

Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2010

Company Name: Nisshin Steel Co., Ltd.

URL: <http://www.nisshin-steel.co.jp/>

Code Number: 5407 (Tokyo, Osaka, Nagoya, and Fukuoka stock exchanges)

Representative: Hideo Suzuki, President and Chief Executive Officer

Contact: Tetsuo Kaharu, Executive Officer, General Manager, General Administration Department

Tel: +81 3 3216 5566

1. Highlights of Consolidated Results for the First Quarter of Fiscal Year ending March 31, 2010

(1) Consolidated Operating Results

(Rounded down to the nearest millions of yen)

(The percentage figures represent the change from the same period last year)

| | Net sales | | Operating income | | Income before special items | | Net income | |
|--------------------------------|-----------------|--------|------------------|---|-----------------------------|---|-----------------|---|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| 1Q of FY ending March 31, 2010 | 83,943 | (48.9) | (42,115) | – | (45,084) | – | (52,580) | – |
| 1Q of FY ended March 31, 2009 | 164,345 | – | 5,307 | – | 6,717 | – | 3,811 | – |

| | Net income per share | Fully diluted net income per share |
|--------------------------------|----------------------|------------------------------------|
| | Yen | Yen |
| 1Q of FY ending March 31, 2010 | (58.17) | – |
| 1Q of FY ended March 31, 2009 | 4.21 | – |

(2) Consolidated Financial Position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|--------------------------------|-----------------|-----------------|--------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| 1Q of FY ending March 31, 2010 | 687,230 | 217,874 | 30.9 | 235.00 |
| FY ended March 31, 2009 | 722,270 | 260,640 | 35.3 | 282.23 |

(Reference) Shareholders' equity and valuation and translation adjustments:

1Q of FY ending March 31, 2010: 212,409 million yen

FY ended March 31, 2009: 255,107 million yen

2. Dividends

| (Record date) | Dividend per share | | | | |
|-------------------------------------|--------------------|-----------|-----------|-----------|--------|
| | End of 1Q | End of 2Q | End of 3Q | End of FY | Annual |
| | Yen | Yen | Yen | Yen | Yen |
| FY ended March 31, 2009 | – | 4.00 | – | 3.00 | 7.00 |
| FY ending March 31, 2010 | – | | | | |
| FY ending March 31, 2010 (Forecast) | | 0.00 | – | – | – |

Note: Revision of dividend forecasts in the quarter (Y/N): Yes

Note: The dividends for FY ended March 2009 include memorial dividends of ¥2.00.

In view of very uncertain business environments both at home and abroad, the announcement of year-end cash dividend forecast for fiscal period closing March 2010 will be deferred until the market outlook becomes clearer.

3. Consolidated Forecasts for Fiscal Year Ending March 31, 2010

(Percentages presented refer to changes compared with the previous 2Q (cumulative) and full-year results, respectively)

| | Net sales | | Operating income | | Income before special items | | Net income | | Net income per share |
|------------------|-----------------|--------|------------------|---|-----------------------------|---|-----------------|---|----------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| 2Q (Cumulative) | 190,000 | (46.5) | (55,000) | – | (62,000) | – | (69,000) | – | (76.34) |
| Full fiscal year | 420,000 | (32.0) | (55,000) | – | (62,000) | – | (69,000) | – | (76.34) |

Note: Revision of consolidated forecasts in the quarter (Y/N): Yes

4. Other

- (1) Changes in major subsidiaries during the period under review: None
- (2) Adoption of simplified accounting methods or special accounting methods for quarterly financial statements: Yes
- (3) Changes in accounting policies and accounting title and classification for quarterly financial statements
 - (i) Changes due to revision of accounting standards, etc.: None
 - (ii) Changes other than (i) above: None
- (4) Total number of shares issued (Common stock)
 - (i) Total number of shares issued at term end (Includes treasury stock)

| | |
|---------------------------------|--------------------|
| 1Q of FY ending March 31, 2010: | 994,500,174 shares |
| FY ended March 31, 2009: | 994,500,174 shares |
 - (ii) Total treasury stock at term end

| | |
|---------------------------------|-------------------|
| 1Q of FY ending March 31, 2010: | 90,632,829 shares |
| FY ended March 31, 2009: | 90,615,998 shares |
 - (iii) Average number of shares issued and outstanding during the period (Cumulative period to the quarter)

| | |
|---------------------------------|--------------------|
| 1Q of FY ending March 31, 2010: | 903,872,452 shares |
| 1Q of FY ended March 31, 2009: | 905,845,025 shares |

Explanation on Appropriate Use of Performance Forecasts and Other Remarks

(Notations on Forward-looking Statements)

The performance forecasts and other forward-looking statements in these materials are based on certain assumptions deemed rational by the Company at this point in time, and actual performance may differ significantly because of such factors as dramatic changes in the economic conditions or product demand in major markets (Japan, Asia, etc.), substantial variations in the prices of fuel and raw materials, steep fluctuations in foreign exchange rates, and major changes in capital markets.

(Reference)**Non-Consolidated Forecasts for Fiscal Year Ending March 31, 2010**

(Percentages presented refer to changes compared with the previous 2Q (cumulative) and full-year results, respectively)

| | Net sales | | Operating income | | Income before special items | | Net income | | Net income per share |
|------------------|-----------------|--------|------------------|---|-----------------------------|---|-----------------|---|----------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| 2Q (Cumulative) | 140,000 | (50.0) | (55,000) | – | (60,000) | – | (67,000) | – | (73.99) |
| Full fiscal year | 320,000 | (32.9) | (55,000) | – | (60,000) | – | (67,000) | – | (73.99) |

Note: Revision of non-consolidated forecasts in the quarter (Y/N): Yes