

December 4, 2019

Marubeni Construction Materials Lease Co., Ltd.
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(Code: 9763 First Section of Tokyo Stock Exchange)
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New Joint Venture Established in China

We are pleased to announce that our company and Marubeni-Itochu Steel Inc. (“MISI” President & CEO: Tomohito Kaneda) signed a Joint Venture Agreement with the local Chinese company Maanshan Ruima Steel Structure Material Co., Ltd. (“Ruima” Chairman: Li Qingzhong) in the official signing ceremony held on 4th December, 2019 in Shanghai, under which the companies involved establish a new joint venture in the temporary construction material business by introducing steel bracing method in China.

MISI and our company will establish a Special Purpose Company (“SPC” tentatively named Maruken Investment Limited Liability Company, headquarters: Minato-ku, Tokyo), to underwrite the capital increase in Ruima which will be renamed and registered as the Joint Venture Company, Ruima-Maruken (Anhui) Construction Protecting Technology Co., Ltd. (Ruima-Maruken).

Ruima is established in 2006 which key business is manufacturing and sales of steel products. We have been providing Ruima with technical support of steel bracing method for years, and Ruima has built a solid track record of steel bracing method in the region surrounding Maanshan in Anhui Province.

Ruima-Maruken aims to integrate the knowledge and experience of Ruima, MISI and our company to address the ongoing expansion of the Chinese domestic market in real estate development and infrastructure construction. The Chinese government has placed greater importance on environmental issues, and has concerns to the traditional concrete temporary bracing construction method which generates heavy volumes of industrial waste. On the other hand, the steel bracing method, which materials used are recyclable and with shorter construction period, is closely aligned to the recent Chinese government’s environmental policy. Ruima-Maruken is aiming to capture greater share of the market of temporary construction by standardizing steel bracing method instead of concrete bracing method.

One of the strategies of our company’s middle-term management plan is to aggressively expand our business in overseas. The investment in Ruima-Maruken has made the third overseas base after Thai-Maruken Co., Ltd. and China Railway Yihong Steel Sheet Pile Co., Ltd. We are also planning to expand our business in Myanmar and the surrounding area in the near future.

New Company Profile

Name: Ruima-Maruken (Anhui) Construction Protecting Technology Co., Ltd.

Business activities: Steel Bracing Construction Work, Steel Material Lease, Sales of Steel products

Head office: Maashan City, Anhui Province, China

Capital: RMB108,333,333

Shareholder breakdown:	Li Qingzhong	33.534%	
	Li Qingsheng	3.408%	
	Pan Jianguo	1.704%	
	Ruima (Hongkong) Investment & Trade Co., Ltd.	21.354%	
	Maruken Investment Limited Liability Company (tentative name)	40.000%	

Scheduled investment date: Around February 2020