

March 2, 2009
Sumitomo Metal Industries, Ltd.
Nippon Steel Corporation
Sumikin Stainless Steel Tube Co., Ltd.
Nittai Corporation
Konan Co., Ltd.

**Agreement between Sumitomo Metals and Nippon Steel
on Integration of Arc-Welded Stainless Steel Pipe and Tube Businesses**

As part of their cooperative measures, Sumitomo Metal Industries, Ltd. (Head office in Chuo-ku, Osaka; President: Hiroshi Tomono, "Sumitomo Metals") and Nippon Steel Corporation (Head office in Chiyoda-ku, Tokyo; President: Shoji Muneoka, "Nippon Steel") have decided to integrate the arc-welded stainless steel pipe and tube businesses currently conducted by their respective group companies and a definitive agreement has been executed by and among Sumitomo Metals, Nippon Steel, Sumikin Stainless Steel Tube Co., Ltd. ("Sumikin Stainless Steel Tube"), Nittai Corporation ("Nittai") and Konan Co., Ltd. ("Konan"). By integrating the operations of both groups, each having strong technological and sales capabilities, a leading, specialized company in the arc-welded stainless steel pipe and tube industry will be created. By leveraging the strengths of each party, efficient systems for production and sales will be established and high competitiveness will be achieved.

1. Details of business integration

(1) Method of integration

- Nippon Steel will establish a wholly-owned subsidiary to which the arc-welded stainless steel pipe and tube businesses of Nippon Steel, its subsidiary, Nittai and Nittai's wholly-owned subsidiary, Konan will be transferred.
- Subsequently, Sumikin Stainless Steel Tube which is wholly-owned by Sumitomo Metals, will merge the above newly-established company and complete the business integration.

(2) Date of integration

The integration is currently scheduled for July 1, 2009.

(3) Business operations of the integrated company

a) Production

The present three production sites (Sumikin Stainless Steel Tube Koga plant in Koga City, Ibaraki Prefecture; Nittai in Noda City, Chiba Prefecture; Konan in Hikari City, Yamaguchi Prefecture) will be consolidated into two locations, Koga and Noda. By doing this, an efficient production system will be established, resulting in an enhanced cost competitiveness.

Sumikin Stainless Steel Tube will continue to produce seamless stainless steel pipe in Shonan Plant (Fujisawa City, Kanagawa Prefecture) of the new integrated company.

b) Sales

Both groups' strengths and features in terms of product and location will be utilized to establish an enhanced sales structure.

c) Technology and development

Both groups' technological and development capabilities will be consolidated to improve manufacturing technology and for speedy development of new products that respond to market needs.

2. Profile of the integrated company

- (1) Company name: Sumikin & Nippon Steel Stainless Steel Pipe Co., Ltd.
- (2) Head Office: 3-2 Okazato, Koga City, Ibaraki Prefecture
- (3) Capital: 916 million yen
- (4) Investing ratios: Sumitomo Metals: 60%, Nippon Steel: 40%
- (5) Representative (plan): Yoshio Doi (At present, President and Representative Director of Sumikin Stainless Steel Tube)
- (6) Sales: Approximately 28 billion yen per year (based on actual sales in the fiscal year ended March 31, 2008)
- (7) Method of integration: Business transfer and merger by absorption (*Jigyo-jouto and Kyushu-gappei*)
- (8) Date of integration: July 1, 2009

< For inquiries >

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Nittai Corporation, General Affairs Department (Tel) +81-4-7124-6143

Konan Co., Ltd. (Main tel.) +81-833-71-5220

(Attachment) Corporate profiles of the three subsidiaries

Sumikin Stainless Steel Tube Co., Ltd.

Head Office: 3-2 Okazato, Koga City, Ibaraki Prefecture
Representative: Yoshio Doi, President and Representative Director
Main business: Production and sale of stainless steel pipe & tube
Production sites: Koga City, Ibaraki Prefecture (production of welded stainless steel tube), Fujisawa City, Kanagawa Prefecture (cold drawing of seamless stainless steel tube)
Capital: 916 million yen (as of March 31, 2008)
Sales: 16.9 billion yen (for the fiscal year ended March 31, 2008)
Number of employees: 327 (as of March 31, 2008)
Principal shareholder: Sumitomo Metals: 100%

Nittai Corporation

Head Office: 252-4 Kamisangao, Noda City, Chiba Prefecture
Representative: Representative Director and President, Satoshi Inoue
Main business: Production and sale of stainless steel pipe & tube, titanium and high alloy steel tube
Production site: Noda City, Chiba Prefecture
Capital: 200 million yen (as of March 31, 2008)
Sales: 5.2 billion yen (for the fiscal year ended March 31, 2008)
Number of employees: 55 (as of March 31, 2008)
Principal shareholders: Nippon Steel: 60%, Mitsui & Co., Ltd.: 40%

Konan Co., Ltd.

Head Office: 3434 Ooaza-Shimada, Hikari City, Yamaguchi Prefecture
Representative: Representative Director and President, Satoshi Inoue
Main business: Production of stainless steel pipe & tube, titanium and high alloy steel tube
Production site: Hikari City, Yamaguchi Prefecture
Capital: 10 million yen (as of March 31, 2008)
Sales: 200 million yen (for the fiscal year ended March 31, 2008)
Number of employees: 22 (as of March 31, 2008)
Principal shareholder: Nittai: 100%