

February 4th, 2009

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Acquisition of Acerinox Shares for Strong Ties

Nisshin Steel, in an effort to enhance business relationships with Spanish stainless steel producer Acerinox, S.A., has acquired another 9,359,000 shares of the European concern and increased the ownership percentage to 15.0% from the previous 11.3%.

The Company intends to make Acerinox an equity method affiliate effective as of the 4th quarter of fiscal 2008.

1. Reasons for acquisition:

Acerinox is an integrated Spanish stainless steel maker with production bases in the U.S. and South Africa, and ranks among the world's top producers in scale. The Company has been its shareholder since Acerinox started operations in 1970, supplied manufacturing technologies to the Spanish parent and its group companies, and on the basis of such close relationships with them, has worked to build global networks of stainless steel business.

In the U.S., through cooperation between North American Stainless, Acerinox's US subsidiary and Nisshin Automotive Tubing, our subsidiary, we have built up a system to supply stainless steel pipes to US customers including Japanese transplants.

In Malaysia, Nisshin Steel made in March last year a framework agreement with Acerinox to launch a new joint venture to produce and sell cold rolled stainless steel strips and sheets, as reported earlier. Now, a definitive agreement to establish a joint venture (Bahru Stainless SDN. BHD.) has been concluded. Undoubtedly, the stainless steel market in the ASEAN region can not escape negative effects of the current downturn of the global economy as is the case with the rest of the world, but in the medium and long-term, stainless steel demand in Malaysia where the joint venture is based and its neighboring countries is expected to grow continually. From this perspective, we, the joint venture partners, are proceeding with the plant construction in order to launch commercial production in 2011 as originally scheduled. The joint venture starts as a cold rolled stainless steel sheet reroller but will continue studies on viability of developing into a fully integrated stainless steel producer, paying close attention to demand growth in the future.

With the acquisition of additional shares of Acerinox, Nisshin intends to further strengthen the relationships with the Spanish producer and accelerate further globalization of the Company's stainless steel business through continued discussions with them for effective use of mutual business resources.

2. About Acerinox:

- (1) Acerinox, S.A. is a group of companies engaged in stainless steel manufacturing on a global basis, and ranks among the world's largest stainless steelmakers. The Group has production bases for stainless flat products in three continents: Acerinox, S.A. in Spain, North American Stainless (NAS) in the United States, and Columbus Stainless in South Africa.
- (2) Management: Chief Executive Officer: Mr. Rafael Naranjo Olmedo
- (3) Head Office: Madrid, Spain
- (4) Establishment: September 30th, 1970
- (5) Fiscal Year End: December 31st
- (6) Number of Employees: 7,450
- (7) Common Stock: 63,575 Thousands Euro
- (8) Number of Shares Outstanding: 254,300,000 Shares
- (9) Recent Financial Performance:

(Millions of Euro)

	Year ended Dec. 31, 2006	Year ended Dec. 31, 2007
Sales	5,637	6,901
Operating profit	858	526
Profit before tax	800	459
Net profit	503	312
Total assets	4,859	4,446
Net assets	2,280	2,308

3. Changes in ownership through acquisition:

- (1) Number of shares owned before acquisition: 28,785,820 (Directly owned 11.3% by Nisshin Steel)
- (2) Number of shares to be acquired: 9,359,000 (Acquisition value 12.97 billion Yen)
- (3) Number of shares owned after acquisition: 38,144,820 (Directly owned 15.0% by Nisshin Steel)

4. Future Outlook:

The Company intends to make Acerinox an equity method affiliate as of the 4th quarter of fiscal 2008. Investment gain/loss on equity method will be posted from the 1st quarter of fiscal 2009 onwards.

(Additional Information) Overview of JV:

(1) -JV for Manufacturing and Sales of Cold-rolled Stainless Steel, to be established jointly with Acerinox

- Nisshin Steel's Shareholding: 33%

- Acerinox's Shareholding: 67%

(2) -Company Name: Bahru Stainless SDN. BHD.

(3) -Plant Location: Johor, Malaysia

(4) -Common Stock: 551.6 millions RM

(5) -Cold-rolling Capacity: 180,000 tons per year

-Total Capacity (Annealing and Pickling): 240,000 tons per year

(6) -Equipment: One Cold Rolling Mill,
One Annealing and pickling Line (Hot/Cold)

(7) -Total Investment: Approx. US\$320 million

(8) - Future plans: The joint venture plans to start commercial production in 2011, with due attention paid to developments in the market. It is also eyeing possibilities of becoming an integrated producer with annual capacities of one million-ton in steelmaking and 600,000-ton in cold rolling further down the road.

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