

March 6th, 2008

Nisshin Steel Co., Ltd.
4-1 Marunouchi, 3-chome,
Chiyoda-ku, Tokyo 100-8366 Japan

Nisshin Steel to Build Stainless Steel JV with Acerinox

In furtherance of its initiatives to develop stainless steel business ventures on a global basis in response to the ever-growing market demand, Nisshin Steel announced today its agreement in principle to join Spain's Acerinox SA, our longtime partner, by way of the capital participation in the Joint Venture (JV) for manufacturing and sales of stainless steel, to be established in Malaysia.

Established in 1970 as a stainless steel manufacturing company, Acerinox SA (Head Office: Madrid, Spain), since its very inception has been provided with technical assistance, as well as the capital participation, from Nisshin Steel.

Having expanded on a global scale, the Acerinox group today ranks among the world's largest stainless steelmakers, with its production bases for stainless flat products in three continents: Acerinox SA in Spain, North American Stainless (NAS) in the United States, and Columbus Stainless in South Africa.

With the solid linking with the Acerinox group, Nisshin Steel is steadily building up its global supply network.

Aiming to capitalize on the global strategies of auto makers by directly providing high-quality automotive products and services where needed, Nisshin Steel has been collaborating in the North American market with NAS located in Kentucky, USA, to process Nisshin's hot-rolled stainless at the NAS's cold-rolling facilities for the Nisshin's U.S. subsidiary, Nisshin Automotive Tubing LLC (NAT), to cater to the needs of the auto makers there.

Nisshin Steel, as a part of its on-going efforts for strengthened partnership with the Acerinox group, has decided to participate in the contemplated JV, to be established in Malaysia, that will manufacture and sell cold-rolled stainless steel responding to the needs of the emerging Asian market.

Since significant demand growth is forecast in Malaysia as well as in the vicinity, the parties intend to start with cold-rolling operation and consider the advisability of launching studies for a fully-integrated stainless steel mill from melting through finishing in the future stage.

The finalization of the formal JV Agreement as well as the detailed "Feasibility Study" on this project will be promptly carried out.

With this project marking the establishment of Nisshin Steel's second overseas production venture for the cold rolled stainless steel after China, Nisshin Steel is determined to further strengthen its solid support base with more stable supply, responding to the increasingly demanding needs from the customers, and to serve the new market for the stainless steel on the global basis.

The Outline of the Project:

1. Objectives of JV :

- (1) -to establish a Production Base in an Emerging Market
- (2) -to promote sales of Nisshin's Specialty-Grade Stainless Steel in newly-developed Market
- (3) -to build up the global supply network jointly with the Acerinox group, responding to the increasing needs of the customers for quality products on stable supply basis
- (4) -to enhance Nisshin Steel's corporate value

2. Overview of JV :

- (1) -JV for Manufacturing and Sales of Cold-rolled Stainless Steel, to be established jointly with Acerinox SA
 - Nisshin Steel's Shareholding: Approx. 1/3 (33%)
- (2) -Plant Location: Johor, Malaysia
- (3) -Cold-rolling Capacity: 180,000 tons per year
 - Total Capacity (Annealing and Pickling): 240,000 tons per year
- (4) -Equipment: One Cold Rolling Mill,
One Annealing and pickling Line (Hot/Cold)
- (5) -Total Investment: Approx. US\$320 million

3. About Acerinox SA

- (1) Acerinox SA 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 SA 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. Future Schedule/Prospect:

With an eye for startup of commercial production in 2011, Nisshin Steel and Acerinox will develop the future schedule/prospect accordingly.

(END)