

December 17, 2019

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Representative :Eiji Hashimoto, Representative Director and President
Stock listing :First Section of the TSE, First Section of the NSE, FSE, and SSE
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ArcelorMittal and Nippon Steel Complete Joint Acquisition of Essar Steel in India

Nippon Steel Corporation announced the subject of the title.

Please refer to the following pages for details..

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ArcelorMittal

NIPPON STEEL CORPORATION

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ArcelorMittal (“AM”) and NIPPON STEEL CORPORATION (“Nippon Steel”) completed the joint acquisition of Essar Steel India Limited (“ESIL”) on December 16, 2019, which was implemented by the joint venture of AM and Nippon Steel. ESIL will start anew as ArcelorMittal Nippon Steel India (“AM/NS India”).

As one of the promising steel markets in the world, India is anticipated to make steady growth along with its economic and population growth. It is also a market where domestically produced steel products possess a high market share. AM/NS India has significant potential for further expansion and growth in this market. The company owns the country’s third-largest integrated steel mill in Western India, an area in strong steel demand, and has a diversified range of product line-up mainly comprising flat steel products. The joint acquisition and revitalization of AM/NS India enables AM and Nippon Steel to participate, as a domestic integrated steelmaker, in capturing growing mid- to long-term steel demand in India.

AM and Nippon Steel will manage AM/NS India as equal partners, the same as management of other joint ventures of ours, such as the ones in the United States. The two companies will leverage their respective strengths and apply them to realize the maximum potential of AM/NS India and revitalize it as a competitive steel company.

Comments from Lakshmi Mittal, Chairman and CEO of AM

“The acquisition of Essar Steel is an important strategic step for ArcelorMittal. India has long been identified as an attractive market for our company and we have been looking at suitable opportunities to build a meaningful production presence in the country for over a decade. Both India and Essar’s appeal are enduring. Essar has sizeable, profitable, well-located operations and the long-term growth potential for the Indian economy and therefore Indian steel demand are well known. The transaction also demonstrates how India benefits from the

Insolvency and Bankruptcy Code, a genuinely progressive reform whose positive impact will be felt widely across the Indian economy.

“We are also delighted to be embarking on this together with Nippon Steel, with whom we have a trusted, long-term relationship. Our combined strengths and technology will bring many new opportunities which will allow us to make a positive contribution to India’s target to grow steelmaking capacity to 300 million tonnes per annum by 2030, and for its manufacturing sector more broadly.”

Comments from Eiji Hashimoto, Representative Director and President of Nippon Steel

“ArcelorMittal Nippon Steel India manufactures flat steel, steel plates and steel pipes mainly at its integrated steel mill with nominal crude steel production capacity of 9.6 million tons per year in India, one of the most promising steel markets in the world. The company also has a wide-ranging domestic sales network and manufacturing plants in east India producing pellets, a raw material of steel.

“AM and Nippon Steel will bring out ArcelorMittal Nippon Steel India’s potential by providing it with their respective business experience and world-leading advanced technologies, so as to promptly implement the resolution plan and realize its further business expansion. I am confident that ArcelorMittal Nippon Steel India will play a significant role in the development of India’s steel industry, as one of its participants.

“For years Nippon Steel has been making direct investments in many countries, including Brazil, the United States, China and ASEAN countries, in areas where we can take advantage of our advanced technology, contributing steadily to the industrial development and the enhancement of the self-sufficiency in each host country. We will strive to establish a prominent presence in India, conforming with its policy to increase domestically-produced steel products. This will further enable us, Nippon Steel, to accelerate our advance towards becoming “the best steelmaker with world-leading capabilities.”

Aditya Mittal, President and CFO of AM

“India is a large and strategic market and we are delighted to be here. Our aim is to create

sustainable and long-term value by becoming a leading steel manufacturer in the country. Essar Steel has quality facilities which provide us with immediate and substantial production capacity, and we also gain an excellent platform for further growth, across both volume and product quality. This acquisition gives us the opportunity to contribute to India's expansion in infrastructure and urbanization in the coming decades. To do this, we have in place a targeted capital expenditure plan designed to build on our combined management strength, operational expertise, commitment to safe, sustainable steelmaking and industry-leading research and development.

“Through our proven partnership with Nippon Steel, we are confident that AM/NS India will create significant value – for shareholders, our business partners, employees and communities in India.”

The impact of the joint acquisition on Nippon Steel's consolidated financial statements is unspecified as of this moment. Nippon Steel will promptly announce when any matter to be announced occurs.

[Overview of the acquisition]

1. Details of the joint acquisition

- Acquisition amount: 500 billion INR or 770 billion yen at 1.54 yen/INR
 - 420 billion INR for repayment of ESIL's debts
 - 80 billion INR for initial capital injection (mainly for capital expenditure and working capital)

2. Details of the joint venture

- Operating company: ArcelorMittal Nippon Steel India (former ESIL)
- Location: Hazira, Gujarat State, Western India
- Ownership structure: Nippon Steel 40%; AM 60% (The joint venture will be accounted for based on the equity method by both companies. AM/NS India will be managed based on equal partnership of both companies.)
- Board of directors: the same number of directors to be nominated by AM and Nippon Steel
- CEO: Mr. Dilip Oommen
- Production base:

- Hazira Integrated Steelworks (Gujarat State, Western India)
- Pune Downstream Rerolling Plant (Maharashtra State, Western India)
- Paradeep Pelletization Plant (Paradeep, Odisha State, Eastern India)
- Visakhapatnam Pelletization Plant (Visakhapatnam, Andhra Pradesh State, Eastern India)
- Production capacity: crude steel (nominal), 9.6 million tons/year (Integrated steel mill)
- Product types: hot-rolled, cold-rolled, galvanized, coated steel sheets, steel plates, steel pipes
- Revenue: 260.3 billion INR (Fiscal Year ended on March 31, 2018) or 400 billion yen at 1.54 yen/INR
- Number of employees: 3,806 (March 31, 2018)



For inquiries

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