

[**Translation:** Please note that the following purports to be a translation from the Japanese original Notice of Convocation of the 127th Annual General Meeting of Shareholders of Nisshin Steel Co., Ltd. prepared for the convenience of shareholders outside Japan with voting rights. However, in the case of any discrepancy between the translation and the Japanese original, the latter shall prevail. Please also be advised that certain expressions regarding voting procedures for domestic shareholders that are not applicable to the aforesaid shareholders are intentionally omitted or modified to avoid confusion.]

May 31, 2007

TSE #: 5407

SEDOL#: 6641641JP

ISIN#: JP3676000007

To the Shareholders:

**NOTICE OF CONVOCATION OF
THE 127th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

You are cordially invited to attend the 127th Annual General Meeting of Shareholders of Nisshin Steel Co., Ltd. (the “Company”) for the Fiscal Year ended March 31, 2007. The meeting will be held as described below.

Yours very truly,

Hideo Suzuki

President & Chief Executive Officer

Nisshin Steel Co., Ltd.

4-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo

If you are unable to attend the aforesaid meeting, please take necessary steps to exercise your voting rights by 5:00 p.m. of June 21, 2007 upon the following matters that can be reviewed in the

attached “Reference Material Concerning Exercise of Voting Rights”. Your voting rights can be exercised either in writing sent by mail or via the Internet.

[In case of exercising voting rights by mail]

Please return the enclosed Voting Rights Exercise Form to the Company by kindly indicating your approval or disapproval for each matter for resolution.

[In case of exercising voting rights via the Internet]

When exercising your voting rights via the Internet, please access the designated website (<http://www.evotc.jp/>) from your home computers or mobile phones. Then, please follow the instruction appearing on the screen and indicate your approval or disapproval for each matter by using the exercise code and temporary password that are shown in the enclosed Voting Rights Exercise Form.

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PARTICULARS

1. **Date and Time of the Meeting:** 10:00 a.m. on June 22, 2007 (Friday)
2. **Place of the Meeting:** Maru-Biru Hall at the 7th floor of Marunouchi Building
4-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo, Japan
(As the place is different from that of last year, please be careful when you are coming.)
3. **Purpose of the Meeting:**

Matters for Reporting:

Report on Matters of the Business Report and the Non-consolidated Financial Statements and Consolidated Financial Statements for the 127th Fiscal Year (April 1, 2006 to March 31, 2007) and Results of Audit of the Consolidated Financial Statements by Accounting Auditors and the Board of Corporate Auditors.

Matters for Resolution:

First Item of Business:

Election of Eight (8) Directors

Second Item of Business:

Election of Accounting Auditors

Reference Materials of the Ordinary General Meeting of Shareholders

Matters to be resolved and referential information

First Item: Election of Eight (8) Directors

The terms of office of all of eight (8) Directors will expire at the close of the Meeting. Therefore, it is proposed that eight (8) Directors be elected. The candidates are as follows:

No.	Name (Date of Birth)	Brief Personal Record and Representation of Other Companies		Number of Shares of the Company Owned
1	Toshihiko Ono (Sept. 25, 1941)	April 1964	Joined Yawata Iron & Steel Co., Ltd.	384,000
		April 1989	General Manager of General Administration Div. Nippon Steel Corporation Yawata Works	
		June 1991	General Manager, Corporate Planning Div.	
		June 1995	Director, General Superintendent of Sakai Works	
		April 1997	Director, General Manager of Osaka Sales Office	
		April 1999	Managing Director, General Manager of Structural Group	
		April 2000	Managing Director, General Manager of Flat Products Div.	
		April 2001	Director	
		June 2001	Joined the Company Representative Director and Executive Vice-President	
		April 2002	Representative Director and President & Chief Executive Officer	
		April 2006	Chairman of the Board of Directors (To Present)	

2	Hideo Suzuki (March 21, 1945)	April 1968 June 1993 June 1995 June 1997 June 1999 June 2003 April 2005 April 2006	<p>Joined the Company</p> <p>General Manager of Affiliated Enterprises Dept.</p> <p>General Manager of Corporate Planning Dept.</p> <p>Director, General Manager of General Administration Dept. and General Manager of Corporate Planning Dept.</p> <p>Managing Director</p> <p>Director and Senior Managing Executive Officer</p> <p>Director and Vice-President & Executive Officer</p> <p>Representative Director and President & Chief Executive Officer (To Present)</p>	72,000
3	Takashi Nagai (Jan. 23, 1947)	April 1970 June 1993 June 1997 June 1999 June 2001 June 2002 June 2003 April 2004 June 2004 April 2006	<p>Joined the Company</p> <p>General Manager of Steel Sales Dept., Nagoya Branch</p> <p>General Manager of Stainless Steel Sales Dept.</p> <p>Director, General Manager of Stainless Steel Sales Dept. of Stainless Steel Business Div.</p> <p>Director, General Manager of Sales & Technology Administration Dept. and Deputy General Manager of Stainless Steel Business Div.</p> <p>Director, General Manager of Sales Administration Dept.</p> <p>Managing Executive Officer, General Manager of Overseas Business Dept.</p> <p>Managing Executive Officer</p> <p>Director and Managing Executive Officer</p> <p>Representative Director and Vice-President & Executive Officer (To Present)</p> <p>< Being in charge of > Sales and Purchase</p>	60,000

4	Shigeaki Matsunaga (April 19, 1947)	April 1973 June 1995 June 1999 June 2001 June 2003 April 2005 June 2005 April 2006	<p>Joined the Company</p> <p>General Manager of Production & Technology Administration Dept., Sakai Works</p> <p>General Manager of Marketing & Products Development Dept.</p> <p>Director, Flat-Rolled & Coated Steel Business Div. Works General Manager of Sakai Works</p> <p>Managing Executive Officer, Works General Manager of Sakai Works</p> <p>Managing Executive Officer, General Manager of Building Materials & Processing Business Div.</p> <p>Director and Managing Executive Officer</p> <p>Director and Vice-President & Executive Officer (To Present)</p> <p><Being in charge of></p> <p>Technology (Manufacturing including Environment and Safety, Research and Development including Building Materials)</p>	78,000
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5	Makoto Yada (Nov. 25, 1947)	April 1971 June 1995 April 1996 June 1998 June 1999 June 2001 June 2003 April 2004 April 2005 June 2005 April 2006	<p>Joined the Company</p> <p>General Manager for Special Assignment, Production & Sales Administration Center, Shunan Works</p> <p>General Manager of Production & Sales Administration Center, Shunan Works</p> <p>General Manager of Production & Technology Administration Dept.</p> <p>Executive Counselor, General Manager of Production & Technology Administration Dept.</p> <p>Director, General Manager of Flat-Rolled & Coated Steel Administration Dept., Flat-Rolled & Coated Steel Business Div.</p> <p>Managing Executive Officer, General Manager of Technology Administration Dept.</p> <p>Managing Executive Officer, General Manager of Technology Administration Dept. and General Manager of Business Process Innovation Dept.</p> <p>Managing Executive Officer</p> <p>Director and Managing Executive Officer</p> <p>Director and Vice-President & Executive Officer (To Present)</p> <p><Being in charge of></p> <p>Corporate Planning, Overseas Business and Process Innovation Promotion and Human Resource Development for Engineers</p>	29,000
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6	Fumio Oda (Nov. 3, 1948)	<p>April 1971</p> <p>Dec. 1996</p> <p>June 1999</p> <p>June 2000</p> <p>June 2001</p> <p>June 2003</p> <p>April 2005</p> <p>June 2006</p>	<p>Joined the Company</p> <p>General Manager of Export Dept.</p> <p>General Manager of Overseas Business Dept. Joint Stainless Steel Business Div., General Manager of Stainless Steel Export Dept.</p> <p>General Manager of High-Tech & Electrical Appliance Materials Dept.</p> <p>General Manager of High-Tech & Electrical Appliance Materials Sales and General Manager of Export Dept., Flat-Rolled & Coated Steel Business Div.</p> <p>Executive Officer and General Manager of Osaka Branch</p> <p>Managing Executive Officer</p> <p>Director and Managing Executive Officer (To Present)</p> <p><Being in charge of > Overseas Project, Purchase, Sales for Electrical Appliance Materials & Export for Steel Sheet and Overseas Offices</p> <p><Situation Representing Other Organization> Chairman, Chang Fu Stainless Steel Center (Suzhou) Co., Ltd. And Chairman, Tsukiboshi (Shanghai) Steel Trading Co., Ltd.</p>	46,540
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7	Yuji Kashihara (Jan. 6, 1949)	April 1971 June 1997 April 1999 June 2001 June 2002 April 2004 June 2005	<p>Joined the Company</p> <p>General Manager of Human Resources Dept.</p> <p>General Manager of General Administration Dept.</p> <p>Director and General Manager of Human Resources & Industrial Relations Dept.</p> <p>Joined Nisshin Information Service Corp. Representative Director and President & Chief Executive Officer,</p> <p>Joined the Company Managing Executive Officer</p> <p>Director and Managing Executive Officer (To Present) <Being in charge of> General Affairs, Internal Auditing, Risk Management Promotion, Human Resources and Industrial Relation & Safety as well as assisting Mr. Yada on PI Promotion</p>	64,000
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Second Item: Election of Accounting Auditors

Chuo Aoyama Audit Corporation (“Chuo Aoyama”, changed to “MISUZU Audit Corporation” as from September 1, 2006) was ordered by the Financial Services Agency of Japan to suspend its services for two months from July 1 to August 31, 2006. A meeting of the Board of Corporate Auditors held on July 1, 2006 appointed Fuji Accounting Office as temporary Accounting Auditors to avoid non-existence of the Accounting Auditors of the Company during the services suspension period and procure audit services to be continuously rendered to the Company, and furthermore, a meeting of the Board of Corporate Auditors held on September 1, 2006 following the termination of the suspension period appointed MISUZU Audit Corporation as temporary Accounting Auditors in the light of fulfilling audit duties to the fullest extent.

Now the Company would like to sincerely ask shareholders to newly elect Ernst & Young Shin Nihon as Accounting Auditors at the Annual General Meeting of Shareholders.

With respect to the presentation of this proposal, the Board of Corporate Auditors consented to the proposal in advance. The candidate for Accounting Auditors is as follows:

Name	Ernst & Young Shin Nihon
Location of Principal Office	Hibiya Kokusai Building, 2-3 Uchisaiwaicho 2-chome, Chiyoda-ku, Tokyo
History	April 2000 Showa Ota & Co. and Century Audit Corporation merged to form Century Ota Showa & Co. July 2001 Century Ota & Co. merged with TKA TAKESHI IIZUKA & Co. and Takachiho Audit Corporation Corporate name changed to Shin Nihon & Co. April 2004 English name changed to Ernst & Young Shin Nihon July 2005 Merged with Taiseikaikeisha Audit Corporation

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