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Development of the Automotive Steel Pipe/Tube Business in Mexico

Nippon Steel Corporation
Sumitomo Pipe & Tube Co., Ltd
Sumitomo Corporation
Metal One Corporation

Nippon Steel Corporation (President: Shoji Muneoka), Sumitomo Pipe & Tube Co., Ltd (President: Rempei Nakanishi), Sumitomo Corporation (President: Kuniharu Nakamura), and Metal One Corporation (President: Naoto Matsuoka) have established a joint-venture company in Mexico to build a manufacturing and sales base for automotive steel pipes/tubes, with a view to ensuring a response to the demand for such products in the Mexican market, which is expected to grow significantly in the future.

Approximately 2.6 million four-wheeled automobiles were produced in Mexico in 2011. Automobile production in Mexico is expected to increase substantially in the future as a result of new entry into the Mexican market and the increase in production capacity of Japanese automakers. This increase in automobile production is expected to lead to a rapid expansion of demand for middle- to high-grade steel pipes/tubes in which Nippon Steel and Sumitomo Pipe & Tube have competitive strength.

Nippon Steel, Sumitomo Pipe & Tube, Sumitomo Corporation, and Metal One have long discussed entry into the Mexican market with a view to capturing demand for automotive steel pipes/tubes in this country. Recently, they agreed to jointly establish a corporation in Mexico and begin the construction of a plant at the land acquired in Silao, in the state of Guanajuato.

The joint-venture company is scheduled to begin production in June 2013 and will supply products to Japanese, North American and European automakers and auto parts manufacturers in Mexico.

Nippon Steel, Sumitomo Pipe & Tube, Sumitomo Corporation, and Metal One will continue to develop and expand their overseas businesses actively in order to globally respond to demand for automotive steel pipes/tubes.

Business summary:

1. Company name : NIPPON STEEL PIPE MÉXICO, S.A. DE C.V.
2. Location : Silao, in Guanajuato State
3. Representative : Keizo Kawamura (dispatched from Nippon Steel)
4. Description of business : Manufacturing and sales of steel pipes/tubes for automobiles (two- and four-wheeled)
5. Shareholding : Nippon Steel: 55%、 SPT and SC Investment: 25% (Invested in by Sumitomo Pipe & Tube 75% and Sumitomo Corporation 25%)、 Metal One: 20%
6. Capital : Approx. 24 million U.S. dollars
7. Investment : Approx. 39 million U.S. dollars
8. Major equipment: Electric-resistance welded pipe/tube manufacturing equipment, cold-drawing equipment, heat treatment equipment (bright normalizing furnace), etc.
9. Start of Production: June 2013
10. Production capacity: Approx. 2,000 t/month
11. Number of employees: Approx. 200

For more information on this matter, please contact:

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