

**<MISI Thai Subsidiary UCC to Boost Production and Storage Facilities>**

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Marubeni-Itochu Steel Inc. (head office, Tokyo; president, Tsunekatsu Yonezawa) is pleased to announce the decision to bolster the production and storage capacity of United Coil Center (UCC) in Thailand. More specifically, the plans call for consolidating UCC's current three-plant system into a two-plant network while investing approximately 1.2 billion yen to revamp and bolster the production equipment, so streamlining operations.

MISI holds an 83% equity share in UCC, whose three plants process 480,000 tonnes of steel coil per year. UCC has been successful in creating a speedy delivery system to efficiently serve the needs of automakers, consumer electronics manufacturers and other major customers. However, recent years have seen a sharp increase in the demand for steel sheet in Thailand, backed by particularly brisk advances in the automobile sector. This business environment has heightened the need for UCC to make its operations more efficient.

To effectively address these market changes, UCC has decided to sell off the Suksawad Plant (Bangkok), a facility with limited capacity, while buying up a site adjacent to its Bangpakong Plant to expand operations there. With this, UCC will shift to a two-plant manufacturing structure (including the Bangplee Plant).

UCC also intends to phase out some of its old equipment and introduce new machinery in a move aimed at raising productivity. Backed by the combined production and storage capacity of the two plants, both of which are strategically located adjacent to its customers, UCC is setting its sights on expanding its functions and improving the efficiency of its operations to truly earn the respect and confidence of its clients.

The required finance is being advanced with the goal of getting the new system off the ground by the end of the current calendar year. A summary of the investment plan follows:

**Investment Overview**

- 1) Bangpakong Plant expansion : Approx. 10,000m<sup>2</sup>
- 2) Large-size leveler : 1 (0.6mm~4.5mm x 1,600mm)
- 3) Mini-size leveler : 1 (2.3mm~6.0mm x 750mm)
- 4) Large-size blanking facility : 1 (800 tonnes)

**Equipment to be Sold or Phased Out**

- 1) Suksawad Plant (approx. 5,000m<sup>2</sup>)
- 2) Large-size leveler (1), large-size slitter (1)

Following these changes, UCC's main equipment will consist of four large-size slitters, three large-size levelers and four blanking facilities. Annual processing capacity will rise from the current 480,000 tonnes to 550,000 tonnes, while storage capacity for raw materials will jump from 60,000 tonnes to 100,000 tonnes.

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