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**Section 57 of the Competition Act (Cap. 50B)**

**Addendum to Grounds of Decision issued by the Competition Commission of Singapore on 10<sup>th</sup> February 2012**

**In relation to the notification for decision of the proposed merger between Nippon Steel Corporation and Sumitomo Metal Industries, Ltd. pursuant to section 57 of the Competition Act**

**29 May 2012**

**Case number: CCS 400/010/11**

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Confidential information in the original version of this addendum has been redacted from the published version on the public register. Redacted confidential information in the text of the published version of the addendum is denoted by [X]

## **I. Introduction**

1. This addendum refers to the Grounds of Decision issued by the Competition Commission of Singapore in relation to the notification for decision of the proposed merger between Nippon Steel Corporation (“NSC”) and Sumitomo Metal Industries, Ltd. (“SMI”) pursuant to section 57 of the Competition Act on the 10<sup>th</sup> February 2012 (the “Decision”).

## **II. Transaction structure**

2. In the merger notification submitted to CCS on 21<sup>st</sup> December 2011, the merger was intended to be an integration of the businesses of NSC and SMI which was contemplated to be effected by an absorption type merger. Post-merger, SMI was to be absorbed by NSC, with NSC retaining its legal identity while SMI ceases to exist as a legal entity. Based on the submission by the Parties, CCS assessed that the notified merger constitutes a merger pursuant to section 54(2)(a) of the Competition Act (Chapter 50B)(the “Act”)<sup>1</sup>.
3. On 9 May 2012, NSC and SMI (collectively the “Parties”) informed CCS that the transaction structure for the purposes of effecting the merger has been changed. [§<]². On 27 April 2012, NSC and SMI had announced that the merger will be effected through a two-step legal procedure consisting of a share exchange followed by an absorption-type merger on the same day³.

## **III. CCS assessment**

4. As a result of the change in transaction structure, CCS assessed that the notified merger now constitutes a merger pursuant to section 54(2)(b) of the Act.

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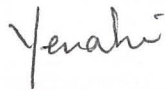
<sup>1</sup> Paragraph 15 of CCS’ Grounds of Decision in relation to the notification for decision of the proposed merger between Nippon Steel Corporation and Sumitomo Metal Industries, Ltd pursuant to section 57 of the Competition Act on the 10<sup>th</sup> February 2012.

<sup>2</sup> [§<]Parties’ letter to CCS dated 21 May 2012

<sup>3</sup> Parties’ letter to CCS dated 9 May 2012.

#### **IV. Conclusion**

5. Based on the information provided by the Parties<sup>4</sup>, CCS' Decision that the merger, if carried into effect will not infringe Section 54 of the Act, would apply to the current transaction structure. For the avoidance of doubt, in accordance with section 57(7) of the Act, the Decision shall be valid for a period of one year from 10<sup>th</sup> February 2012.



Yena Lim  
Chief Executive  
Competition Commission of Singapore

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<sup>4</sup> ibid