

March 27, 2017

Sumitomo Precision Products Co., Ltd.

**Notice of Offering of Shares and Change
in the Largest Major Shareholder and Other Affiliated Company**

Sumitomo Precision Products Co., Ltd. (“SPP”) announces offering of its shares of the common stock and change in the largest major shareholder.

Pursuant to an agreement concluded between Nippon Steel & Sumitomo Metal Corporation (“NSSMC”) and Sumitomo Corporation (“SC”) regarding a transfer of a part of NSSMC’s stake in SPP to SC on a negotiated basis, SPP will conduct an offering of common stock. SPP hereby announces that this will result in a change in largest major shareholder of SPP.

1. Offering of Shares**(1) Details of Offering**

Number of Shares to be offered	13,745,441 shares of the common stock of SPP
Offering Price	JPY 377 per share This offering price has been decided through discussions between the parties as stated in ‘Method of Offering’ below.
Total Offering Price	JPY 5,182,031,257 in total
Owner and Number of Offered Shares	NSSMC 13,745,441 shares
Method of Offering	Transfer of the common stock of SPP from NSSMC to SC
Subscription Date	March 27, 2017
Delivery Date	April 27, 2017(planned)
Advances on Subscription	None

(2) Purpose of Offering

NSSMC and SC agreed to transfer part of the common stock of SPP on a negotiated basis and pursuant to share transfer agreement concluded between them. As a result, this offering is conducted as a procedure prescribed in the applicable laws and regulation for the purpose of conducting the transfer.

2. Change in the Largest Major Shareholder and Other Affiliated Company**(1) Background of Change**

The change in the largest major shareholder is the result of the completion of the transfer of common stock of SPP at April 27, 2017 as described in the “1. Offering of Shares”. As a result, SC will be the new Largest Major Shareholder and Other Affiliated Company.

(2) Outline of the Shareholders Subject to the Change

① Outline of the shareholder who will no longer be the major and largest shareholder and Other Affiliated Company

Company Name	Nippon Steel & Sumitomo Metal Corporation	
Location	2-6-1 Marunouchi, Chiyoda-ku, Tokyo, Japan	
Representative	President : Kosei Shindo	
Business Description	Steelmaking and steel fabrication / Engineering / Chemicals / New materials / System solutions	
Capital	JPY 419,524million	
Establishment Date	April 1, 1950	
Net assets	JPY 2,854,817million (as of Sep 30, 2016)	
Total assets	JPY 6,179,131million (as of Sep 30, 2016)	
Large Shareholders and Shareholding Ratios (as of Sep 30, 2016)	Japan Trustee Services Bank, Ltd. (Trust Account)	4.0%
	The Master Trust Bank of Japan, Ltd. (Trust Account)	2.7%
	Nippon Life Insurance Company	2.6%
	Sumitomo Corporation	1.9%
	Mizuho Bank, Ltd.	1.7%
Relationship	Capital Relationship	NSSMC holds 40.7% of voting rights(including indirectly stocks) of SPP and is Other Affiliated Company.
	Personal Relationship	Employee of NSSMC holds the posts of an outside auditor of SPP concurrently.
	Transactional Relationship	Dealing between NSSMC and SPP depends on condition based on the usual commercial transaction.

② Outline of the shareholder who will be the new major and largest shareholder and Other Affiliated Company

Company Name	Sumitomo Corporation	
Location	1-8-11Harumi, Chuo-Ku, Tokyo, Japan	
Representative	President and CEO : Kuniharu Nakamura	
Business Description	General trading company	
Capital	JPY 219,279million	
Establishment Date	Dec 24, 1919	
Net assets	JPY 2,216,869million (as of Sep 30, 2016)	
Total assets	JPY 7,320,261million (as of Sep 30, 2016)	
Large Shareholders and Shareholding Ratios (as of Sep 30, 2016)	The Master Trust Bank of Japan, Ltd. (Trust Account)	5.6%
	Japan Trustee Services Bank, Ltd. (Trust Account)	4.6%
	LIBERTY PROGRAMMING JAPAN, LLC	3.7%



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	JP MORGAN CHASE BANK 385632	3.4%
	Sumitomo Life Insurance Company	2.5%
Relationship	Capital Relationship	SC holds 1.7% of voting rights of SPP, SPP holds below 0.1% of voting rights of SC.
	Personal Relationship	None
	Transactional Relationship	Dealing between SC and SPP depends on condition based on the usual commercial transaction.

(3) Number of Shares Held and Number of Voting Rights Held by the Shareholders and their Ownership Percentage Before and After the Change

① Nippon Steel & Sumitomo Metal Corporation

	Attribution	Number of Shares Held and Number of Voting Rights Held (Ratio to the number of voting rights of all shareholders※)			Ranking among large shareholders
		Directory held	Aggregate portion	Total	
Before Change (As of Sep 30, 2016)	The Major and Largest Shareholder and Other Affiliated Company	21,394,798shares 21,394rights (40.6%)	70,000shares 70rights (0.1%)	21,464,798shares 21,464rights (40.7%)	1st
After Change	Major Shareholder	7,649,357shares 7,649rights (14.5%)	70,000shares 70rights (0.1%)	7,719,357shares 7,719rights (14.6%)	2nd

※The ratio of total voting rights is calculated based on 457,798, the number of voting rights, which was determined by subtracting, the number of shares without voting rights, from 53,167,798, the total number of shares issued as of Sep 30, 2016(the second place of decimal point below is round up).

② Sumitomo Corporation

	Attribution	Number of Shares Held and Number of Voting Rights Held (Ratio to the number of voting rights of all shareholders※)			Ranking among large shareholders
		Directory held	Aggregate portion	Total	
Before Change (As of Sep 30, 2016)	—	880,000shares 880rights (1.7%)	—	880,000shares 880rights (1.7%)	6th



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After Change	The Major and Largest Shareholder and Other Affiliated Company	14,625,441 shares 14,625rights (27.7%)	—	14,625,441 shares 14,625rights (27.7%)	1st
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※The ratio of total voting rights is calculated based on 457,798, the number of voting rights, which was determined by subtracting, the number of shares without voting rights, from 53,167,798, the total number of shares issued as of Sep 30, 2016(the second place of decimal point below is round up).

(4) Date of Change

April 27, 2017(scheduled) Transfer of the common stock of SPP(to SC)

(Note)This change is subject to the approval by the Fair Trade Commission in accordance with the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade.

(5) Change in unlisted parent company subject to disclosure and such

None

(6) Future Prospect

The change in the largest major shareholder is the result of the completion of the transfer of common stock of SPP by SNNMC to SC.

SC and SPP have a long history of the collaboration in aerospace, heat management, environmental and other business, and we plan for further improvement of the enterprise value at aiming at expansion of business by pursuing a further synergy.

This change will have no effect to future prospect.