



Fair competition for greater good

COMPETITION COMMISSION OF INDIA

(Combination Registration No. C-2013/10/133)

22.10. 2013

Notice u/s 6 (2) of the Competition Act, 2002 given by:

- Toho Titanium Co. Ltd.

Order under Section 31(1) of the Competition Act, 2002

1. On 3rd October, 2013, the Competition Commission of India (hereinafter referred to as the “**Commission**”) received a notice under sub-section (2) of Section 6 of the Competition Act, 2002 (hereinafter referred to as the “**Act**”) given by Toho Titanium Co. Ltd. (hereinafter referred to as “**TTC/Acquirer**”).
2. The notice was filed pursuant to the execution of a Joint Business Agreement dated 4th September, 2013 entered into between Nippon Steel & Sumitomo Metal Corporation (hereinafter referred to as “**NSSMC**”) and TTC (hereinafter NSSMC and TTC are collectively referred to as the “**parties to the combination**”).
3. As per the information in the notice, the proposed combination comprises acquisition of a 34 percent stake by TTC in the newly incorporated subsidiary of NSSMC i.e. Nippon Steel & Sumikin Naoetsu Titanium Co. Ltd (hereinafter referred to as “**NSSNTC**”) as a part of the following steps of transaction: Step 1: NSSMC would incorporate a wholly owned subsidiary i.e. NSSNTC and would transfer a part of titanium materials melting business being operated by NSSMC at its Naoetsu works in Japan to NSSNTC; Step 2: NSSNTC would acquire two vacuum arc re-melting furnaces (VAR furnaces) held by Osaka Titanium Technologies Co. Ltd. and relocate them to



Fair competition for greater good

COMPETITION COMMISSION OF INDIA

- NSSNTC; and Step 3: TTC would then purchase a 34 percent stake in NSSNTC.
4. It has been stated in the notice that NSSNTC would be jointly operated by NSSMC and TTC as a joint venture company in Japan, and will be engaged in the titanium materials melting business. It has been stated that NSSNTC will supply titanium ingots to NSSMC and/or TTC in Japan to manufacture titanium alloys in Japan.
 5. The proposed combination falls under Section 5 of the Act.
 6. TTC, a company incorporated in Japan, is engaged in the manufacture of titanium sponges and titanium ingots. As stated in the notice, TTC is not engaged in any business in India.
 7. NSSMC, a company incorporated in Japan, is primarily engaged in the manufacture and sale of steel products. The business of NSSMC, inter-alia, also includes engineering and construction, chemicals, marine and land transportation, electronic products and computer system solutions. NSSMC is also stated to manufacture titanium alloys, for which it manufactures titanium ingots for captive use. NSSMC is present in India, through its various subsidiaries, which are dealing in businesses not related to titanium/titanium products.
 8. As per the details provided in the notice, it is observed that the parties to the combination are engaged in the manufacture and sale of titanium products globally. However, neither TTC nor NSSMC is engaged in the business of titanium products in India. There are also no vertical arrangements between the parties to the combination in India prior to or



Fair competition for greater good

COMPETITION COMMISSION OF INDIA

after the proposed combination. The proposed combination, therefore, is not likely to give rise to any adverse competition concern in India.

9. Considering the facts on record and the details provided in the notice given under sub-section (2) of Section 6 of the Act and the assessment of the combination after considering the relevant factors mentioned in sub-section (4) of Section 20 of the Act, the Commission is of the opinion that the proposed combination is not likely to have appreciable adverse effect on competition in India and therefore, the Commission hereby approves the proposed combination under sub-section (1) of Section 31 of the Act.
10. This approval is without prejudice to any other legal/statutory obligations as applicable.
11. This order shall stand revoked if, at any time, the information provided by the notifying parties is found to be incorrect.
12. The Secretary is directed to communicate to Acquirer accordingly.

(Ashok Chawla)
Chairperson

(Geeta Gouri)
Member

(Anurag Goel)
Member



Fair competition for greater good

COMPETITION COMMISSION OF INDIA

(S.N. Dhingra)

Member

(S. L. Bunker)

Member