

10<sup>th</sup> July, 2007  
Nippon Steel Corporation

## Investment in the Upgrade of the Mining Equipment at the Moranbah North Coal Mine in Australia

Nippon Steel Corporation (Representative Director and President: Akio MIMURA, “Nippon Steel”), Anglo Coal Australia Pty Ltd (Head Office: Brisbane, Acting Chief Executive Neville Sneddon, “Anglo”) and other partners of the Moranbah North Joint Venture\*1 (“Moranbah North JV”) have agreed that the Moranbah North JV will invest in the upgrade of the main mining equipment for its underground operation (Longwall) at the Moranbah North coal mine in Australia.

The total capital investment is estimated to be approximately A\$210 million (about 21 billion yen\*2) and commissioning of the large scale and new mining equipment is expected by mid 2009.

Nippon Steel holds a 5% interest in Moranbah North Coal Mine through the Moranbah North JV. Approximately 4 million tonnes of high quality coking coal is produced annually and supplied to the world’s major steel companies. Nippon Steel has consistently supported the mine since commencement of the operation in 1998.

The Moranbah North JV has studied and decided to replace and upgrade the main mining equipment, such as the Longwall Roof Supports, so as to improve productivity and maintain safety.

This investment shall ensure 4 million tonnes of the annual production for the mine beyond 2009, together with improvement in productivity and safety.

Under the current medium-term consolidated business plan (FY2006 through FY2008), Nippon Steel is striving to enhance overall efficiency in the iron and steelmaking process with reinforcement of key facilities such as the expansion and relining of blast furnaces and installation of a new coke oven.

Further, in terms of raw material procurement, Nippon Steel is seeking to secure stable raw material supply under long-term arrangements, which include investment in mines.

Nippon Steel has decided to implement this investment in the firm belief that it would no doubt contribute to their mid-term strategy for further stability in the procurement of raw materials.

Nippon Steel, cementing relationship with major suppliers, will continue to ensure stable procurement of raw material on a medium and long-term basis.

*\*1: The Moranbah North JV is an un-incorporated joint venture formed by the Australian subsidiaries of each party (e.g. Nippon Steel Australia Pty Ltd, an Australian subsidiary of Nippon Steel Corporation). The Moranbah North JV is currently engaged in mining at the Moranbah North coal mine located about 150km southwest from Mackay, QLD.*

*\*2: Each party in the Moranbah North JV shall bear the cost in proportion to its percentage interest respectively.*

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