

## Metal One Takes Equity Stake in Kyoei Steel's Northern Vietnam Steel Venture

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Metal One Corporation (headquartered in Minato-ku, Tokyo; President: Naoto Matsuoka) has decided to purchase newly issued shares in Kyoei Steel Singapore Corporation Pte. Ltd. (KSSC), taking a 20 percent equity stake worth around US\$11 million in the company. KSSC is a holding company set up by Kyoei Steel Ltd. and is the sole shareholder of Kyoei Steel Vietnam Company Limited (KSVC)—Kyoei Steel's steel venture in the north of Vietnam. The transaction has been completed, and the details on it are provided below.

A strategic approach to overseas business is one of the two main pillars of business strategies outlined in the Metal One's fourth Mid-term Consolidated Management Plan, which began this fiscal year. The investment in KSSC is viewed as a move that will fulfill the aims of this approach—strengthening efforts in overseas infrastructure sectors, promoting superior overseas projects, and expanding operations in growing nations.

This equity stake will enable Metal One to reliably capture orders for structural steel in Vietnam, where steel demand is expected to thrive. At the same time, Metal One will endeavor to expand its structural steel and scrap operations throughout the ASEAN region.

Metal One has already converted its business base in Vietnam to a subsidiary and has also previously purchased equity in other Vietnam-based operations such as steel frame processing and sales (Universal Steel Fabrication Vina-Japan Co., Ltd.), steel pipe pile manufacture and sales (Nippon Steel Pipe Vietnam Co., Ltd.), and heavy temporary construction materials (M.O. Tec Vietnam Co., Ltd.).

In addition to the above, Metal One will fully utilize the Group's domestic and overseas corporate resources, networks, and information; participate in this venture's management; and contribute to its growth by selling products and supplying competitively priced raw materials, such as steel scrap.

### Outline of KSVC

1. Name: Kyoei Steel Vietnam Company Limited (KSVC)
2. Location: Ninh Binh Province, Vietnam
3. Representative: Naoki Harima, general director
4. Business lines: Manufacture and sales of steel products (bars and wire rods)
5. Capitalization: US\$48 million
6. Date of establishment: September 2011
7. Shareholding structure: Wholly owned by KSSC

### Outline of KSSC

1. Name: Kyoei Steel Singapore Corporation Pte. Ltd. (KSSC)
2. Location: Singapore
3. Representative: Takeshi Ogata
4. Capitalization: US\$54 million (as of October 31, 2012)
5. Date of establishment: September 2011
6. Shareholders: Kyoei Steel 60 percent, Metal One 20 percent, Marubeni-Itochu Steel Pte. Ltd. 20 percent