

To Whom It May Concern,

Listed Company's Name: Nippon Steel & Sumitomo Metal Corporation
Representative: Kosei Shindo, Representative Director and President
(Code Number: 5401, First Section of the TSE, First Section of the NSE, FSE, and SSE)
Contact: Fumiaki Onishi, General Manager, Public Relations Center
(Telephone: +81-3-6867-2135, 2146, 2977, 3419)

Listed Company's Name: Sanyo Special Steel Co., Ltd.
Representative: Shinya Higuchi, Representative Director and President
(Code Number: 5481, First Section of the TSE)
Contact: Akito Matsugashita, General Manager, General Administration Department
(Telephone: +81-79-235-6003)

Notice Regarding Execution of an Agreement to Make Sanyo Special Steel Co., Ltd. a Subsidiary of Nippon Steel & Sumitomo Metal Corporation and Other Matters

As announced in the press release titled "Commencement of Discussions Regarding Making Sanyo Special Steel a Subsidiary of Nippon Steel & Sumitomo Metal and Other Matters" dated March 15, 2018, Nippon Steel & Sumitomo Metal Corporation ("NSSMC") and Sanyo Special Steel Co., Ltd. ("Sanyo Special Steel") have explored opportunities to make Sanyo Special Steel a subsidiary of NSSMC with the target date of March 2019 (the "Conversion into a Subsidiary"), and to strengthen the special steel businesses of both companies, while also working toward a global business promotion system through possible cooperation between NSSMC, Sanyo Special Steel and Ovako AB (a manufacturer of special steel the headquarters of which is located in Sweden. "Ovako"), which became a wholly-owned subsidiary of NSSMC as of June 1, 2018. This is to announce that both companies have come to an agreement on the specific method for the Conversion into a Subsidiary, the terms and conditions for NSSMC's investment in Sanyo Special Steel and other matters, and that an agreement (the "Agreement on the Conversion into a Subsidiary and Other Matters") was executed today based on their respective resolutions of the Board of Directors of the two companies.

In the future, the two companies intend to conduct the following transactions on March 28, 2019 based on the Agreement on the Conversion into a Subsidiary and Other Matters.

- 1) Sanyo Special Steel will conduct a capital increase through a third-party allotment of shares (the "Capital Increase through a Third-Party Allotment of Shares") underwritten by NSSMC for procuring funds to acquire all the shares of Ovako (referring to the outstanding shares of Ovako's wholly-owning parent company, Triako Holdco AB (c/o Ovako AB, Box 1721,111 87 Stockholm, Sweden); the same applies below). As a result, the ratio of voting rights ownership in Sanyo Special Steel by NSSMC will increase to 51.5% from the ratio before the Capital Increase through a Third-Party Allotment of Shares of 15.3% (based on the register of shareholders of Sanyo Special Steel as of March 31, 2018; including indirect ownership by consolidated subsidiaries of NSSMC), consequently making Sanyo Special Steel a consolidated subsidiary of NSSMC.
- 2) Transfer of all the shares of Ovako to Sanyo Special Steel from NSSMC (the "Transfer of Shares"; along with the Conversion into a Subsidiary, the "Conversion into a Subsidiary, etc.")

For the other conditions for the Conversion into a Subsidiary, please refer to "1. Conversion of Sanyo Special Steel into a Subsidiary by NSSMC" and for other conditions of the Transfer of Shares, please refer to "2. Transfer of Shares of Ovako to

Sanyo Special Steel by NSSMC,” both under “II. Details of the Conversion into a Subsidiary, etc.” below. In addition, the Capital Increase through a Third-Party Allotment of Shares has been separately disclosed by Sanyo Special Steel today in the “Notice on Issuance of New Shares Through a Third-Party Allotment to Nippon Steel & Sumitomo Metal Corporation and Change in Parent Company,” and the Transfer of Shares has been separately disclosed by Sanyo Special Steel today in the “Notice Regarding Acquisition of Ovako (Making It a Subsidiary).”

Conditions for the Conversion into a Subsidiary, etc. include the gaining of approval from competition authorities in Japan and overseas regarding the Conversion into a Subsidiary, and the gaining of approval on the Capital Increase through a Third-Party Allotment of Shares from the extraordinary general shareholders’ meeting of Sanyo Special Steel scheduled to be held in February 2019. In addition, the Conversion into a Subsidiary does not seek to suspend the listing of the shares of Sanyo Special Steel, and the policy is to maintain the listing of Sanyo Special Steel on the First Section of the Tokyo Stock Exchange (the “TSE”).

I. Purpose, etc. of the Conversion into a Subsidiary, etc.

(1) Operating Environment for the Special Steel Business

While a steady increase in demand is expected over the long term in the global steel market, the steel business is facing changes in social and industrial structures, including a declining population in Japan, movements toward protectionism on a global level, accelerating local material procurement by customers associated with the globalization of their business, growing needs for lighter and stronger vehicles, a shift to electric and other new energy vehicles, the increased use of renewable energy, and the use of robots in the manufacturing industry and service industry.

Against this backdrop, special steel products, which are product lines of NSSMC and Sanyo Special Steel, are used as materials in critical parts for various industries such as automobiles, industrial machinery, wind power generation and robots, and it is expected that demand for these products shall continue to grow steadily and that needs will further increase for high-quality special steel products. On the other hand, as competition in the special steel market becomes more intense in Japan and overseas, both companies recognize that they need to strengthen the technological capabilities, product development capabilities and cost competitiveness of their special steel businesses, and enhance and expand advantages of the business over competitors in Japan and overseas.

(2) Efforts by Both Companies to Date

NSSMC was formed in October 2012 through a business integration of Nippon Steel Corporation (established in 1950) and Sumitomo Metal Industries, Ltd. (established in 1949). Since its formation, NSSMC has strived to become “the best steel maker with world-leading capabilities,” and has taken measures to reduce costs by combining the technologies of the two former companies and improving efficiency as a result of the business integration, to integrate facilities, to invest in downstream process overseas, and to reorganize its group companies. Through these measures, NSSMC has constantly generated synergy effects. In particular, in an aim to further improve quality support capabilities and production capabilities for the special steel business, NSSMC plans to launch state-of-the-art continuous casting facilities for bars and wire rods at Yawata Works in FY 2019. In addition, Ovako, which manufactures and sells special steel mainly at the European market, with global top level technology regarding the production of high-cleanliness steel for bearing steel products and among the highest production capabilities in that region, was made into a wholly-owned subsidiary in June 2018 as one of the measures for strengthening and expanding the global business under the 2020 Mid-Term Management Plan which was formulated and released in March 2018. Making Ovako a wholly-owned subsidiary has enabled NSSMC to further strengthen technological capabilities and product development capabilities of its special steel business and expand production and sales bases in Europe.

Meanwhile, Sanyo Special Steel was established in 1935 with a corporate philosophy of “confidence-based management” aimed to establish the “confidence of society,” “confidence of customers,” and “confidence among people.” Based on this corporate philosophy, it has continued to grow as one of the leading special steel manufactures in Japan in line with its mission to contribute to the further development of society through the provision of “steel you can count on” that can gain a high level of confidence from the market in all aspects including development, quality, and stable supply. In addition, Sanyo

Special Steel released the 10th Medium-Term Business Plan “Sanyo Global Action 2019” in April 2017 to establish a strong corporate structure by strengthening the business foundation, further pursue technological superiority by enhancing R&D and quality competitiveness, and promote “Sanyo Special Steel - the Confident Choice” to a global brand in pursuit of continuous growth. Sanyo Special Steel’s efforts have steadily produced results, such as the development of the Sanyo Ultra Refining Process (SURP), in its aim of enhancing quality competitiveness centering on bearing steel.

In February 2006, both companies agreed to conduct a business alliance with the aim of the mutual benefits of production entrustment partnership initiatives in response to steel demand fluctuations and intensifying global competition. Based on this agreement, NSSMC acquired additional shares of Sanyo Special Steel in June 2006 and converted it into an equity method affiliate. Both companies have worked to strengthen mutual competitiveness through the trading of steel materials, raw materials, and other materials, etc. while developing businesses based on this partnership relationship.

(3) Vision Targeted by Both Companies

Against the backdrop above, the two companies believe that it is necessary for the three companies including Ovako, by combining their business foundations, technical capabilities, product development capabilities, and cost competitiveness, to develop structures for global business expansion, and to strengthen capabilities for supporting high-quality special steel products in response to the globalization of customers in Japan and overseas in the automobile and other fields as well as needs for high-quality special steel products, in a bid to pursue enhanced competitiveness of their respective special steel businesses over the medium to long term. As a measure to materialize such an aim, the two companies decided to make Sanyo Special Steel into a consolidated subsidiary of NSSMC and also make Ovako, which is a wholly-owned subsidiary of NSSMC, a wholly-owned subsidiary of Sanyo Special Steel.

Through these measures and the addition of Sanyo Special Steel to the NSSMC Group, NSSMC will forge ahead with the establishment of optimal production structure in the entire special steel field including Yawata Works and Muroran Works, which are the main production bases in Japan, and the reduction in costs for procurement of materials and equipment, etc., thereby further enhancing the NSSMC Group’s strengths of technical capability and cost competitiveness.

Meanwhile, Sanyo Special Steel, which will join the NSSMC Group, will establish a more stable management foundation for continuous growth and enhancement of corporate value over the medium to long term, while further reinforcing competitiveness in special steel products in the global market, in particular in the bearing steel field, as this change will enable it to integrate its business operations with Ovako, Europe’s leading special steel manufacturer, combining the two companies’ common strengths of global top level technology regarding the production of high-cleanliness steel and mutually utilizing marketing, sales and logistics networks.

Through the realization of the Conversion into a Subsidiary, etc., NSSMC and Sanyo Special Steel will aim at strengthening the position of the NSSMC Group including Sanyo Special Steel as “the best steel maker with world-leading capabilities,” and achieving sustainable growth and medium- to long-term enhancement of corporate value.

(4) Expected Synergies, etc.

It is expected that the following synergies will be created between NSSMC, Sanyo Special Steel, and Ovako through the Conversion into a Subsidiary, etc. Accordingly, Sanyo Special Steel will seek to achieve annually 5 billion yen or more in synergies, while the NSSMC Group will seek to generate annually around 10 billion yen in synergies, including those of Sanyo Special Steel. Further studies to realize and achieve these synergies will be pursued after approval is obtained from competition authorities in Japan and overseas.

<Examples of synergies>

1) Pursuit of efficient production for the NSSMC Group as a whole

- Establishment of optimal production structure by region, achievement of high efficiency and stable production through the sharing of operation know-how
- Strengthening of overseas production bases and mutual use of logistics networks

2) Strengthening of capability to respond to customer’s needs

- Mutual use of marketing and sales networks of the three companies

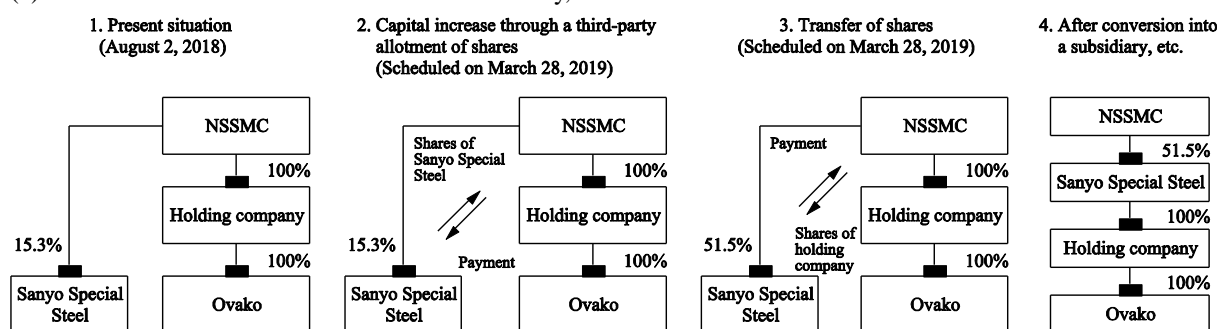
- Strengthening of proposal capabilities through joint R&D
- 3) Reduction in costs for procurement of materials and equipment, etc.
- Improvements in efficiency of raw materials transportation, optimization of procurement of auxiliary materials, fuel, etc.
 - Streamlining through centralized purchasing of common materials and equipment

In addition to these synergies, performance results of Sanyo Special Steel are to be added to NSSMC's consolidated income figures, and those of Ovako are to be added to the consolidated income figures of Sanyo Special Steel.

II. Details of the Conversion into a Subsidiary, etc.

1. Conversion of Sanyo Special Steel into a Subsidiary by NSSMC

(1) Structural Chart of the Conversion into a Subsidiary, etc.*1



*1 Voting rights ownership ratios (%) indicated in the above chart are calculated on a consolidated basis.

(2) Reasons and Method for the Conversion into a Subsidiary

Please refer to “I. Purpose, etc. of the Conversion into a Subsidiary, etc.” above for the reason for the Conversion into a Subsidiary.

As the method for the Conversion into a Subsidiary, NSSMC will subscribe all the ordinary shares issued as a result of a third-party allotment of shares by Sanyo Special Steel so that Sanyo Special Steel can procure the funds necessary for acquiring all the shares of Ovako, and become a consolidated subsidiary of NSSMC.

As described in “(3) Vision Targeted by Both Companies” under “I. Purpose, etc. of the Conversion into a Subsidiary, etc.” above, while the aim of the Capital Increase through a Third-Party Allotment of Shares is to procure the funds necessary for acquiring all the shares of Ovako, by becoming a consolidated subsidiary of NSSMC by way of Capital Increase through a Third-Party Allotment of Shares, Sanyo Special Steel will be able to establish a more stable management foundation for sustainable growth and medium- to long-term enhancement of corporate value. Sanyo Special Steel also wishes to maintain the sound financial standing that it presently enjoys in view of large-scale capital and other investments scheduled under the current medium-term business plan. In light of these circumstances, the two companies have concluded that the procurement of funds by way of a Capital Increase through a Third-Party Allotment of Shares to be a more suitable method compared with other funding methods, including borrowing from banks, capital increase by public share offering, capital increase by allotment of shares to shareholders and combinations of these.

The details of the Capital Increase through a Third-Party Allotment of Shares by Sanyo Special Steel are as follows. NSSMC will subscribe the entirety of the issue amount.

(1)	Payment date	From December 1, 2018 to November 30, 2019 *1
(2)	Number of shares to be issued	24,012,500 shares of ordinary shares
(3)	Issue price	2,800 yen per share
(4)	Amount of funds to be raised	67,235,000,000 yen

(5)	Method of offering or allotment (Allottee)	Third-party allotment (NSSMC: 24,012,500 shares)
(6)	Other	Conditions for the Capital Increase through a Third-Party Allotment of Shares include the taking effect of a securities registration statement that will be filed pursuant to the Financial Instruments and Exchange Act, the gaining of approval from competition authorities in Japan and overseas regarding the Conversion into a Subsidiary, and the gaining of approval from the extraordinary general shareholders' meeting of Sanyo Special Steel scheduled to be held in February 2019. After the securities registration statement becomes effective, NSSMC and Sanyo Special Steel will execute a subscription agreement on offered shares, and NSSMC will subscribe the shares offered.

*1 With regard to the Capital Increase through a Third-Party Allotment of Shares, Sanyo Special Steel has resolved to set the period from December 1, 2018 to November 30, 2019 as the period for the payment, as one of the subscription requirements pursuant to the Companies Act, and such period for the payment is indicted as the payment date. The payment date is indicated as such because it is impossible to fix the period necessary for gaining approval from competition authorities in Japan and overseas as of today, while the period for the payment shall be decided taking into consideration the period necessary for gaining such approval. The payment for the Capital Increase through a Third-Party Allotment of Shares is scheduled to be made after obtaining such approval. The planned date of the extraordinary general shareholders' meeting is set in February, 2019 among the period of the Capital Increase through Third-Party Allotment of Shares, and this date will be determined as soon as gaining such approval from competition authorities in Japan and overseas. As described in “(4) Schedule of the Conversion into a Subsidiary” below, as of today, NSSMC and Sanyo Special Steel plan to conduct the Capital Increase through a Third-Party Allotment of Shares on March 28, 2019 under the Agreement on the Conversion into a Subsidiary and Other Matters.

(3) Overview of Both Companies

Trade Name	Nippon Steel & Sumitomo Metal Corporation	Sanyo Special Steel Co., Ltd.
Description of Business Activities	<ol style="list-style-type: none"> 1. Steelmaking and steel fabrication (Manufacturing and sales of steel products) 2. Engineering and construction 3. Chemicals 4. New materials 5. System solutions 	<ol style="list-style-type: none"> 1. Special steel (Manufacturing and sales of special products) 2. Powders 3. Formed and fabricated materials
Date of Establishment	April 1950	January 1935
Head Office Location	6-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo	3007, Nakashima, Shikama-ku, Himeji, Hyogo
Name and Title of the Representative	Kosei Shindo Representative Director and President	Shinya Higuchi Representative Director and President
Net Sales (Consolidated basis) (FY 2017)	5,668.6 billion yen	157.4 billion yen
Capital (FY 2017)	419.5 billion yen	20.1 billion yen
Number of Outstanding Shares (FY 2017)	950,321,402	33,424,807
Total Assets (FY 2017)	7,592.4 billion yen	210.2 billion yen
Date of Fiscal Year End	March 31	March 31
Number of Employees (FY 2017)	93,557 (25,101 on a non-consolidated basis)	2,666 (1,277 on a non-consolidated basis)
Main Customers	Sumitomo Corporation	Marubeni-Itochu Steel Inc.

Trade Name	Nippon Steel & Sumitomo Metal Corporation		Sanyo Special Steel Co., Ltd.	
	NIPPON STEEL & SUMIKIN BUSSAN CORPORATION Metal One Corporation		MITSUI & CO., LTD. Metal One Corporation	
Main Banks	Sumitomo Mitsui Banking Corporation MUFG Bank, Ltd. Mizuho Bank Ltd.		Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. MUFG Bank, Ltd.	
Major Shareholders and Ownership Percentage *2 (As of March 31, 2018)	Japan Trustee Services Bank, Ltd. (Trust Account)	4.5%	Nippon Steel & Sumitomo Metal Corporation	15.1%
	The Master Trust Bank of Japan, Ltd. (Trust Account)	4.3%	Sanyo Special Steel Kyoekai Association	6.9%
	Nippon Life Insurance Company Sumitomo Corporation	2.8%	NSK Ltd.	4.6%
	Japan Trustee Services Bank, Ltd. (Trust Account 5)	2.1%	Sumitomo Mitsui Banking Corporation	3.5%
	Mizuho Bank, Ltd.	1.9%	Japan Trustee Services Bank, Ltd. (Trust Account)	2.8%
	STATE STREET BANK WEST CLIENT — TREATY 505234	1.8%	The Master Trust Bank of Japan, Ltd. (Trust Account)	2.6%
	Sumitomo Mitsui Banking Corporation	1.7%	Mizuho Bank, Ltd.	2.3%
	Meiji Yasuda Life Insurance Company	1.7%	NORTHERN TRUST CO. (AVFC) RE-HCR00	2.1%
	Japan Trustee Services Bank, Ltd. (Trust Account 9)	1.6%	Marubeni-Itochu Steel Inc.	1.9%
			DFA INTL SMALL CAP VALUE PORTFOLIO	1.9%

*2 Figures indicate the proportion of the number of shares held to the total number of outstanding shares (excluding treasury shares).

<Operating Results and Financial Position for Past 3 Years>

(Billions of yen unless otherwise indicated)

Fiscal Year	Nippon Steel & Sumitomo Metal Corporation (Consolidated Basis)			Sanyo Special Steel Co., Ltd. (Consolidated Basis)		
	2015	2016	2017	2015	2016	2017
Net Assets	3,009.0	3,291.0	3,515.5	113.1	123.1	128.9
Total Assets	6,425.0	7,261.9	7,592.4	179.9	183.4	210.2
Net Assets per Share (yen)	3,074.28	3,340.21	3,563.80	3,483.47	3,796.79	3,960.99
Sales	4,907.4	4,632.8	5,668.6	149.1	138.6	157.4
Operating Income	167.7	114.2	182.3	12.1	11.6	10.9
Ordinary Income	200.9	174.5	297.5	11.5	11.7	10.6
Net Income Attributable to Owners of Parent	145.4	130.9	195.0	7.4	7.7	7.0
Net Income per Share (yen)	158.71	147.96	221.00	230.01	241.47	218.34
Dividend per Share (yen)	18.0	45.0	70.0	12.0	12.5	-*3

*3 A reverse share split making every 5 shares into 1 share was implemented on October 1, 2017. As such, the total annual dividend is “-.” The second quarter dividend per share is 6.70 yen and the year-end dividend per share is 25.00 yen for FY 2017.

<Relationship between Party Companies>

Capital Ties	As of March 31, 2018, NSSMC holds 4,851 thousand shares equivalent to 15.1% of the voting rights of Sanyo Special Steel, and including the shares held by NSSMC's consolidated subsidiaries Nippon Steel & Sumikin Logistics Co., Ltd. (voting rights ownership ratio of NSSMC: 100.0%) and NIPPON STEEL & SUMIKIN TEXENG CO., LTD. (voting rights ownership ratio of NSSMC: 100.0%) as indirect ownership, NSSMC holds 4,905 thousand shares equivalent to 15.3% of the voting rights of Sanyo Special Steel. As of March 31, 2018, Sanyo Special Steel holds 577 thousand shares equivalent to 0.1% of the voting rights of NSSMC.
Personal Ties	A Corporate Auditor of Sanyo Special Steel is NSSMC's Managing Executive Officer.
Business Ties	Based on the agreement between NSSMC and Sanyo Special Steel contracted in February 2006, NSSMC and Sanyo Special Steel mutually trust one another in regard to the production of steel materials.
Status Applicable to the Related Parties	N/A

(3) Number of Shares to be Acquired by NSSMC, Acquisition Price, and Status of Share Ownership Before and After the Acquisition

1) Number of shares held before the transfer	4,905,481 shares (includes indirect ownership of 54,137 shares) (Number of voting rights: 49,054 (includes indirect ownership of 541)) (Voting rights ownership ratio: 15.3% (includes indirect ownership of 0.2%))
2) Number of shares to be acquired	24,012,500 shares (Number of voting rights: 240,125)
3) Acquisition price	Ordinary shares of Sanyo Special Steel: 67,235,000,000 yen
4) Number of shares to be held after the transfer	28,917,981 shares (includes indirect ownership of 54,137 shares) (Number of voting rights: 289,179 (includes indirect ownership of 541)) (Voting rights ownership ratio: 51.5% (includes indirect ownership of 0.1%))

(4) Schedule of the Conversion into a Subsidiary

Date of the Board resolutions	August 2, 2018
Date of Execution of the Agreement	August 2, 2018
Extraordinary general shareholders' meeting of Sanyo Special Steel (plan)	Around February 2019
Date of payment of the Capital increase (plan)	March 28, 2019

(5) Future Outlook

NSSMC and Sanyo Special Steel will conduct the Conversion into a Subsidiary, etc. under the condition of the gaining of approval from competition authorities in Japan and overseas regarding the Conversion into a Subsidiary, and the gaining of approval on the Capital Increase through a Third-Party Allotment of Shares from the extraordinary general shareholders' meeting of Sanyo Special Steel scheduled to be held in February 2019. Each company will make timely disclosure if any matter arises that will have a material impact on its business performance. In addition, the Conversion into a Subsidiary does not seek to suspend the listing of the shares of Sanyo Special Steel, and the policy is to maintain the listing of Sanyo Special Steel on the First Section of the TSE.

2. Transfer of Shares of Ovako to Sanyo Special Steel by NSSMC

(1) Reasons and Method for the Transfer of Shares

Ovako is a special steel manufacturer that manufactures and sells special steel aimed mainly at the European market and

has global top level technology regarding the production of high-cleanliness steel for bearing steel and other such products and among the highest production capabilities in that region. NSSMC acquired all the shares of Ovako and made it a wholly-owned subsidiary on June 1, 2018.

As stated in “I. Purpose, etc. of the Conversion into a Subsidiary, etc.” above, NSSMC and Sanyo Special Steel concluded that making Sanyo Special Steel into a consolidated subsidiary of NSSMC and making Ovako a wholly-owned subsidiary of Sanyo Special Steel will allow for close cooperation in technical, marketing and other areas between NSSMC, Sanyo Special Steel and Ovako in response to the globalization of customers in Japan and overseas in the automobile and other fields as well as needs for high-quality special steel products, so that they can combine the strengths of the three companies and enhance competitiveness over the medium to long term. NSSMC and Sanyo Special Steel accordingly executed today the Agreement on the Conversion into a Subsidiary and Other Matters to transfer all the shares of Ovako held by NSSMC to Sanyo Special Steel and convert Ovako into a wholly-owned subsidiary of Sanyo Special Steel.

(2) Overview of Ovako (Consolidated Basis)

Name	Ovako AB
Business	Manufacture and sale of special steel and secondarily processed products
Location	Kungsträdgårdsgatan 10, Stockholm, Sweden
Representative	Marcus Hedblom (CEO)
Sales (FY 2017)	921 million euros (approximately 120.0 billion yen *1)
Amount of Sales (FY 2017)	780,000 tons
Total Assets (FY 2017)	743 million euros (approximately 97.0 billion yen *1)
Employees (FY 2017)	Approximately 3,000

*1 Based on an exchange rate of 130 yen per euro.

(3) Number of Shares to be Transferred, Transfer Price and Status of Share Ownership Before and After the Transfer

1) Number of shares held by NSSMC before the transfer	100,000 shares (holding ratio: 100.0%)
2) Number of shares to be transferred	100,000 shares
3) Transfer price	67,235 million yen
4) Number of shares to be held by NSSMC after the transfer	0 shares (holding ratio: -%)

(4) Schedule for the Transfer of Shares

The Transfer of Shares will be conducted on March 28, 2019 promptly after completion of the Conversion into a Subsidiary.

(5) Future Outlook

Refer to “(5) Future Outlook” under “1. Conversion of Sanyo Special Steel into a Subsidiary by NSSMC” above for the outlook.