

**December 18th, 2006
Nippon Steel Corporation**

**Nippon Steel/Companhia Vale do Rio Doce (Brazil)
Strategic Alliance Agreement**

Nippon Steel Corporation (hereinafter “Nippon Steel”; location: Chiyoda-ku, Tokyo; President: Akio Mimura) and Companhia Vale do Rio Doce (hereinafter “CVRD”; location: Rio de Janeiro, Brazil; Chief Executive Officer: Roger Agnelli) have signed a Strategic Alliance Agreement (hereinafter “Agreement”).

Specifically, this Agreement consists of administrative cooperation on the joint projects NIBRASCO and MBR, which the two companies have operated until now, and the study of additional intake of pellets by Nippon Steel, and the investigation of new joint development coal and iron ore projects; furthermore, there will be mutual cooperation on ferro alloy, logistics and technical issues, and both parties will regularly conduct appropriate evaluations of any targeted projects.

Nippon Steel and CVRD have maintained an amicable relationship for 50 years through the long term trade of iron ore, and the two companies agree to conclude this Agreement and intend to strengthen their mutual relationship.

Last month, Nippon Steel and CVRD joined the new shareholders’ agreement of USIMINAS (press release 6th November, 2006), and took part in the management of USIMINAS jointly with other controlling-shareholders, and agreed to cooperate on a mid-term investment plan, including possible construction of new steelworks in the future.

Please direct any inquiries with regard to this matter to:

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