

January 25, 2017

To Whom It May Concern,

Company name: OSAKA STEEL CO., LTD.

Name of representative: Junji Uchida,

President

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PT. KRAKATAU OSAKA STEEL (KOS) Commences Production

OSAKA STEEL CO., LTD. ("OSAKA STEEL") is pleased to announce that PT. KRAKATAU OSAKA STEEL (KOS), a joint venture between OSAKA STEEL and Indonesia's state-owned PT. KRAKATAU STEEL, started production operations today. The KOS steel plant is located in the Krakatau Industrial Zone in Cilegon, Banten Province, Republic of Indonesia.

Construction of the plant started in February 2015 and was completed in October 2016.

The first shipment from the plant is scheduled on the 31st of this month.

The joint venture will work to expand the range of its products, aiming to supply high value-added steel products to the Indonesian market.

[Overview of PT. KRAKATAU OSAKA STEEL (KOS)]

Established: December 2012

Business activities: Manufacturing and sales of medium/small steel and iron reinforcing bars and flat bars

Capital: US\$70 million

Ownership ratio: OSAKA STEEL 80%; KRAKATAU STEEL 20%

Facility: Combined mill for producing medium/small steel and iron reinforcing bars and flat bars

Expected sales volume: Approximately 500,000 tons per year (full-scale production)

Total investment: Approximately US\$200 million