

November 5, 2008
Toyo Tanso Co.,Ltd
Sumitomo Corporation

Toyo Tanso and Sumitomo Corporation receive order for Graphite for Chinese High Temperature Gas Cooled Reactor project.

Toyo Tanso Co., Ltd (President : Ms. Junko Kondo, hereafter, "Toyo Tanso") and Sumitomo Corporation (President : Mr. Susumu Kato, hereafter "Sumitomo") received order for graphite which is a major component for a Chinese High Temperature Gas Cooled Reactor project (HTR-PM). *1 It is a Chinese national project and a next generation nuclear power plant construction project (HTR-PM).

Today, Toyo Tanso and Sumitomo have signed the contract to supply the graphite with Huaneng Shandong Shidaobay Nuclear Power Co.,Ltd *2, who is a project joint venture and Chinergy Co.Ltd, *3 who is its EPC contractor.

Toyo Tanso and Sumitomo received the order of Toyo Tanso high purified isotropic graphite IG-110, and the order amount is several tens million dollars and over one thousands tons of graphite blocks. The delivery will be made from the middle of year 2010 till the end of year 2011. Huaneng Shandong Shidaobay Nuclear Power Co.,Ltd highly values excellent thermal and mechanical characteristics, and neutron irradiation characteristics etc. of the graphite. Also, they highly value the Toyo Tanso graphite long term track records and collaboration results in Tsinghua University High Temperature Gas Cooled Test Reactor (HTR-10) and Japan Atomic Energy Agency High Temperature Gas Cooled Test Reactor (HTTR). The Shanghai Toyo Tanso, a subsidiary of Toyo Tanso will machine the graphite blocks and install them into the reactors.

High Temperature Gas Cooled Reactor is of the attention as one of the next generation nuclear power plants, has excellent electricity efficiency, economy property, and inherent safety, comparing with current nuclear power plant mainstream, Light Water Reactor, and number of countries in the world move its development program. Chinese who rank the High Temperature Gas Cooled Reactor as a the strongest candidate of the next generation nuclear power plant systems, established a joint venture company, Huaneng Shandong Shidaobay Nuclear Power Co., Ltd, among Chinese largest utility company, Huaneng Group Company, Tsinghua University and China National

Nuclear Corporation, based on an achievement of HTR-10 in Tsinghua University, and will construct the demonstration nuclear power plant as the pioneer in the world. It is one of important Chinese national projects of the 11th 5 years program (2006 ~ 2010). The project plans to construct total 19 commercial reactor units which have the same specification with the demonstration unit.

The High Temperature Gas Cooled Reactor is a promising system not only for the power generation, but also for wide applications such as hydrogen generation and desalination using its high temperature supply. South Africa and U.S.A also have commercial reactor construction projects as an innovative next generation energy supply system.

Sumitomo Corporation recognize that the importance of nuclear power generation will increase in the world as a clean energy source under the progress of global warming and tight energy supply circumstance. We have made uranium mining investments, and will accelerate the nuclear related businesses.

Toyo Tanso will expand the nuclear related business area, such as the High Temperature Gas Cooled Reactors which are expected to be introduced more in the world, and also Nuclear Fusion Projects. And Toyo Tanso will provide creative 'only one' products and technologies in order to contribute to protect the global environment, energy saving and energy innovation.

***1 [outline of the Chinese High Temperature Gas Cooled Reactor project]**

Project Owner: Huaneng Shandong Shidaobay Nuclear Power Co., Ltd

Location: Shandong province, China

Size: 200MWe

Schedule: September 2009: Start Construction

November 2013: Start Operation

Construction: One unit

Total 19 units in the plan

***2 [Huaneng Shandong Shidaobay Nuclear Power Co., Ltd]**

A joint venture company for the project among Huaneng Group Company, Tsinghua University and Chinese National Nuclear Company, established in January 2007, and will be responsible for the design, construction and operation of the project.

***3 【CHINERGY CO. LTD.】**

Huaneng Shandong Shidaobay Nuclear Power Co., Ltd entrust EPC (Engineering, Procurement, Construction) to this company. Tsinghua University and Chinese National Nuclear Company are major shareholders.

【Inquiries】

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