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**Announcement of
Recognition of Losses on Reorganization and Extraordinary Losses due to Inactivation of Facilities**

Nippon Steel Corporation (the “Company”) announces today that it posted losses on inactive facilities in its consolidated and non-consolidated financial statements for the first half of fiscal 2021 as follows.

1. Details of losses on inactive facilities

(1) Reasons for recording the losses

The Company announced in the “Implementation of Production Facility Structural Measures and Management Reform Measures” on February 7, 2020 that the upstream facilities in Setouchi Works Kure Area would be closed by the end of the first half of fiscal 2021. It was done as scheduled, as a result, the Company estimated the termination and demolition losses about the facilities and posted losses on reorganization on its consolidated basis and posted extraordinary losses on its non-consolidated basis related to losses on inactive facilities.

(2) Amount of the losses

Consolidated basis	50.3 billion yen (as losses on reorganization)
Non-consolidated basis	50.3 billion yen (as extraordinary losses)

2. Future Outlook

For further details about the future outlook that reflects the recording of losses on inactive facilities described above, please refer to the “Announcement of Revision in Forecasts for Performance” released today.