

## <Joban Kohan Kogyo and Nikko Steel Center Set for Merger>

Marubeni-Itochu Steel Inc.  
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JFE Shoji Trade Corporation (Osamu Sato, President) and Marubeni-Itochu Steel Inc. (MISI; Tsunekatsu Yonezawa, President) are pleased to announce that they have agreed to form a merger, effective April 1, between the JFE Shoji Trade subsidiary Joban Kohan Kogyo Co., Ltd. and the MISI subsidiary Nikko Steel Center Co., Ltd. The new company will be called Kita Kanto Steel Co., Ltd and will be jointly managed by JFE Shoji Trade Corporation and Marubeni-Itochu Steel Inc.

The purpose of this merger is to establish a competitive company that is capable of conducting proper capital investment and stable business management, and meeting the needs of the steel plate processing business in the coming era. The newly formed Kita Kanto Steel will be positioned in the North Kanto region as a JFE Steel directly affiliated steel plate shearing company with industry leading competitiveness, and will seek to make a meaningful contribution to society in that capacity.

### 1. Merger Date

April 1, 2007

### 2. Business Merger Format and Stock Allocation

Joban Kohan Kogyo will function as the surviving company in the upcoming merger with Nikko Steel Center. The equity breakdown in the newly merged company will be JFE Shoji Trade: 51% and MISI: 49%.

### 3. Profile of the New Integrated Company

- (1) Name : Kita Kanto Steel Co., Ltd.
- (2) Head office address : 1-3-50 Higashi-Onumacho, Hitachi City, Ibaraki Prefecture  
(the same as the current Joban Kohan Kogyo headquarters)
- (3) Capitalization : ¥100 million
- (4) Equity breakdown : JFE Shoji Trade : 51%, MISI: 49%
- (5) Employees : 70
- (6) Sales: Annual turnover : ¥2.7 billion
- (7) Processing capacity : 28,000 MT/year

### Reference

#### Joban Kohan Kogyo Co., Ltd. - Corporate Profile

- (1) Address : 1-3-50 Higashi-Onumacho, Hitachi City, Ibaraki Prefecture
- (2) Established: October 1967
- (3) Capitalization : ¥100 million
- (4) Shareholders : JFE Shoji Trade : 81%, JFE Steel: 19%
- (5) President : Nobuo Oshiba
- (6) Employees : 39
- (7) Sales : ¥1,357 million (term ended March 2006)

#### Nikko Steel Center Co., Ltd.

- (1) Address : 4,12-2 Higashi-Namekawacho, Hitachi City, Ibaraki Prefecture
- (2) Established: June 1970
- (3) Capitalization : ¥40 million
- (4) Shareholders : MISI: 75%, JFE Steel: 25%
- (5) President : Masataka Dobashi
- (6) Employees : 31
- (7) Sales : ¥1,135 million (term ended March 2006)

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