

News Release

Sanyo Special Steel Co., Ltd.

Notice of Conversion into Wholly Owned Subsidiary

Sanyo Special Steel Co., Ltd. (headquartered in Himeji, Hyogo; Miyamoto Katsuhiro, Representative Director and President; hereinafter the “Company” or “We”) has acquired from Mitsui & Co., Ltd. (“Mitsui & Co.”) all of its shares in Sanyo Special Steel Manufacturing India Private Limited (“SSMI”), one of our consolidated subsidiaries, converting SSMI into a wholly owned subsidiary, as described below.

1. Reason for 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 March 2023, Mitsui & Co., 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 discussions based on the shareholders agreement, we additionally acquired all of its SSMI shares (3,046,821 shares), converting SSMI into a wholly owned subsidiary.

Through this conversion into a wholly owned subsidiary, we will further enhance SSMI’s manufacturing, sales, 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 Acquired, Acquisition Value, and the Number of Shares Owned After the Acquisition

(1) Number of shares owned by us before this conversion	16,703,414 shares (Ratio of voting rights owned: 84.57%)
(2) Number of shares acquired	3,046,821 shares
(3) Acquisition value	INR 1,325 million (Approximately JPY 2.5 billion)
(4) Number of shares owned by us after this conversion	19,750,235 shares (Ratio of voting rights owned: 100.00%) *

*Includes shares held by one of our subsidiaries.

3. Date of Share Acquisition

May 24, 2024

4. Future Prospects

Since SSMI is already one of our consolidated subsidiaries, the effect of this conversion on our consolidated business results for the fiscal year ending March 31, 2025, will be minor.

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