



November 19, 2009
JFE Steel Corporation
JSW Steel Ltd.

**JFE STEEL CORPORATION & JSW STEEL LIMITED COME
TOGETHER
IN A STRATEGIC COLLABORATION**

JFE Steel Corporation, the world renowned Japanese steel company and JSW Steel Ltd., India's leading private sector steel company have bonded together in a historic collaboration agreement. The two companies signed the agreement on the 19th of November, 2009 in Mumbai. This collaboration agreement provides an ideal platform for both the steel companies to come together and leverage each others strength to their mutual benefit.

It may be recalled that JSW Steel, one of the fastest growing steel company in the world is expanding its production capacity to 11 million ton per annum by 2011 from the current levels of 7.8million ton per annum and is the largest private integrated steel manufacturer in India based on installed capacity. The company achieved a significant volume growth of 54% in crude steel production and 74% in saleable steel during the second quarter of FY 09-10. JSW is poised to become a major player in the value added segment of products. Its extra wide state-of-the-art Hot Strip mill will be ready by March 2010. The company has plans to expand its capacity to 32 million ton per annum by 2020 by setting up Greenfield projects of 10 million ton per annum each in Jharkhand and West Bengal.

JFE is the second largest steel company in Japan with an annual production of 33 million tones in year 2008, and ranks sixth in the world. It has an enviable global reputation of possessing cutting edge technology in the field of value added steel products, energy-saving and environment production with international benchmarks across a wide spectrum of steel manufacturing activities.

JSW is rapidly expanding its capacity and upgrading its technologies with its investment in various projects. JFE, with its world-leading technologies in

the production of value-added products, as well as environment protection and energy-saving technologies, is aiming to secure a local production base to serve customers in the high-growth Indian market. This time, the two companies shared the same vision in how to further strengthen our expertise in mutually beneficial manner and reached a strategic collaboration agreement.

1. Collaboration for Automotive Steel Production

At the outset, the parties have in principle agreed, subject to (i) obtaining all regulatory approvals, (ii) entering into definitive agreements, and (iii) fulfilling all conditions precedent as may be agreed to between the parties in the definitive agreements, to collaborate with each other in India in the area of automotive steel including production technologies and supply of substrate materials for hot rolled, cold rolled and galvanized products. The scope also covers joint service activities including application engineering and product development for automotive customers. Separate detailed agreements which shall spell out the scope and time-frames will be executed between the two companies area by area.

2. Further Collaboration in the near future

JFE and JSW have also arrived at a broad consensus on the areas where possible mutual collaboration can be explored in India in the near future in accordance with applicable laws. The areas include:

- 1) Production of steel products other than automotive steel.
- 2) Energy reduction programmes
- 3) Environmental programmes
- 4) Quality and yield improvement programmes
- 5) Performance audit of JSW facilities
- 6) Benchmarking of techno-economic parameters between the parties
- 7) Procurement of raw materials both in and outside of India
- 8) Project for building and operating an integrated steel production facility in JSW's West Bengal Steel Project
- 9) Mutual Stockholding
- 10) Other items which may come in the mutual interest of the parties.

Mr. Sajjan Jindal, VC & MD of JSW steel said, *“This collaboration opens up new vistas for our massive expansion projects and is an important milestone in JSW’s mission of moving up the value chain in steel production.”*

Mr. Hajime Bada, President and CEO of JFE steel said, *“JFE, with this agreement, is determined to intensify its relationship with JSW to serve the request of its automotive customers, which are rapidly expanding production, in local procurement of value-added steel products. This agreement shall also provide JFE an avenue to look into the future possibilities of development in India.”*

About JFE Steel Corporation

JFE Steel Corporation is the main operating company under JFE Holdings, Inc. It was established upon consolidation of former Kawasaki Steel Corporation and NKK Corporation in 2003. JFE Steel is one of the largest integrated steel producers in the world, with a complete range of high quality steel products to meet the diverse needs of customers not only in Japan but throughout the world, especially in the Asian region. JFE Steel has three main production centers: two large coastal steelworks located respectively in eastern and western Japan and Chita Works. JFE Steel also has technical research centers at both steelworks and at Chita Works, which are responsible for the development and application of the most advanced steel making technologies in the world. Complete energy saving/resource saving measures have been incorporated in all production processes, as part of a steel manufacturing system which gives full consideration to the global environment and local communities. JFE Steel achieved net sales of more than 3.4 trillion yen and ordinary income of 413 billion yen for the fiscal year ended March 31, 2009.

About JSW Steel Limited

JSW Steel Ltd., belonging to JSW group, part of the O P Jindal Group, is one of the lowest cost steel producers in the world. The group has

diversified interests in mining, carbon steel, power, industrial gases, port facilities, Aluminium, Cement and Information Technology. JSW Steel Limited is engaged in the manufacture of flat and long products viz. H R Coils, C R Coils, Galvanised products, auto grade / white goods grade CRCA Steel, Bars and Rods. Incorporated in 1994, it has grown to US \$ 3.5 billion in a little over a decade. JSW Steel Limited has the largest galvanizing and colour coating production capacity in the country and is the largest exporter of galvanized products, with a presence in over 100 countries across five continents.

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