

The Establishment of the joint company with r. bourgeois S.A.

JFE Shoji Steel America, Inc. (President: Mr.Yoshio Tsutsuzaki, hereinafter called as JSA), which is one of sub-subsidiary companies of **JFE Shoji Trade Corporation** (President: Mr.Tsutomu Yajima, hereinafter called as JFE Shoji) in United States of America, and **r. bourgeois S.A.** (CEO: Mr.Raymond Nicolas Bourgeois, hereinafter called as bourgeois), which places the head office in French Republic, have agreed to establish the joint company to promote sales and production for motor lamination cores in North America.

It is expected that the demand of Hybrid Electric Vehicle & Electric Vehicle in USA, which is forecasted about 600,000 units per year currently, would be expanded more and more toward the year of 2020, due to the government subsidies for purchasers of these vehicles.

Under this circumstances, demands of lamination core for driving motor processed by electrical steel sheets would also be expected to grow rapidly. So, JFE Shoji group will proceed to capture demands of not only electrical steel sheets but also motor lamination cores through the establishment of the joint company with bourgeois, which possess the high technical skill and experience for producing motor lamination cores.

Outline of the new joint company

1. Name: r. bourgeois JFE Shoji Magnetic Lamination, Inc.
2. Location: Long Beach, California, USA
3. Date of the establishment: May, 2014
4. Main Business: Sales & production for motor lamination cores

Outline of bourgeois

1. Name: r. bourgeois S.A.
2. Location: Besancon, French Republic (France)
3. Year of the establishment: 1929
4. Capitalization: € 7.2 million
5. Main Business: Sales & production for motor and transformer's lamination cores

Outline of JSA

1. Name: JFE Shoji Steel America, Inc.
2. Location: Long Beach, California, USA
3. Year of the establishment : 1998
4. Capitalization: US\$ 3. 7 million
5. Main Business: Sales for steel products and processed electrical steel products such as motor and transformer's lamination cores.
6. Subsidiary: JFE Shoji Steel de Mexico, S.A. de C.V. which is the wholly owned company of JSA and process steel sheets in Mexico.