

April 17, 2006

Chukyo Seisen Co., Ltd.
K.K. Chitac
Nippon Steel Corporation
Marubeni-Itochu Steel Inc.

Merger between Chukyo Seisen and Chitac

Chukyo Seisen Co., Ltd. (hereafter “Chukyo”; President: Katsunori Nagase), K.K. Chitac (hereafter “Chitac”; President: Takeshi Ohba), Nippon Steel Corporation, the parent company of Chukyo (hereafter “Nippon Steel”; President: Akio Mimura), and Marubeni-Itochu Steel Inc., the parent company of Chitac (hereafter “Marubeni-Itochu”; President: Tsunekatsu Yonezawa) reached a basic agreement in July last year to integrate the wire drawing business of Chukyo and Chitac and have since conducted specific studies and preparations for its realization.

The four companies have now agreed to the terms given below and decided to launch the new company on June 1 this year, after approval of the shareholders of Chukyo and Chitac at their respective extraordinary general meetings of shareholders scheduled for April this year and completion of other necessary procedures.

By merging, Chukyo and Chitac will be complementing each other’s management resources, and establishing more efficient systems for production, research and sales, thus realizing a solid business base. We have every confidence that the new company will be capable of responding to the needs of customers and other parties concerned to their greater satisfaction.

1. Date of the merger

June 1, 2006

2. Details of the merger

Chukyo, as a surviving entity, will merge Chukyo and Chitac. For this merger, Nippon Steel will subscribe for shares to be newly issued by Chukyo, while Chukyo will allot 286,720 ordinary shares to Chitac. In addition, Aoyama Seisakusho Co., Ltd. and Toyota Tsusho Corporation will newly be making capital contribution. As a result, the new company will be owned by the following shareholders with the following equity percentages (i.e. voting rights ratios): Nippon Steel 51%, Marubeni-Itochu 34.4%, Miyazaki Seiko 7.6%, Mitsui & Co., Ltd. 3%, Aoyama Seisakusho 2%, and Toyota Tsusho 2%.

3. Profile of the new company (provisional)

- (1) Company name: Nippon Steel Tokai Steel Wire Co., Ltd.
- (2) Head office address: Kita-Nagoya City, Aichi Prefecture
- (3) Capital: ¥697,445,000

- (4) Representative: Masaaki Yamaguchi (currently Executive Advisor to Chukyo)
- (5) Projected sales: approx. ¥10 billion per year
- (6) Production bases: Kita-Nagoya City, Aichi Prefecture (currently, Chukyo/Nishiharu Plant)
Iwata City, Shizuoka Prefecture (currently Chitac/Iwata Plant)
A new plant to be built in Seki City, Gifu Prefecture, scheduled to begin operation in 2007

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Corporate Profile

Chukyo Seisen Co., Ltd.

Head office address: 34 Gongen, Okimura, Kita-nagoya City, Aichi Pref.
Representative: Katsunori Nagase, President & Representative Director
Foundation: December 1957
Capital: ¥222 million (as of March 31st, 2005)
Stockholders: Nippon Steel Corp (61.4%)
Miyazaki Seiko Co., Ltd. (20.1%)
Mitsui & Co., Ltd. (18.5%)
(as of March 31st, 2005)
Sales: ¥3.1 billion (as of March 2005)
No. of employees: 77 (as of March 31st, 2005)

K.K. Chitac

Head office address: 51 Sasaharajima, Iwata City, Shizuoka Pref.
Representative: Takeshi Ooba, President & Representative Director
Foundation: June 1948
Capital: ¥64 million (as of March 31st, 2005)
Stockholders: Marubeni-Itochu Steel Inc. (100%)
(as of March 31st, 2005)
Sales: ¥2.3 billion (as of March 2005)
No. of employees: 42 (as of March 31st, 2005)

Nippon Steel Corporation

Head office address: 6-3, Otemachi 2-chome, Chiyoda-ku, Tokyo
Representative: Akio Mimura, President & Representative Director
Foundation: March 1970
Capital: ¥419.5 billion (as of March 31st, 2005)
Sales: ¥3,389.4 billion (as of March 2005)
No. of employees: 20,432 (as of March 31st, 2005)

Marubeni-Itochu Steel Inc.

Head office address: 4-1, Nihonbashi 1-chome, Chuo-ku, Tokyo,
Representative: Tsunekatsu Yonezawa, President & Representative
Director
Foundation: October 2001
Capital: ¥30 billion (as of March 31st, 2005)
Sales: ¥1,526.1 billion (as of March 2005)
No. of employees: 646 (as of April 1st, 2005)