

Notice of Share Exchange

May 19, 2007

To Our Shareholders:

(Party A)

6-3, Otemachi 2-chome, Chiyoda-ku, Tokyo

Nippon Steel Corporation

Representative Director and President: Akio Mimura

(Party B)

5-7, Kameido 1-chome, Koto-ku, Tokyo

Nippon Steel Drum Co., Ltd.

Representative Director and President: Tadashi Imai

Notice is hereby given that Party A and Party B determined to execute a share exchange in which Party B shall cause Party A to obtain all outstanding shares of Party B and Party A shall obtain all such shares effective on July 31, 2007.

In conducting the share exchange, Party A will execute it without obtaining shareholder approval at its general meeting of shareholders as provided for in Article 796, Paragraph 3 of the Company Law, while Party B will execute it under shareholder approval at its general meeting of shareholders to be held on June 25, 2007.

Rule 802 Legend

This exchange offer or business combination is made for the securities of a foreign company. The offer is subject to disclosure requirements of a foreign country that are different from those of the United States. Financial statements included in the document, if any, have been prepared in accordance with foreign accounting standards that may not be comparable to the financial statements of United States companies.

It may be difficult for you to enforce your rights and any claim you may have arising under the federal securities laws, since the issuer is located in a foreign country, and some or all of its officers and directors may be residents of a foreign country. You may not be able to sue a foreign company or its officers or directors in a foreign court for violations of the U.S. securities laws. It may be difficult to compel a foreign company and its affiliates to subject themselves to a U.S. court's judgments.

You should be aware that the issuer may purchase securities otherwise than under the exchange offer, such as in open market or privately negotiated purchases.