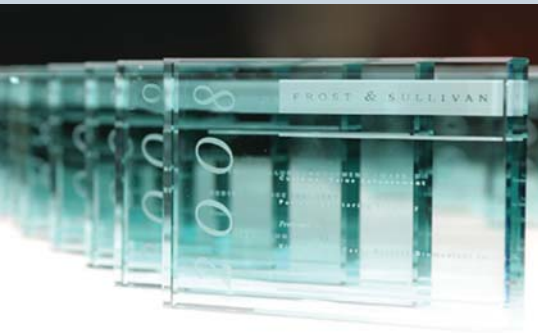


KOBELCO

Kobelco Welding of America, Inc.: Recipient of the
2008 North American Stainless Steel Tubular Wire Excellence in
Product Line Leadership of the Year Award



*From left to right: Akihiko Egami, President, Kobelco Welding of America, Inc.
and Art Robbins, President, North America, Frost & Sullivan*

“We accelerate growth.”

2008 North American Stainless Steel Tubular Wire Excellence in Product Line Leadership of the Year Award

Award Description

The Frost & Sullivan Award for Product Line Leadership is presented each year to the company that has demonstrated the most insight into customer needs and product demands. The recipient company has optimized its product line by leveraging products with the various price, performance, and feature points required by the market.

Research Methodology

To select the award recipient, the analyst team tracks all end-user requirements and market dynamics within the industry. This process includes interviews with suppliers, end-users, and industry experts. The product lines are compared with customer base demands, and the top-ranking supplier is then presented the award.

Measurement Criteria

In addition to the methodology described above, there are additional criteria used to determine the final competitor rankings in this industry. The recipient of this award has excelled based on one or more of the following criteria:

- Leading market share in the product line
- Rate of adoption among end users
- Consistent quality
- Technical support
- Delivery on time
- Features of the product like arc stability, lower spatter level, excellent slag detachability and consistent bead shape.
- Robust product portfolio
- Brand recognition of the product line

The logo for Kobelco, featuring the word "KOBELCO" in a bold, blue, sans-serif font.

The recipient of the 2008 Frost & Sullivan Excellence in Product Line Leadership Award, in the stainless steel tubular wires domain, is Kobelco Welding of America Inc. (KOBELCO). KOBELCO has exhibited leading market share (39.5% in the year 2007) and has ensured a faster rate of adoption among the end users. It has delivered stainless steel tubular wire product lines with greater consistency in quality and has been able to provide outstanding technical support for its end users. Customers have appreciated on-time delivery by the company, usually within seven days when compared to competitors, who deliver it at the end of fifteen days. KOBELCO has a robust product portfolio like the DW series, with high performance features that has lead to a greater level of brand recognition among the customers.

Significant voice of customer analysis by Frost & Sullivan validate Kobelco's leading position in the speciality filler metals market. The consensus among various end users is that Kobelco is placed as a 'bench mark' product in the stainless steel flux cored wires when compared to competitors.

There is great demand for stainless steel filler metals in the oil and gas sector, food and beverage industries, chemical plants and auto industries. Competitors with global brand strength and strong foot print have been dominant in the stainless steel filler metal domain. In spite of heavy competition, KOBELCO has sustained market leadership in stainless steel tubular wire with a market share of approximately 39.5%, during the year 2007. KOBELCO has achieved leading market share in a relatively shorter span, due to its focus on the stainless steel tubular wire products. It has consistently served the end users of this product line through on-time delivery, consistent technical support and providing product features that are of higher quality when compared to its competing product lines.

The end users' purchase decision revolves around three aspects namely the quality of the filler metal, its cost and its delivery period. KOBELCO have consistently met the above requirements due to inherent strength of raw material supplies for stainless steel tubular wires and dedicated facilities backed by a competent research and development team, thereby improving end user adoption rate. This increase in the adoption rate of KOBELCO stainless steel tubular wires, has been growing steadily during the past decade. This is evident from their double digit growth rates that have been consistent over the past decade, even during the period of harsh economic conditions from 1998 to 2001.

KOBELCO has exhibited consistency in meeting the American Welding Society (AWS) specifications, with its DW series of stainless steel tubular wires by continuous improvements in its research and development stage of various products. The adherences to chemical and mechanical standard specifications in a strict tolerance band have positively impacted usage levels among end users. This has lead to greater repeat purchase of these across end user markets such as food and beverage, auto parts, chemical and petro-chemical and oil and gas industries.

The filler metal consumption pattern in welding intensive areas like auto parts facilities, food and beverage industry requires inventory levels that need to be constantly monitored, with regular and timely replenishment of stocks. KOBELCO has been able to meet this customer requirement with unflinching regularity due to its vertical integration. Kobelco's manufacturing base includes a total of eleven manufacturing locations all over the globe that has enabled it to deliver stainless steel filler metals on time, in spite of irregularities in demand supply forces in the global metal market.

Many end users in the food and beverage and automotive industries that do not have an exclusive welding department feel the need for robust support during and post the selection process, depending on the welding procedures. KOBELCO has tracked its customers' technical needs on a regular basis and met its requirements with greater impact that has satisfied its customer's implicit needs. They have provided special attention to their end customers through a technical support team from Japan. This team proactively visits key consumers at regular intervals that range from three months to a year, to address specific technical needs.

Kobelco Welding of America Inc. - Excellence in Product Line

The operational challenges in stainless steel welding with tubular wires are the arc stability, spatter level, slag detachability and bead shape. KOBELCO provides features in the DW series that has a smoother arc, lesser spatter level, self peeling slag and finely rippled beads compared to its competitors in the stainless steel tubular wires. KOBELCO through its products has sustained the operator friendliness with consistent chemical and mechanical properties of the weldment.

KOBELCO has a broad range of products that match customers' requirements and help it incorporate global manufacturing strategies to be competitive.

KOBELCO's product portfolio is more comprehensive when compared to its closest competitor in the stainless steel tubular wire domain. The stainless steel tubular products represent close to 40.0 percent of the tubular wires applications, and they have robust representations in grades such as 308, 308L, 316, 316L, 309, 309L, and 2209 based on the end users need in diverse industries.

KOBELCO, a part of the Kobe Steel, have built brand recognition in the name of 'Kobelco' in the welding filler metal domain through its stainless steel tubular wire products, in North America amidst global leaders.

KOBELCO has also been consistently providing value-based solutions and has helped customers to improve their standards in manufacturing through its QTQ (quality, technical support, quick delivery) philosophy. In recognition of its pioneering solutions in the field of stainless steel tubular wires; Frost & Sullivan presents KOBELCO with its Product Line Leadership of the Year Award for the year 2008 in the stainless steel tubular wire domain.

About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, partners with clients to accelerate their growth. The company's TEAM Research, Growth Consulting and Growth Team Membership empower clients to create a growth-focused culture that generates, evaluates and implements effective growth strategies. Frost & Sullivan employs over 45 years of experience in partnering with Global 1000 companies, emerging businesses and the investment community from more than 30 offices on six continents. For more information about Frost & Sullivan's Growth Partnerships, visit <http://www.awards.frost.com>.

About Kobelco Welding of America Inc.

Kobelco Welding of America Inc. (KWAI) was established in Houston, Texas in 1990 as a wholesale company owned by Kobe Steel Ltd which is one of the major steel mills in the world, for marketing Kobelco welding consumables in North America and Latin America. KWAI has exhibited leading market share and ensured a faster adoption rate among end users by consistently providing high quality product lines, on-time delivery, and outstanding technical support. Distribution facilities besides its main warehouse in Houston are located in Cincinnati, Salt Lake City, Chicago, Birmingham and Lancaster, PA. For more information about Kobelco Welding of America Inc., visit <http://www.kobelcowelding.com>.

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