

## <MISI Decides to Establish First Steel Sheet Processing Center in Europe>

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Marubeni-Itochu Steel Inc. (MISI; head office, Tokyo; Tsunekatsu Yonezawa, President) is pleased to announce that an agreement has been reached on a plan to establish its first steel sheet processing center in Europe. The center will be jointly founded by the CLN Group (head office, Italy; Marnetto, President), a leading European steel products processing center.

MISI and CLN will be investing approximately ¥1 billion to establish the company in Sachsen State, German in order to process high-grade colored sheet and surface-treated steel sheet for use in flat-screen televisions and other products. The new firm is scheduled to commence operations in January 2008.

In Europe, increasing numbers of electronics manufacturers are relocating their production operations to the eastern regions of the continent. This trend is being accompanied by a surge in demand for high-grade colored sheet utilized in the rear covers of plasma televisions, and surface-treated steel sheet for use in the interior components of liquid-crystal TV sets. At present, steel products are shipped to local destinations after being cut and processed domestically in Japan. To better respond to the swift rise in demand, the decision has been made to switch to local processing to set up a more efficient and stable service system.

MISI already operates Bregal Bremer Galvanisierungs GmbH in Europe, which is active in producing hot dipped galvanized steel plate and sheet in Bremen, Germany, jointly with Arcelor Mittal. Establishing this new steel sheet processing center will thus be the second MISI project in Europe, and will be used to spearhead a major drive to expand MISI's European-based service functions.

With regard to the flat TV solution business, MISI is currently in the process of building San Diego Metal Processing Inc. (SMPI), a steel plate and sheet processing company in San Diego, the U.S., which is scheduled to begin operating this June.

### <Overview of New Company>

- (1) Name : MI-CLN Steel Service Center GmbH (tentative)
- (2) Address: Treuen, Sachsen, Germany
- (3) Capitalization: 4,500,000 euros
- (4) Shareholder equity breakdown: MISI Group 90%  
CLN Group 10%
- (5) Investment value: Approx. 7,100,000 euros
- (6) Operation startup: January 2008
- (7) Equipment: Large leveler (1 unit),  
automatic shearing machines (2 units)
- (8) Processing capacity: Approx. 40,000 tonnes/year

### <Reference>

#### CLN Group

- \* Head Office: Italy
- \* Overview

Major steel products processing company, with 35% ownership by Arcelor Mittal (the world's largest steelmaker). CLN handles approximately 1.6 million tonnes of steel annually, primarily for use in automobiles.

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