

Siam Nippon Steel Pipe Co. to Increase Production Capacity

In view of the ever-increasing demand for Mechanical Structural Steel Tube for automotive usage in Thailand and other ASEAN countries, Siam Nippon Steel Pipe Co., Ltd. (SNP)—a Nippon Steel subsidiary (NSC shareholding: 60.8%) based in Thailand—will establish a subsidiary (“new company”) of its own to manufacture and sell Mechanical Structural Steel Tube for automotive usage in Indonesia as well.

Production of automobiles and motor-cycles in ASEAN countries and India is increasing steadily. In Thailand and Indonesia, in particular, Japan-based manufacturers of automotive parts are already increasing their production capacities. Accordingly, the demand for Mechanical Structural Steel Tube for automotive usage is expanding in these countries. Under such conditions, Nippon Steel has been urged by its customers to increase production of Mechanical Structural Steel Tube for automotive usage.

The new company will introduce the steel pipe production know-how owned by SNP and provide a steady supply of high-precision, high-quality Mechanical Structural Steel Tube for automotive usage in Indonesia to ensure that it can meet the demand for prompt deliveries of products from the Japan-based automotive parts manufacturers that have already entered the Indonesian market.

In the future, SNP and the new company are expected to jointly build an organization capable of responding quickly to the demand for Mechanical Structural Steel Tube for automotive usage in those Southeast Asian countries and India whose automotive industries are growing rapidly. That will help Nippon Steel to further enhance its sales strength in terms of automotive steel pipe.

Outline of the new company

1. Company name: PT. Indonesia Nippon Steel Pipe
2. Capital: US \$8,500,000 (SNP 95%, Toshida Industry 5%)
3. President: Hitoshi Okubo (president of SNP)
4. Location: Bukit Indah Industrial Park, Cikampek Karawang Province, West Java (about 60 km from center of Jakarta City)
5. Start-up: January 2007 (plan)
6. Total amount of investment: About ¥2,200 million
7. Production facilities: Electric resistance-welded steel tube-making mill, cold-drawing mill, heat treatment furnace and several cutting machines
8. Number of employees: About 140 (including four Japanese)
9. Business line: Manufacture and sale of Mechanical Structural Steel Tube for automobiles and motor-cycles
10. Production capacity: About 1,200 tons/month

Reference: Outline of Siam Nippon Steel Pipe

1. Company name: Siam Nippon Steel Pipe Co., Ltd. (SNP)
2. Capital: THB779.25 million (Nippon Steel’s contribution: 60.8%)

3. President: Hitoshi Okubo
4. Location: Siam Eastern Industrial Park, Rayong Province, Thailand
5. Start-up: January 1996
6. Production facilities: Electric resistance-welded steel tube-making mills, cold-drawing mills, heat treatment furnaces, cutting machines and second processing machines
7. Number of employees: About 750
8. Business line: Manufacture and sale of machine structural steel pipe for two- and four-wheeled vehicles
9. Production capacity: About 4,000 tons/month

For more information, please contact:

Public Relations Center of General Administration Division of Nippon Steel Corporation

Phone: 81-3-3275-5021