

[Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of non-Japanese speakers concerned. In case of any discrepancy between the translation and the Japanese original, the latter shall prevail.]

September 30, 2008

Nisshin Steel Co., Ltd.

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Nisshin Steel Announces Shelf Registration of Stock Acquisition Rights and the Revision of Fair Rules for the Acquisition of Substantial Shareholdings (Takeover Defense Measure)

Nisshin Steel Co., Ltd. (“Nisshin Steel”) determined at its Board of Directors (the “Board”) held on September 28, 2006 to adopt the Fair Rules for the Acquisition of Substantial Shareholdings (Takeover Defense Measure) (the “Plan”), and to file a shelf registration statement in connection with the stock acquisition rights contemplated by the Plan. Since the effective period of the Shelf Registration of Stock Acquisition Rights is to expire soon, Nisshin Steel determined at the Board held on September 30, 2008 to renew the Shelf Registration of Stock Acquisition and at the same time, to make certain revisions to the Plan based principally on recent amendments to the relevant laws as described below.

1. Outline of Shelf Registration

- (1) Type of Securities Subject to Shelf Registration: Stock Acquisition Rights
- (2) Planned Registration Period: Two years elapsing from the effective date of the Shelf Registration (from October 8, 2008 to October 7, 2010)
- (3) Way for Subscription: Gratis Allotment of the Stock Acquisition Rights
- (4) Amount of Scheduled Issuance: 3,977,964,000 yen
(The above amount refers to a total of an aggregate issuance amount of the Stock Acquisition Rights and an amount to be paid upon exercise of the Stock Acquisition Rights.)

2. Revision of the Plan

Amendments to the relevant laws including the Financial Instruments and Exchange Law have been made since our adoption of the Plan. In connection with such amendments, certain necessary revisions to the Plan have been made principally in terms of terminology. It should be noted that these revisions do not have any effects on the basic policy and procedures of the Plan. These revisions to the Plan will concurrently come into force on the effective date of the above Shelf Registration and the revised Plan is attached hereto as an Exhibit.

Further details of the Plan are posted on our home page (<http://www.nisshin-steel.co.jp>).

(English Translation of the Japanese original)

This translation is prepared for accommodation only. The Japanese language version is controlling if there is any discrepancy.

FAIR RULES FOR THE ACQUISITION OF SUBSTANTIAL SHAREHOLDINGS

(TAKEOVER DEFENSE MEASURE)

OF

NISSHIN STEEL CO., LTD.

Enforced on September 28, 2006

Revised on September 30, 2008

1. Purpose of Fair Rules for the Acquisition of Substantial Shareholdings (Takeover Defense Measure).

These Fair Rules for the Acquisition of Substantial Shareholdings (Takeover Defense Measure) (the “Plan”) are adopted by Nisshin Steel Co., Ltd. (the “Company”) in accordance with, among other things, applicable statutory provisions, the relevant rules concerning the adoption of takeover defenses by Tokyo Stock Exchange, Inc., and the “Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders’ Common Interests”, promulgated by the Ministry of Economy, Trade and Industry and the Ministry of Justice, and upon giving full consideration to the rulings of Japanese courts concerning takeover defenses.

In the event that a takeover proposal is made, the ultimate decision as to whether or not to accept the proposal should be made by the shareholders of the Company at the time the takeover proposal is made. Furthermore, when a takeover proposal is made, in order to preserve corporate value and the common interests of shareholders it is necessary to create an environment in which the shareholders of the Company can make an informed judgment based on sufficient information and with a reasonable time period to consider the proposal.

In light of the above, the Company has adopted the Plan, which sets forth a clear path that a bidder can follow to commence a takeover proposal. The Plan is designed to enable the shareholders at the time of the takeover proposal to make the ultimate decision upon an informed judgment as to whether to accept the bidder’s takeover proposal, based on sufficient information and with a reasonable time period for the Board to consider the takeover proposal and pursue alternatives, and also based on a full understanding how the directors’ alternatives or other proposals would enhance corporate value and the common interests of shareholders, compared to the bidder’s proposal. Such rules are also necessary in order to prevent a harmful large-scale acquisition of stock which would result in damage to corporate value and the common interests of shareholders.

Accordingly, the Rights (as defined in Section 5(1)) will be issued only in the cases where specified in Section 5(1).

2. Definition of an Acquiring Person.

As used in this Plan, “Acquiring Person” shall mean any person who is the holder of 15% or more of the Voting Rights Ratio¹ of the Shares, Etc.² of the Company, and shall include Special

¹ “Voting Rights Ratio” shall mean, as the case may be, either (a) the “Shareholding Ratio” (as defined in Article 27-23(4) of the Financial Instruments and Exchange Law) with respect to the holder (including those deemed to be holders pursuant to Article 27-23(3) of the Financial Instruments and Exchange Law) and the Co-Holder (as defined in footnote 4 below) of the Shares, Etc. of the Company (as provided in Article 27-23(1) of the Financial Instruments and Exchange Law), or (b) the aggregate of (x) the “Shareholding Ratio” (as defined in Article 27-2(8)(i) of the Financial Instruments and Exchange Law) applied to a bidder of a Tender Offer and (y) the “Shareholding Ratio” (as defined in Article 27-2(8)(ii) (continued . . .)

Related Parties³ and Co-Holders⁴ of the Acquiring Person; provided, however, that the term “Acquiring Person” shall not include:

(i) Any person who is the holder of 15% or more of the Voting Rights Ratio of the Shares, Etc. of the Company on September 28, 2006 when this Plan is first adopted, or who becomes the holder of 15% or more of the Voting Rights Ratio of the Shares, Etc. of the Company as a result of the acquisition of its own stock by the Company and/or the exercise of Rights by such person (or receipt of Shares, Etc. upon the compulsory acquisition of Rights by the Company) in accordance with the terms of the Plan until such time hereafter or thereafter as such person becomes the holder (other than by means of a stock dividend, stock split, exercise of Rights by such person or compulsory acquisition of Rights by the Company) of any additional Shares, Etc.;

(ii) Any person who is the holder of 15% or more of the Voting Rights Ratio of the Shares, Etc. of the Company but who became such holder without the aim of controlling or influencing the business activities of the Company, if such person promptly divests, or promptly enters into an agreement with, and satisfactory to, the Company, in its sole discretion, to divest (without exercising or retaining any power, including voting power, with respect to such shares) sufficient Shares, Etc., and thereafter divests such shares so that such person ceases to be the holder of 15% or more of the Voting Rights Ratio; or

(iii) The Company, any subsidiary of the Company and any employee stock ownership or other employee benefit plan of the Company or a subsidiary of the Company (or any entity or trustee holding Shares, Etc. for or pursuant to the terms of any such plan or for the

of the Financial Instruments and Exchange Law) applied to the Special Related Party (as defined in footnote 3 below) of the Company’s Shares, Etc. (as provided in Article 27-2(1) of the Financial Instruments and Exchange Law). In the calculation of each Shareholding Ratio, the Company shall refer to the total number of voting rights (as provided in Article 27-2(8) of the Financial Instruments and Exchange Law) and the total number of issued shares (as provided in Article 27-23(4) of the Financial Instruments and Exchange Law) most recently disclosed by the Company. Following the promulgation of any laws and regulations succeeding the Financial Instruments and Exchange Law and its related cabinet orders, cabinet ordinances and ministerial ordinances, each provision of the Financial Instruments and Exchange Law and its related regulations cited herein shall refer to the provision corresponding thereto in such succeeding laws and regulations, unless otherwise determined by the Board.

² “Shares, Etc.” is as defined in Article 27-23(1) or Article 27-2(1) of the Financial Instruments and Exchange Law.

³ “Special Related Party” is as defined in Article 27-2(7) of the Financial Instruments and Exchange Law, excluding such persons as set forth in Article 3(2) of the Cabinet Ordinance Regarding Disclosures in a Tender Offer by Third Parties.

⁴ “Co-Holders” is as defined in Article 27-23(5) of Securities and Exchange Law, including those deemed as Co-Holders pursuant to Article 27-23(6) of the Financial Instruments and Exchange Law.

purpose of funding any such employee stock ownership or other employee benefit plan of the Company or of any subsidiary of the Company).

3. Requirement for a Qualifying Offer.

In order to be considered by the shareholders, any proposal by a person (a “Bidder”) which, if consummated, would result in the creation of an Acquiring Person, must be a Qualifying Offer. A “Qualifying Offer” is a binding offer to acquire Shares, Etc. in a Tender Offer⁵ or any other transaction which provides all shareholders an equal opportunity to participate, which binding offer shall not be subject to any conditions that could not be conditions to a Tender Offer, whether or not the proposal contemplates the making of a Tender Offer, and satisfies all the following requirements:

(i) As to such offer, the Required Information (as listed in Exhibit A attached hereto) has been provided to the Board, (A) which information is not on its face deficient or materially inaccurate in light of information publicly available at the time; or (B) (x) as to which information outside counsel to the Bidder of international reputation has provided a written opinion to the Board that the Required Information contains no untrue statement of a material fact or omission of any material fact or any fact necessary to make the Required Information, in light of the circumstances under which it is provided, not misleading (the “Required Information Opinion”) and (y) if there is a regulatory condition to the transaction described in such offer, such outside counsel to the Bidder has advised the Board in writing that the Bidder has provided the Company with all material information to determine the likelihood of regulatory approval or any divestitures that may be required (the “Regulatory Opinion”);

(ii) The Bidder shall not commence such offer, acquire Shares, Etc. or enter into a binding agreement to acquire Shares, Etc. pursuant to its proposal until after a “Shareholders Vote” (as defined in Section 4(2)) is held at which the shareholders do not approve issuance of the Rights; and

(iii) As to such offer, the Board has not determined, following consultation with, and/or receipt of advice from, its outside counsel and an investment banking firm, both of international reputation, that the Bidder may fit within one of the following categories, as a result of which an apparent damage to the common interests of the shareholders may be caused:

(A) A so-called “green mailer”, or a person who acquires shares with no intention to participate in the management of the Company in order to raise the Company’s share price and sell his/her holdings to parties concerned with the Company at a higher price;

(B) A person who acquires the Company’s shares to engage in so-called “scorched earth” management, or temporarily takes control over the Company and causes it to transfer operationally indispensable assets (including plants and equipment, intellectual property rights, expertise, trade secrets, major business partners and customers) to the purchaser or its group companies;

⁵ “Tender Offer” is defined in Article 27-3(1) of the Financial Instruments and Exchange Law.

(C) A person who acquires the Company's shares to divert its assets as collateral for or repayment of debts of the acquirer or its group companies after taking control over the Company; or

(D) A person who temporarily takes control over the Company to cause it to dispose of significant assets, including properties and trading securities, not immediately related to its operations, in order to cause it to temporarily distribute high dividends or to allow the acquirer to sell the Company's shares at a higher price through a rise in share price resulting from the temporarily high dividend payments, or is otherwise planning to prey on the Company.

4. Shareholders Vote.

If a Qualifying Offer is proposed, a Shareholders Vote shall be held as follows:

(1) **Review Period.** When the Board has received (x) all of the Required Information or (y) the Required Information Opinion and, if applicable, the Regulatory Opinion, the Company shall promptly make a public announcement to such effect (the day on which the Board has received all of the Required Information shall be referred to as the "Review Period Commencement Date"). The Board, unless it determines that the proposal set forth in the Required Information is in the best interests of the Company and its shareholders, shall set a record date for the Shareholders Vote (the "Shareholder Voting Record Date"), which shall be publicly announced at least two weeks in advance. The Shareholder Voting Record Date shall be the earliest possible day in light of applicable law relating to setting a record date and the requirements of Japan Securities Depository Center, Inc. ("JASDEC") concerning the forwarding of information regarding owners of Shares, Etc. registered in JASDEC's book-entry system, following the applicable period set forth in (i) through (iii) below:

(i) In the event that the proposal is a Qualifying Offer that is a Tender Offer for all Shares, Etc. for cash and does not involve a two-tiered structure (a takeover which coerces shareholders into accepting a higher priced front-end tender offer by setting unfavorable terms or not specifically indicating terms for the back-end of the transaction for any shareholders who do not accept the front-end tender offer), the time period shall be 12 weeks starting on the Review Period Commencement Date.

(ii) For any proposal other than the proposal described in (i) above, the time period shall be 18 weeks starting on the Review Period Commencement Date.

(iii) Notwithstanding the foregoing (i) and (ii),

(A) In the event the Board has received an opinion with respect to such Qualifying Offer from an internationally recognized investment banking firm which states that the offer price is inadequate from a financial point of view, the time period provided in (i) or (ii) above, as the case may be, shall be extended for an additional eight weeks; and

(B) If the Bidder has neither submitted the securities registration statement(s), the securities reports, the quarterly securities reports, the semi-annual securities reports and extraordinary reports (including any amendment of each of such statement(s) and reports), each prepared in Japanese, required to submit under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) (including any law succeeding the Financial Instruments and Exchange Law of Japan) covering the past five years, nor published any documents corresponding thereto in Japanese covering the past five years (excluding any summary in Japanese of such documents which were available only in a foreign language), the time period

provided in (i) or (ii) above, as the case may be, and as extended in accordance with (iii)(A) above, as applicable, shall be extended for an additional four weeks.

(2) **Shareholders Vote.** A “Shareholders Vote” shall mean the Company’s shareholders’ voting conducted within three months of the Shareholder Voting Record Date by either a Written Ballot (as defined below) or at a meeting held to confirm shareholders’ will in relation to the implementation of the Rights (a “Shareholders Will Confirmation Meeting”). A Shareholders Will Confirmation Meeting may be held in conjunction with an ordinary general shareholders meeting or at an extraordinary general shareholders meeting. The Board shall, on or before the Shareholder Voting Record Date, determine which method to use to obtain a Shareholders Vote, including the form of voting instruction. In case of a Written Ballot, the required vote shall be the affirmative vote of a majority of the shares with voting rights voting, with at least one-third of the Shares, Etc. being required to vote. In the case of a Shareholders Will Confirmation Meeting, there shall be a requirement for a quorum of one-third of the Shares, Etc. and the required vote shall be the affirmative vote of a majority of the shares with voting rights of the shareholders present.

The shareholders registered or recorded in the latest register of shareholders of the Company or the latest register of shareholders from JASDEC as of the Shareholders Voting Record Date determined by the Board in accordance with (1) above shall have one right to vote by the Written Ballot or at a Shareholders Will Confirmation Meeting per voting right attached to their Shares, Etc. granted under applicable laws and the Company’s Articles of Incorporation.

“Written Ballot” shall mean a written ballot of the shareholders of the Company, for which the Board shall dispatch the shareholders entitled to vote thereon a voting form that shall state, or enclose a form stating, the matters to be voted on and by what date (the “Voting Date”) the voting form shall be returned to the Company. The Board shall dispatch such voting form at least three weeks prior to the Voting Date.

The provisions for the convocation of and the exercise of voting rights at an ordinary general shareholders meeting and an extraordinary general shareholders meeting under the applicable laws and the Company’s Articles of Incorporation shall apply *mutatis mutandis* to the convocation of and the exercise of voting rights at a Shareholders Will Confirmation Meeting.

A Shareholders Vote in which a majority of the shares voted are cast in favor of the implementation of the Rights being allowed to proceed pursuant to the Plan shall constitute “Shareholder Approval for the Implementation of the Rights”.

The Board may, in order to preserve corporate value and the common interests of the shareholders, recommend that the shareholders vote in favor of the implementation of the Rights.

In the event that the Board commenced the process for the Shareholders Vote based on a determination that a specific proposal constitutes a Qualifying Offer, if, prior to the completion of the Shareholders Vote, such proposal is subsequently determined not to be a Qualifying Offer, the Board may at any time terminate such process for the Shareholders Vote and implement the Rights in accordance with the provisions of Section 5(1).

(3) **Amendments to Qualifying Offer.** If, following delivery of the Required Information, Bidder shall in any material manner amend its proposal described in the Required Information (the “Proposal”) in a manner that the Board, after consultation with an internationally recognized investment banking firm, determines is less favorable to the Company and the common interest of the shareholders, the Board shall terminate any process underway with respect to obtaining a Shareholders Vote and shall consider such amended proposal as a new proposal under

the terms of this Plan. If, following delivery of the Required Information, Bidder shall in any material manner amend the Proposal in a manner that the Board, after consultation with an internationally recognized investment banking firm, determines is not less than favorable to the Company and the common interest of the shareholders (the “Improved Proposal”), the Board shall, to the extent practicable in light of the current status of the process contemplated by this Plan, submit the Improved Proposal to the shareholders in accordance with the currently applicable time periods under this Plan. In order to be assured of a timely submission of an Improved Proposal, all Required Information with respect to such Improved Proposal must be submitted no later than two weeks before any Shareholder Voting Record Date; to the extent any proposal is submitted after such date or it is not otherwise practicable to submit the Improved Proposal to the shareholders in accordance with the currently applicable time period, the proposal shall be considered a new proposal under the terms of this Plan unless the Board otherwise determines in its sole discretion. In any event, the Shareholders Vote shall be held within three months of the Shareholder Voting Record Date and the Board may extend the date of the Shareholders Vote already determined to any date within such three month period.

5. Implementation of Plan (Issuance of Rights).

(1) If the events set forth in (i) or (ii) below occur, the Board will promptly pass a resolution to implement the Rights and will set a record date (the “Allotment Date”) to determine those shareholders who are allotted the stock acquisition rights described herein (the “Rights”):

(i) A Tender Offer which, if consummated, would result in the creation of an Acquiring Person, is commenced, unless (A) the Tender Offer is commenced promptly following the Shareholders Vote at which there is not received Shareholder Approval for the Implementation of the Rights and the Tender Offer is made pursuant to the terms of the Proposal considered by the shareholders at the Shareholders Vote, or (B) the Tender Offer is commenced promptly after the Board has determined that the Proposal set forth in the Required Information is in the best interests of the Company and its shareholders and the Tender Offer is made pursuant to the terms of the Proposal considered by the Board; or

(ii) A “Stock Acquisition Date” occurs, other than in the case (A) where the Stock Acquisition Date occurs promptly following the Shareholders Vote at which there is not received Shareholder Approval for the Implementation of the Rights and the Stock Acquisition Date occurs on the terms of the Proposal considered by the shareholders at the Shareholders Vote, or (B) where the Stock Acquisition Date occurs promptly after the Board has determined that the Proposal set forth in the Required Information is in the best interests of the Company and its shareholders and the Stock Acquisition Date occurs on the terms of the Proposal considered by the Board. A “Stock Acquisition Date” shall mean the first date on which there shall be a public announcement by the Company (by any means) that a person has become an Acquiring Person.

Note that in order for a proposal of a Bidder to be considered by the shareholders by a Shareholders Vote as referred to in (i)(A) and (ii)(A) above, the Bidder must first propose a Qualifying Offer and comply with the procedures set forth herein. Therefore, where the Bidder has commenced its offer, acquired Shares, Etc. or entered into a binding agreement to acquire Shares, Etc. before a Shareholders Vote is held and (i) has failed to provide the Required Information or otherwise failed to comply with the procedures set forth herein in connection with those actions, or (ii) where the Board has determined pursuant to Section 3.(iii) that the Bidder may fit within one of the categories listed in Section 3.(iii)(A) through (D), as a result of which an apparent damage to the common interests of the shareholders may be caused, the Board will pass a resolution to implement the Rights. The Board cannot, however, implement the Rights unless and until there is either the

commencement of a Tender Offer which would result in the creation of an Acquiring Person, or a Stock Acquisition Date actually occurs.

The Company will allot Rights without the application by the shareholders.

In the event that the relevant tender offer period is extended, the Allotment Date may be changed in the sole determination of the Board to the extent permitted under applicable law. If the Allotment Date is set as a result of the commencement of a Tender Offer and the Tender Offer is terminated or expires without the acquisition of Shares, Etc. prior to the issuance of the Rights, the Company shall not issue the Rights unless otherwise required under applicable law.

(2) **Terms of Rights.** Subject to the terms of the Plan, the Board may allot the Rights any number of times. The terms of the Rights are as follows:

(i) **Shareholders to Whom Rights Are Allotted.** The shareholders of the Company registered or recorded in the latest register of shareholders of the Company or the latest register of shareholders from JASDEC as of the Allotment Date will have the right to be allotted one Right for each share of common stock of the Company (the “Common Stock”) held of record as of the Allotment Date (except for the Common Stock held by the Company).

(ii) **Shares to be Issued upon Exercise of Rights.** Each Right will entitle the holder thereof to receive, upon payment of the exercise price (if applicable) as set forth in (v) below, one share of Common Stock or such lesser or greater percentage of a share of Common Stock as the Board shall determine, taking into consideration the authorized shares available, at the time the Board passes a resolution to implement the Rights.

(iii) **Total Number of Rights.** The maximum number of Rights will be the same as the total number of outstanding shares of Common Stock as at the close of the Allotment Date (excluding the number of shares of Common Stock then held by the Company).

(iv) **Issuance Price of Rights.** The Rights shall be issued for no consideration.

(v) **Exercise Price of Rights.** The exercise price of the Rights shall be one (1) Japanese Yen per share of Common Stock to be issued upon the exercise.

(vi) **Exercise Period of Rights.** The exercise period of the Rights shall be a period determined by the Board at the time of the resolution for the issuance of the Rights which shall be no more than two months.

(vii) **Conditions of Exercise of Rights.** The Rights are exercisable subject to the conditions set forth in (3) below.

(viii) **Acquisition of Rights.** The Company may acquire for no consideration any Rights then outstanding in the event (A) that the Plan is terminated in accordance with the provisions of Section 6, or (B) that the Board, in its discretion and at any time before the Stock Acquisition Date occurs, deems it appropriate to acquire the Rights as of a certain date. The Company may also compulsorily acquire the Rights issued in the manner set forth in (x) below in exchange for Shares, Etc. or other assets.

(ix) **Non-transferability of Rights.** The Rights will be transferable only with the approval of the Board.

(x) **Compulsory Acquisition.** The Company may (A) issue Rights which, if exercisable under this Plan, may be compulsorily acquired by the Company in exchange for Shares, Etc., and (B) taking into consideration the number of authorized shares available, issue stock acquisition rights, in lieu of or in addition to the Rights, which can be acquired by the Company in exchange for assets other than Shares, Etc.

(3) **Exercise of Rights.** The Rights are exercisable (or if the Rights have a provision under which they may be compulsorily acquired by the Company in exchange for the Shares, Etc. or other assets, then exchangeable) only to the extent that the Stock Acquisition Date has occurred. Notwithstanding the foregoing, any Rights that are beneficially owned by an Acquiring Person, may not be exercised (or if the Rights have a provision under which they may be compulsorily acquired by the Company in exchange for the Shares, Etc. or other assets, then may not be exchanged) under any provision of this Plan. As a condition to exercising the Rights (or, if the Board so determines, as a part of any compulsory acquisition of the Rights, to the extent permitted by law), the Company shall be entitled to require the holder of the Rights to certify that such holder is not an Acquiring Person and does not hold the Rights on behalf of an Acquiring Person and to provide such additional evidence as the Company shall reasonably request, and in the absence of such certification and evidence, then the Company shall be entitled conclusively to deem the beneficial owner thereof to be an Acquiring Person and accordingly will deem such Rights to be not exercisable.

In the event that a holder of the Rights agrees to transfer the Common Stock to be issued upon the exercise of the Rights to an Acquiring Person, the Company shall be entitled conclusively to deem the Rights to be beneficially owned by the Acquiring Person. In the event that a shareholder to whom the Rights have been allotted has transferred or agreed to transfer his or her shares of Common Stock held as of the Allotment Date to an Acquiring Person, the Company shall be entitled conclusively to deem such shareholder to have agreed to transfer to the Acquiring Person the Common Stock to be issued upon the exercise of the Rights.

Any Rights which are attempted to be transferred in violation of this Plan may not be exercised.

(4) **Compulsory Acquisition (Exchange) of Rights.** If the Company issues the Rights that may be compulsorily acquired in exchange of Shares, Etc. or other assets upon the occurrence of such date as determined by the Board (the "Exchange Date"), the Company may, as of the Exchange Date or such other date on which the acquisition shall take effect in accordance with applicable law, acquire the Rights which the Company has, prior to the Exchange Date, determined are exercisable pursuant to Section 5(3) and which have not been exercised prior to the Exchange Date. If the Company issues the Rights that may be compulsorily acquired in exchange of Common Stock, the number of shares of Common Stock to be delivered upon exchange shall be the same as the number of Common Stock to be delivered upon exercise of such Rights.

(5) **Other Matters.** Any matters required under the laws for the issuance of the Rights not otherwise contained herein shall be determined by the Board.

6. Supplements, Amendments, Review and Termination.

(1) **Termination of the Plan.** The Plan shall be terminated at the time which is the earliest of (i) immediately prior to the purchase the Shares, Etc. pursuant to a Qualifying Offer as a result of which a majority of Shares, Etc. are acquired, in response to which the implementation of the Rights has been rejected by the Shareholders Vote, (ii) the termination of this Plan by the

Board under Section 6(2), and (iii) the sixth anniversary of the date of this Plan, unless extended by action of the Board (in which case the Plan shall expire at the time to which it has been so extended). Upon termination of this Plan, the Company shall as promptly as possible announce such termination; provided, however, that the Company shall not be required to give any notice to individual shareholders in connection therewith.

(2) **Supplements, Amendments, Review and Termination of the Plan by the Board.** The Company may from time to time supplement or amend this Plan by a resolution of the Board without the approval of any holders of Rights or Shares, Etc. (i) prior to the Stock Acquisition Date, in any respect, including, without limitation, as result of any legislative, judicial or regulatory developments, and (ii) after the Stock Acquisition Date, to make any changes that the Company may deem necessary or desirable, including, without limitation, as result of any legislative, judicial or regulatory developments, and which shall not materially adversely affect the interests of the holders of Rights generally or in order to cure any ambiguity or to correct or supplement any provision contained herein which may be inconsistent with any other provisions herein or otherwise defective. The Company may terminate this Plan at any time by a resolution of the Board prior to the Stock Acquisition Date. No later than the third anniversary of the date hereof, the Board shall review this Plan, in light of circumstances then existing. If the Company supplements, amends, reviews or terminates this Plan under this Section 6(2), the Company shall as promptly as possible announce such supplements, amendments, review or termination; provided, however, that the Company shall not be required to give any notice to individual shareholders in connection therewith.

7. **Notices.**

Notices or demands authorized or required by this Plan to be given or made by the holder of any Rights to or on the Company shall be sufficiently given or made if delivered or sent by mail, postage prepaid, addressed (until another address is filed in writing with the Company) as follows:

Name: Nisshin Steel Co., Ltd.
Address: 4-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo 100-8366, Japan
Attention: General Administration Department

Notices or demands authorized or required by this Plan to be given or made by the Company to or on the holder of any Rights shall be sufficiently given or made if delivered or sent by mail, postage prepaid, addressed to such holder at the address of such holder as it appears upon the registry books of stock acquisition rights of the Company. Any notice which is mailed in the manner herein provided shall be deemed given, whether or not the holder receives the notice.

8. **Suspension of Exercisability.**

Notwithstanding Section 5, to the extent that the Company determines in good faith that some action will or need be taken to comply with law (which, for the purpose of this Section, includes any foreign law), the Company may, to the extent permitted by law, suspend the exercise of the Rights for a reasonable period in order to take such action or comply with such laws. In such case, the Company will as promptly as practicably possible make an announcement that an exercise of Rights has been suspended. The Company shall not be required to give any notice to the holders of the Rights or any other parties in connection with such suspension, unless otherwise required by applicable law.

9. GOVERNING LAW.

THIS PLAN AND THE RIGHTS ISSUED HEREUNDER SHALL FOR ALL PURPOSES BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF JAPAN.

10. Impact on Shareholders.

(1) Impact on the Shareholders upon the Adoption of this Plan. Since the Company is not issuing Rights at the time of the adoption of this Plan, this Plan will have no particular, direct impact on the rights and interests of the shareholders.

(2) Impact on the Shareholders upon the Issuance of the Rights. One Right will be allotted for no consideration to a holder of one share of Common Stock registered or recorded in the latest register of shareholders of the Company or the latest register of shareholders from JASDEC as of the Allotment Date determined by the Board at the time of the issuance of the Rights. If a shareholder fails to pay the exercise price (one (1) Japanese Yen per share of Common Stock to be issued upon the exercise) or otherwise follow the procedure required for the exercise of his or her Rights during the exercise period (except where the Company issues the Rights which may be compulsorily acquired by the Company in exchange for the Company's shares or other assets, and acquires the Rights in accordance with their terms), such shareholder's ownership will be diluted due to the exercise of the Rights by other shareholders.

(3) Termination of the Process to Issue the Rights or Acquisition of the Rights for No Consideration. In the event that after the Board has passed a resolution to issue the Rights, the Bidder fails to acquire 15% or more of the Voting Rights Ratio of the Shares, Etc. by withdrawing the tender offer or for any reason whatsoever, the Company may terminate the process underway to issue the Rights or acquire for no consideration the Rights that have been issued. Such event could result in a fluctuation in the market price of the Shares, Etc. In particular, if the Company, after the shareholders entitled to the Rights have been identified, terminates the process to issue the Rights or acquires for no consideration the Rights that have been issued, no dilution of value per Share, Etc. will occur, and therefore, those shareholders who have sold the Shares, Etc. on the assumption that there will be dilution may suffer damage due to the fluctuation in the market price of the Shares, Etc.

(4) Procedures to be Followed by the Shareholders.

(i) Registration of Transfer of the Shares. In the event that the Board has determined to issue the Rights, the Company will publicly announce the Allotment Date. Since the shareholders registered or recorded in the latest register of shareholders of the Company or the latest register of shareholders from JASDEC as of the Allotment Date will be granted the Rights without the application by the shareholders, the shareholders will not be entitled to the Rights, unless they are the holder of record in the register of shareholders of the Company by the Allotment Date, except for the shares deposited with JASDEC.

(ii) Procedure for Application for the Rights. No application for the Rights will be necessary. A shareholder registered or recorded in the latest register of shareholders of the Company or the latest register of shareholders from JASDEC as of the Allotment Date shall automatically become a holder of Rights as of the effective date of the allotment.

(iii) Procedure for Exercise of the Rights. The Company will send to each shareholder registered or recorded in the latest register of shareholders of the Company or the latest

register of shareholders from JASDEC as of the Allotment Date a form for exercise of the Rights which includes a certification to be verified by the shareholder that he or she is not, or does not hold the Rights on behalf of, an Acquiring Person, along with such other documents as necessary for the exercise of the Rights. Once the Rights have been issued, a shareholder may receive a share of Common Stock (or such lesser or greater percentage of a share of Common Stock as the Board shall determine) for each Right upon submitting such documents and paying one (1) Japanese Yen per share of Common Stock to be paid to the payment handling agent during the exercise period; provided, however, that in the event that the Company issues the Rights which may be compulsorily acquired in exchange for the Company's shares or other assets, the holders of such Rights will, upon the Company taking the necessary actions, receive the Company's shares or such other assets in exchange of the Rights without paying the exercise price (in such case, holders of the Rights may be required to submit a form designated by the Company which certifies that he or she is not, or does not hold the Rights on behalf of, an Acquiring Person).

For details of the procedures for registration of transfer of shares or payment of the exercise price, the shareholders will be required to refer to the public announcement or notice to shareholders when the Board has determined to issue the Rights.

In order to deliver Required Information under Fair Rules for the Acquisition of Substantial Shareholdings (Takeover Defense Measure) of Nisshin Steel Co., Ltd. (the “Plan”) to the Board, the following written information must be provided in Japanese, to the attention of the General Administration Department, Nisshin Steel Co., Ltd., at 4-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo 100-8366, Japan. Capitalized terms not defined herein have the meaning set forth in the Plan.

1. Identity

Provide the name, business address and business telephone number of each Bidder, any person directly or indirectly controlling each Bidder including the ultimate controlling person (the “Ultimate Parent”) as well as all Co-Holders and Special Related Parties of each Bidder and the Ultimate Parent, directors and officers of each Bidder and of the Ultimate Parent and each person acting in concert with any Bidder or Ultimate Parent in respect of the offer (collectively, “Disclosing Persons”). Describe the relationship between each Disclosing Person and each Bidder.

For Disclosing Persons which are natural persons, provide such persons’ principal occupation or employment for the past five years through the present, including the principal business and address of any corporation or other organization (“Entity”) in which the occupation or employment is or was conducted, giving the applicable starting and ending dates for each employment, and the age and citizenship of such persons.

Disclosing Persons which are Entities should provide the principal business of such Entity and the jurisdiction of organization and audited consolidated financial statements (however, the most recent financial statements may be unaudited, if not audited at that time) and non-consolidated financial statements, both covering the past five years (or if five years have not been passed since its incorporation, then covering the period from the incorporation), and if such Entity is under statutory obligation to file an annual securities report in Japan, registration statement(s), the annual securities report, the quarterly securities reports, semi-annual securities reports and extraordinary reports, and any amendment thereto, filed in the past five years (if five years have not been passed since it became subject to such obligation, then in the period since it became subject to such obligation).

All Disclosing Persons should disclose if they have been (i) convicted in a criminal proceeding in the past ten years (excluding traffic violations or similar misdemeanors), and if so, the crime committed, the penalty (or other disposition) imposed, and the court involved or (ii) a party to a judicial or administrative proceeding in the past ten years that resulted in, or where the relief sought is, a judgment, decree or final order finding such person in violation of, or enjoining future violations or prohibiting activities related to, the Securities and Exchange Law (Law No. 25 of 1948, as amended, including the Financial Instruments and Exchange Law and any law succeeding it), the Commercial Code (Law No. 48 of 1899, as amended), the Corporate Law (Law No. 86 of 2005), the Act Concerning Prohibition of Private Monopolization and Maintenance of Fair Trade (Law No. 54 of 1947, as amended) or environmental laws, or laws of any jurisdiction that are counterparts of the foregoing, or of any other litigation which would reasonably be likely to be material to a decision by the Company’s shareholders, and shall disclose the terms of any such judgment, decree or order. Describe the nature of any material pending litigation or other legal proceedings in or outside Japan in which any Disclosing Person is currently involved.

2. Interest in Securities

Disclose all securities of the Company held by the Disclosing Persons, all transactions involving securities of the Company by any Disclosing Person in the last 180 days (including nature of transaction, price, where and how the transaction occurred, and, if known, the other party to the transaction), and all agreements, arrangements and understandings of any Disclosing Person with

any other person, whether or not in writing and whether or not legally enforceable, relating to any securities of the Company.

3. Terms of the Proposal

Provide the terms of the Tender Offer or other proposal made or proposed to be made by the Disclosing Persons, including the method of the acquisition, the total number and class of securities sought, the amount and nature of the consideration to be offered, the contemplated expiration date, whether the Tender Offer may be extended, any withdrawal or amendment rights to be provided, the condition to the reduction of the offer price, the conditions to the Tender Offer or other transaction, any provisions regarding the pro rata acceptance of securities if the Tender Offer is to be for less than all shares, whether a two-tiered structure is contemplated, if so, the terms of such two-tiered structure, and the tax consequences of the Tender Offer or other transaction.

4. Purpose of the Transaction; Plans for the Company

State the purpose of, and provide a description of, the transaction, any plans, proposals or negotiations that the Bidder contemplates to conduct or execute after or concurrently with the acquisition and would result in any of the following transactions: a share transfer, transfer of business, merger, demerger, stock-for-stock exchange or stock-for-stock transfer, a sale or transfer of material assets (including intellectual property rights), a reorganization or liquidation or any other extraordinary transaction or action, any change in present dividend rate or policy, indebtedness or capitalization, any change in the present management of the Company, any material change in the Company's corporate structure, business, relations with employees (including hiring, transferring or dismissing of employees), the Company's business plans (including plans for business operations of the Company's steel plants and factories), or relations with the Company's business partners, customers, affiliates, local communities or any other interested parties, the acquisition or disposition of securities of the Company, any delisting of the Common Stock from any stock exchange, or any changes in the Company's constituent documents.

5. Source of Funds

State the specific sources and total amount of funds to be used in the Tender Offer or other acquisition of the Shares, Etc. of the Company, including the material terms and conditions of any financing (including, without limitation, the identity of parties, term, collateral, and stated and effective interest rates) and any plans to repay such financing.

6. Arrangements with the Company

Describe any present or proposed material agreement, arrangement or understanding between the Disclosing Persons and the Company or any of its management or affiliates.

7. Regulatory Approvals

Describe in detail any applicable regulatory requirements which must be complied under laws or regulations of Japan or any other jurisdiction or approvals which must be obtained from Japanese or foreign regulatory entities under antitrust laws or any other laws or regulations or from any third parties. Provide in detail any information regarding compliance with the applicable regulatory requirements or regarding the likelihood of approval.