

September 29, 2017

To Whom It May Concern,

Company Name:	NIPPON STEEL & SUMIKIN BUSSAN CORPORATION
Representative Name:	Kenji Hiwatari President and Representative Director (Code Number: 9810, First Section of the TSE)
Contact:	Nobuaki Ochiai, General Manager, General Affairs & Corporate Communications Dept. (Telephone: +81-3-5412-5003)

Notice regarding Partial Acquisition of the Steel Products Business of the Mitsui & Co., Ltd. Group, New Share Issue by Third-Party Allotment, and Change in Other Affiliates

NIPPON STEEL & SUMIKIN BUSSAN CORPORATION (President: Kenji Hiwatari, “NSSB”) hereby announces that it adopted a resolution at its board of directors meeting held today to acquire part of the steel products business of Mitsui & Co., Ltd. (President and CEO: Tatsuo Yasunaga, “Mitsui & Co.” or “Contemplated Allottee”) and its related companies (together with Mitsui & Co., the “Mitsui & Co. Group”) (the “Business Acquisition”) and to issue new shares through a third-party allotment to Mitsui & Co. (the “Third-Party Allotment”) in order to strengthen the capital relationship between the companies.

NSSB also announces that as a result of the Third-Party Allotment, etc., NSSB will be an equity-method investee of Mitsui & Co., resulting in a change in its affiliates.

The Business Acquisition and the Third-Party Allotment are subject to the completion of necessary procedures and responses under the relevant competition laws of various countries.

Part 1 Business Acquisition

I. Rationale for the Business Acquisition

The business environment in the steel industry in and outside Japan is changing at an accelerated pace, and more severe competition is anticipated in the future. Under these circumstances, as announced in NSSB’s press release dated March 22, 2017 (“Notice regarding the Commencement of Discussion for the Partial Acquisition of the Steel Products Business of the Mitsui & Co. group by NIPPON STEEL & SUMIKIN BUSSAN CORPORATION, and for the Additional Purchase of NIPPON STEEL & SUMIKIN BUSSAN CORPORATION Shares by Mitsui & Co., Ltd.”), NSSB has proceeded with discussions with Mitsui & Co. about NSSB’s acquisition of part of the steel products business of the Mitsui & Co. Group and the additional purchase by Mitsui & Co. of NSSB shares in order to strengthen the capital relationship between the companies. Recently, in connection with these discussions, NSSB has realized that its policy of promoting the growth and development of the steel business as the core trading company of the NIPPON STEEL & SUMITOMO METAL CORPORATION Group, has coincided with the intentions of Mitsui & Co., which has considered strengthening its profit base through a business reorganization for further growth. Therefore, NSSB and Mitsui & Co. agreed that NSSB will acquire part of the steel products business of the Mitsui & Co. Group, and in order to strengthen the capital relationship between the companies and to deepen their cooperative relationship, Mitsui & Co. will additionally purchase NSSB shares to raise the voting right ratio held by it against NSSB.

NSSB intends to take the opportunity of these transactions to deepen its cooperative relationship with Mitsui & Co. and, as more specific goals, intends to realize each of the following goals through these transactions.

1. Further Improvement in Customer Satisfaction

The companies will use their knowledge of the steel business, their combined power and the value chains that they have respectively fostered over the years, thereby aiming to provide better services to their customers.

2. Improvement and Enhancement of Competitiveness in the Steel Business

By combining the companies' sales forces and customer bases, their capabilities in terms of the products and services, the business networks in which they are particularly strong, and their manufacturing facilities, they shall aim to expand their steel businesses and increase their competitive power by utilizing their combined strength and the synergy they gain to its fullest.

3. Acceleration of Global Strategies

In overseas markets, where the demand for steel materials is increasing, in order to meet the demand from not only Japanese companies but also domestic companies, NSSB and Mitsui & Co. will use their respective operational capabilities and the competitiveness of their groups to the maximum extent, thereby aiming to be the most suitable partners for one another, capable of planning and proposing total solutions that meet the global needs of customers all over the world.

II. Overview of the Business Acquisition

1. Details of the Business to Be Acquired

Part of the steel products business involving sales and purchases of various steel products conducted by the Mitsui & Co. Group in and outside Japan

2. Results of the Business to Be Acquired in the Immediately Preceding Fiscal Year

The sales of the business to be acquired for the fiscal year ended in March 2017 amount to approximately 370 billion yen. The particular breakdown of the business to be acquired involving sales and purchases of various steel products is subject to change before the date of the Business Acquisition.

Ordinary income is not stated because this is a partial acquisition of the business, and it is difficult to accurately calculate cost allocation for the business to be acquired.

3. Items and Amounts of Assets and Liabilities of the Business to Be Acquired

The amounts of assets and liabilities of the business to be acquired, based on the actual results for the fiscal year ended in March 2017, are: current assets of approximately 100 billion yen and current liabilities of approximately 40 billion yen. The amounts of assets and liabilities of the business to be acquired are subject to change by the date of the Business Acquisition.

4. Price and Settlement Method for the Business to Be Acquired

The acquisition price will be approximately 60 billion yen and will be settled in cash. The acquisition price is subject to change by the date of the Business Acquisition.

III. Overview of the Counterparty

(as of March 31, 2017)

Trade Name	Mitsui & Co., Ltd.		
Location of Corporate Headquarters	1-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo		
Name and Title of Representative	Tatsuo Yasunaga, President and Chief Executive Officer		
Description of Business Activities	1. Iron & Steel Products, Mineral & Metal Resources 2. Machinery & Infrastructure 3. Chemicals 4. Energy 5. Lifestyle 6. Innovation & Corporate Development		
Capital	341,400,000,000 yen		
Date of Establishment	July 25, 1947		
Number of Issued Shares	1,796,514,000 shares		
Fiscal Year End	March 31		
Number of Employees	(unconsolidated) 5,971 persons (consolidated) 42,316 persons		
Major Customers	Corporations in and outside Japan		
Major Banks	Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ, Ltd. Sumitomo Mitsui Trust Bank, Limited Japan Bank for International Cooperation		
Major Shareholders and Ownership Percentages	The Master Trust Bank of Japan, Ltd. (Trust Account) 7.51% Japan Trustee Services Bank, Ltd. (Trust Account) 5.38% Nippon Life Insurance Company 1.95% Japan Trustee Services Bank, Ltd. (Trust Account 9) 1.84% Japan Trustee Services Bank, Ltd. (Trust Account 5) 1.82%		
Relationship with Contemplated Allottee			
	Capital Relationship	As of March 31, 2017, Mitsui & Co. has held 33,831,000 shares of NSSB’s stock, equaling 10.93% of NSSB’s issued stock.	
	Personnel Relationship	One of NSSB’s directors was previously employed at Mitsui & Co.	
	Business Relationship	NSSB has a business relationship with Mitsui & Co.; more particularly, it engages in sales to and purchases from Mitsui & Co.	
	Status as Related Parties	None	
Business Results and Financial Conditions for Past Three Years			
	(Consolidated, IFRS)		
Fiscal Year End	March 2015	March 2016	March 2017
Total Shareholders’ Equity	43,973	36,665	39,901
Total Assets	122,029	109,105	115,010
Equity per Share Attributable to Owners of the Parent (yen)	2,287.17	1,885.47	2,115.80
Consolidated Revenue	54,049	47,596	43,639
Profit for the Year Attributable to Owners of the Parent	3,064	Δ834	3,061
Earnings per Share Attributable to Owners of the Parent (yen)	170.98	Δ46.53	171.20
Annual Dividend per Share	64.00	64.00	55.00

(yen)			
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(Unit: 100 million yen, unless otherwise specified)

(Note) Mitsui & Co., the Contemplated Allottee, is listed on the First Section of the TSE, and has declared an intention to eliminate anti-social forces (groups or individuals seeking economic profit through the use of violence, force, or fraud) in the internal control system-related matters of the “Corporate Governance Report” which it submitted to the TSE. After confirming this basic view on eliminating anti-social forces and the continued development thereof on the website of the TSE, NSSB has determined that none of Mitsui & Co., its officers and major shareholders is an individual, corporation or other group which constitutes an anti-social force (“Specified Group”) nor do they have a relationship with any Specified Group.

IV. Schedule for the Business Acquisition

(1) Date of resolution at board of directors’ meeting	September 29, 2017
(2) Date of conclusion of the agreement	September 29, 2017
(3) Effective date of the Business Acquisition	April 1, 2018 (target)

(Note) The Business Acquisition is subject to the completion of necessary procedures and responses regarding the Business Acquisition and the Third-Party Allotment under the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade of Japan (the “Anti-Monopoly Act”) and competition laws in foreign countries. Accordingly, if such necessary procedures and responses fail to be completed by April 1, 2018, the effective date of the Business Acquisition will be amended.

V. Overview of Accounting Processing

The Business Acquisition will be an “acquisition” as defined in the Accounting Standards for Business Combinations.

Goodwill will have only a minor impact.

VI. Future Prospects

There will be no impact from the Business Acquisition on NSSB’s business results for this fiscal year. The impact on NSSB’s business results for the following fiscal years, if any, will be promptly announced as necessary when an outline thereof is available.

Part 2 Capital Increase by Third-Party Allotment

I. Overview of Offering

(1) Payment date	From April 2, 2018 (Monday), to September 28, 2018 (Friday) (Note 1)
(2) Number of shares to be newly issued	1,350,000 shares of common stock
(3) Issue price	6,006 yen per share
(4) Amount to be procured	8,108,100,000 yen
(5) Method of offering or allotment (Contemplated Allottee)	All of the newly issued shares will be allotted to Mitsui & Co. by third-party allotment.
(6) Other	Each item above is conditioned on the securities registration statement under the Financial Instruments and Exchange Act coming into effect and Mitsui & Co.

	completing necessary procedures and responses under the competition laws of various countries.
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(Note 1) Regarding the Third-Party Allotment, NSSB adopted a resolution to set the payment period under the Companies Act as April 2, 2018 (Monday) to September 28, 2018 (Friday) and state that period as the payment date. The reason for setting this period as the payment period is as follows: implementation of the Third-Party Allotment is conditioned upon completion of necessary procedures and responses under the Anti-Monopoly Act and competition laws in foreign countries, and payments for the Third-Party Allotment shall be made after the completion of such procedures and responses; however, as of the date of submission of the securities registration statement for the Third-Party Allotment, the timing for completion of such procedures and responses cannot be fixed.

II. Purpose and Rationale for Offering

As stated in “I. Rationale for Business Acquisition” of “Part 1 Business Acquisition” above, the Business Acquisition is for the purpose of strengthening the capital relationship and deepening the cooperative relationship between the companies.

A certain percentage of NSSB shares will be diluted due to the Third-Party Allotment; however, NSSB believes that enhancing its profitability through the Business Acquisition and strengthening its financial condition through the Third-Party Allotment will contribute to the enhancement of its corporate value and ultimately the benefit of its existing shareholders.

III. Amount, Use, and Timeline for Expenditure of Proceeds

1. Amount of Proceeds

(i)	Total amount to be paid	8,108,100,000 yen
(ii)	Estimated expenses of the issuance	29,000,000 yen
(iii)	Estimated net proceeds	8,079,100,000 yen

2. Specific Use of Proceeds

As stated in “I. Rationale for Business Acquisition” of “Part 1 Business Acquisition” above, the Third-Party Allotment is for the purpose of strengthening the capital relationship and deepening the cooperative relationship between NSSB and Mitsui & Co., and the specific use of the estimated net proceeds of 8,079,100,000 yen above is as follows.

NSSB will manage the proceeds in its bank account until they are actually expended.

	Specific use	Amount (100 million yen)	Timeline for expenditure
(i)	Purchase of shares of business entities in and outside Japan	40.0	Over several years starting from 2018
(ii)	Capital investment in the steel material processing business	35.0	Same as above
(iii)	Operating funds for the business to be acquired from Mitsui & Co. Group	5.7	Same as above

The use and amount of proceeds above were reasonably calculated on a trial basis based on the information currently available, taking into account NSSB's current management policy. As such, the particular use for funds or amount of funds to be used is subject to change depending on future circumstances, such as a change in NSSB's management policy or the business environment. NSSB

will disclose any change in the use of proceeds and the breakdown thereof promptly and properly each time such a change occurs, should any such change occur.

IV. Reasonableness of Use of Proceeds

As stated in “II. Purpose and Rationale of Offering” above, NSSB intends to take the opportunity of the Third-Party Allotment to deepen its cooperative relationship with Mitsui & Co.; further, the companies will mutually exploit their respective management resources and know-how, thereby aiming to expand business bases and enhance their corporate value.

In order to do so, as stated in “2. Specific Use of Proceeds” of “III. Amount, Use, and Timeline for Expenditure of Proceeds” above, NSSB aims to conduct active investments to strengthen its profit base for the steel business, with the intention of growing and developing its steel business.

NSSB believes that the foregoing measures will result in the further enhancement of its corporate value and ultimately inure to the benefit of existing shareholders. Therefore, NSSB has concluded that the above uses of the proceeds from the Third-Party Allotment is reasonable.

V. Reasonableness of Issuance Terms

1. Basis for the Calculation of the Issue Price and Details Thereof

The issue price for the Third-Party Allotment (the “Issue Price”) has been set at 6,006 yen (rounded up to one yen), the average closing price of NSSB common stock on Tokyo Stock Exchange, Inc. (the “TSE”) for the one-month period from August 29, 2017 (Tuesday) to September 28, 2017 (Thursday), which is the trading day immediately preceding the date on which the board of directors adopted the resolution for the Third-Party Allotment.

The reason why the Issue Price has been set at the average closing price of NSSB common stock on the TSE for the one-month period up to the trading day immediately preceding the date on which the board of directors adopted the resolution for the Third-Party Allotment is that NSSB determined that adopting an average share price for a certain period (levelled value) rather than the price at a specific time could mitigate special factors, such as the impact of temporary share price changes, and also can ensure the objectiveness and reasonableness of the basis for the calculation thereof. Further, the reason why the calculation period has been set as the one-month period immediately preceding the adoption date of the resolution is that NSSB determined that it is more reasonable to use a period containing data temporally closer to the present date than to calculate based on the three-month or six-month period immediately preceding the adoption date.

The Issue Price represents the following premiums and discount: a 2.82% discount on the closing price (6,180 yen) of NSSB shares on the TSE on September 28, 2017, which is the trading day immediately preceding the date on which the board of directors adopted the resolution for the Third-Party Allotment; a 4.33% premium on the average closing price of 5,757 yen (rounded up to one yen) for the three-month period (from June 29, 2017 (Thursday) to September 28, 2017 (Thursday)) immediately preceding the said resolution; and a 13.02% premium on the average closing price of 5,314 yen (rounded up to one yen) for the six-month period (from March 29, 2017 (Wednesday) to September 28, 2017 (Thursday)) immediately preceding such resolution.

Thus, NSSB has concluded that the Issue Price does not fall into the category of the amount to be paid in that is particularly favorable to subscribers (*See* Article 199 (3), Companies Act), referring to the “Guidelines Concerning the Handling of Capital Increases by Third-Party Allotment” of the Japan Securities Dealers Association.

In addition, four corporate auditors who attended the board of directors meeting held today expressed an opinion to the effect that the Issue Price was in accordance with the “Guidelines Concerning the

Handling of Capital Increases by Third-Party Allotment” above, was not a particularly advantageous payment amount, and was lawful.

2. Reasons for NSSB’s Conclusion that the Number of Shares to Be Issued and the Extent of the Dilution of Shares were Reasonable

The number of NSSB shares to be increased by the Third-Party Allotment is 1,350,000 shares (13,500 voting rights), which corresponds to 4.36% (rounded to two decimal places) of the total number of outstanding shares (30,957,800 shares) as of March 31, 2017 (the percentage to the total number of voting rights (307,235) as of March 31, 2017 is 4.39%), which will result in a certain amount of dilution of shares.

However, as stated in “IV. Reasonableness of Use of Proceeds” above, NSSB intends to take the opportunity of the Third-Party Allotment to deepen its cooperative relationship with Mitsui & Co. As such, in order to establish future development bases and enhance the corporate value of NSSB, NSSB believes that the Third-Party Allotment is reasonable in terms of the number of shares to be issued and the extent of the dilution of shares.

VI. Rationale for Selection of the Contemplated Allottee

1. Overview of the Contemplated Allottee

Please refer to “III. Overview of the Counterparty” of “Part 1 Business Acquisition” above.

2. Rationale for Selection of the Contemplated Allottee

Please refer to “II. Purpose and Rationale for Offering” above.

3. Policy of the Contemplated Allottee for Holding Shares

Mitsui & Co., the Contemplated Allottee, explained to NSSB that it will hold the newly allotted shares of NSSB common stock to be issued through the Third-Party Allotment for the mid- and long-term.

NSSB agreed with Mitsui & Co. that if Mitsui & Co. intends to assign NSSB shares held by it during the five years immediately following the closing date of the partial acquisition by NSSB of the steel products business of the Mitsui & Co. Group, it shall obtain NSSB’s prior written consent.

Further, NSSB intends to acquire a letter of commitment from Mitsui & Co. to the effect that if Mitsui & Co. has assigned all or part of the shares of NSSB common stock to be issued through the Third-Party Allotment during the two years immediately following the allotment under the Third-Party Allotment, it shall report the details thereof to NSSB immediately in writing; NSSB will report the details to the TSE; and the content of such report will become subject to public inspection.

4. Details of the Confirmation of the Existence of the Property Required for the Payment by the Contemplated Allottee

NSSB checked the consolidated financial statements stated in the Securities Report for the 98th Fiscal Year and the summarized quarterly consolidated financial statements stated in the 1st Quarterly Report for the 99th Fiscal Year of Mitsui & Co., Ltd. and confirmed that there are cash and cash equivalents in the amount necessary and sufficient to make payments for the Third-Party Allotment (1,583,235 million yen (as of June 30, 2017)).

VII. Major Shareholders and Ownership Percentage after Offering

Before Offering (as of March 31, 2017)		After Offering	
Nippon Steel & Sumitomo Metal Corporation	35.99%	Nippon Steel & Sumitomo Metal Corporation	34.49%
Mitsui & Co., Ltd.	10.93%	Mitsui & Co., Ltd.	19.90%
The Master Trust Bank of Japan, Ltd. (Trust Account)	3.64%	The Master Trust Bank of Japan, Ltd. (Trust Account)	3.48%
Japan Trustee Services Bank, Ltd. (Trust Account)	3.36%	Japan Trustee Services Bank, Ltd. (Trust Account)	3.22%
Japan Trustee Services Bank, Ltd. (Trust Account 9)	2.15%	Japan Trustee Services Bank, Ltd. (Trust Account 9)	2.06%
NSSB Employee Shareholding Association	1.26%	NSSB Employee Shareholding Association	1.20%
Kyoei Steel Ltd	1.24%	DFA INTL SMALL CAP VALUE PORTFOLIO	1.05%
DFA INTL SMALL CAP VALUE PORTFOLIO	1.10%	Japan Trustee Services Bank, Ltd. (Trust Account 5)	0.98%
Japan Trustee Services Bank, Ltd. (Trust Account 5)	1.03%	Japan Trustee Services Bank, Ltd. (Trust Account 2)	0.71%
Japan Trustee Services Bank, Ltd. (Trust Account 2)	0.74%	Japan Trustee Services Bank, Ltd. (Employee Pension Trust Account for Chuo Denki Kogyo Co., Ltd./ those re-entrusted by Sumitomo Mitsui Trust Bank)	0.67%

(Note) After having completed necessary procedures and responses under the Anti-Monopoly Act and competition laws in foreign countries, Mitsui & Co. intends to purchase NSSB common stock from NSSB shareholders. The above table is conditioned on the implementation of Mitsui & Co.'s purchase of shares from NSSB shareholders (1,695,700 shares), in addition to the Third-Party Allotment.

VIII. Future Prospects

There will be no impact from the Third-Party Allotment on NSSB's business results for this fiscal year. The impact on NSSB's business results for the following fiscal years, if any, will be promptly announced as necessary when an outline thereof is available.

IX. Matters related to Procedures under the Corporate Code of Conduct

After the Third-Party Allotment, (i) the dilution rate will be less than 25%, and (ii) the controlling shareholder will not change; thus, it is not necessary to obtain an opinion from an independent third-party and take measures to seek a resolution from its shareholders as provided in Article 432 of the Securities Listing Regulations of the TSE.

X. Business Results and Status of Equity Finance during the Past Three Years

1. Business Results during the Past Three Years (consolidated basis)

Fiscal year end	(Japanese Accounting Standards, Units: 100 million yen)		
	March 2015	March 2016	March 2017
Sales	21,046	19,308	18,413
Operating income	286	278	308
Ordinary income	305	290	309
Net income attributable to owners of the parent	174	173	182
Net income per share (yen)	563.89	560.55	589.96
Dividend per share (yen)	12.00	15.00	112.50
Net assets per share (yen)	5,394.28	5,612.63	6,143.38

* A reverse stock split was undertaken by NSSB on October 1, 2016, reducing the number of issued shares to one for every ten which previously existed. Accordingly, the amounts of net assets per share and net income per share were calculated assuming that the reverse stock split was conducted at the beginning of the fiscal year ended in March 2015. The amount of the dividend per share in the fiscal year ended in March 2017 (112.50 yen) represents the sum of the amount of the interim dividend (7.50 yen) and the amount of the year-end dividend (105.00 yen). After considering the reverse stock split, the amount of the interim dividend per share will be 75.00 yen, and the total annual dividends will be 180.00 yen, when the interim dividend per share is added to the amount of the year-end dividend, 105.00 yen.

2. Current Number of Outstanding Shares and Diluted Shares (as of March 31, 2017)

	Number of shares	Percentage of shares outstanding
Number of outstanding shares	30,957,800 shares	100%
Number of diluted shares based on the current conversion price (exercise price)	— shares	— %
Number of diluted shares based on the minimum conversion price (exercise price)	— shares	— %
Number of diluted shares based on the maximum conversion price (exercise price)	— shares	— %

3. Recent Share Prices

(i) Share prices during the past three years

	FY ended in March 2015	FY ended in March 2016	FY ended in March 2017
Opening price	3,340 yen	4,100 yen	3,700 yen
Highest price	4,420 yen	4,680 yen	4,980 yen
Lowest price	3,290 yen	3,000 yen	3,150 yen
Closing price	4,150 yen	3,750 yen	4,680 yen

* A reverse stock split was undertaken by NSSB on October 1, 2016, reducing the number of issued shares to one for every ten which previously existed. Therefore, the share prices are stated assuming that the reverse stock split was conducted at the beginning of the fiscal year ended in March 2015.

(ii) Share prices during the past six months

	April 2017	May 2017	June 2017	July 2017	August 2017	September 2017
Opening price	4,685 yen	4,575 yen	5,190 yen	5,420 yen	5,690 yen	6,000 yen
Highest price	4,765 yen	5,250 yen	5,420 yen	5,810 yen	6,040 yen	6,300 yen
Lowest price	4,205 yen	4,560 yen	5,060 yen	5,410 yen	5,480 yen	5,740 yen
Closing price	4,585 yen	5,230 yen	5,390 yen	5,690 yen	5,930 yen	6,180 yen

* Share prices in September 2017 are those up to September 28, 2017.

(iii) Share prices on the business day immediately preceding the date of the resolution to issue new shares

	September 28, 2017
Opening price	6,210 yen
Highest price	6,250 yen
Lowest price	6,130 yen
Closing price	6,180 yen

4. Status of Equity Financing during the Past Three Years

Not applicable.

XI. Issuance Terms

(1) Number of new shares issued	1,350,000 shares of common stock
(2) Issue price	6,006 yen per share
(3) Total issue price	8,108,100,00 yen
(4) Amount of capital to be increased	3,003 yen per share
(5) Total amount of capital to be increased	4,054,050,000 yen
(6) Method of offering or allotment	Third-party allotment
(7) Application period	From April 2, 2018, to September 28, 2018
(8) Issue period	From April 2, 2018, to September 28, 2018
(9) Allottee and number of allotted shares	Mitsui & Co., Ltd. (1,350,000 shares)
(10) Special notes	Each item above is conditioned on the securities registration statement under the Financial Instruments and Exchange Act coming into effect and Mitsui & Co., Ltd. completing necessary procedures and responses under the competition laws of various countries.

Part 3 Change in Other Affiliates

I. Background to the Change

NSSB will allocate all of the newly issued shares (1,350,000 shares) to be issued by the Third-Party Allotment to Mitsui & Co. In addition, after having completed necessary procedures and responses under the Anti-Monopoly Act and competition laws in foreign countries, Mitsui & Co. intends to purchase NSSB common stock from NSSB shareholders.

As a result, the number of shares of NSSB owned by Mitsui & Co. will be 6,428,800 shares, and it is expected that Mitsui & Co. will fall into the category of an “other affiliate” of NSSB as follows.

II. Overview of Changes in Shareholders

Please refer to “III. Overview of the Counterparty” of “Part 1 Business Acquisition” above.

III. Number of Voting Rights Owned by the Shareholder and Ownership Percentage Before and After the Change

	Attribute	Number of Voting Rights (Voting Right Ownership Percentage)			Ranking among Major Shareholders
		Those directly owned	Those to be combined	Total	
Before the Change (as of March 31, 2017)	—	33,831 voting rights (11.01%)	0 voting rights (0.00%)	33,831 voting rights (11.01%)	Second
After the Change	Other affiliate	64,288 voting rights (20.04%)	0 voting rights (0.00%)	64,288 voting rights (20.04%)	Second

(Note)

1. “Voting Right Ownership Percentage” after the change is the number of voting rights pertaining to the number of shares owned after the change divided by 320,735, which is the total number of voting rights as of March 31, 2017 (307,235) plus the number of voting rights to be increased by the Third-Party Allotment (13,500).
2. “Voting Right Ownership Percentage” is rounded to two decimal places.
3. “Ranking among Major Shareholders” is the rank assumed as of today based on the shareholder registry as of March 31, 2017.
4. After having completed the necessary procedures and responses under the Anti-Monopoly Act and competition laws in foreign countries, Mitsui & Co. intends to purchase NSSB common stock from NSSB shareholders. The above table is premised on the implementation of Mitsui & Co.’s purchase of shares from NSSB shareholders (1,695,700 shares), in addition to the Third-Party Allotment.

IV. Presence of a Change in Unlisted Parent Company Subject to Disclosure

Not applicable.

V. Scheduled Date of the Change

The change is scheduled for April 2, 2018; however, the Third-Party Allotment and the acquisition by Mitsui & Co. of NSSB common stock from NSSB shareholders are subject to the completion of necessary procedures and responses under the Anti-Monopoly Act and competition laws in foreign countries. Accordingly, if the Third-Party Allotment and Mitsui & Co.’s purchase of NSSB shares from NSSB shareholders fails to be completed by April 2, 2018, the scheduled date of the change will be amended.

VI. Future Prospects

Please refer to “VIII. Future Prospects” of “Part 2 Capital Increase by Third-Party Allotment” above.

End

(Reference) Estimated consolidated business results for the year and actual business results of the preceding year (unit: 100 million yen)

	Consolidated sales	Consolidated operating income	Consolidated ordinary income	Net income for the year attributable to owners of the parent
Consolidated business result for the year (forecast) (FY ending March 2018)	20,000	325	330	195
Consolidated business result for the previous year (actual) (FY ended in March 2017)	18,413	308	309	182