

July 25, 2017

To Whom It May Concern,

OSAKA STEEL CO., LTD.

INAUGURATION CEREMONY OF PT. KRAKATAU OSAKA STEEL.

Thursday July 20, 2017, PT Krakatau Osaka Steel ("PT KOS") declared a completion of all construction and preparation work to all honorable guests of Inauguration Ceremony, held at PT KOS factory site in Cilegon. Main guests to this ceremony were Minister of Industry, Japanese Ambassador to Indonesia, Governor of Banten, Mayer of Cilegon, many VIP's from Indonesian government, many customers and contractors. Total number of guests were about 300 people.

PT KOS is a joint-venture company between Osaka Steel, Co. Ltd., Japan with 80% of shareholding and PT Krakatau Steel (Persero), Tbk. with 20% of shareholding. PT KOS manufactures reinforced bars, small-middle sized angles, channels, and flat bars with 500,000 tons of annual capacity. These products are sold mainly at Indonesian domestic market.

PT KOS started its factory construction at Krakatau Industrial Estate Cilegon in March, 2015, and completed it in December 2016, 22 months after the beginning of construction. PT KOS started our commercial operation of reinforced bars in January 25, 2017. Since then, it has obtained SNI for other size of reinforced bars and angles, and expanded its line-up of SNI products.

Angles and reinforced bars are widely used in civil engineering & construction industry. Currently, Indonesian governments' priority is the infrastructure projects, such as an increase of electricity power supply. PT KOS will provide high quality angles for electricity transmission tower, and other steel structures. The quality of PT KOS's angles satisfies international standard, in terms of size, length, thickness and straightness.

For construction of toll road and railway, PT KOS recommends S50 reinforced bars for such projects, in order to improve workability and save construction period. S50 is a very thick reinforced bars with 50mm of diameter. PT KOS is the first manufacturer of S50 with Cut & Bend Machine in Indonesia and obtained SNI for this product.

Mr. Masahiro Takahashi, President of PT KOS said that PT KOS will supply high-quality products to the increasing demand, and contribute to the infrastructure development and economic growth in Indonesia. This belief is reflected in PT KOS's company credo, "Grow together with Indonesia".