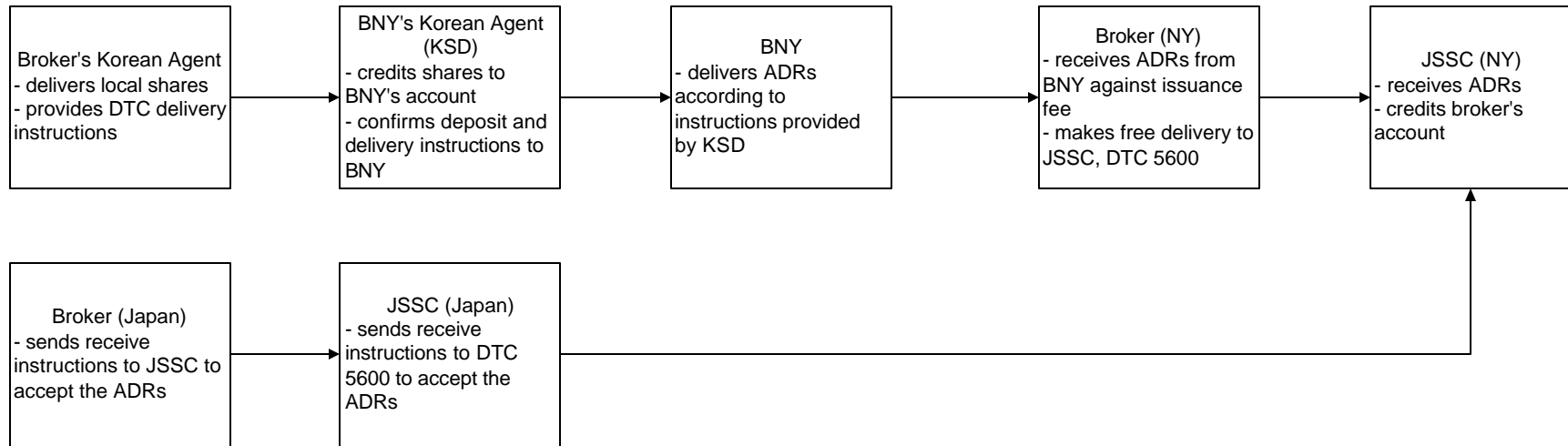


CROSS-BORDER CONVERSION OF POSCO ADRs INVOLVING TOKYO STOCK EXCHANGE

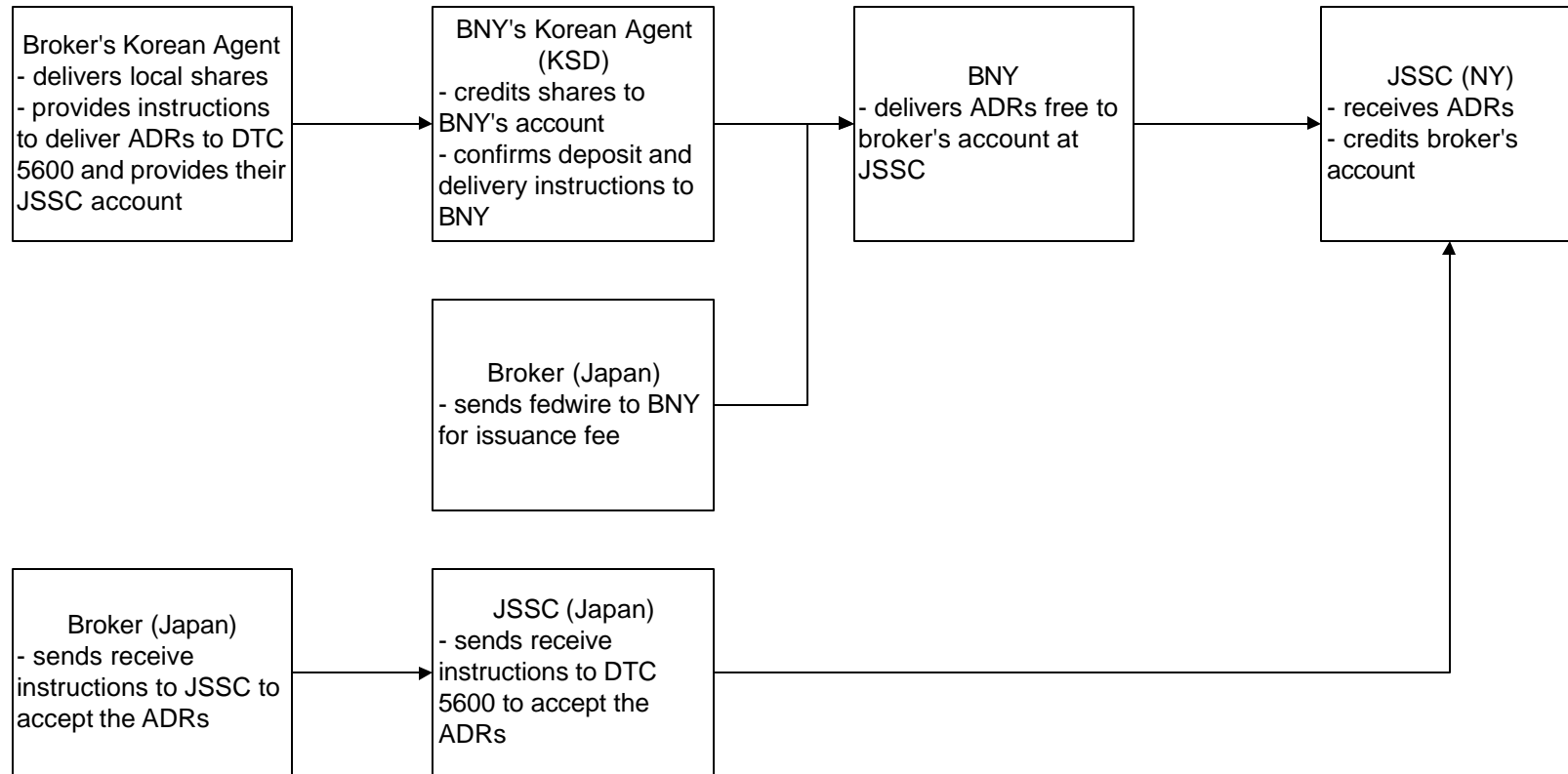
(I) ISSUANCE TO JSSC – BROKER HAS DTC ACCOUNT



(I) ISSUANCE TO JSSC – BROKER HAS DTC ACCOUNT

- 1) Broker's Korean agent delivers local shares and provides DTC delivery instructions to BNY's Korean agent, Korea Securities Depository (KSD).
- 2) KSD confirms the deposit to BNY and provides BNY with the broker's DTC delivery instructions.
- 3) The broker instructs JSSC to accept the ADRs in DTC.
- 4) BNY delivers ADRs to broker's account in DTC versus the issuance fee.
- 5) Broker makes free delivery to JSSC's DTC account 5600.

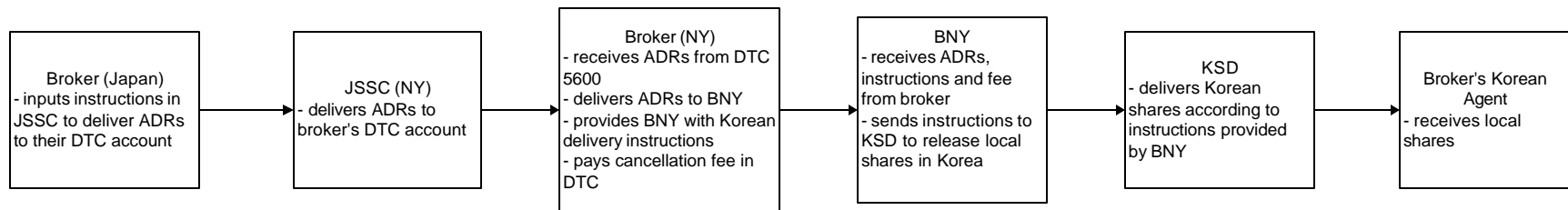
(II) ISSUANCE TO JSSC – BROKER DOES NOT HAVE DTC ACCOUNT



(II) ISSUANCE TO JSSC – BROKER DOES NOT HAVE DTC ACCOUNT

- 1) Broker's Korean agent delivers local shares and provides instructions to deliver to JSSC DTC 5600 with their JSSC account number to BNY's Korean agent, KSD.
- 2) KSD confirms the deposit to BNY and provides BNY with instructions to deliver to the broker's account in JSSC.
- 3) Broker sends fedwire for the issuance fee to BNY.
 - a. The fee is calculated by rounding the ADR amount up to the nearest 100 ADRs and multiplying that amount by five cents per ADR.
 - b. The fedwire is sent to The Bank of New York, ABA 021000018, Account GLA 111594, Reference (the name of the broker and the number of POSCO ADRs that they are issuing).
- 4) The broker instructs JSSC to accept the ADRs in DTC.
- 5) Upon receipt of the confirmation of the deposit and payment of the issuance fee, BNY will make a free delivery to JSSC's DTC account 5600 referencing the broker's name and their JSSC account number.

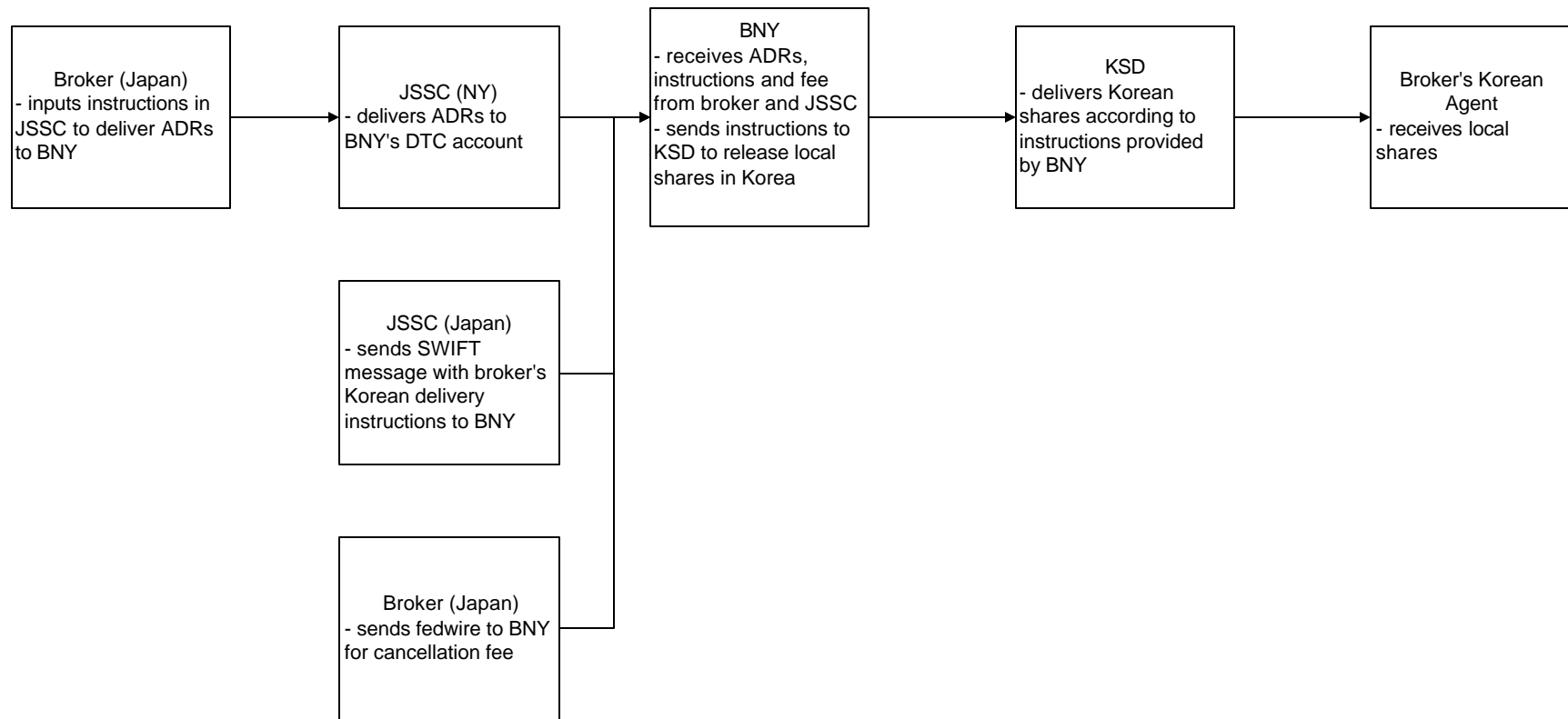
(III) CANCELLATION FROM JSSC – BROKER HAS DTC ACCOUNT



(III) CANCELLATION FROM JSSC – BROKER HAS DTC ACCOUNT

- 1) Broker inputs instructions in the JSSC system to make free delivery to their own DTC account.
- 2) Broker's DTC account receives the ADRs from JSSC's DTC account 5600.
- 3) Broker delivers ADRs to BNY for cancellation. The broker must supply BNY with delivery instructions for Korea. BNY can be given standing instructions from the broker, can receive a SWIFT, the instructions can be included in DTC, or via an authenticated fax. The cancellation fees will be charged to the DTC account that is delivering the ADRs.
- 4) Upon receipt of the ADRs and Korean delivery instructions, BNY will instruct KSD to make delivery of the local shares.
- 5) KSD will make delivery of the local shares according to the broker's instructions.

(IV) CANCELLATION FROM JSSC – BROKER DOES NOT HAVE DTC ACCOUNT



(IV) CANCELLATION FROM JSSC – BROKER DOES NOT HAVE DTC ACCOUNT

- 1) Broker inputs instructions in the JSSC system to make a free delivery to BNY and provides JSSC with their Korean delivery instructions.
- 2) JSSC sends SWIFT message to BNY with the broker's delivery instructions.
- 3) Broker sends fedwire for the cancellation fee to BNY.
 - a. The fee is calculated by rounding the ADR amount up to the nearest 100 ADRs and multiplying that amount by five cents per ADR and adding a \$12.50 transaction fee.
 - b. The fedwire is sent to The Bank of New York, ABA 021000018, Account GLA 111594, Reference (the name of the broker and the number of POSCO ADRs that they are canceling)
- 4) Upon receipt of the ADRs, Korean delivery instructions, and cancellation fee, BNY will instruct KSD to make delivery of the local shares.
- 5) KSD will make delivery of the local shares according to the broker's instructions.