

August 27, 2012

JFE Holdings, Inc.  
IHI Corporation  
Hitachi Zosen Corporation  
Universal Shipbuilding Corporation  
IHI Marine United Inc.

Notice Regarding Conclusion of Agreement for Management Integration (Merger)  
Between Universal Shipbuilding Corporation and IHI Marine United Inc.

JFE Holdings, Inc. ("JFE Holdings") and IHI Corporation ("IHI") announced that they concluded a final agreement today for the Management Integration (merger) of their respective subsidiaries Universal Shipbuilding Corporation ("Universal Shipbuilding") and IHI Marine United Inc. ("IHI Marine United"). The Management Integration, which will be executed on October 1, 2012, follows the conclusion of a basic agreement on January 30, 2012 and joint discussions by a preparatory committee. The Management Integration is subject to approval at the required shareholders meetings, followed by notification to relevant authorities, including those overseas, and then obtaining official approval and licensing.

Also, the companies will announce their candidates for the executive officers of the new company, Japan Marine United Corporation ("Japan Marine United"), which will be established by this Management Integration.

#### 1. Purpose of Management Integration

Japan Marine United will aim to achieve enhanced design and development capabilities by combining the respective engineering resources of Universal Shipbuilding and IHI Marine United, and to optimize the operation of its production facilities in line with the respective characteristics of the two original companies' shipyards. Among the various synergies that it will expect to realize rapidly, the product lineup will be expanded, productivity at each shipyard will be improved by consolidating ship types, and product development will be accelerated by bringing together energy-saving and eco-friendly technologies. In addition, capabilities for responding to large-lot orders and procuring equipment and materials under more competitive terms will be realized through expanded scale, and efficiencies will be improved through the integration of administrative functions. Through such efforts, the company will attempt to win contracts amid intense market competition and to establish the top position in the industry in terms of collective strengths, despite harsh business conditions, including worldwide supply-demand gaps and the record-strong yen trading frequently at below 80 yen to the dollar.

After the Management Integration, with the interests of their shareholders in mind, JFE Holdings and IHI will support the initiatives of Japan Marine United. They will respond to the expectations of their shareholders by working to improve the new company's business performance and supporting its new synergies with their respective steel plates, marine diesel engines and plant engineering capabilities.

## 2. Outline of Management Integration

### (1) Schedule

August 27, 2012	Conclusion of Merger Agreement
September 27, 2012 (planned)	General shareholders meetings of Universal Shipbuilding and IHI Marine United to approve Merger Agreement
October 1, 2012 (planned)	Effective date of Merger

### (2) Method

Management integration through merger whereby Universal Shipbuilding will become the surviving entity

### (3) New share allotment

At the time of the merger, Universal Shipbuilding will issue 637 new shares of common stock and allot all of them to IHI, a shareholder of IHI Marine United. To ensure fairness and appropriateness for the shareholders of the companies involved, the value of the shares was determined in negotiations between the companies based upon their respective finances, assets and financial outlooks, as well as the opinions of commissioned third-party organizations regarding the appropriate merger ratio.

## 3. Outline of New Company

### (1) Basic Facts

Trade Name	Japan Marine United Corporation	
Head Office	5-36-7 Shiba, Minato-ku, Tokyo	
Representatives	President & CEO Shinjiro Mishima Representative Director Yoshio Otagaki	
Business	Design, manufacture, purchase and sale of ships, naval and patrol vessels, marine floaters, etc.	
Capital	25 billion yen	
Investment Ratio	JFE Holdings	45.93%
	IHI	45.93%
	Hitachi Zosen	8.15%
	Note: Figures rounded to two decimal places	
Fiscal Year End	March 31	

### (2) Directors and Company Auditors

Position	Name	Current position(s)
Chairman	Shigemi Kurahara	President & CEO, IHI Marine United
President & CEO	Shinjiro Mishima	President & CEO, Universal Shipbuilding
Representative Director	Yoshio Otagaki	Executive Vice President, IHI Marine United
Director	Ryoichi Shimizu	Representative Director and Senior Managing Officer, Universal Shipbuilding
Director	Kuniteru Ishikawa	Director and Senior Managing Officer, Universal Shipbuilding

Director	Hiroki Ishikawa	Director, IHI Marine United
Director (Part-time)	Shinichi Okada	Executive Vice President, JFE Holdings
Director (Part-time)	Kazuo Tsukahara	Executive Vice President, IHI
Corporate Auditor	Toshiyuki Ogasawara	Corporate Auditor, Universal Shipbuilding
Corporate Auditor	Hitoshi Suzuki	Corporate Auditor, IHI Marine United
Corporate Auditor (Part-time)	Masayuki Morikata	Managing Director, Hitachi Zosen

Note: Full-time directors and corporate auditors have already been announced in “Universal Shipbuilding and IHI Marine United Announce Details of Merger New Company to be Named Japan Marine United Corporation,” which was issued (in Japanese only) on April 23, 2012.

### (3) Executive Officers

Position	Name	Responsibilities
President	Shinjiro Mishima	CEO
Vice President	Yoshio Otagaki	Ship & Offshore Structure Division, Technical Research Center, Technology Planning & Administration, Procurement
Vice President	Ryoichi Shimizu	Planning & Administration Division
Senior Managing Officer	Kuniteru Ishikawa	Naval Ship Division
Senior Managing Officer	Hiroki Ishikawa	Engineering & Life Cycle Division
Senior Managing Officer	Kimio Kitano	Ship & Offshore Structure Division(In charge of Design)
Senior Managing Officer	Takashi Kato	Naval Ship Division , Yokohama Shipyard
Managing Officer	Yukio Takahashi	Planning & Administration Division ,Finance
Managing Officer	Yasuo Komatsu	Ship & Offshore Structure Division ,Maizuru Shipyard
Managing Officer	Kazutoki Mizutani	Ship & Offshore Structure Division ,Ariake Shipyard
Managing Officer	Yoshinori Asaoka	Planning & Administration Division ,Corporate Planning,
Managing Officer	Kazuhiko Kamesaki	Ship & Offshore Structure Division ,Tsu Shipyard
Managing Officer	Yoshio Takezono	Planning & Administration Division ,General Affairs, Human Resources, Health and Safety
Managing Officer	Shin Noda	Ship & Offshore Structure Division (In charge of Manufacturing), Technology Planning & Administration,
Managing Officer	Hakaru Kamikaseda	Naval Ship Division
Managing Officer	Yukitaka Nakamura	Planning & Administration Division ,Accounting
Managing Officer	Tetsuya Omatsu	Engineering and Life Cycle Division, Technical Research Center
Managing Officer	Masaaki Kenko	Ship & Offshore Structure Division (In charge of Sales)
Managing Officer	Osamu Ito	Procurement
Managing Officer	Masanori Demoto	Ship & Offshore Structure Division ,Kure Shipyard

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Reference: Outline of Companies Involved in Management Integration (as of March 31, 2012)

(1) Trade name	Universal Shipbuilding Corporation	IHI Marine United Inc.
(2) Head office	1310 Omiya-cho, Saiwai-ku, Kawasaki-shi, Kanagawa	22-23, Kaigan 3-chome, Minato-ku, Tokyo
(3) Title and name of representative	President and CEO Shinjiro Mishima	President and CEO Shigemi Kurahara
(4) Business	<ul style="list-style-type: none"><li>• Design, manufacture, sale and repair of ships</li><li>• Design, manufacture, sale and repair of floating oil storage facilities, and steel structures including mega-floats</li><li>• Design, manufacture, sale and repair of marine equipment, industrial robots and defense equipment</li><li>• Design and supervision of contracted civil engineering and construction work</li><li>• Sale of technologies related to above</li><li>• Business incidental or related to the above</li></ul>	<ul style="list-style-type: none"><li>• Design, manufacture, purchase, sale, lease, installation, repair, maintenance and preservation of ships, naval vessels/patrol vessels, marine floaters (LNG/LPG production systems, oil drilling units, etc.), marine equipment, defense equipment, industrial robots, floating/underwater equipment, marine structures and other steel structures</li><li>• Design and supervision of civil engineering and construction work</li><li>• Consulting and engineering related to above, and provision of other technical know-how</li><li>• Business incidental or related to the above</li></ul>
(5) Capital	¥25,000 million	¥11,099 million
(6) Incorporated	October 1, 2002	October 2, 1995
(7) Shares issued	750	843,366
(8) Fiscal year end	March 31	March 31
(9) Employees	3,647 (consolidated)	2,968 (consolidated)

(10) Major business partners	Japan Ministry of Defense, Nippon Yusen, Mitsui O.S.K. Lines, Kawasaki Kisen, etc.	Japan Ministry of Defense, Nippon Yusen, Mitsui O.S.K. Lines, Kawasaki Kisen, Mitsubishi Corporation, Sumitomo Corporation, Marubeni Corporation, etc.
(11) Major trading banks	Development Bank of Japan	Mizuho Corporate Bank and Sumitomo Mitsui Banking Corporation
(12) Major shareholders and ratio of shareholding	JFE Holdings 84.93% Hitachi Zosen 15.07%	IHI 100.00%

(13) Results and Financial Position in Past Three Years						
Accounting period	Universal Shipbuilding (nonconsolidated)			IHI Marine United (nonconsolidated)		
	FY ended March '10	FY ended March '11	FY ended March '12	FY ended March '10	FY ended March '11	FY ended March '12
Net assets	56,058	66,941	74,915	16,453	23,318	23,638
Total assets	175,847	175,189	182,808	147,401	136,420	112,080
Net assets per share (yen)	74,744,548	89,255,082	99,887,940	19,509	27,648	28,029
Net sales	283,136	205,521	209,409	199,924	176,182	163,017
Operating income	24,291	20,200	15,203	844	10,393	7,581
Ordinary income	24,849	20,116	15,291	3,109	9,526	7,834
Net income	14,816	11,178	8,322	3,871	8,639	2,675
Net income per share (yen)	19,754,720	14,905,166	11,096,276	4,590	10,244	3,172
Dividend per share (yen)	-	-	-	1,555	2,964	658

(Millions of yen, unless otherwise specified)