

January 29, 2009
Nippon Steel Corporation
POSCO

Nippon Steel's Participation in POSCO's New Cold-Rolling Mill in Vietnam

Nippon Steel Corporation (principal place of business: Chiyoda-ku, Tokyo, President: MUNEOKA Shoji, "NSC") and POSCO (principal place of business: Pohang, Korea, Chairman: LEE, Ku-Taek), since the signing of the agreement on strategic alliance and mutual shareholding in August 2000, have pressed ahead various cooperative measures under the agreement.

In October 2006, the companies agreed to enhance the strategic alliance, including the additional share purchase mutually in the value of ¥55 billion for each, and have since implemented specific additional measures, such as mutual supply of steel slabs. In October 2007, the companies entered into definitive agreements to establish a joint venture company for DRI (direct reduced iron) supply to both companies and the dry-dust recycling. In December 2008, the companies acquired interest in Brazilian iron mine as a part of consortium of Japanese and Korean companies.

Since last October, as a strategic measure in East Asia and to enhance the strategic alliance further, the companies have conducted the joint study on details on NSC's participation in the new cold-rolling mill in Vietnam, being constructed and solely owned by POSCO, and have reached an agreement. The companies will enter into a joint venture agreement to convert the new cold-rolling mill into a joint venture company between them.

Outline of the joint venture on new cold-rolling mill in Vietnam

NSC will acquire equity ownership in POSCO-Vietnam Co., Ltd. ("POSCO-Vietnam") which is constructing the new cold-rolling mill in Vietnam, and POSCO-Vietnam will become a joint venture company.

(Remarks: POSCO-Vietnam was established in October 2006 and currently 100% owned by POSCO.)

【Outline of the joint venture】

Company Name: POSCO-Vietnam Co., Ltd.

Equity Percentage: POSCO 85%, NSC 15% (NSC will inject around US\$37 million)

Total Investment: Approximately US\$533 million

Major Facilities: Pickling line and TCM (Tandem cold mill): 1.2 million tons/year,
C.A.L. (Continuous annealing line): 0.7 million tons/year

President: POSCO will nominate.

Substrate HRC* supply: To be supplied by POSCO and NSC in accordance with their respective equity percentages. HRC* : Hot-Rolled Coils

Scheduled Commissioning: September 2009

Both companies intend to further enhance the strategic alliance, holding sights firmly on developments in the global steel market environment. Both companies are confident that this strategic alliance will contribute much to the further growth and development of the two companies.

For more information, please contact:

NSC: Public Relations Center, General Administration Division

Tel: +81-03-3275-5021,-5022,-5023

POSCO JAPAN: Tel: +81-3-3546-1212