

Outline of invested company

Company name:	Al Ghurair Iron & Steel L.L.C.
Location:	The Industrial City of Abu Dhabi, the United Arab Emirates
Representative:	Mr. Abu Bucker Husain, Chief Executive Officer
Establishment:	May 2005
Registered Capital	105 million AED* ² (approximately 2 billion Japanese Yen, as of the end of March 2011)
Total Assets	564 million AED* ² (approximately 12 billion Japanese Yen, as of the end of March 2011)
Business outline:	Manufacture and sale of hot-dip galvanized steel sheets
Land Area:	100,000 m ²
Production Capacity:	Pickling Line: 460,000 tons per annum Cold Rolling Mill: 360,000 tons per annum No1 CGL (Continuous Galvanizing Line): 250,000 tons per annum No2 CGL (as a future expansion): additional 200,000 tons per annum

Notes

*1: MENA=Middle East and North Africa

*2: AED=United Arab Emirates Dirham (3.6725AED/USD, pegged to USD since November 1997)

Contact information

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About Al Ghurair Group

Representative	Mr. Majid Saif Al Ghurair
Business	Petrochemicals Packaging, Aluminium, Shopping Malls, Real Estate Strategic & Portfolio Investments
Subsidiaries	Arabian Can Industry Taghleef Industries Arabian Packaging Gulf Extrusions Burjuman Reef Mall Al Ghurair Real Estate Al Ghurair Private
URL	http://www.alghurair.com/

Photos



▲ Entrance of AGIS plant



▲ No1 CGL in AGIS plant



▲ Signing ceremony in UAE regarding this investment

Left; Al Ghurair group / Mr. Majid Saif Al Ghurair

Right; NSC / Mr. Shinya Higuchi

