

November 25, 2011

To whom it may concern:

Company name: Shinsho Corporation
Representative: Keichi Murase, President and CEO
(Stock code: 8075, TSE/OSE First Section)
Contact: Kenjiro Ano, Manager, General Affairs Dept.
(Phone: 03-3276-2032)

Notice regarding the acquisition of the shares of Matsubo Corporation, making it a 100% subsidiary

Shinsho Corporation (the "Company") is pleased to announce that it was resolved at the board meeting held on November 25, 2011 to acquire the shares of Matsubo Corporation and to make it the Company's 100% subsidiary. As a result, the Company entered into a share transfer agreement with Matsubo Corporation's shareholders on the same day as follows:

Details

1. Reasons for the share acquisition

Shinsho Corporation, as the core trading company of the Kobe Steel Group, has a range of functions and is engaged in global business operations in the areas of iron and steel, raw materials for iron and steel, nonferrous metals, machinery and electronics, and welding materials. The Machinery & Electronics Division has, in particular, been actively working on the energy and environment front, in order to tap into demand for high value-added products mainly from emerging countries that are exhibiting continued, long-term sustainable growth, and to promptly respond to diverse customer needs by further expanding its product lineup as part of the Company's Long Term Management Vision.

Matsubo Corporation, which established itself as a specialist machinery trading company over half a century ago, has business units by product line for industrial machinery, information and precision machinery, powder processing, and a Technical Center specializing in the modification and upgrading of machinery and equipment. Matsubo has constantly expanded its business by providing its customers with highly functional industrial machinery, imported mainly from Western countries, and engineering support services.

When considering the current situation and the future direction of Shinsho's Machinery & Electronics Division and the fact that the two companies have few overlapping product lines, to have Matsubo join the Company will not only create synergy in operations through the sharing of information on the products of the respective companies, but will also enable the Company to deliver a wider range of product offerings. In addition, the optimal utilization of enriched human resources with both sales and technical expertise that are highly responsive to demanding customer needs will make it possible to enhance the business capability of the Machinery & Electronics Division. The Company is thus convinced from the above that its decision to acquire the shares of Matsubo Corporation will certainly result in further promotion of the "Company's Long Term Management Vision," that is, the "Acceleration of Global Business" and the "Reinforcement of its Business Foundation."

2. Profile of the company to be acquired, Matsubo Corporation

(1) Company name	Matsubo Corporation
(2) Head office	8-21, Toranomom 3-chome, Minato-ku, Tokyo
(3) Title and name of representative	Kunio Adachi, President and Representative Director
(4) Business lines	Import, export and domestic sale of industrial plant and machinery, chemical products and raw materials. Installation of various machinery.

(5) Capital	¥465 million		
(6) Date of foundation	July 1955		
(7) Major shareholders and shareholding ratio	MH Capital Partners II, L.P.	85.7%	(Proportion of voting rights: 87.6%)
	Ebara Corporation	9.7%	(Proportion of voting rights: 9.9%)
	Four other shareholders	2.4%	(Proportion of voting rights: 2.5%)
	Matsubo Corporation (Own shares)	2.2%	(Proportion of voting rights: 0.0%)
(8) Relationship between the Company and the Target Company	Capital relationship	There is no capital relationship to be disclosed between the Company and the Target Company. In addition, there is no noteworthy capital relationship between persons and/or companies affiliated with the Company and those affiliated with the Target Company.	
	Personal relationship	There is no personal relationship to be disclosed between the Company and the Target Company. In addition, there is no noteworthy personal relationship between persons and/or companies affiliated with the Company and those affiliated with the Target Company.	
	Business relationship	There is no business relationship to be disclosed between the Company and the Target Company. In addition, there is no noteworthy business relationship between persons and/or companies affiliated with the Company and those affiliated with the Target Company.	
(9) Consolidated business results and financial condition for the last three years of the Target Company			
Fiscal year ended	March 2009	March 2010	March 2011
Net assets	¥2,908 million	¥3,022 million	¥3,091 million
Total assets	¥11,114 million	¥10,670 million	¥9,994 million
Net assets per share	¥56,562	¥58,778	¥60,128
Sales	¥14,983 million	¥13,004 million	¥13,983 million
Operating profit	¥188 million	¥177 million	¥155 million
Current profit	¥102 million	¥148 million	¥132 million
Current net profit	¥497 million	¥86 million	¥72 million
Current net profit per share	¥9,701	¥1,681	¥1,413
Dividend per share	¥0	¥0	¥0

3. Profiles of major shareholders from whom the shares are to be acquired

(1) Company name	MH Capital Partners II, L.P.
(2) Head office	Grand Cayman, Cayman Islands
(3) Grounds for establishment, etc.	Limited partnership (LPS) under the Exempted Limited Partnership Law in the Cayman Islands
(4) Purpose of incorporation	Investment mainly in management buyouts/common shares (in principle, majority investments)
(5) Date of incorporation	October 8, 2003

(6)	Total amount of contribution	Not disclosed in accordance with the Investment Agreement	
(7)	Profiles of investors and investment ratio	Domestic and international institutional investors	
(8)	Profile of the managing partner	Company name	MH Capital Development II, Ltd.
		Head office	Grand Cayman, Cayman Islands
		Title and name of representative	Naohiro Kamei, Director
		Business lines	General Partner of MH Capital Partners II, L.P.
		Capital	¥5 million
(9)	Profile of domestic agent	Not applicable	
(10)	Relationship between the Company and the Fund	Relationship between the Company and the Fund	There are no investments, regardless of whether they are direct or indirect, made by the Company, persons and/or companies affiliated with the Company, in the Fund. In addition, there is no noteworthy capital, personal or business relationship between the Company, persons and/or companies affiliated with the Company and the investors of the Fund (including its original investors).
		Relationship between the Company and the Managing Partner	There is no capital, personal or business relationship to be disclosed between the Company and the managing partner of the Fund. In addition, there is no noteworthy capital, personal or business relationship between the Company, persons and/or companies affiliated with the Company and the managing partner of the Fund, persons and/or companies affiliated with the managing partner of the Fund.

(1)	Company name	Ebara Corporation	
(2)	Head office	11-1, Haneda Asahi-cho, Ohta-ku, Tokyo	
(3)	Title and name of representative	Natsunosuke Yago, President and Representative Director	
(4)	Business lines	Pneumatic and hydraulic business, engineering business, precision machinery and electronics business, and others	
(5)	Capital	¥61.284 billion	
(6)	Date of foundation	May 1920	
(7)	Net assets	¥154,939 million	
(8)	Total assets	¥507,898 million	
(9)	Major shareholders and shareholding ratio (As of March 31, 2011)	Japan Trustee Services Bank, Ltd. (Trust account)	10.0%
		The Master Trust Bank of Japan, Ltd. (Trust account)	8.1%
		Mizuho Corporate Bank, Ltd.	2.4%
		The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1.7%
(10)	Relationship between the Company and Ebara Corporation	Capital relationship	There is no capital relationship to be disclosed between the Company and Ebara Corporation. In addition, there is no noteworthy capital relationship between persons and/or companies affiliated with the Company and those affiliated with Ebara Corporation.

	Personal relationship	There is no personal relationship to be disclosed between the Company and Ebara Corporation. In addition, there is no noteworthy personal relationship between persons and/or companies affiliated with the Company and those affiliated with Ebara Corporation.
	Business relationship	There is no business relationship to be disclosed between the Company and Ebara Corporation. In addition, there is no noteworthy business relationship between persons and/or companies affiliated with the Company and those affiliated with Ebara Corporation.
	Relevance of whether or not Ebara Corporation is a related party to the Company	Ebara Corporation is not deemed to be a related party to the Company, nor are persons and/or companies affiliated with the same company deemed to be related parties to the Company.

(1) Names	Four other shareholders. The names of these shareholding individuals are not disclosed in this notice for the purpose of protection of personal information.
(2) Relationship between the Company and the Individuals Concerned	There are no applicable matters to be disclosed with respect to the capital, personal or business relationships between the Company and the individuals concerned.

4. Number of shares to be acquired, acquisition costs and status of shareholding before and after acquisition

(1) Number of shares held before transfer	0 shares (Number of voting rights: 0) (Ownership: 0%)
(2) Number of shares to be acquired	50,290 shares (Number of voting rights: 50,290) (Proportion of the number of shares held to the number of shares issued: 97.8%) (Acquisition cost: ¥3,250 million)
(3) Number of shares held after transfer	50,290 shares (Number of voting rights: 50,290) (Ownership: 100%)

5. Schedule

(1) Date of the Board resolution	November 25, 2011
(2) Date of acquisition of shares	December 27, 2011 (planned)

6. Future outlook

The acquisition is expected to have only a minor impact on the Company's consolidated results ending March 2012.