

December 16, 2014  
JFE Shoji Trade Corporation

**Acquisition of Kelly Pipe Co., LLC**  
**Expansion of the business field for distributing steel pipes in North America**

JFE Shoji Trade Corporation (President: Mr. Tsutomu Yajima ; hereinafter called “JFE Shoji”) has reached agreement with Shapco Inc. that JFE Shoji Trade America Inc. a subsidiary of JFE Shoji, acquire 100% of the membership interests of Kelly Pipe Co., LLC, (hereinafter called “Kelly Pipe”), a subsidiary of Shapco Inc.

Kelly Pipe (Headquarters: Santa Fe Springs, CA), founded in 1898 in California, is one of the largest, most well-established distributors of pipe in the nation.

Since its founding, it has expanded its geographic market reach and range of products and currently provides a wide variety of steel pipe products, including line pipe, oil country tubular goods (“OCTG”), and standard pipe (water pipe, structure pipe, etc. ) through its network of 21 sales offices throughout the USA.

As a subsidiary of JFE Shoji Group, JFE Shoji Trade America has been developing its steel-related business in the North American market. Through the acquisition of Kelly Pipe, JFE Shoji Group will enter the business of steel pipe distribution in North America where demand for steel pipe, especially in the energy sector, is expected to expand considerably in the near future. The acquisition will capitalize on the synergistic opportunities with Kelly Pipe and increase the trading volume of steel products throughout its global network.

Outline of Kelly Pipe Co.,

1. Name : Kelly Pipe Co., LLC
2. Location : 11680 Bloomfield Ave Santa Fe Springs, California 90670
3. Year of Establishment : 1898
4. Main Business : Sales, stocking and processing for Line Pipe, OCTG and other steel pipes
5. Number of employees : 295
6. President (CEO) : Mr. Len Gross
7. Sales : US\$ 413 million ( 2013 )
8. Location : 24 (USA : 21, Canada : 1, United Kingdom : 1, Columbia : 1)