

**<MISI's Australian Steel Processing Subsidiary to Beef up Local Operations>**

Marubeni-Itochu Steel Inc.  
Nihonbashi 1-chome Bldg.  
4-1 Nihonbashi 1-chome, Chuo-ku  
Tokyo 103-8247

Marubeni-Itochu Steel Inc. (MISI) is pleased to announce that Total Steel of Australia Pty. Ltd. (TSA), the MISI Australia-based wholly owned steel product processing and sales subsidiary, is set to invest approximately 900 million yen in an integrated plan to bolster the scale and quality of its corporate operations. Specifically, the outlays will be used to relocate and enlarge the company's Brisbane Branch Plant, build onto the Melbourne Branch Plant and expand the number of steel plate fusion cutting machines in operation at both branch plants.

The TSA core business thrust consists of steel plate fusion cutting, processing and sales, which accounts for over 60 percent of its total turnover. The company's customers include developers and producers of coal and iron ore, two of the major products for which Australia is renowned, and other mineral resources. Customers also include construction companies, agricultural producers and other clients to which it supplies top-quality, high-tensile, corrosion-resistant plate steel.

There is currently a globally tight market for raw materials for steel. In Australia, demand is growing for high-quality plate steel for use in mine development equipment and materials. MISI is addressing this trend with plans to expand TSA's product and storage capacity. It plans to relocate the company's Brisbane Branch to an industrial complex about 30km southwest of Brisbane City, which is in close proximity to the major demand sites for coal and other major products, and to expand that branch's steel plate fusion cutting machines. At the Melbourne Branch, existing plant facilities will be expanded with the addition of more steel plate fusion cutting machines.

Besides these two key business bases, TSA also operates plants in Sydney and Perth, and uses this four-plant system as the basis for serving customers in all regions of Australia. In addition to these planned improvements, TSA is striving to expand its product lineup, provide even more thorough technical support for local customers, advance its distinctive small-lot approach to sales and offer more detailed and comprehensive services. The goal, on all fronts, is to further excel and grow as a genuine community-based corporate entity.

The operations of the new plants at the TSA Brisbane and Melbourne branches are slated to commence from around February of next year.

**<TSA Corporate Profile>**

- (1) Established : January 1974
- (2) Sales : A\$91 million
- (3) Capitalization: A\$3.4 million
- (4) Shareholder : Marubeni-Itochu Steel Inc. (100%)
- (5) Employees : Approx. 100
- (6) Plant and Equipment Profile (post-expansion)

	Brisbane	Melbourn	Perth	Sydney
Site area	15,000m2	18,000m2	43,000m2	12,000m2
Equipment Owned (plate steel fusion cutters)	2 units	2 units	4 units	2 units

Annual volume handled: 60,000MT (10% increase from present)

Please direct inquiries about this news release to Tad Yaegashi or Chie Masada,  
Corporate Planning & Coordination Department, Marubeni-Itochu Steel Inc.

Tel: 03-5204-3345