

**<MISI Becomes First Japanese Steel Trading Firm  
Approved to Launch Domestic Sales Company in China>**

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Marubeni-Itochu Steel Inc. (headquartered in Tokyo; President: Tsunekatsu Yonezawa) is pleased to announce that it has obtained authorization from the Chinese government to establish a company licensed to freely engage in domestic transactions in China, as well as the export and import of steel products.

MISI shareholders Itochu Corporation and Marubeni Corporation have both previously obtained similar approval for their China operations as general trading companies. But with MISI now having independently gained such status, this marks the first time for a Japanese trading company that specializes in steel products to earn such consent.

Having been given the green light, MISI intends to set up a new wholly owned domestic sales company in Guangzhou City, to be capitalized at \$2.1 million, through its subsidiary Marubeni-Itochu Steel Hong Kong Ltd.

The approval to establish such a company means that MISI transactions, limited exclusively to within the free trade zone up to now, can be expanded throughout China. The go-ahead for both domestic sales and comprehensive export/import operations is in line with the policy to deregulate trade and domestic sales operations now being advanced by the Chinese government.

MISI currently maintains 11 operating companies in China as production and processing bases, with these firms also having steadily won permission to expand the spheres of their business operations and increase their domestic sales rights. MISI will also boost the scale of domestic distribution in China through its three local subsidiaries, one branch and two agencies, thereby advancing MISI's Chinese business in greater scope and detail alike.

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