

Nippon Steel Corporation

(Code No. 5401, Tokyo, Osaka, Nagoya, Fukuoka & Sapporo Stock Exchanges)
Representative Director & President MIMURA Akio

Nittetsu Steel Sheet Corporation

(Code No. 5454, Tokyo & Osaka Stock Exchanges)
Representative Director & President HATTORI Masayuki

Nippon Steel Pipe Co., Ltd.

(Code No. 5462, Tokyo Stock Exchange)
Representative Director & President KINOSHITA Hiroshi

Nippon Steel Metal Products Co., Ltd.

Representative Director & President OKADA Akihisa

April 28, 2004

Nittetsu Steel Sheet, Nippon Steel Pipe and Nippon Steel Metal Products will become wholly-owned subsidiaries of Nippon Steel

Each of Nippon Steel Sheet Corporation (“NSSC”), Nippon Steel Pipe Co., Ltd. (“NSPC”) and Nippon Steel Metal Products Co., Ltd. (“NSMPC”) resolved at its Board of Directors’ meeting held on April 28, 2004 that it would become a wholly-owned subsidiary of Nippon Steel Corporation (“NSC”) through share-for-share exchange under the Commercial Code of Japan. NSC also resolved the same at its Board of Directors’ meeting held on April 28, 2004. NSC and each of NSSC, NSPC and NSMPC entered into a share-for-share exchange agreement respectively.

Each of NSSC, NSPC and NSMPC will submit its share-for-share exchange agreement for approval at its annual meeting of shareholders to be held in late June 2004. Upon approval, the share-for-share exchange will be implemented on July 31, 2004.

1. Purpose of making the three affiliated companies NSC’s wholly-owned subsidiaries

With the recognition that, to further enhance the corporate values on a consolidated basis, Nippon Steel Group needs to accelerate the improvement of group-wide profitability and competitiveness within the steel business, Nippon Steel Group has decided to promote the sharing of the group’s business strategies and solidify the structure for the implementation of this objective.

Specifically, NSSC, NSPC and NSMPC, which perform key roles in the sector of structural steel sheets, pipe and tube, and building and civil engineering products and whose sharing of business strategies with NSC in all aspects including marketing, production and research and development is essential, will be made wholly-owned subsidiaries of NSC.

NSSC, formed by the business consolidation between the former Daido Steel Sheet Corporation (“Daido Steel Sheet”) and Taiyo Steel Co., Ltd. (“Taiyo Steel”) in 2002, is the core company of NSC Group in the structural steel sheet area (plated and color-coated steel sheets and structural panels). In April 2004, NSSC, the holding company, fully consolidated Daido Steel Sheet and Taiyo Steel, its manufacturing subsidiaries, in an effort to promote measures to solidify the foundation for greater profitability.

NSPC is the key player of NSC Group in the area of small-diameter electric-welded pipes and tubes. Since its integration of the former small-diameter pipe mill of NSC’s Nagoya Works in March 1994, NSPC closely shares business strategies with NSC and has endeavored to manufacture pipes and tubes even more efficiently and sharpen the sensitivity to meet the

developments in the market place.

NSMPC is the central company of NSC Group in the area of steel products for building and civil engineering applications (fabricated steel sheet products). It has built a solid position in this business sector, aiming at realizing high profitability and debt-free business management.

NSC and each of NSSC, NSPC and NSMPC considered that, to further strengthen competitiveness and achieve growth in their respective areas in which each of those subsidiaries had been engaged, even closer collaboration with NSC than heretofore was necessary in all aspects including marketing, production and product development. With NSSC, NSPC and NSMPC becoming the wholly-owned subsidiaries of NSC, closer sharing of group strategies, optimum and efficient utilization of the group's managerial resources and implementation of speedy business management will be achieved under the division of activities by product category and the profitability, competitiveness and market responsiveness in all business sectors including those undertaken by the subsidiaries will be further strengthened and corporate values of NSC and each of those subsidiaries will be enhanced.

Shareholders of NSSC, NSPC and NSMPC are requested that they kindly extend to the reorganized group, after the completion of the proposed share-for-share exchanges, as shareholders of NSC the same support as they did to those subsidiaries in the past.

2. Terms and conditions for share-for-share exchanges

(1) Schedule

| | |
|---------------------------|---|
| April 28, 2004: | Board of directors' meetings approve share-for-share exchange agreements |
| April 28, 2004: | Execution of share-for-share exchange agreements |
| Late June 2004 (planned): | Annual meeting of shareholders approve share-for-share exchange agreements (NSSC, NSPC and NSMPC) |
| July 30, 2004 (planned): | Due date for submitting share certificates (NSSC, NSPC and NSMPC) |
| July 31, 2004 (planned): | Share-for-share exchanges |

(Notes)

1. The share-for-share exchanges will be implemented without obtaining the approval of the annual meeting of shareholders of NSC according to the provision of Clause 1, Article 358 of the Commercial Code of Japan.
2. Share-for-share exchanges between NSC and each of NSSC, NSPC and NSMPC will be implemented separately. The transaction between NSC and each of those subsidiaries is separate from and independent of the transactions between NSC and the other two subsidiaries and are not subject to the approval of the Board of Directors' meeting or the general meeting of shareholders of the other two subsidiaries regarding those transactions. Therefore, there are possibilities that share-for-share exchanges between NSC and only one or two subsidiaries are implemented.

(2) Share exchange ratios

Regarding the calculation of the share exchange ratios to make NSSC, NSPC and NSMPC wholly-owned subsidiaries of NSC, the four companies asked Daiwa Securities SMBC Co., Ltd. ("Daiwa SMBC"), a third party organization, to calculate the proposed rates. Based on the rates proposed by Daiwa SMBC, NSC and each of those subsidiaries discussed and agreed as below respectively.

In the event of any significant changes to the premise of the calculation, the share exchange ratios below may be changed through discussions between NSC and the relevant subsidiary.

| Company name | NSC (to be 100% parent company) | NSSC (to be wholly-owned subsidiary) | NSPC (to be wholly-owned subsidiary) | NSMPC (to be wholly-owned subsidiary) |
|----------------------|---------------------------------------|--|--|---|
| Share exchange ratio | 1.000 | 1.095 | 0.646 | 1.679 |

(Notes)

1. Share exchange ratios

1.095 NSC shares will be allocated to 1 NSSC share, 0.646 NSC share to 1 NSPC share and 1.679 NSC shares to 1 NSMPC share. However, no share allocation will be made regarding the NSSC, NSPC and NSMPC shares currently held by NSC.

2. Calculation results, calculation method and foundation for calculation

Daiwa SMBC confirmed with each of NSC and the subsidiaries share exchange ratio evaluation methods and values, data, conditions and other factors that were premises for the evaluation methods. Then, it calculated the share exchange ratios within certain ranges, taking into comprehensive consideration the evaluation results obtained by the market price method (the similar company comparison method was used for NSMPC which is not listed in the stock exchange) and the discounted cash flow method.

3. Number of NSC shares issued for the share exchanges

No new NSC share will be issued. A total of 62,979,951 NSC shares that NSC holds as treasury stock will be used for the allocation.

(3) Cash distribution upon share-for-share exchanges

There will no cash distribution in connection with the share-for-share exchanges.

3. Changes after share-for-share exchanges

(1) Trade names, business lines, head offices and representatives

There will be no change regarding these items as a result of the share-for-share exchanges.

(2) Increase in NSC's capital and capital reserve after the share exchanges

a. Increase in capital

Nil (zero yen).

b. Increase in capital reserve

The amount of increase will be the balance of ¥15,744,987,750 from which the total of the values registered in NSC's accounting books on the day immediately preceding the day of the share-for-share exchanges will be deducted regarding the NSC shares (treasury stock) which will be transferred to the shareholders of each of the subsidiaries. If the balance turns out to be negative, the amount of increase in capital reserve will be zero yen.

4. Outline of companies concerned (as of September 30, 2003)

| Company name | Nippon Steel Corporation (to be 100% parent company) | Nittetsu Steel Sheet Corporation (to be wholly-owned subsidiary) |
|---------------------------------------|--|--|
| Business lines | Manufacture, sale, etc., of iron and steel products | Manufacture and sale of plated, color-coated steel sheets, metallic sandwich panels, formed structural products, exterior work of structures, etc. |
| Established | April 1, 1950 | February 1, 1950 |
| Head office | 6-3, Otemachi 2-chome, Chiyoda-ku, Tokyo, Japan | 5-8, Toyo 7-chome, Koto-ku, Tokyo, Japan |
| Representative | MIMURA Akio, Representative Director & President | HATTORI Masayuki, Representative Director & President |
| Capital | ¥419,524 million | ¥11,019 million |
| Issued shares | 6,806,980,977 shares | 77,633,713 shares |
| Shareholders' equity | ¥792,379 million | ¥22,801 million (¥20,050 million*) |
| Total assets | ¥2,711,549 million | ¥63,506 million (¥73,430 million*) |
| End of accounting period | March 31 | March 31 |
| Employees | 16,173 | 177 (729*) |
| Major customers | Mitsui & Co., Metal One Corp., Nippon Steel Trading Co. | Mitsui & Co., Nippon Steel Trading Co., Metal One Corp. |
| Major shareholders and holding ratios | Japan Trustee Services Bank 8.9% Master Trust Bank of Japan 6.0% State Street Bank & Trust Co. 3.8% Nippon Life Insurance 3.7% Trust & Custody Services Bank 3.0% Mizuho Corporate Bank 2.6% Meiji Mutual Life Insurance 2.3% Chase Manhattan Bank NA London 2.1% UFJ Trust Bank Ltd. 1.7% Daiichi Mutual Life Insurance 1.6% | NSC 57.7% Mizuho Corporate Bank 2.9% Mitsui & Co. 2.4% Japan Trustee Services Bank 1.6% Master Trust Bank of Japan 1.6% Japan Securities Finance Co. 1.3% UFJ Trust Bank Ltd. 1.2% Meiji Mutual Life Insurance 0.6% Metal One Corporation 0.5% Chuo-Mitsui Trust & Banking Co. 0.5% |
| Major banks | Mizuho Corporate Bank, Bank of Tokyo-Mitsubishi, Mitsui-Sumitomo Bank, UFJ Bank | Mizuho Corporate Bank, Mitsui-Sumitomo Bank, Bank of Tokyo-Mitsubishi, Chuo-Mitsui Trust Bank |
| Relationship with NSC | | [Equity] NSC is NSSC's largest shareholder owning 57.7% of the latter's issued capital. [Personnel] One NSC board member serves as NSSC's board member and one NSC employee serves as NSSC's auditor concurrently. [Business] NSC sells steel products to NSSC. |

*Effective on April 1, 2004, NSSC absorbed Daido Steel Sheet and Taiyo Steel, its manufacturing subsidiaries. Figures in parentheses are those as of April 1, 2004.

| | | |
|---------------------------------------|--|---|
| Company name | Nippon Steel Pipe Co., Ltd. (to be wholly-owned subsidiary) | Nippon Steel Metal Products Co., Ltd. (to be wholly-owned subsidiary) |
| Business lines | Manufacture and sale of pipes and tubes, lease of real estate, etc. | Manufacture, sale, lease, etc., of metals and metal-fabricated products |
| Established | February 1, 1933 | April 20, 1973 |
| Head office | 2-4, Sunago 1-chome, Kawasaki-ku, Kawasaki-shi, Kanagawa-ken, Japan | 17-12, Kiba 2-chome, Koto-ku, Tokyo, Japan |
| Representative | KINOSHITA Hiroshi, Representative Director & President | OKADA Akihisa, Representative Director & President |
| Capital | ¥3,497 million | ¥5,912 million |
| Issued shares | 42,000,000 shares | 52,500,000 shares |
| Shareholders' equity | ¥7,125 million | ¥24,219 million |
| Total assets | ¥20,350 million | ¥50,074 million |
| End of accounting period | March 31 | March 31 |
| Employees | 230 | 904 |
| Major customers | NSC | Nippon Steel Trading Co., Itochu-Marubeni Techno Steel |
| Major shareholders and holding ratios | NSC 54.2% Toshiba Corp. 7.4% Mitsui & Co. 3.6% Taihei Kogyo Co. 2.5% Nippon Steel Logistics Co. 2.5% Nippon Steel Trading Co. 2.5% Okada Transport Co. 1.9% YAMAMOTO Tetsuo 1.7% Sangyo Shinko Co. 1.1% UFJ Bank 0.8% | NSC 83.5% Mitsui & Co. 4.3% Mizuho Corporate Bank 2.4% Metal One Corp. 1.0% Bank of Tokyo-Mitsubishi 1.0% Nippon Steel Trading Co. 0.8% Mitsui-Sumitomo Bank 0.6% UFJ Bank 0.6% Mizuho Trust & Banking 0.6% Daiichi Mutual Life Insurance 0.6% |
| Major banks | UFJ Bank, Bank of Tokyo-Mitsubishi, Mizuho Corporate Bank, Chuo-Mitsui Trust Bank | Mizuho Corporate Bank, Bank of Tokyo-Mitsubishi, Mitsui-Sumitomo Bank, UFJ Bank |
| Relationship with NSC | [Equity] NSC is NSPC's largest shareholder owning 54.2% of the latter's issued capital. [Personnel] Two NSC employees serve concurrently as NSPC's auditors. [Business] NSC sells steel products and consigns pipe fabrication to NSPC. | [Equity] NSC is NSMPC's largest shareholder owning 83.5% of the latter's issued capital. [Personnel] One NSC employee serves concurrently as NSMPC's auditor. [Business] NSC sells steel products to NSMPC. |

5. Business results in the last three fiscal terms

(Non-consolidated)

(In million yen)

| Fiscal term | Nippon Steel Corporation (to be 100% parent company) | | | Nittetsu Steel Sheet Corporation (to be wholly-owned subsidiary) | | |
|--------------------------------------|---|-----------|-----------|---|-----------|-----------|
| | Mar. 2001 | Mar. 2002 | Mar. 2003 | Mar. 2001 | Mar. 2002 | Mar. 2003 |
| Sales | 1,848,710 | 1,681,406 | 1,789,706 | 38,469 | 33,518 | 46,071 |
| Operating profit or loss | 117,447 | 31,729 | 92,279 | 1,405 | 418 | 251 |
| Ordinary profit or loss | 78,776 | 702 | 48,359 | 1,120 | 225 | 39 |
| Net income or loss | 18,355 | (28,129) | (20,447) | 352 | (711) | (1,141) |
| Net income or loss per share (yen) | 2.69 | (4.13) | (3.02) | 6.02 | (12.34) | (16.87) |
| Annual dividend per share (yen) | 1.50 | 1.50 | 1.50 | 2.00 | — | — |
| Shareholders' equity per share (yen) | 127.33 | 116.58 | 107.15 | 368.83 | 353.98 | 285.58 |

(Consolidated)

(In million yen)

| Fiscal term | Nippon Steel Corporation (to be 100% parent company) | | | Nittetsu Steel Sheet Corporation (to be wholly-owned subsidiary) | | |
|--------------------------------------|---|-----------|-----------|---|-----------|-----------|
| | Mar. 2001 | Mar. 2002 | Mar. 2003 | Mar. 2001 | Mar. 2002 | Mar. 2003 |
| Sales | 2,750,418 | 2,581,399 | 2,749,306 | 47,040 | 40,139 | 52,226 |
| Operating profit or loss | 162,644 | 73,044 | 142,961 | 1,371 | 439 | 706 |
| Ordinary profit or loss | 111,374 | 16,746 | 68,879 | 1,023 | 168 | 127 |
| Net income or loss | 26,494 | (28,402) | (51,686) | 173 | (826) | (1,225) |
| Net income or loss per share (yen) | 3.89 | (4.17) | (7.69) | 2.96 | (14.34) | (18.11) |
| Shareholders' equity per share (yen) | 143.92 | 133.27 | 118.73 | 362.51 | 345.67 | 277.99 |

(Notes)

The two manufacturing subsidiaries of NSSC, Daido Steel Sheet and Taiyo Steel, consolidated their businesses effective on October 1, 2002. Business results prior to September 2002 are those of Daido Steel Sheet.

(Non-consolidated)

(In million yen)

| Fiscal term | Nippon Steel Pipe Co., Ltd. (to be wholly-owned subsidiary) | | | Nippon Steel Metal Products Co., Ltd. (to be wholly-owned subsidiary) | | |
|--------------------------------------|--|-----------|-----------|--|-----------|-----------|
| | Mar. 2001 | Mar. 2002 | Mar. 2003 | Mar. 2001 | Mar. 2002 | Mar. 2003 |
| Sales | 23,795 | 21,989 | 22,984 | 79,220 | 68,953 | 69,438 |
| Operating profit or loss | 597 | 503 | 769 | 2,537 | 914 | 1,199 |
| Ordinary profit or loss | 514 | 493 | 642 | 2,348 | 759 | 1,187 |
| Net income or loss | 489 | 199 | 296 | 2,616 | 2,397 | 174 |
| Net income or loss per share (yen) | 11.12 | 4.52 | 6.78 | 49.84 | 45.66 | 3.32 |
| Annual dividend per share (yen) | 2.50 | 3.50 | 3.50 | 3.00 | 3.00 | 3.00 |
| Shareholders' equity per share (yen) | 161.48 | 163.29 | 168.97 | 409.50 | 453.97 | 455.26 |

(Consolidated)

(In million yen)

| Fiscal term | Nippon Steel Pipe Co., Ltd. (to be wholly-owned subsidiary) | | | Nippon Steel Metal Products Co., Ltd. (to be wholly-owned subsidiary) | | |
|--------------------------------------|--|-----------|-----------|--|-----------|-----------|
| | Mar. 2001 | Mar. 2002 | Mar. 2003 | Mar. 2001 | Mar. 2002 | Mar. 2003 |
| Sales | 24,925 | 23,060 | 24,113 | 91,086 | 82,568 | 80,982 |
| Operating profit or loss | 668 | 551 | 837 | 2,744 | 1,223 | 1,497 |
| Ordinary profit or loss | 570 | 517 | 691 | 2,432 | 1,028 | 1,443 |
| Net income or loss | 516 | 205 | 316 | 2,525 | 2,549 | 315 |
| Net income or loss per share (yen) | 11.74 | 4.66 | 7.24 | 48.11 | 48.57 | 6.00 |
| Shareholders' equity per share (yen) | 163.10 | 165.14 | 171.64 | 433.65 | 485.17 | 488.65 |

6. Future prospects

Effects of the share-for-share exchanges to the consolidated business results will be insignificant.

Please contact the following for further information about this announcement:

Nippon Steel Corporation
Nittetsu Steel Sheet Corporation

Public Relations Center
Corporate Administration
Department

Tel: 81-3-3275-5023
Tel: 81-3-5653-5142

Nippon Steel Pipe Co., Ltd.
Nippon Steel Metal Products Co., Ltd.

Administration Div.
Corporate Planning Div.

Tel: 81-44-222-5391
Tel: 81-3-3630-3200