

Dear Shareholders:

Nippon Steel & Sumitomo Metal Corporation

Major Event Subsequent to the Audit Reporting Date

Nippon Steel & Sumitomo Metal Corporation (“NSSMC”) entered into a share purchase agreement in March, 2018 with funds advised by Triton to acquire Ovako AB (“Ovako”) which is headquartered in Sweden and manufactures and sells special steel aimed mainly at the European market. Having completed all necessary procedures including the competition authorities’ examination, NSSMC hereby announces that it has acquired whole of the shares of Ovako and made the company a wholly owned subsidiary on June 1st (acquisition price 51.7 billion Yen). As from today, both companies will promote business operations in an integrated manner under common business policies as members of the NSSMC Group.

Special steel is used as a vital input for various industries, such as the automobile, industrial equipment, wind power generation, and robot industries, and it is expected that demand for it shall continue to grow steadily. From now on, the NSSMC Group will bring together Ovako’s highest quality products (i.e., global top-level technology regarding high-cleanliness steel for bearing steel and other such products) and NSSMC’s strengths, whereby we will provide better products, technologies, and services on a global basis. Through these, we wish to better serve our customers and to strengthen and expand its global special steel business.

NSSMC and Ovako will ensure that each company reach their full potential and realize synergies in an early stage to strengthen the position of the NSSMC Group as “The Best Steelmaker with World-Leading Capabilities”, thereby aiming to achieve sustainable growth and enhance our corporate value in the mid- to long-term.

[Overview of Ovako (Consolidated Basis)]

Name	Ovako AB
Location	Sweden (headquarter)
Representative	Marcus Hedblom (CEO)
Business	Manufacture and Sale of Special Steel and Secondarily Processed Products
Sales	780,000 tons (Year 2017)
Amount of Sales	921 million Euros (Year 2017, approximately 120 billion Yen*)
Total Assets	743 million Euros (Year 2017, approximately 97 billion Yen*)
Employees	Approximately 3,000

*Based on an exchange rate of 130 Yen per Euro