

November 11, 2011  
Sanyo Special Steel Co., Ltd.  
Mitsui & Co., Ltd.

Signing of Definitive Agreement for Special Steel Manufacturing and Sales Joint Venture in  
India

Sanyo Special Steel Co., Ltd. (“Sanyo”, head office: Himeji-shi, Hyogo, President: Nobuyoshi Fujiwara) and Mitsui & Co., Ltd. (“Mitsui”, head office: Chiyoda-ku, Tokyo, President and CEO: Masami Iijima) has entered into a definitive agreement with Mahindra Ugine Steel Co. Ltd. (“MUSCO”), an Indian special steel manufacturer belonging to Mahindra Group, to jointly establish a joint venture for manufacturing and sales of special steel, for which further increase in demand is expected in India in the mid and long term.

MUSCO will transfer its Special Steel Division into a newly established wholly owned subsidiary. After the transfer, Sanyo and Mitsui are contemplating subscribing new shares of the subsidiary in order to form the joint venture. The transaction is subject to the receipt of regulatory approvals by relevant authorities.

India has made remarkable development in recent years amongst the fastest growing economies globally, and its domestic crude steel production is expected to grow by 8% on an annual basis. In particular, the special steel market is expected to grow further, driven by an increase in demand for special steel in various sectors including the auto sector.

Sanyo expects its future growth by steadily capturing growth in special steel demand in India through the joint venture.

Mitsui has focused on building and enhancing its presence across the value chains of manufacturing and sales of steel products in India, since its participation in the formation of a joint venture for manufacturing cold-rolled steel and galvanized steel in 2005. This transaction is also expected to strengthen its ties with the Mahindra Group, which is one of the biggest business groups in India, with diversified operations including the manufacture and sales of automobiles and tractors as its core business, and one of our important business partners in India. Mitsui expects further opportunity for collaboration with the group across various business sectors.

MUSCO, Sanyo and Mitsui will utilize their brands, technologies and networks in order to meet our customers’ needs through the joint venture. MUSCO, Sanyo and Mitsui are expected to drive general management, manufacturing & technology and marketing functions of the joint venture respectively.

### JV Company Profile

Business description	Manufacturing and sales of special steel products
Major facility	45t Electric Furnace, LF-VD, 1200t Forging Press, Blooming Mill, Continuous Mill, Ring Plant
Plant site area	65 acres (approximately 263,000m <sup>2</sup> )
Employees	Approx. 800
Investment ratio	MUSCO: 51%, Sanyo: 29%, Mitsui: 20%
Location of steel plant	Khopoli, Maharashtra, India

### Mahindra Group Profile

Flagship company	Mahindra and Mahindra Limited (“M&M”)
Location	Mumbai, Maharashtra, India
Managing Director	Anand Mahindra (M&M)
Number of group companies	Approx. 110
Business field	Automotive, Farm Equipment, Financial Services, Steel Trading&Processing, Infrastructure, Hospitality, IT Services, Systech, Others.
Listed on	Bombay Stock Exchange, National Stock Exchange of India, Luxembourg Stock Exchange and London Stock Exchange
Consolidated sales	INR 370.3 Bn (approx. JPY 570 Bn) (M&M ) (FY ending March 31, 2011)
Capital	INR 2.9 Bn (approx. JPY 4.5 Bn) (M&M) (FY ending March 31, 2011)
Established in	1945

### MUSCO Company Profile

Company name	Mahindra Ugine Steel Company Limited
Location	Mumbai, Maharashtra, India
Managing Director	Uday Gupta
Employees	Approx. 1,500
Business description	Manufacturing and sales of special steel products and stamping business
Capital relationship	M&M holding 50.69% of shares Listed on Bombay Stock Exchange and National Stock Exchange of India
Sales	INR 13.4 Bn (approximately JPY 20 Bn)

	(FY ending March 31, 2011)
Capital	INR 320 MM (approximately JPY 500 MM) (FY ending March 31, 2011)
Established in	1962

(Note) After carving out the Special Steel Division, the Stamping Division is expected to remain in MUSCO

Location of JV Company



Contact

Sanyo Special Steel Co., Ltd.

Atsuko Suda, Corporate Planning Department, TEL: +81-79-235-6005

Mitsui & Co., Ltd.

Noriko Okamoto, Corporate Communications Division, TEL: +81-3-3285-6645