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NIPPON STEEL CORPORATION

**Agreement concerning Long-term Iron Ore Purchases between Nippon Steel and Major Suppliers (Hamersley Iron, Australia; Robe River, Australia; BHP Billiton, Australia; and CVRD, Brazil)**

Nippon Steel Corporation (President: Akio Mimura) has signed an iron ore purchase agreement for 10 years from fiscal 2006 with Hamersley Iron, an Australian iron ore company of the Rio Tinto Group (Rio Tinto, headquartered in London and Melbourne, Chief Executive: Leigh Clifford) for 2 million tons/year of Yandi fine ore (additional) and 2 million tons/year of high-phosphorus Brockman ore (new), which, with 7 million tons/year of Yandi fine ore under the existing agreement, will make a combined total of 11 million tons/year.

Also, Nippon Steel Corporation and Robe River Iron Associates, which is an Australian iron ore joint venture set up by Nippon Steel Corporation, Mitsui & Co., Ltd. (President: Shoei Utsuda), Sumitomo Metal Industries, Ltd. (President: Hiroshi Tomono) and the Rio Tinto Group, have agreed to revise the existing long term agreement so as to take deliveries of 7.5 million tons/year of Robe ore and 3.5 million tons/year of West Angelas ore to a combined total of 11 million tons/year, for about 10 years from fiscal 2006.

Nippon Steel Corporation has also agreed with BHP Billiton (headquartered in London and Melbourne, CEO: Charles Goodyear) to revise the long term agreement to purchase 2 million tons/year of Yandi fine ore and 2 million tons/year of Newman ore, totaling 4 million tons/year, for 7 years from fiscal 2006.

Another long term agreement has been entered into between Nippon Steel Corporation and CVRD (headquartered in Rio de Janeiro, President: Roger Agnelli) for 1 million tons (additional) (for 5 years from fiscal 2006) and 2 million tons (additional) (for 10 years from fiscal 2006) to be shipped from Itaguai Port. Combined with the 3 million tons/year of Southern ore and the 4 million tons of Northern ore under the existing agreement, the total contract tonnage with CVRD will be 10 million tons/year.

It is Nippon Steel Corporation's firm belief that these long term arrangements with major iron ore suppliers will provide ample assurances of stable procurement of raw materials on a medium- and long-term basis, while also serving to further cementing the relationships with them.