

June 26, 2012  
Nippon Steel Corporation  
Sumitomo Metal Industries, Ltd.  
Nippon Steel Engineering Co., Ltd.  
Nippon Steel Pipeline Co., Ltd.  
Sumitomo Metal Pipeline and Piping, Ltd.

Nippon Steel Pipeline and Sumitomo Metal Pipeline and Piping Agreed to Merge

Nippon Steel Pipeline Co., Ltd. (President: Kazuyoshi Onohara, “Nippon Steel Pipeline”) and Sumitomo Metal Pipeline and Piping, Ltd. (President: Hidenori Nomura, “Sumitomo Metal Pipeline”) have agreed to merge on October 1, 2012. Nippon Steel Pipeline is a wholly-owned subsidiary of Nippon Steel Engineering Co., Ltd. (President: Makoto Takahashi, “Nippon Steel Engineering”), while Sumitomo Metal Pipeline is a wholly-owned subsidiary of Sumitomo Metal Industries, Ltd. (President: Hiroshi Tomono, “Sumitomo Metals”). Subject to the business integration of Nippon Steel Corporation (President: Shoji Muneoka, “Nippon Steel”) and Sumitomo Metals, the merger of Nippon Steel Pipeline and Sumitomo Metal Pipeline has been approved by the boards of directors of Sumitomo Metals, Nippon Steel Engineering, Nippon Steel Pipeline and Sumitomo Metal Pipeline. The name of the merged company will be “NIPPON STEEL & SUMIKIN PIPELINE & ENGINEERING CO. LTD.”. It is planned to be a wholly-owned subsidiary of Nippon Steel Engineering (It is scheduled to change its company name to Nippon Steel & Sumikin Engineering Co., Ltd. on October 1, 2012).

1. Objective of Merger

Through this merger, Nippon Steel Pipeline and Sumitomo Metal Pipeline aim to become the best engineering company that focuses on pipeline construction. The merged company will seek to realize synergies quickly and become efficient and competitive by consolidating their respective resources for pipeline and engineering. The objective is to become the best in technology, quality and cost management and thereby contribute to society.

2. Outline of Merger

(1) Method of Consolidation

Subject to the business integration of Nippon Steel and Sumitomo Metals on October 1, 2012, the consolidation will be conducted using the following two-step legal procedure consisting of a share exchange followed by an absorption-type merger on the same day.

Step 1: Share Exchange

On October 1, 2012 (planned), Nippon Steel Engineering and Sumitomo Metal Pipeline will effect a share exchange pursuant to which Nippon Steel Engineering will become a wholly-owning parent company of Sumitomo Metal Pipeline.

Step 2: Absorption-type Merger

On the same day, Sumitomo Metal Pipeline and Nippon Steel Pipeline will effect an

absorption-type merger pursuant to which Sumitomo Metal Pipeline will be the surviving company and Nippon Steel Pipeline will be the absorbed company subject to the effectuation of the share exchange (the “Merger”).

## (2) Schedule of Merger (the Share Exchange and the Merger)

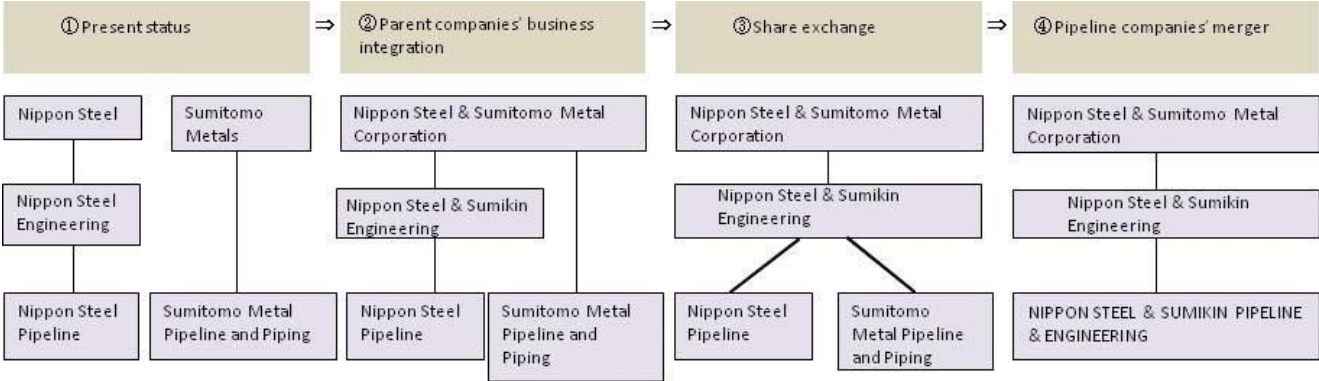
- March 26, 2012 Execution of the memorandum regarding consideration of the merger
- June 26, 2012 Execution of the Share Exchange Agreement and the Merger Agreement (executed today)
- Mid- July 2012 (planned) Shareholders’ meeting of each of Nippon Steel Pipeline, Sumitomo Metal Pipeline to approve the Share Exchange Agreement, the Merger Agreement and other related matters
- October 1, 2012 (planned) Effective date of the Share Exchange and the Merger

## 3. Profile of Merged Company

- (1) Company name: NIPPON STEEL & SUMIKIN PIPELINE & ENGINEERING CO. LTD.
- (2) Head office location: Osaki, Shinagawa-ku, Tokyo
- (3) Offices and production sites: Osaka, Sakai, Nagoya, Fukuoka, Warabi, Kashima, Wakayama, Sendai and Sapporo
- (4) Main business: Pipeline and engineering
- (5) Capital: 2.8 billion yen
- (6) Shareholder: Nippon Steel & Sumikin Engineering Co., Ltd. (100%)
- (7) Representatives: President and Representative Director: Kazuyoshi Onohara  
Vice President and Representative Director: Hidenori Nomura
- (8) Fiscal year end: March 31
- (9) Total assets: Not fixed
- (10) Net assets: Not fixed

The amounts of total assets and net assets will be disclosed as soon as they are determined.

Reference #1: Method of consolidation to be applied on October 1, 2012 (Outline of the Share Exchange Agreement and the Merger Agreement)



For inquiries

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- Sumitomo Metal Industries, Ltd.: Tel.: +81-3-4416-6115
- Nippon Steel Engineering Co., Ltd.: Tel.: +81-3-6665-2366
- Nippon Steel Pipeline Co., Ltd.: Tel.: +81-3-6865-6310
- Sumitomo Metal Pipeline and Piping, Ltd.: Tel.: +81-72-241-9680

Reference:

Profile of Nippon Steel Pipeline and Sumitomo Metal Pipeline and Piping

	Nippon Steel Pipeline Co., Ltd.	Sumitomo Metal Pipeline and Piping, Ltd.
Business	Engineering and construction	Engineering and construction
Established	November 1971	August 1962
Head office location	Osaki, Shinagawa	Sakai, Osaka
President	Kazuyoshi Onohara	Hidenori Nomura
Sales for the year ended March 31, 2012	18.1 billion yen	22.6 billion yen
Capital as of March 31, 2012	450 million yen	2,800 million yen
Number of shares outstanding as of March 31, 2012	603,000	1,100,000
Total assets as of March 31, 2012	16.7 billion yen	18.7 billion yen
Date of fiscal year end	March 31	March 31
Numbers of employees as of March 31, 2012	342	410
Main banks	The Bank of Tokyo-Mitsubishi UFJ, Ltd. Mizuho Corporate Bank, Ltd.	Sumitomo Mitsui Banking Corporation
Shareholders as of March 31, 2012	Nippon Steel Engineering Co., Ltd. 100%	Sumitomo Metal Industries, Ltd. 100%

Financial results for the recent three years

(in million yen)

	Nippon Steel Pipeline Co., Ltd.			Sumitomo Metal Pipeline and Piping, Ltd.		
	FY2009	FY2010	FY2011	FY2009	FY2010	FY2011
Net Assets	6,707	6,792	7,212	7,946	8,291	8,965
Total Assets	19,079	17,635	16,765	19,641	17,828	18,743
Sales	24,868	19,459	18,191	26,111	21,394	22,646
Ordinary income	457	752	487	1,089	791	1,040
Net income	327	219	291	1,162	435	575