

**Agreement on the Combination Transport Contract  
with China Steel Corporation in Coal Transport**

**Nippon Steel Corporation (President: Akio Mimura, hereinafter “NSC”) and China Steel Corporation/Taiwan (President: Y.C.Chen, hereinafter “CSC”) have come to an agreement with Nippon Steel Shipping Co., Ltd., an NSC subsidiary, about combination transport (cooperative vessel arrangement), using vessels owned by Nippon Steel Shipping.**

**The purpose of this agreement is to reduce empty-freight ratios of vessels to realize efficient transport, carrying limestone loaded at a Japanese port in Shikoku to CSC on the run to Taiwan, and, on the homeward run, hauling coals of Indonesia, Vietnam, etc. to NSC.**

**The cooperative vessel arrangement now commenced by NSC and CSC, which used to transport raw materials on a long-term stable basis on this sea route, is expected to bring the benefit of much more competitive costs of transportation to both companies.**

**(Contents of the agreement)**

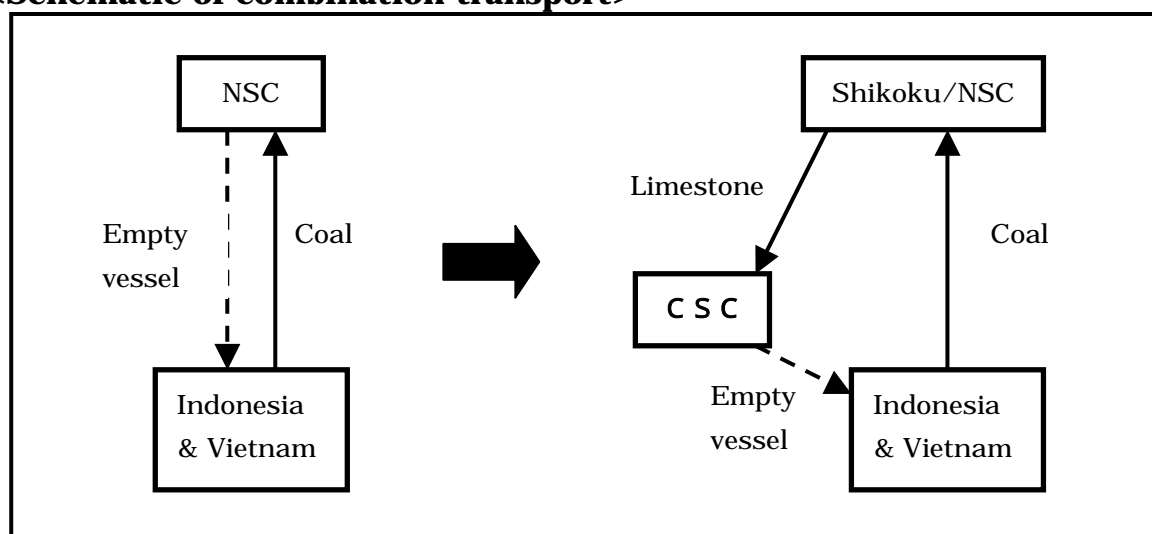
**Start of the cooperative vessel arrangement: April 2007**

**Type of vessel: 70,000 DWT Panamax bulker**

**Freight/route: (outward) limestone/Japan to Taiwan (CSC)**

**(homeward) coal/Indonesia & Vietnam to Japan (NSC)**

**<Schematic of combination transport>**



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