



MACSTEEL(R) and Sanyo Special Steel Sign Technical Agreements

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HOUSTON, Oct. 7 /PRNewswire-FirstCall/ -- Quanex Corporation (NYSE: NX), an industry-leading manufacturer of engineered materials and components for the Vehicular Products and Building Products markets, announced today that MACSTEEL, its engineered steel bar division and Sanyo Special Steel Company, Ltd. have signed agreements for the transfer of technology relating to automotive steel applications.

In August 2002, Quanex announced a collaborative agreement between MACSTEEL and Sanyo to better support Japanese automotive and component manufacturers in the North American vehicular products market. Sanyo is a world leader in the production of specialty steel, particularly premium bearing steels for the automotive industry.

These agreements will primarily cover non-leaded, free-cutting steels, a patented steel developed by Sanyo as a substitute for leaded steels; a high strength steel developed for lighter weight powertrain applications; and quality improvements for steel cleanliness levels beyond the current domestic standards.

"These agreements for technology transfer and further collaboration will allow MACSTEEL to target additional applications for the new American automotive manufacturers," said Mark Marcucci, President - MACSTEEL. "This will further improve our participation in this important segment of the automotive market as well as provide new alternative products to our existing OEM customers."

Sanyo Special Steel Company, Ltd., headquartered in Himeji, Japan, is a manufacturer of high quality bearing steels. Sanyo is renowned internationally for producing top-rated, ultra clean bearing steels.

Quanex Corporation is an industry-leading manufacturer of engineered materials and components for the Vehicular Products and Building Products markets. The Company was founded in 1927 and its stock is listed on the New York Stock Exchange under the symbol NX. For further information visit the Company website at www.quanex.com or the MACSTEEL website at www.macsteel.com.

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