

December 15, 2008
Shinsho Corporation

Notification of the Establishment of an Overseas Subsidiary in Germany.

Shinsho Corporation ("the Company") is pleased to announce that it plans to establish a wholly owned subsidiary in Düsseldorf, Germany.

1. Purpose of establishment

In April 2006, the Company established an Overseas Representative Office in Budapest, Hungary for the purpose of collecting information about the European market. In order to further expand business in this region it was decided that it would be necessary to establish an overseas subsidiary.

The Company decided to establish an overseas subsidiary company in Düsseldorf, Germany due to its position as a base for the concentration of information throughout Europe, the convenience of transportation around Europe from Germany, and the ability to establish a system for cooperation with Kobe Steel.

In the future the Company will expand its product line in Europe while leveraging its functions as a trading company in order to diversify the nature of business conducted.

2. Outline of the new subsidiary

(1) Company name: Shinsho Europe GmbH (tentative name)

(2) Location: Berliner Allee 55, Düsseldorf, Germany

(3) Established: January 2009 (date for planned completion of registration)

(4) Start of business operations: planned for April 2009

(5) Description of business:

import, export and wholesale of iron and steel, iron and steel raw materials, nonferrous metals, machinery and electronics, electronic devices and information equipment, welding materials, etc.

(6) Capital: €1,000 thousand

(7) Controlling share: 100% by Shinsho Corporation

(8) Number of staff: 3 (includes 2 representative officers)