

March 4, 2011

JFE Steel Corporation  
Nippon Steel Corporation  
Sojitz Corporation  
Japan Oil, Gas and Metals National Corporation

**JFE Steel, Nippon Steel, Sojitz, JOGMEC,  
POSCO and NPS Form Japan-Korea Partnership  
Group to Invest in Brazilian Producer of Niobium,  
Critical Alloying Element for High-Grade Steel Products**

A Japanese investor group consisting of JFE Steel Corporation (JFE), Nippon Steel Corporation (NSC), Sojitz Corporation (Sojitz) and Japan Oil, Gas and Metals National Corporation (JOGMEC) and a Korean investor group consisting of major Korean steel producer POSCO and National Pension Service (NPS) entered into an agreement with the controlling shareholders of the Brazilian niobium company Companhia Brasileira de Metalurgia e Mineração (CBMM) under which the Japan-Korea partnership will acquire a 15% stake in CBMM. Niobium is a critical alloying additive in the production of high-grade steel products. As the most comprehensive supplier of niobium products in the world, CBMM is in a position to secure a continuous supply system of the metal as the need for high-grade steel products grows.



Map of Brazil showing the site of the niobium mine and the Araxá mine

The four Japanese companies will use two special purpose companies (“SPC”) to acquire a 10% stake and the two Korean companies will use a separate SPC to acquire a 5% stake in CBMM. The amount of the investment by the Japan consortium and the Korea consortium will be \$1.3 billion (approximately JPY 108 billion) and \$650 million (approximately JPY 54 billion), respectively, and each of the six consortium partners will indirectly hold a 2.5% stake in CBMM (for a

combined total of 15%). This investment in such a significant supplier of niobium comes at an opportune time and has real strategic value to the companies of the Japanese and the Korean consortium.

In addition to the acquisition of CBMM shares, JFE, NSC, POSCO and Sojitz entered into a long-term niobium supply agreement with CBMM, assuring that the stable relationship these companies have long had with CBMM continues.

JOGMEC decided to participate in the consortium according to Japanese government's policy to secure resources. This transaction represents the first project of the equity participation scheme for mining business under operation after the amendment of JOGMEC law in 2010.

Niobium is indispensable in the production of high-grade and special steel products. It is distinguished by its ability to dramatically enhance the strength, durability, and heat resistance of steel products with the addition of only trace amounts. High-grade and special steel products and superalloy products containing niobium include pipelines, automotive steel, large-scale construction steel, turbines, aircraft engines, including the ones used in the space shuttle, and other cutting edge machinery.

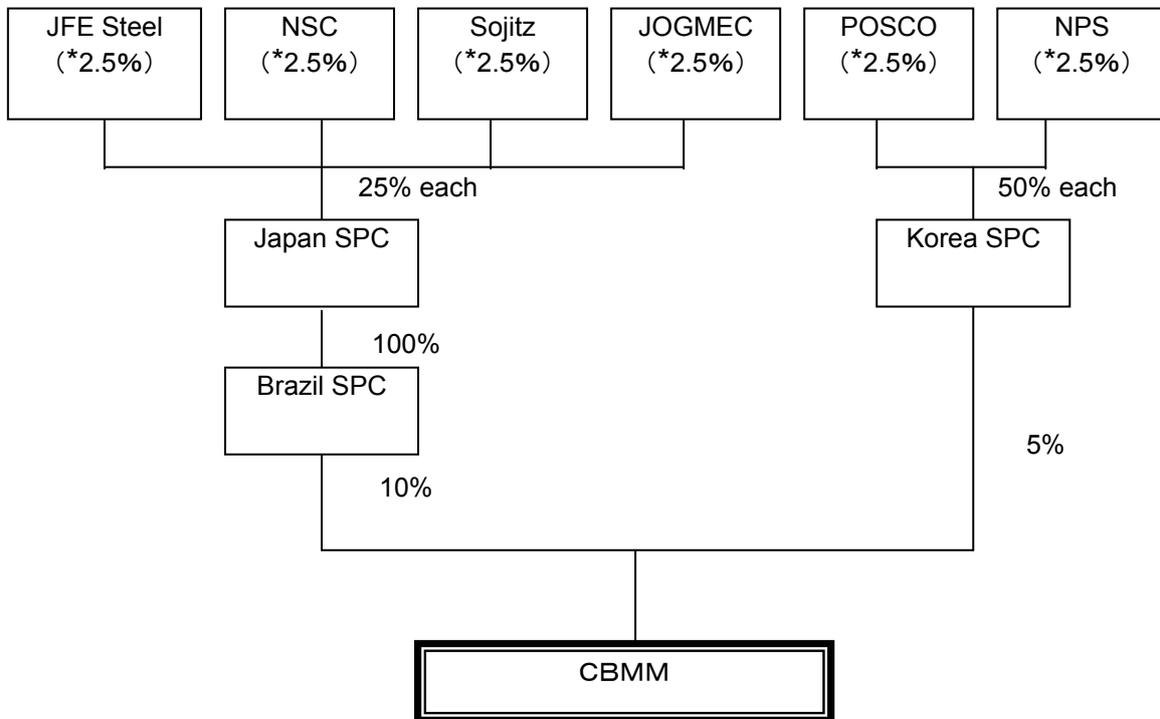
CBMM, a Brazilian company established in 1955, owns a niobium mine, refining plant and metallurgical production facilities in the Araxá area of Minas Gerais State. Brazil holds the largest part of total known niobium reserves in the world according to data from official agencies, and CBMM is thought to hold rights to the best niobium reserves in Brazil.

Worldwide demand for niobium recorded an annual growth rate of some 10% from 2002 through 2009, buoyed by growing need for high-grade steel in emerging economies including China and India. China in particular doubled its niobium imports over a four-year period to about 30% of global output. Demand for niobium is projected to grow faster than the expansion in world crude steel production. As global crude steel production rises, the global demand for niobium will also show steady growth.

The growth of emerging nations is propelling the demand for high-grade steel products, and security of niobium supply sources is becoming an important issue. This transaction will ensure stable supply of niobium to both Japan and Korea.

## Reference Information

### ■ Structure (\*interest ratio in CBMM)



### ■ Outline of the CBMM

Representative : Fernando Moreira Salles (Chairman)  
Tadeu Carneiro (CEO)

Location : São Paulo, Brazil

Production Quantity : 72,000 ton (FY2010)

## ■ Company Profiles

### ○JFE Steel Corporation

Head Office : Uchisaiwaicho, Chiyoda-ku, Tokyo, Japan  
Representative : Eiji Hayashida  
Establishment : April 1, 2003  
Capital : 239.6 billion yen  
Net sales : 228.1 billion yen (consolidated, FY2009)  
Number of Employees: 13,922 (non-consolidated, as of March 31, 2010)

### ○Nippon Steel Corporation

Head Office : Marunouchi, Chiyoda-ku, Tokyo, Japan  
Representative : Shoji Muneoka  
Establishment : March 31, 1970  
Capital : 419.5 billion yen  
Net sales : 3487.7 billion yen (consolidated, FY2009)  
Number of Employees: 15,845 (non-consolidated, as of March 31, 2010)

### ○Sojitz Corporation

Head Office : Akasaka, Minato-ku, Tokyo, Japan  
Representative : Yutaka Kase  
Establishment : April 1, 2003  
Capital : 160.3 billion yen  
Net Sales : 3844.4 billion yen (consolidated, FY2009)  
Number of Employees: 2,309 (non-consolidated, as of December 31, 2010)

### ○Japan Oil, Gas and Metals National Corporation (JOGMEC)

Head Office : Saiwai-ku, Kawasaki-city, Kanagawa  
Representative : Hirobumi Kawano  
Establishment : February 29, 2004  
Capital : 320 billion Yen  
Number of Employees: 476 (non-consolidated, as of April 1, 2010)

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