

For Immediate Release

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**Announcement of
Recognition of Losses on Valuation of Shares of Subsidiaries and Affiliates**

Nippon Steel Corporation (the “Company”) announces today that it posted losses on valuation of shares of subsidiaries and affiliates as an extraordinary loss in its non-consolidated financial statements for the fiscal year ended March 31, 2020 as follows.

1. Details of losses on valuation of shares of subsidiaries and affiliates

(1) Reasons for recording the losses

The market value of some of the shares of subsidiaries and affiliates including Sanyo Special Steel Co., Ltd. has declined significantly. As a result, the Company recognized impairment losses on such shares and posted losses on valuation of shares of subsidiaries and affiliates as an extraordinary loss in its non-consolidated financial statements.

Along with the decline in the market value of such shares, the recoverable amount of investments accounted for using the equity method has become less than their carrying amount. As a result, the Company reduced the carrying amount of these investments to their recoverable amount and posted impairment losses (as a component of “Other operating expenses” in Business profit) in its consolidated financial statements.

(2) Amount of the losses

Non-consolidated basis	¥63.0 billion
Consolidated basis	¥9.2 billion

End