



October 6, 2011  
Sumitomo Corporation  
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Expansion of Seamless Tubular Products Business in the U.S.

Sumitomo Corporation (Chuo-ku, Tokyo; President and CEO: Susumu Kato; hereinafter “Sumitomo”) hereby announces that it has acquired a 19.47% interest in V&M TWO LLC (President: Pascal Braquehais; hereinafter “V&M2”), a manufacturer of small-diameter seamless steel pipe based in the U.S. state of Ohio, from Vallourec S.A. (Paris, France; Chairman: Philippe Cruzet; hereinafter “Vallourec”).

[V&M2 Project]

Development of unconventional energy resource has recently been growing in the United States, including oil and gas shale plays, for which production is expected to expand over the medium- to long-term. Concurrently, demand for the small-diameter seamless OCTG used in these shale plays is increasing. At a production facility it is being constructed nearby, V&M2 will manufacture these pipes and efficiently supply them to the major shale plays such as Marcellus Shale in Pennsylvania, one of the biggest OCTG consuming areas in the U.S..

[Overview of V&M2's steel pipe mill]

V&M2 has commenced construction of a production facility to manufacture small-diameter seamless steel pipes on a property adjacent to the premises of V&M STAR LP (President: Joel Mastervich; hereinafter “VMS”), another Ohio-based seamless steel pipe manufacturer, in which Sumitomo owns a 19.47% interest. The initial investment amount of the new steel pipe mill is approximately US\$650 million, and scheduled to be completed for operational launch by mid-2012 and planned to go into full commercial operation by the end of that year with an annual output capacity of 350,000 tons.

[Sumitomo's strategy]

By taking a stake in V&M2, Sumitomo aims to enhance its seamless tubular products business in the United States and strengthen its long-term alliance with Vallourec. In relation to this, V&M2 is planning to integrate its business with that of VMS in the future. Sumitomo intends to leverage this integration to expand its business in the U.S. market.

#### Information

[Ownership of interest in V&M2]

Ownership after transfer: Vallourec: 80.53%; Sumitomo: 19.47%

Date of transfer: September 2011

[Outline of V&M TWO LLC]

Name	V&M TWO LLC
Site location	Registered office: Delaware, U.S.A; Plant: Ohio, U.S. A.
Establishment	December 2009
Number of employees	Approx. 350 (planned)
Main business	Manufacturing and sales of seamless steel pipes
Production capacity	350,000 tons/year

[Outline of V&M STAR LP]

Name	V&M STAR LP
Site location	Registered office: Delaware, U.S.A; Plant: Ohio, U.S. A.
Establishment	July 2002
Number of employees	Approx. 800 (as of the end of 2010)
Main business	Manufacturing and sales of seamless steel pipes
Production capacity	500,000 tons/year

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