

December 12, 2014

Taiyo Nippon Sanso Corporation

Notice Regarding an Accident at Oita Sanso Center (Initial Report)

Taiyo Nippon Sanso Corporation (TNSC) hereby announces that there was an accident at associated company Oita Sanso Center Co., Ltd. (Oita Sanso Center). TNSC would like to apologize to the neighboring residents and the relevant authorities for the inconvenience and anxiety this accident may have caused, and disclose the following information.

The cause of the accident remains under investigation, and will be announced as soon as it becomes known.

1. Accident location

1 Oaza-Nishinosu, Oita City

Oita Sanso Center, located on-site of Nippon Steel & Sumitomo Metal Corporation (NSSMC) 's Oita Works

2. Time of accident

9:06 a.m., Friday, December 12, 2014

3. Circumstances leading to the accident

6:55 a.m.: The No. 3 air separation unit was brought to a halt as scheduled under routine procedures.

8:00 a.m.: Oita Sanso Center began releasing liquefied gas from the No. 3 air separation unit into the liquefied gas drainage tank.

9:06 a.m.: The liquefied gas drainage tank burst.

*Liquefied gas drainage tank: A facility for releasing product surplus liquefied gas (oxygen, nitrogen, argon) back into the air.

4. Cause of accident

Under investigation

5. Damage

No human damage or fire has been reported.

The liquefied gas drainage tank burst.

Oita Sanso Center's air separation units remain in operation, while its liquefaction plants alone were shut down for investigation.

6. Overview of Oita Sanso Center

Company name: Oita Sanso Center Co., Ltd.

President: Shinji Tanabe

Establishment: March 30, 1970

Shareholders: NSSMC 50%, TNSC 50%

Business: Production of oxygen, nitrogen and argon gas with air separation unit for continuous 24-hour supply via pipeline to NSSMC's Oita Works. At the same time, the liquefied oxygen, nitrogen and argon manufactured is distributed through TNSC by tanker trucks to users throughout Kyushu.