

For Immediate Release:

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JFE Steel Corporation
Maruichi Steel Tube Ltd.
Toyota Tsusho Corporation

JFE Steel, Maruichi Steel Tube and Toyota Tsusho
to Acquire Spiral Steel Pipe Maker in Vietnam

Tokyo – JFE Steel Corporation, Maruichi Steel Tube Ltd. and Toyota Tsusho Corporation announced today that they will wholly acquire a Vietnamese spiral steel pipe manufacturer, Jeong An Vina Co., Ltd. of South Korea, for about 18 billion won (about 1.3 billion yen) from Jeong An Steel Co., Ltd., under a plan to directly manufacture and sell steel pipe pile and steel pipe sheet pile in Vietnam.

Jeong An Vina, currently a wholly owned subsidiary of Jeong An Steel, has an annual production capacity of 50,000 tons and recorded sales of USD 10.9 million in 2009. It was established by Hyundai Steel Pipe Co., Ltd. in 1995 and is based in Bien Hoa, Dong Nai Province.

Following the acquisition, the company's name will be changed. JFE Steel will provide the president and Toyota Tsusho will provide the executive vice president.

Jeong An Vina will be capitalized at USD 3.1 million, shared 35% by JFE Steel, 35% by the Maruichi Steel Tube group and 30% by Toyota Tsusho. The Maruichi group's share will comprise a 30% share held by Maruichi Steel Tube Ltd. and 5% held by Sun Steel Joint Stock Company (SUNSCO). SUNSCO, a joint venture company established by Maruichi Steel Tube, Toyota Tsusho, JFE Steel and others, processes galvanized steel sheet and steel pipe in Binh Duong Province.

The newly acquired company will manufacture high-quality steel pipe pile, steel pipe sheet pile and water pipe by combining existing facilities for spiral steel pipe manufacturing and coating with advanced manufacturing technologies from JFE Steel. The company intends to capture the strong demand for steel pipe, as well as explore new demand, in Vietnam's construction steel market, working closely with SUNSCO, which recently began operating a 16-inch medium-diameter welded pipe mill.

Following the acquisition, the company will begin supplying products under its new structure soon after obtaining necessary government approvals and licenses. It expects to raise shipments from 10,000 tons a year at present to 50,000 tons in the foreseeable future.

The company will leverage its three owners' extensive technologies and networks to develop demand for steel pipe pile and steel pipe sheet pile in Southeast Asia, as well as contribute to infrastructure development in the region. The demand for construction steel pipe is increasing rapidly, especially in Vietnam, due to a wave of newly launched projects for ports, railways and other major infrastructure. To date, the three partners have been jointly considering the best possible manufacturing structure for the Vietnamese market and beyond.

Location of Jeong An Vina



Jeong An Vina plant

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