

SUMMARY OF THE PROPOSED COMBINATION

Under Regulation 13(1B) of The Competition Commission of India (Procedure in regard to the Transaction of Business relating to Combinations) Regulations, 2011

A. Name of the Parties to the Proposed Combination

1. The Parties to the Proposed Combination are:
 - a. Nippon Steel & Sumitomo Metal Corporation (**NSSMC**)
 - b. Sanyo Special Steel Co., Ltd. (**SANYO**)

B. The Type of the Proposed Combination

1. The Proposed Combination is pursuant to *Agreement on Conversion into a Subsidiary and Other Matters (Agreement)* dated 2 August 2018, entered by NSSMC and SANYO. The Proposed Combination involves an acquisition of 51.5% of the shareholding of SANYO by NSSMC pursuant to the Agreement. By way of the Proposed Combination, NSSMC will subscribe all the ordinary shares issued as a result of a third-party allotment of shares by SANYO. In turn, SANYO will acquire all the shares of Ovako AB (**Ovako**) from NSSMC. As a result, the ratio of voting rights ownership in SANYO by NSSMC will increase to 51.5%, consequently making SANYO a consolidated subsidiary of NSSMC.
2. The Proposed Combination constitutes a combination in terms of Section 5(a)(i)(B) and 5(a)(ii)(B) of the Competition Act, 2002.

C. Area of Activity of the Parties to the Proposed Combination

3. NSSMC is the acquiring entity in the Proposed Combination and has its registered office at 6-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo 1008071, Japan. NSSMC was established in 2012 by merger of Nippon Steel Corporation and Sumitomo Metal Industries, Ltd. NSSMC's five major business segments namely (a) Steel making and steel fabrication, (b) Engineering & Construction, (c) Chemicals, (d) New materials and (e) System solutions. NSSMC is engaged

in the business of manufacture and sales of tubes and pipes, automotive cold rolled steel sheets, crankshafts, and auto-parts in India. However, its presence in the manufacture and sale of these steel products in India is extremely limited. NSSMC also exports to India and sells products such as wires, steel sheets, welding materials, rolls and iron casting products, stainless steel etc.

4. SANYO is the target entity which is engaged in manufacturing of (a) special steel (b) special materials and (c) formed & fabricated materials. SANYO has its registered office at 3007, Nakashima, Shikama-Ku, Himeji, Hyogo 672-8677, Japan. In India SANYO has a presence through its two subsidiaries namely (A) Sanyo Special Steel India Private Limited involved in the business and sales of special steel products in India and provides technical assistance to Mahindra Sanyo Special Steel Private Limited (**MSSSPL**) and (b) MSSSPL (which became a subsidiary in June 2018) a joint venture between SANYO (51%), Mahindra & Mahindra (29%) and Mitsui & Co Ltd (20%) which manufactures and sells specialty steel products and fabricated materials.

D. The Relevant Market(s) to which the Proposed Combination relates

5. The relevant market for the Proposed Combination is the market for manufacture and sale of (a) steel bars and (b) seamless pipes in the territory of India.