

December 15, 2014
Kelly Pipe Co., LLC

Acquisition of Kelly Pipe by JFE Shoji Trade Corporation

Shapco Inc., the parent company of Kelly Pipe Co.,LLC (President : Len Gross; hereinafter called "Kelly"), and JFE Shoji Trade Corporation (President: Mr.Tsutomu Yajima; hereinafter called "JFE Shoji") along with its subsidiary, JFE Shoji Trade America Inc., have reached an agreement that JFE Shoji will acquire 100% of the membership interests of Kelly from Shapco Inc. The acquisition is expected to close within 2014.

JFE Shoji is a leading Japanese trading company with revenues of approximately \$18 billion per annum. It is a wholly-owned subsidiary of JFE Holdings, Inc. which is also the parent company of JFE Steel Corporation (hereinafter called "JFE Steel"), an integrated steel manufacturer which produces approximately 30 million metric tons annually of high quality steel products. JFE Shoji has 55 sales offices in 19 countries, including Los Angeles and Houston, and 26 group companies in 12 countries, including 16 steel processing centers. Utilizing these strengths, JFE Shoji is providing services to customers all over the world.

Kelly has provided more than 100 years of supply chain management in line pipe, OCTG and standard pipe in the North American and overseas markets. Through the acquisition by JFE Shoji, Kelly can expect further growth by combining its existing functions and trading ability with the worldwide network of JFE Shoji.

Outline of JFE Shoji.,

1. Name : JFE Shoji Trade Corporation
2. Location : Otemachi Financial City North Tower, 9-5, Otemachi 1-chome, Chiyoda-ku, Tokyo 100-8070, Japan
3. Establishment : January, 1954
4. Main Business : Trading of steel products, raw materials, machinery, etc. through domestic sales, exporting, importing and tripartite business.
5. Number of employees (Consolidated basis) : 6,330 ,as of October, 2014.
6. President (CEO) : Mr. Tsutomu Yajima
7. Sales (Consolidated basis) : JPY 1781.3 billion (About US\$ 17.9 billion) for FY2013.

Questions can be directed to Joyce Holbert at Kelly Pipe, Santa Fe Springs, CA at 562-466-6304 or jholbert@kellypipe.com