

September 4, 2012

Company name: Nippon Steel Corporation
Representative: Shoji Muneoka, Representative Director and President
(Code No.: 5401 TSE, OSE, NSE, FSE, SSE)

**Notice of Recording of Loss on the Sale of Investment Securities and
Reversal of Valuation Loss on Investment Securities**

Nippon Steel Corporation (the “Company”) hereby announces that in the second quarter of the fiscal year ending March 2013, it will record a loss on the sale of investment securities to be recorded as an extraordinary loss incurred by the sale, via Off-Auction Own Share Repurchase Trading (ToSTNeT-3), of its shares of Sumitomo Metal Industries, Ltd., with which business integration is scheduled for October 1 this year, such sale made taking into account the achievement of the initial purpose of enhancing business collaboration and other considerations.

The Company also announces that, due to the abovementioned sale, a reversal of valuation loss has occurred in the second quarter of the fiscal year ending March 2013 with respect to the impairment losses on investment securities recorded as an extraordinary loss for the first quarter of the fiscal year ending March 2013, which was posted in connection with certain securities with market value (investment securities classified into “other securities”) held by the Company which had experienced a significant decline in their market value.

1. Loss on the sale of investment securities in the second quarter of the fiscal year ending March 2013

91.4 billion yen
2. Reversal of loss on the valuation of investment securities in the second quarter of the fiscal year ending March 2013

	Consolidated basis	Nonconsolidated basis
(A) Total amount of losses on the valuation of investment securities in the second quarter of the fiscal year ending March 2013 (July 1, 2012 to September 30, 2012) (= a - b)	Δ82.9 billion yen (Δ: Reversal)	Δ82.9 billion yen (Δ: Reversal)
(a) Total amount of losses on the valuation of investment securities in the second quarter of the year ending March 2013, cumulative (April 1, 2012 to September 30, 2012)	13.4 billion yen	13.3 billion yen
(b) Total amount of losses on the valuation of investment securities in the immediately preceding quarter, cumulative (first quarter of the year ending March 2013, April 1, 2012 to June 30, 2012)	96.3 billion yen	96.2 billion yen

(Note) The Company’s fiscal year ends on March 31. The impairment accounting of investment securities for the fiscal quarter is based on the reassessment of losses on valuation of securities at the end of each fiscal quarter against previous year-end book values. The loss on valuation of investment securities other than those investment securities which the Company disposed of was deemed to be equal to the amount of the loss on valuation of investment securities at the end of the first quarter of the relevant year.

Ratio to the amounts of net assets, ordinary profits and net profits

	Consolidated basis	Nonconsolidated basis
(B) Amount of net assets at the end of the year ending March 2012	2,347.3 billion yen	1,220.2 billion yen
(A/B x 100)	Δ3.5 %	Δ6.8 %
(a/B x 100)	0.6%	1.1%
(C) Amount of ordinary profits at the end of the year ending March 2012	143 billion yen	23.6 billion yen
(A/C x 100)	Δ58.0 %	Δ351.3 %
(a/C x 100)	9.4%	56.6%
(D) Amount of net profits for the current year at the end of the year ending March 2012	58.4 billion yen	19.6 billion yen
(A/D x 100)	Δ141.8 %	Δ422.9 %
(a/D x 100)	22.9%	68.1%

3. Future Outlook

Regarding the performance forecast for the second quarter of the year ending March 2013 (cumulative), please see “Notice of recording of impairment loss of assets for business and Announcement of Revision in Forecast for Performance” announced on August 30, 2012.

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