

## Establishment of Metal One Shibaura Brasil Ltda.

---

In June 2013, Metal One Corporation (headquartered in Minato-ku, Tokyo; President: Naoto Matsuoka); Shibaura Holdings, Inc. (headquartered in Minato-ku, Tokyo; President: Nobuyuki Ohkawa); and Shibaura Shearing, Co. Ltd. (headquartered in Minato-ku, Tokyo; President: Tsuguo Seki) established a new Brazilian joint venture company, Metal One Shibaura Brasil Ltda., to melt-cut steel plate in Capivari—located 160 kilometers to the northwest of Sao Paulo.

Building construction will begin this fall, and full operations are scheduled to begin in April 2014.

The company will have 50 million reals (around ¥2.3 billion) in capitalization, with Metal One taking a 60 percent share and Shibaura Group taking a 40 percent share (25 percent for Shibaura Holdings and 15 percent for Shibaura Shearing).

The president will be Akiyoshi Hisatomi from Metal One, and Shibaura Group's Hirotsugu Seki, a director of Shibaura Holdings and Shibaura Shearing, will serve as vice president.

This will be Metal One's fourth overseas plate processing center after its two locations in China and one in India. It will be the second plate processing business that Shibaura Group operates overseas after its site in Indonesia.

Numerous national events are scheduled in Brazil over the coming decade, including the 2014 FIFA World Cup; the Rio 2016 Olympic Games; Expo 2020, for which Sao Paulo is bidding; and the 200th anniversary of independence in 2022. In connection with these events, major infrastructure expenditures are anticipated.

In this environment, the new company will make use of the plate melt-cutting and processing experience and expertise Metal One Group and Shibaura Group have developed up to now in Japan and overseas to supply melt-cut plate products, primarily to leading construction machinery manufacturers. By doing this, the new company will endeavor to capture the growing demand of the Brazilian domestic market.

### ■ Company Outline

- |                          |  |
|--------------------------|--|
| 1. Name:                 | Metal One Shibaura Brasil Ltda.  |
| 2. Location:             | Rua Humberto Annicchino, 305 - Distrito Industrial II, Capivari, SP, Brazil                                  |
| 3. Representative:       | Akiyoshi Hisatomi, president (to be dispatched from Metal One)   |
| 4. Capitalization:       | 50 million reals (around ¥2.3 billion)   |
| 5. Shareholders:         | Metal One 60%, Shibaura Holdings 25%, Shibaura Shearing 15%  |
| 6. Established:          | June 2013  |
| 7. Start of operations:  | April 2014   |
| 8. Number of employees:  | Approx. 80 (with plans for additional phased employment)   |
| 9. Business line:        | Processing and sales of melt-cut steel plate   |
| 10. Facilities:          | NC gas, laser, and plasma cutting machines and secondary processing equipment (bevellers, die presses, etc.) |
| 11. Production capacity: | 1,000 tonnes per month (scheduled to be expanded in stages)  |