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For General Release:

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On the Establishment of a Chinese Subsidiary

Kinsho Corporation has examined policies for expanding its business with the funds raised through the third-party allocation of new shares to Mitsubishi Corporation that was completed on August 11, 2006. Moreover, one of the basic policies in the “Three-Year Growth Plan,” a medium-term management plan to start in fiscal 2007 that is currently being developed for announcement in the near future, is to become a leading multifunctional metal trading company with technical expertise and a global presence

The Chinese market is growing rapidly, and it is expected that Japanese companies in the auto and other industries will continue to increase their presence there. Given these prospects, Kinsho has made the establishment of a Chinese subsidiary its first new investment following the capital increase. Through the establishment of a local subsidiary in China, Kinsho believes it will be better able to cooperate in the global expansion efforts of customers.

Kinsho has now been authorized to establish the local subsidiary, which is summarized below.

Name of local subsidiary	Kinsho (Shanghai) Corporation
Recorded paid-in capital	¥50 million (Kinsho's equity interest: 100%)
Main products handled	Aluminum heat-exchanger materials, aluminum die-cast parts, and other non-ferrous metal products
Business size	First-year sales: About ¥400 million (planned)