

September 28, 2018

Nippon Steel & Sumikin Bussan Corporation

Notice Concerning Acquisition of Shares in Nihon Teppan Co., Ltd.

This following is notice that at a board of directors meeting held on this date, Nippon Steel & Sumikin Bussan Corporation (president: Yasumitsu Saeki, hereafter referred to as “NSSB”) adopted a resolution for the acquisition of shares in Nihon Teppan Co., Ltd. (president: Hideyuki Moriya, hereafter referred to as “Nihon Teppan”) from Nippon Steel & Sumitomo Metal Corporation (president: Kosei Shindo, hereafter referred to as “NSSMC”) and Nisshin Steel Co., Ltd. (president: Kinya Yanagawa, hereafter referred to as “Nisshin Steel”), making Nihon Teppan a subsidiary of NSSB.

1. Reason for acquisition of shares

As a core trading company of the NSSMC Group, in order to achieve further growth and advancement in the steel business, in April of this year NSSB received transfer of a portion of the steel business of the Mitsui & Co., Ltd. Group and committed itself to strengthening the automobile, construction materials, infrastructure, and other fields in the Medium-Term Management Plan 2020 that was announced in May.

Under these circumstances, aiming to strengthen the value chain from manufacturer to distribution and processing in cooperation with the manufacturers of thin steel sheet for construction use in the NSSMC Group and Nisshin Steel Group, it was agreed that NSSB would acquire shares of Nihon Teppan, a company that operates primarily in the field of thin steel sheet for construction use, from NSSMC and Nisshin Steel and make Nihon Teppan a subsidiary of NSSB. Through the combination of the NSSB business resources and the solid customer base developed by Nihon Teppan, we are aiming to strengthen the value chain in the field of thin steel sheet for construction use, to provide better services to the customers, improve competitiveness, and achieve further growth.

2. Overview of new subsidiary (Nihon Teppan)

(As of March 31, 2018)

(1) Name	Nihon Teppan Co., Ltd.
(2) Location	1-2-5 Nihonbashi, Chuo-ku, Tokyo
(3) Position and name of representative	President: Hideyuki Moriya
(4) Business areas	Sales and manufacture of steel products, metals, construction materials, metalworking machinery, electric machinery and electronic devices
(5) Capital	1.3 billion yen
(6) Founded	May 20, 1955
(7) Major shareholders and holding ratios	Nippon Steel & Sumitomo Metal Corporation: 50.0% Nisshin Steel Co., Ltd.: 50.0%

(8) Relationship between listed company and this company	Capital relationship	None in particular	
	Human relationship	None in particular	
	Business relationship	NSSB has a relationship of business dealings with Nihon Teppan, and engages in sales and purchasing.	
(9) Business results and financial positions of this company during the past 3 years			
Year	Fiscal year ended May 31, 2016	Fiscal year ended May 31, 2017	Fiscal year ended May 31, 2018
Net assets	6,988 million yen	7,294 million yen	7,608 million yen
Total assets	51,643 million yen	50,423 million yen	55,252 million yen
Net assets per share	6,988.53 yen	7,294.30 yen	7,608.66 yen
Sales	122,534 million yen	117,517 million yen	132,980 million yen
Operating profit	512 million yen	499 million yen	628 million yen
Ordinary profit	451 million yen	493 million yen	581 million yen
Net profit	250 million yen	575 million yen	359 million yen
Net profit per share	250.92 yen	575.84 yen	359.68 yen
Dividend per share	63 yen	144 yen	90 yen

### 3. Overview of companies from which shares were acquired

(Current as of May 31, 2018)

(1) Name	Nippon Steel & Sumitomo Metal Corporation	Nisshin Steel Co., Ltd.
(2) Location	2-6-1 Marunouchi, Chiyoda-ku, Tokyo	3-4-1 Marunouchi, Chiyoda-ku, Tokyo
(3) Position and name of representative	President: Kosei Shindo	President: Kinya Yanagawa
(4) Business areas	Business related to steel, engineering, chemicals, new materials, system solutions	Steel business (manufacture and sale of steel products)
(5) Capital	419.5 billion yen	30.0 billion yen
(6) Founded	April 1, 1950	October 1, 2012
(7) Consolidated net assets	3,515.5 billion yen	247.8 billion yen
(8) Consolidated total assets	7,592.4 billion yen	716.6 billion yen
(9) Major shareholders and holding	Japan Trustee Services Bank, Ltd. (trust account): 4.5% The Master Trust Bank of Japan, Ltd.	Nippon Steel & Sumitomo Metal Corporation: 51.0% Japan Trustee Services Bank, Ltd.

ratios	(trust account): 4.3% Nippon Life Insurance Company: 2.8% Sumitomo Corporation: 2.1% Japan Trustee Services Bank, Ltd. (trust account 5): 1.9% Mizuho Bank, Ltd.: 1.8% State Street Bank West Client – Treaty 505234: 1.7% Sumitomo Mitsui Banking Corporation: 1.7% Meiji Yasuda Life Insurance Company: 1.6% Japan Trustee Services Bank, Ltd. (trust account 9): 1.6%	(trust account): 4.3% The Master Trust Bank of Japan, Ltd. (trust account): 4.3% Japan Trustee Services Bank, Ltd. (trust account 9): 2.3% Acerinox, S.A.: 1.0% Japan Trustee Services Bank, Ltd. (trust account 5): 0.9% Sumitomo Metal Mining Co., Ltd.: 0.9% Japan Trustee Services Bank, Ltd. (trust account 4): 0.8% Japan Trustee Services Bank, Ltd. (trust account 2): 0.8% Japan Trustee Services Bank, Ltd. (trust account 1): 0.7%
(10) Relationship between listed company and this company		
Capital relationship	As of May 31, 2018, NSSMC owns 11,141,500 shares, equivalent to 36.04% of the shares issued by NSSB.	None in particular
Human relationship	4 former members of NSSMC are directors of NSSB. 1 managing executive officer of NSSMC is an auditor of NSSB.	None in particular
Business relationship	NSSB has a relationship of business dealings with NSSMC, and engages in sales and purchasing.	NSSB has a relationship of business dealings with Nisshin Steel, and engages in sales and purchasing.
Status as a related party	NSSMC is a related party of NSSB.	Nisshin Steel is a related party of NSSB.

4. Number of acquired shares, share price, and numbers of owned shares before and after acquisition

(1) Number of shares owned before transfer	0
(2) Number of acquired shares	660,000
(3) Share price	This cannot be disclosed due to confidentiality obligations between the parties. The acquisition price was decided based on the results of financial

	and legal due diligence performed by an outside agency.
(4) Number of shares owned after transfer	660,000 (Ownership of voting rights: 66.0%)

#### 5. Schedule

(1) Date of board of directors' resolution	September 28, 2018
(2) Date of contract conclusion	September 28, 2018
(3) Date that share transfer will be executed	December 27, 2018 (planned)

This acquisition of shares assumes that all necessary procedures and actions based on the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, as well as competition laws in overseas countries, have been completed. If these procedures and actions are not completed by December 27, 2018, then it is expected that the date of the share transfer will be changed.

#### 6. Future forecast

The effect of this acquisition of shares on the NSSB business results for this year will be minor. Regarding the effects on results for the following and later fiscal years, we will provide prompt notification when necessary.

Reference: NSSB consolidated results forecast for this fiscal year (announced May 10, 2018) and consolidated results from the previous fiscal year

(Unit: Million yen)

	Consolidated sales	Consolidated operating profit	Consolidated ordinary profit	Profit attributable to owners of the parent
Current consolidated fiscal year forecast (year ending March 31, 2019)	2,500,000	38,000	38,000	23,500
Previous consolidated fiscal year results (year ended March 31, 2018)	2,062,316	32,314	35,188	21,726