

July 30, 2012

Company Name: Nippon Steel Corporation
(Code: 5401, First Sections of TSE and OSE, NSE,
FSE and SSE)
Name of Representative: Shoji Muneoka,
Representative Director and President
Contact: Public Relations Center, General
Administration Div.
(Tel: +81-3-6867-2135/2146/2147)

Company Name: Nippon Steel City Produce, Inc.
Name of Representative: Akira Shohga,
Representative Director and President
(Non-Listed Company)
Contact: General Affairs Group, General Affairs
Department
(Tel: +81-3-3276-8832)

Announcement of Business Succession by way of a Company Split

Nippon Steel Corporation (“Nippon Steel”) and Nippon Steel City Produce, Inc. (a wholly-owned subsidiary of Nippon Steel; “Nippon Steel City Produce”) announced that their respective Board of Directors passed a resolution today to cause Nippon Steel City Produce to succeed to a portion of Nippon Steel’s real-estate management/development business (the “Real Estate Management & Development Business”) that Nippon Steel is carrying out at Oita Works and Kamaishi Works by way of a company split (an absorption-type split; the “Split”) with an effective date of September 5, 2012, and have entered into an absorption-type company split agreement.

Certain disclosure items/details have been abbreviated because the Split is a simplified company split, where a consolidated subsidiary is the succeeding company.

1. Purpose of the company split

Nippon Steel has been conducting the Real Estate Management & Development Business as an ancillary business to its steelmaking business. It was decided, however, to cause Nippon Steel City Produce to succeed to the Real Estate Management & Development Business by way of a company split, in order to increase the consolidated corporate value of Nippon Steel Group by adjusting the line of business between each business segment.

2. Outline of the company split

(1) Schedule concerning the Split

Date of board of directors’ resolutions to approve the Split:	July 30, 2012
Date of execution of the company split agreement:	July 30, 2012
Planned date of the Split (effective date):	September 5, 2012

Note: The Split will be conducted without obtaining approvals at the respective shareholders' meetings of Nippon Steel and Nippon Steel City Produce because it satisfies the requirements set forth in Section 3, Article 784 (simplified split regarding the splitting company) and Section 3, Article 796 (simplified split regarding the succeeding company) of the Companies Act.

(2) Method of the Split

The Split is a corporate spin-off by an absorption-type split, with Nippon Steel being the splitting company and Nippon Steel City Produce being the succeeding company.

(3) Calculation method of allotment under the Split

The Split is a company split between the parent and its wholly-owned subsidiary. Nippon Steel City Produce will not issue consideration to Nippon Steel pursuant to the Split.

(4) Decrease in stated capital, etc. under the Split

There will be no changes in Nippon Steel's stated capital or reserve pursuant to the Split.

(5) Handling of share options and bonds with share options in connection with the Split

Nippon Steel has not issued share options or bonds with share options.

(6) Rights and obligations assumed by the succeeding company

Pursuant to the Split, Nippon Steel City Produce will succeed to the following rights and obligations, etc. regarding the Real Estate Management & Development Business from Nippon Steel:

- i. Assets and rights owned by Nippon Steel for the Real Estate Management & Development Business
Real estate and any depreciable assets incidental thereto, etc.
- ii. Agreements executed by Nippon Steel for the Real Estate Management & Development Business and any agreements incidental thereto
Land lease agreements, etc.

(7) Expectation on performance of liabilities

Even after the effective date of the Split, the relevant companies believe that liabilities can be performed with respect to any liabilities incurred by Nippon Steel and Nippon Steel City Produce.

3. Outline of the splitting company and the succeeding company (as of March 31, 2012)

(1) Trade Name	Nippon Steel Corporation (splitting company)	Nippon Steel City Produce, Inc. (succeeding company)
(2) Description of Business Activities	Manufacture and sale of iron and steel, etc.	Housing business, development investment business, large-scale regional development business, building management, etc.
(3) Date of Establishment	April 1, 1950	April 1, 1961
(4) Head Office Location	6-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo	13-1, Nihonbashi 1-chome, Chuo-ku, Tokyo
(5) Name and Title of Representative	Representative Director and President: Shoji Muneoka	Representative Director and President: Akira Shohga
(6) Stated Capital	419,524 million yen	6,020 million yen
(7) Number of Outstanding Shares	6,806,980,977 shares	15,000,003 shares
(8) Net Assets	2,347,343 million yen (consolidated)	52,948 million yen (non-consolidated)
(9) Total Assets	4,924,711 million (consolidated)	163,378 million yen (non-consolidated)
(10) Date of Fiscal Year End	March 31	March 31

(11)	Major Shareholders and Ownership Percentage	Japan Trustee Services Bank, Ltd.: 10.4% Sumitomo Metal Industries, Ltd.: 4.2% CBHK-Korea Securities Depository: 3.5% Nippon Life Insurance Company: 3.3% The Master Trust Bank of Japan: 3.2%	Nippon Steel Corporation: 100%
------	---	--	--------------------------------

4. Outline of the business division subject of the Split

(1) Business of the division subject of the Split

Real estate management/development in the Oita and Kamaishi regions, etc.

(2) Operations results of the division subject of the Split (March 2012 term)

(unit: one million yen)

	Real Estate Management & Development Business (a)	Results of Nippon Steel (consolidated) (b)	Ratio (a/b)
Sales	0(*)	4,090,936	0

(*) 2 million yen has been recorded as non-operating income obtained from leases of related land.

(3) Assets and debt and their amounts subject of the Split (Estimate as at September 5, 2012)

(unit: one million yen)

Assets		Liabilities	
Items	Book Value	Items	Book Value
Tangible Fixed Assets	267	Other Long-Term Liabilities	0
Total	267	Total	0

5. Status of the listed company after the company split

(1)	Trade Name	Nippon Steel Corporation (Splitting Company)
(2)	Description of Business Activities	Manufacture and sale of iron and steel, etc.
(3)	Location of Head Office	6-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo
(4)	Name and Title of Representative	Representative Director and President: Shoji Muneoka
(5)	Stated Capital	419,524 million yen
(6)	Date of Fiscal Year End	March 31

(7) Future outlook

The effect of the Split on Nippon Steel's business results is negligible, both on a consolidated and non-consolidated basis.

On October 1, 2012, Nippon Steel is scheduled to effect, with Sumitomo Metal Industries, (i) a share exchange with Nippon Steel being the wholly-owning parent company, and (ii) a merger with Nippon Steel being the company surviving the absorption-type merger. On October 1, 2012, Nippon Steel City Produce is scheduled to effect a merger with Kowa Real Estate, with Nippon Steel City Produce being the company absorbed in the absorption-type merger.