

April 28, 2023

To whom it may concern:

Sanyo Special Steel Co., Ltd.

Notice Regarding Additional Acquisition of Our Consolidated Subsidiary's Shares

Sanyo Special Steel Co., Ltd. (headquarter in Himeji, Hyogo; Miyamoto Katsuhiko, Representative Director and President; hereinafter the “Company” or “We”) acquired from Mahindra and Mahindra Limited (“M&M”) all of its holding shares in Sanyo Special Steel Manufacturing India Private Limited (“SSMI”), which is one of our consolidated subsidiaries, as described below.

1. The Purpose of Additional Share Acquisition

In order to develop the special steel business in India, we invested in Mahindra Sanyo Special Steel Private Limited (currently, SSMI) in September 2012, and started a joint business. In order to respond to the increasing needs for local production and quality requirements of local customers, including Japanese clients, we additionally acquired SSMI's shares to make it a consolidated subsidiary in June 2018. Since then, we have provided management resources to SSMI, which is a subsidiary in India that engages in integrated manufacturing and sales of special steel products, promoted SSMI's further growth, and enhanced our group's global business development.

Under such circumstances, in April 2022, M&M, which was one of SSMI's minority shareholders, notified us that it was exercising its put option (the right to sell all of its SSMI shares to the Company) under the shareholders agreement. As a result of discussion with M&M based on the shareholders agreement, we additionally acquired all of its SSMI shares (3,475,264 shares).

Through this increase in the capital contribution ratio, we will further enhance SSMI's manufacturing, technology, human resources, financial aspects, etc. to consolidate its presence in India, where medium and long-term economic growth is expected, and aim to enhance our group's global business development and achieve further growth.

2. The Number of Shares to be Acquired, Acquisition Value, and the Number of Shares Owned After the Acquisition

(1) Number of shares owned by us before this acquisition	8,712,021 (Ratio of voting rights owned: 57.19%)
(2) Number of shares to be acquired	3,475,264
(3) Contribution amount	INR 1,581 million (Approximately JPY 2.6 billion)
(4) Number of shares owned by us after this acquisition	12,187,285 (Ratio of voting rights owned: 80.00%)
(5) Shareholder composition after the acquisition	The Company: 80.00% Mitsui & Co., Ltd.: 20.00%

3. Date of Share Acquisition

April 27, 2023

4. Future Prospects

Since SSMI is already one of our consolidated subsidiaries, the effect of this acquisition on our consolidated business results for the fiscal year ending March 31, 2024, will be minor.

End