

<MISI to Establish Reinforcing Steel Processing Company in UAE (Abu Dhabi)>

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

Marubeni-Itochu Steel Inc. (MISI; head office, Tokyo; Tsunekatsu Yonezawa, President) is pleased to announce the recent decision to invest approximately ¥700 million in the construction of a new reinforcing steel processing company in Abu Dhabi, the capital of the United Arab Emirates (UAE).

The new operation, which is the first business company to be founded by MISI in the Middle East region, will be involved in the cutting and bending phases of processing reinforcing steel for use in civil engineering and construction works. It will be established as a joint company with a local company partner and a building materials company in Singapore, and is due to commence operations in April.

The UAE is currently experiencing a swift expansion in civil engineering and construction demand, against the backdrop of an abundant flow of oil money. This situation is supporting a steady stream of orders to major Japanese general contractors for large-scale projects. However, local reinforcing steel processing operators in the UAE are unable to supply services at a level of expertise capable of satisfying the needs and standards of these major contractors.

As a result, MISI decided to respond to fervent requests from Japan's leading general contractors by establishing its own reinforcing steel processing firm in Abu Dhabi. The goal is to furnish these companies with the standard of detailed and reliable services they require.

As part of its current Mid-Term Management Plan set to run through the end of fiscal year 2008, MISI is targeting the Middle and Near East as one of the priority regions for strengthening its strategies. In the actual operation of the new company, MISI will be utilizing the experience it has cultivated to date through collaborative efforts with local reinforcing steel processing companies to sell reinforcing steel to Japanese general contractors, in an effort to forge a truly solid business foundation on the Middle and Near East markets.

The following is an overview of the new company.

- (1) Name : Readyfix LLC (tentative)
- (2) Address: 23/M39 Musaffah, P.O. Box 59944, Abu Dhabi
- (3) Capitalization: Dhs 300,000 (UAE Dirhams, approx.
¥10 million)
- (4) Shareholder equity breakdown:
 - Local company 51%
 - Marubeni-Itochu Steel Pte. Ltd. (MISP) 16.34%
 - Singapore building materials company 16.33%
 - Local foreign entrepreneur 16.33%
- (5) Investment value: Approx. US\$6 million
- (6) Sales : Approx. US\$130 million/FY2010
- (7) Operation startup: April 2007
- (8) Capital investment details: Reinforcing steel bending machines (13 units), cutting machines (3 units)
- (9) Processing capacity: 150,000 tonnes/year

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