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M.7781 - MARUBENI-ITOCHU STEEL / SUMITOMO CORPORATION / MITS JV

SECTION 1.2

Description of the concentration

The concentration concerns the integration by Marubeni-Itochu Steel Inc. ("MISI") and Sumitomo Corporation ("SC") of their domestic Japanese steel building materials businesses, through:

(a) the integration into Sumisho Tekko Hanbai Co., Ltd. ("STH") of the steel building materials businesses of three wholly owned subsidiaries of SC, namely Sumitomo Corporation Hokkaido Co., Ltd. ("SCH"), Sumitomo Corporation Tohoku Co., Ltd. ("SCT") and Sumitomo Corporation Kyushu Co., Ltd. ("SCK"); and

(b) immediately thereafter, the merger of their respective wholly owned subsidiaries Marubeni-Itochu Techno Steel Inc. ("MITS") and STH. MITS (the surviving company) will be jointly controlled by SC and MISI.

The merged entity will be active mainly in Japan.

MISI processes, imports, exports and sells steel products. It is also active in the supply chain management business and invests in steel-related industries. MISI is a subsidiary of Marubeni Corporation (50%) and ITOCHU Corporation (50%).

Marubeni Corporation provides products and services in a broad range of sectors, including food materials, food products, textiles, materials, pulp and paper, chemicals, energy, metals and mineral resources, transportation machinery, offshore trading, power projects and infrastructure, plants and industrial machinery, finance, logistics and information industry, real estate development and construction. Marubeni Corporation is also involved in business investment, development and management on a global level.

ITOCHU Corporation is involved in domestic trading, import, export and overseas trading of various products such as textile, machinery, metals, minerals, energy, chemicals, food, information and communications technology, real estate, general products, insurance, logistics services, construction and finance, as well as business investment in Japan and overseas.

MITS is MISI's domestic steel construction material division. It produces and supplies steel civil engineering products, steel construction products, steel plates/sheets, bars and original products (such as Fabb-Deck, KH Slab and KH Truss). MITS supplies construction materials to general contractors, processors, steel product dealers and manufacturers of construction products.

SC's activities include production and/or supply of products and/or services in various sectors, including metal products, transportation and construction systems, infrastructure, media, network, lifestyle related goods and services, mineral resources, energy, chemicals, and electronics.

STH is active *inter alia* in the production and sale of iron and steel products and building materials, the assembly and sale of various types of metal products and machinery. It is also active in the construction, design and supervision of civil engineering and construction works.