

November 28, 2011
Nippon Steel Corporation

Share Purchase Agreement and New Shareholders Agreement of Usiminas

Nippon Steel Corporation (President: Shoji Muneoka, “**NSC**”) announced that on November 27 (Brazilian time), it executed, subject to the approval of the Board of Directors, Share Purchase Agreement and New Shareholders Agreement of Usinas Siderúrgicas de Minas Gerais S.A. (Usiminas – President: Wilson Brumer) , an equity method affiliate of NSC.

1. Share Purchase Agreement (“**NSC- SPA**”)

An agreement between NSC and Caixa dos Empregados da Usiminas (Pension Fund of the Employees of Usiminas, “**CEU**”) to purchase 8,527,440 ordinary shares subject to the current shareholders agreement (“**Current SHA**”) (*) held by CEU, representing approximately 1.69% of the ordinary shares (“**ON’s**”) of Usiminas, for a price of R\$36 per share.

(*) Current SHA

At Usiminas, 63.9% of its ordinary shares are held by the parties to the Current SHA, signed in November 2006, which are composed of (i) “Nippon Group”, who are NSC, Nippon Usiminas Co., Ltd. (a subsidiary of NSC, “NU”), Mitsubishi Group (Mitsubishi Corporation do Brasil S.A., and Metal One Corporation), (ii) “V/C Group”, who are Votorantim and Camargo’s subsidiary and (iii) CEU.

2. New Share Holders Agreement (“**New SHA**”)

The affiliates of Ternium S.A. (Latin America based leading steel company) (“**Ternium Group**”) (*1) also executed Share Purchase Agreement (*2) with Votorantim, Camargo’s subsidiary and CEU, to purchase 139,741,296 ordinary shares subject to Current SHA, representing approximately 27.66% of the ordinary shares of Usiminas, for a price of R\$36 per share, simultaneously with NSC-SPA.

As composition of controlling shareholders would change with the execution of this series of share purchase agreements, NSC Group (NSC, NU and Mitsubishi Group), Ternium Group and CEU executed New SHA.

The transactions of these share purchase agreements are expected to be completed in mid January, and the New SHA is expected to be effective at the same time, after approved by the Board of Directors of NSC.

(*1) Ternium Group

Ternium Investments S.à r.l., Confab Industrial S.A., Siderar S.A.I.C., and Prosid Investments S.C.A.

(*2) Share Purchase Agreement of ordinary shares of Usiminas by Ternium Group

Ternium Group entered into certain share purchase agreements with each of VBC Energia S.A. (“**VBC**”), Votorantim Industrial S.A. (“**Votorantim**”) and CEU, pursuant to which Ternium Group agreed to purchase the following ordinary shares issued by Usiminas from each such selling shareholder, for a price of R\$36 per share:

- (i) 65,606,926 ordinary shares from VBC (representing approximately 12.98% of the ordinary shares)
- (ii) 65,606,930 ordinary shares from Votorantim (representing approximately 12.98% of the ordinary shares),
- (iii) 8,527,440 ordinary shares from CEU (representing approximately 1.69% of the ordinary shares)

Composition of controlling shareholders

		Current SHA		New SHA	
		Registered ONs (%)	All ONs (%)	Registered ONs (%)	All ONs (%)
	NSC	3.75%	2.39%	6.39%	4.08%
	NU	37.18%	23.74%	37.18%	23.74%
	NSC and NU	40.93%	26.14%	43.57%	27.83%
	Mitsubishi Group	2.54%	1.62%	2.54%	1.62%
NSC Group		43.47%	27.76%	46.12%	29.45%
Ternium Group		—	—	43.31%	27.66%
V/C Group		40.67%	25.97%	—	—
CEU Group		15.86%	10.13%	10.57%	6.75%
Controlling Shareholders		100.00%	63.86%	100.00%	63.86%
Non-Controlling Shareholders		—	*1 36.14%	—	*1 36.14%

*1 : NSC also holds ordinary shares among Non-Controlling Shareholders, representing approximately 1.33% of ordinary shares, other than above shares within Controlling Shareholders.

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

Usiminas was established in 1958 with financial and technical cooperation from Japan, and will celebrate its 50 years’ anniversary next year since its commencement of operation in

1962. During this period, Usiminas has grown to be a foremost steel company in South America in terms of production scale and technological level.

In recent years, Usiminas is expected to have further development through its investment such as high quality thick plate production facilities for capturing growing steel demand in energy industry, expansion of production capacity of steel sheets for automotive industry and new Hot Strip Mill in Cubatão. Moreover, Usiminas will increase its competitiveness and expand its production capacity through plans for expanding iron ore mining business and improvement of its energy efficiency, which are now under planning phases.

On the other hand, business environment surrounding Usiminas continues to be severe, due to increased prices of raw materials, more global competition, and appreciation of the currency.

NSC entered into the New SHA, since we believe that the robust business fundamentals with long-term commitment to manage Usiminas and more strategic and agile management are necessary to enable Usiminas to further strengthen its competitiveness and continuously grow and develop.

In cooperation with Ternium Group, global leading steel companies, under New SHA, NSC will continue to work for even higher competitiveness and corporate values of Usiminas, as an important base for our global strategy, together with its employees, represented by CEU.

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References: Outline of Usinas Siderúrgicas de Minas Gerais S.A. - Usiminas

1. Head office :Belo Horizonte, MG, Brazil
- Steel works :Ipatinga, MG, Brazil and Cubatão, SP, Brazil
2. CEO :Wilson Nélio Brumer
3. Capital :R\$ 12,150 million
4. Net sales :R\$ 12,962 million (Jan – Sep, 2010, consolidated)
5. Net income :R\$ 1,584 million (2010, consolidated)
6. Production :7.3 million tons of crude steel (2010)
7. Start of operation :October 1962 (Founded in January 1958)