

December 11th, 2006
Nippon Steel Corporation
POSCO

Nippon Steel/POSCO Joint Negotiation
on Iron-ore Annual Benchmark Prices for Fiscal 2007

Nippon Steel Corporation (location: Chiyoda-ku, Tokyo, president: Akio Mimura, hereinafter “Nippon Steel”) and POSCO (location: Pohang, the Republic of Korea, CEO: Ku-Taek Lee, hereinafter “POSCO”) have agreed to jointly conduct annual benchmark price negotiations of iron ores for fiscal 2007 and market studies on the worldwide supply and demand situation for iron ores.

For the past several years, a considerable rise in demand in China has resulted in strains and soaring prices in the iron ore market. In these circumstances, the two companies, being the alliance partners, intend to strengthen cooperation in price negotiations for smooth iron ore procurement.

The above joint negotiations presuppose, however, that prior consent of individual suppliers and any necessary notification to or approval of the countries concerned are obtained.

Having agreed on the enhancement of the existing strategic alliance and an additional mutual acquisition of stocks in October 2006, the two companies have decided on the present agreement as part of the new strategic alliance.

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