

The JFTC Reviewed the Proposed Acquisition of Shares of Nisshin Steel Co., Ltd. by NIPPON STEEL & SUMITOMO METAL CORPORATION

(Tentative Translation)

January 30, 2017

Japan Fair Trade Commission

Receiving notification regarding the proposed acquisition of shares of Nisshin Steel Co., Ltd. (JCN8010001149423) (hereinafter referred to as “NS”) by NIPPON STEEL & SUMITOMO METAL CORPORATION (JCN3010001008848) (hereinafter referred to as “NSSMC”) (hereinafter referred to as “the Acquisition”), the Japan Fair Trade Commission (JFTC) reviewed the Acquisition and reached the conclusion that, given the remedies proposed by NS and NSSMC, competition in any particular fields of trade is unlikely to be substantially restrained. Accordingly, the JFTC has notified NSSMC that it will not issue a cease and desist order, resulting in the completion of its review.

(※) JCN : Japan Corporate Number

I. Overview of the transaction

NSSMC plans to acquire the shares of NS and thereby to obtain more than 50 percent of NS’s voting rights.

II. Reviewing Process

Receipt of the notification regarding the Acquisition on May 13<sup>th</sup>, 2016 (the start of the primary review)

Request for reports, etc. by the JFTC on June 10<sup>th</sup>, 2016 (the start of the secondary review)

Receipt of all requested reports, etc. on December 27<sup>th</sup>, 2016 (the due date for a prior notice was set on March 28<sup>th</sup>, 2017)

Clearance notification on January 27<sup>th</sup>, 2017

III. Conclusion

As a result of its review, based on the premise that NS and NSSMC will implement the proposed remedies, the JFTC concludes that the Acquisition would not substantially restrain competition in the particular fields of trade.

(Footnote)

The JFTC has been authorized to conduct reviews on whether business combination plans may be

substantially to restrain competition in particular fields of trade by following procedures prescribed in the Antimonopoly Act (hereinafter referred to as the “AMA”). When a notifying corporation submits a notification form to the JFTC and the JFTC receives it, the notifying corporation is prohibited from effecting the planned business combination in question by the expiration of the 30-day waiting period from the date of receipt of the said notification. During the waiting period, concerning the business combination in question, the JFTC will either; (1) judge that the said business combination is not problematic in light of the AMA, or; (2) judge that more detailed review is necessary and request submission of the necessary reports, information or materials.

In the case of (1) above, to improve transparency of the review of business combination, the JFTC shall give notification to the effect that it will not issue a cease and desist order.

In the case of (2) above, the period when the JFTC may give notice of hearing of opinions shall be extended until 120 days after the date of receipt of the notification or 90 days after the date of receipt of all reports etc., whichever is later. In case the JFTC judges, within this extended period, that the business combination plan in question is not problematic in light of the AMA, it shall give notification to the effect that it will not issue a cease and desist order, same as the case of (1).