

November 29, 2018

To all persons concerned:

Nippon Steel & Sumikin Bussan Corporation

Establishment of Flat rolled Steel Service Center in Houston, Texas

Nippon Steel & Sumikin Bussan Americas, Inc. is the United States subsidiary of Nippon Steel & Sumikin Bussan Corporation (hereafter referred to as “NSSB;” head office: Minato-ku, Tokyo; president: Yasumitsu Saeki). As a joint venture between this subsidiary and the processor of flat rolled steel products, Pacesetter Steel Service, Inc. (hereafter referred to as “Pacesetter;” headquarters: Kennesaw, Georgia, USA; CEO: Aviva Leebow Wolmer), the two companies have agreed to establish a flat rolled steel service center to process sheet and coil in Houston, Texas, and have formed a new company for this purpose.

Pacesetter already operates service centers in the cities of Marietta, Georgia, Sauk Village, Illinois, and Houston, Texas. This new company will construct a new plant in Houston, which will take over and expand the business of the Pacesetter Houston plant while capturing demand in the southern U.S. and northern Mexico.

The establishment of this new company will increase the number of NSSB Group steel service centers in the United States and Mexico to four centers operated by three companies.

1. Objectives

- 1) Capture demand flat rolled steel market that is shifting from imported materials to U.S. domestic materials due in part to the effects of trade issues in the United States.
- 2) Enter the market in the southern U.S. where demand growth is expected.

2. New company profile

Company name	NSPS Metals, LLC
Location	Houston, Texas, USA
Industry	Processing and sales of flat rolled steel products
Established	November 2018
Representative/CEO	To be selected and dispatched from NSSB
Capital	US\$18.6 million
Equipment investment	Approximately US\$29 million
Equipment	Slitter × 1, Leveler × 2, Mini Leveler × 1
Production capacity	Starting from 100,000 tons/year
Shareholder structure	NIPPON STEEL & SUMIKIN BUSSAN AMERICAS, INC.: 13.0 million USD (70%) Pacesetter Steel Service, Inc.: 5.6 million USD (30%)

3. Profile of Pacesetter Steel Service, Inc.

Location	Kennesaw, Georgia, USA
Industry	Flat rolled steel service center
Established	September 1977
Representative/CEO	Aviva Leebow Wolmer

(Reference information)

NSSB Group service centers in the United States and Mexico

<USA>

Company name	Kentucky Steel Center, Inc.
Locations	Headquarters & Plant: Berea, Kentucky, USA Tennessee Plant: Mascot, Tennessee, USA
Capital	US\$8 million
Industry	Processing and sales of flat rolled steel products
Established	July 1996
Representative	Hirokazu Araki
Sales	US\$86 million (2017)

<Mexico>

Company name	Aguascalientes Steel Coil Center, S.A. de C.V.
Location	Aguascalientes, Aguascalientes, Mexico
Capital	US\$25 million
Industry	Processing and sales of flat rolled steel products
Established	February 2012
Representative	Seiji Motoni
Sales	US\$16 million (2017)

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