

To whom it may concern:

Established: September 26, 2002
Revised: April 1, 2004
Revised: May 28, 2004
Revised: November 4, 2004
Revised: April 1, 2005
Revised: April 1, 2006
Revised: April 1, 2007
Revised: April 1, 2009
Revised: July 1, 2009
Latest Revision: October 1, 2010

Marubeni-Itochu Steel Inc.

Kenichiro Ushino
President and Representative Director

Compliance System and Compliance Program (Observance Matters) for the Marubeni-Itochu Steel Group (Marubeni-Itochu Steel Inc. and its consolidated subsidiaries, including foreign companies).

1. What is Compliance?

Compliance is used in the sense of observance of laws and ordinances, and also is referred to as corporate policy.

In the conduct of a company's business there are various stakeholders, namely, shareholders, suppliers, consumers, employees, etc. (interested parties). To respond to the interests and wishes of its stakeholders, the company's continuance is a condition. The pursuit of revenue must give birth through a healthy company, as is exemplified by the case of Enron Corporation in the United States, otherwise the company's continuance cannot be expected.

Consequently, in order to increase benefit as business activity, together with observing laws and ordinances, the Articles of Incorporation and various rules as internal governing law (including internal rules that are not regulations, hereinafter called simply "Rules"), it is necessary to preserve the doctrine. This is the essence of "compliance".

2. Compliance should be practiced by each of us

Corporate compliance is practiced by means of each internal director and employee individually taking appropriate action in his or her daily business (work) to put it into action based on a solid understanding of the meaning of compliance.

3. Compliance Committee

As an organization to guide and support the actual implementation of the compliance referred to above, the directors and employees of the Marubeni-Itochu Group have established a Compliance Committee composed of a Chief Compliance Officer as the Committee Chairman, the CFO as the Vice Committee Chairman, and the Managing Executive Officer of the Corporate Planning, Human Resources & General Coordination Division, the CIO, the General Managers of the Corporate Planning & Coordination Dept., the Human Resources Dept., the General Coordination Dept., the Legal Dept., the Credit Dept., the Affiliates Administration Dept., the Finance Dept., the Accounting Dept., the Logistics & Insurance Dept., the Osaka Division's Planning & Coordination Dept., the Osaka Administration Dept., the IT Strategy Dept., IFRS Project Dept., the Audit Dept. and the General Managers of each Division's (and the Osaka Division's) Planning & Coordination Dept. as committee members with its office in the Legal Department directly under the President's authority (The organization and functions are as per the attachment).

We request that each group company, including foreign companies, establish and maintain a compliance structure that meets the business conditions and actual circumstances, etc., of each company (establishment, etc., of a compliance program organization and appointment, etc., of a compliance committee and a person who is responsible for compliance).

4. Contact Person for Reports and Consultations Concerning Compliance

1. Contact person for reports and consultations: In principle, reports and consultations based on this company's compliance will be carried out along organizational lines. However, if for some reason the organizational line does not function properly, the person set forth below will be this company's contact person for compliance:

The Compliance Committee's Office "Legal Dept.
General Manager"

2. Rules for Reports and Consultations:

(1) On the basis that one will identify himself or herself when consulting or reporting, the company will ensure that persons will not receive unfair treatment for the simple reason of consulting or reporting. Moreover, if someone feels that he or she has been treated unfairly solely by virtue of the fact of reporting or consulting, such person may consult directly with the Compliance Committee.

(2) The Compliance Committee will provide feedback concerning cases reported or consulted and their disposition to the reporting or consulting person.

(3) The investigation and response when a problem occurs will be handled by the department in charge depending on the seriousness of the problem.

5. Response to Violations

If an act or situation which contravenes this Compliance Program (Observance Matters) is discovered, in the case where the illegal act was based on an order from one's superior or in the case where one's own act contravened please report to and consult with the superior in your organizational line (excluding the case where the relevant action was ordered by the relevant superior). In the event the organizational line does not function properly, please report to and consult directly with the contact person set forth above.

There is no specific provision for penalties in response to an act which contravenes this Compliance Program, but we will decide based on the Employment Rules, etc. in response to actual cases and circumstances, etc.

6. Compliance Program (Observance Matters)

Next, since we request that each group company establish a compliance program (observance matters) in conformity with national, regional, industry and actual situation, etc. (in the case of foreign companies, one that respects the intent of this compliance program, but which responds to the laws and customs, etc. of each country or region)(in the case of overseas affiliates that have already established a compliance program, observance of same).

Moreover, this compliance program applies not only to this company's directors and employees (including

dispatchees and contract employees), but also to persons who are permanently stationed in the company or employed based on a Dispatch Contract or Business Entrustment Agreement.

Finally, this Compliance Program (observance matters) does not cover all matters that must be observed by this company and each company in our group when engaging in business. Consequently, all laws and ordinances and regulations, etc. must as a matter of course be observed even if not mentioned in this Compliance Program (observance matters).

-- Compliance Program (Observation Matters) --

- (1) **Respect for Human Rights, Prohibition Against Discrimination and Sexual Harassment**
- (2) **Observance of the Anti-Monopoly Law and Related Laws**
- (3) **Prohibition Against Unfair Competition**
- (4) **Observance of all Business Laws**
- (5) **Observance of Insider Trading Regulations**
- (6) **Implementation of Appropriate Import\Export Procedures and Security Trade Control**
- (7) **Observance of Intellectual Property Rights Laws**
- (8) **Prohibition on Bribes and Gifts and Entertaining, etc.**
- (9) **Prohibition Against Provision of Favors to Anti-Social Groups**
- (10) **Environmental Preservation**
- (11) **Appropriate Control of Information**
- (12) **Appropriate Use of Information System**
- (13) **Prohibition Against Conflicts of Interest, etc.**
- (14) **Implement Fair and Accurate Financial Procedures**