

**Acquisition of the shares in the subsidiary of Usinas Siderúrgicas de Minas Gerais S.A.
with respect to its Brazilian iron ore mining business**

Sumitomo Corporation (President and CEO: Susumu Kato; Headquarters: Chuo-ku, Tokyo, Japan; hereinafter "Sumitomo") announced it has reached an agreement in principle with Usinas Siderúrgicas de Minas Gerais S.A. (Chief Executive Officer: Wilson Nélio Brumer; Headquarters: Belo Horizonte, Brazil; hereinafter "Usiminas"), a leading Brazilian steel producer. Sumitomo will subscribe primary shares in Mineração Usiminas S.A. (hereinafter "MUSA"), which has been established by Usiminas as an iron ore mining subsidiary.

In the past several years, Sumitomo has been actively pursuing investment opportunities in prospective iron ore projects in Brazil. This strategic partnership will provide Sumitomo an opportunity to participate in Usiminas' existing iron ore mining operations and their planned expansion. MUSA will be a fully integrated mining company with iron ore mines, railway capacity and port facilities.

Sumitomo has been expanding its natural resources business based on its strategic principle, in line with the mission of Sumitomo's mineral resources and energy business: *"Contribution to a stable supply of the natural resources for a sustainable growth of Japan and the world"*.

For developing its portfolio in the natural resources business, Sumitomo has taken into account various key investment decision factors such as "Product", "Area" and "Time Horizon". Sumitomo believes that this project perfectly meets these decision criteria because, (i) iron ore is one of the most important commodity products; (ii) Brazil is a focus area where Sumitomo does not yet own natural resources assets; and (iii) an immediate investment return from the existing iron ore mines operation as well as future growth potential are expected.

A. Outline of the Agreement in Principle with Usiminas

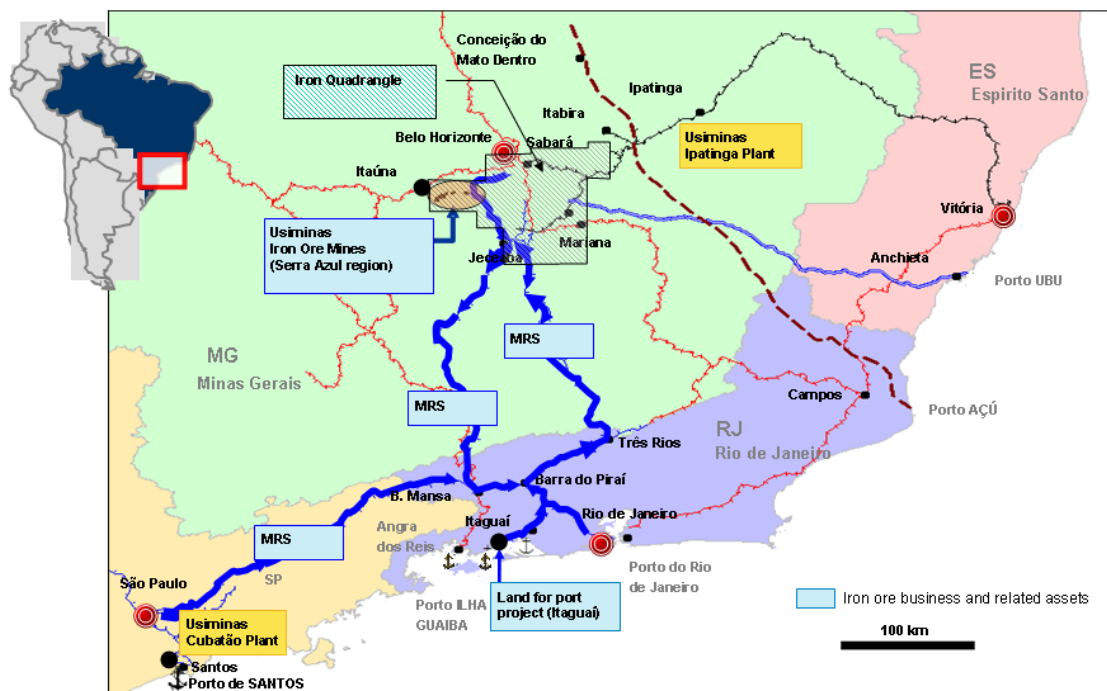
- 1) Usiminas will contribute the following iron ore-related assets to MUSA:
 - a) All iron ore mining assets owned by Usiminas in the Serra Azul region of the state of Minas Gerais,
 - b) A portion of the shares of MRS Logística S.A. ("MRS") held by Usiminas,
 - c) Land adjacent to the port of Itaguaí in the state of Rio de Janeiro that is owned by Usiminas and planned for development of logistics assets, and
 - d) Equity ownership stakes held by Usiminas in iron ore loading terminals near the Serra Azul region
- 2) Sumitomo plans to subscribe primary shares in MUSA equaling a 30% ownership position with cash consideration of up to US\$ 1,929 million, of which US\$ 1,350 million is expected to be paid at closing.

- 3) Sumitomo and Usiminas will work together with the aim to sign definitive agreements by the end of August 2010.

B. Project Overview

- 1) Mines Location: Serra Azul region, located in the northwest of the “Iron Quadrangle” which contains enriched iron ore, in the state of Minas Gerais of Brazil (Attachment 1)
- 2) MRS Railway and Loading Terminals: Privately-owned railway connecting the “Iron Quadrangle” with the Itaguaí port in the state of Rio de Janeiro and with Usiminas’ Cubatão steel plant in the state of São Paulo
- 3) Itaguaí Port Land: Land in Itaguaí in the state of Rio de Janeiro, planned for use in constructing iron ore export terminal facilities
- 4) Potentially Movable Resources: Approximately 2.4 billion dry tonnes
- 5) Production Capacity: Production capacity currently at 7 Mtpy which is to be expanded to approximately 30 Mtpy after realizing an iron ore project fully integrating iron ore mines, railway capacity, and port facilities

Attachment 1: Project Map



Source : Usiminas