

For Immediate Release

February 5, 2021

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Announcement of Transfer of Fixed Assets and Recording of Extraordinary Profit

Nippon Steel Corporation (“the Company”) hereby reports that the transfer of fixed assets held by the Company has been resolved as stated below at a Board of Directors’ meeting held today, on February 5, 2021.

1. Reasons for the Transfer of Fixed Assets

The Company has decided to transfer the following fixed assets that it holds, in order to effectively utilize its management resources and strengthen its financial structure.

2. Contents of Assets to be Transferred

Name and location of asset	Gains (losses) on transfer (*2)
Contents: Land Location: Funado, Itabashi-ku, Tokyo	Consolidated: Approximately 40.0 billion yen Non-consolidated: Approximately 75.0 billion yen

(*1) While the transfer amount and the book value are undisclosed according to the transferee’s request, the transfer was conducted at an appropriate price reflecting market value.

(*2) The gains (losses) on transfer are approximate values derived by deducting the book value and estimated fees, etc. incurred for the transfer from the transfer amount.

3. Overview of Transferee

(1) Name	Nippon Steel Kowa Real Estate Co., Ltd.
(2) Location	AKASAKA INTERCITY AIR, 1-8-1 Akasaka, Minato-ku, Tokyo
(3) Name and title of representative	Yasuhiko Imaizumi, President and Chief Executive Officer
(4) Business	Development, lease and management of office buildings, commercial facilities, etc.; development, sale and lease of condominiums and single family homes; real estate brokerage and consulting services; and others
(5) Paid-in capital (FY 2019)	19,824 million yen
(6) Date of establishment	March 1997
(7) Net assets (FY 2019)	181,991 million yen
(8) Total assets (FY 2019)	860,008 million yen

(9) Major shareholders and their shareholding ratio *1 (As of September 30, 2020)	Nippon Steel Corporation	45.00%
	The Dai-Ichi Life Insurance Company, Ltd.	4.91%
	Nippon Life Insurance Company	4.67%
	UNIZO Holdings Company, Ltd.	4.39%
	Hitachi Building Systems Co., Ltd.	3.69%
	Mizuho Leasing Company, Limited	3.39%
	Mizuho Bank, Ltd.	2.77%
	The Kyoritsu Co., Ltd.	2.60%
	Sekisui House, Ltd.	2.46%
	Tokyo Tatemono Co., Ltd.	2.46%
	NIPPON TOCHI-TATEMONO Co., Ltd.	2.46%
Milial Resort Hotels Co., Ltd.	2.46%	
(10) Relationship with the Company	Capital relationship	As of September 30, 2020, Nippon Steel holds 47.8 thousand shares, equivalent to 20.0% of the voting rights, of Nippon Steel Kowa Real Estate. Nippon Steel holds all 108.7 thousand shares of Class A shares issued by Nippon Steel Kowa Real Estate.
	Personnel relationship	Three Directors and one Auditor of Nippon Steel Kowa Real Estate are former employees of Nippon Steel. One Auditor is a current employee of Nippon Steel.
	Transactional relationship	Purchase, sale, lease, etc. of real estate
	Related party classification	As Nippon Steel Kowa Real Estate is an affiliate of the Company, it is a related party.

*1 Represents the ratio of total number of shares of common stock and class stock held to the total number of shares issued (excluding treasury stock).

4. Schedule of the Transfer

Board of Directors resolution date	February 5, 2021
Contract signing date	February 5, 2021
Property handover date	June 30, 2021 (Scheduled)

5. Future Outlook

Upon the aforementioned transfer of fixed assets, the Company expects to record approximately 40.0 billion yen as gain on reorganization in the consolidated financial statements for the first quarter of the fiscal year ending March 31, 2022. In addition, the Company expects to record approximately 75.0 billion yen as extraordinary profit in the non-consolidated financial statements.

The Company will promptly disclose financial forecasts for the fiscal year ending March 31, 2022 once reasonable calculations can be made.