

March 29, 2017  
Nippon Steel & Sumitomo Metal Corporation

**Notice regarding Candidate for Supervisory Board Member of Vallourec (France)**

On March 28, 2017, the Supervisory Board of Vallourec S.A. (“Vallourec”) decided to submit to its general meeting of shareholders to be held on May 12, 2017 for its approval the appointment of Mr. Yuki Iriyama, who has been recommended by Nippon Steel & Sumitomo Metal Corporation (“NSSMC”), as Supervisory Board member.

The recommendation of the candidate for Vallourec’s Supervisory Board member is based on NSSMC’s agreement with Vallourec on February 1, 2016, concerning the enhancement of strategic partnership.

NSSMC’s press release, dated February 1, 2016 and titled “Enhancement of Strategic Partnership with Vallourec,” stated that, upon the appointment of a representative recommended by NSSMC at the Supervisory Board, NSSMC would account for its investment in Vallourec using the equity method of accounting, starting from fiscal year 2017. However, Vallourec issued new shares to its employees in December 2016, resulting in lowering NSSMC’s share of voting rights to 14.9%. As our voting-right holding ratio is below the threshold for applying the equity method based on the effective influence standard, namely 15%, Vallourec is not expected to become NSSMC’s equity-method affiliate for the time being.

At the time NSSMC decided to subscribe for Vallourec’s increase in capital as part of the abovementioned enhancement of the strategic partnership, NSSMC agreed with Vallourec upon strategic initiatives (along with the recommendation and appointment of a representative as Vallourec’s Supervisory Board member, the business integration of two operating companies in Brazil and an enhanced alliance concerning the VAM® premium connection). These initiatives have been progressing as planned, and NSSMC’s partnership with Vallourec will not be affected even though Vallourec is unlikely to become NSSMC’s equity-method affiliate for the time being.

**Yuki Iriyama’s biography**

Education:

1970 Graduated from The University of Tokyo (Bachelor of Laws)

1977 Graduated from College of Europe (Belgium)

Careers:

1970 Joined Nippon Steel Corporation (NSC, the present NSSMC)  
1999 General Manager of Overseas Business Development Division of NSC  
2002 Director, Member of the Board of NSC  
2006 Managing Executive Officer of NSC  
2009 Executive Advisor of NSC  
2015 Retired from NSSMC  
Present Serving as Of Counsel of Kajitani Law Offices

For more information, please contact:

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