

September 15, 2006
Nisshin Steel Co., Ltd.

Impact of Collapse of Hiroshima Prefectural Water Service Tunnel

We would like to announce that our ironworks in Kure, which was affected by the accident described in the title that occurred on August 25, resumed normal operation as of today, with the reception of industrial water reopened in accordance with the recovery of a water supply tunnel on September 11.

We are deeply thankful to all parties who provided us with their extensive cooperation in the efforts being undertaken.

We are determined to make our best efforts to promote stable operation, while minimizing the impact on customers from this incident.

Our forecast includes a loss resulting from the affected operation at approximately ¥3 billion (as was released in the forecast dated September 7).