

**Execution of the Agreement on the Transfer of Part of Shares in Tsukiboshi Shoji Co., Ltd.
and Making the Company a Subsidiary of NST Nihon Teppan Co., Ltd.**

Nippon Steel Corporation (“NSC”), Nippon Steel Trading Corporation (“NSTC”), NST Nihon Teppan Co., Ltd. (“Nihon Teppan”), and Tsukiboshi Shoji Co., Ltd. (“Tsukiboshi”) agreed to transfer part of the Tsukiboshi shares held by NSC to Nihon Teppan, a subsidiary of NSTC (the “Transfer”), and make Tsukiboshi a subsidiary of Nihon Teppan in order to enable the NSC group to further enhance its capabilities to meet the needs of its customers in the area of flat products for construction materials (the “Products”) through its supply chain.

1. Objective of Transferring the Shares and Making Tsukiboshi a Nihon Teppan subsidiary

In an effort to enhance its competitiveness and strengthen its supply chain in the area of the Products, the NSC group has implemented measures such as merging Nippon Steel Coated Sheet Corporation and Nippon Steel Nisshin A&C Co., Ltd. and making Nihon Teppan Co., Ltd. (current Nihon Teppan) a subsidiary of Nippon Steel & Sumikin Bussan Corporation (current NSTC).

Now, the steelmaking business faces with major changes, including fluctuations in demand for steel as well as changes in the social and industrial structure. In the area of the Products, while demand is expected to shrink in the med to long term, needs for steel materials such as high-function materials that enable high construction efficiency and earthquake-resistance or durability are anticipated to grow and become even more advanced.

In order to continue responding properly to such changes in the years to come, the NSC group needs to further increase and improve its capabilities to offer solutions and timely deliver products based on its current supply chain. For this reason, the four companies decided to make Tsukiboshi, which has a high level of expertise in this area, a subsidiary of Nihon Teppan through the Transfer.

2. Number of Shares to Be Transferred and Number of Shares Held Before and After the Transfer

		NSC	Nihon Teppan
(1)	Number of shares held before the Transfer	360,000 shares (41.2% of total voting rights)	243,000 shares (27.8% of total voting rights)
(2)	Number of shares to be transferred(planned)	229,050 shares (26.2% of total voting rights)	-
(3)	Number of shares held after the Transfer(planned)	130,950 shares (15.0% of total voting rights)	472,050 shares (54.1% of total voting rights)

3. Schedule for the Transfer

(1)	August 18, 2020	Conclusion of a share transfer contract
(2)	September 30, 2020 (scheduled)	Share transfer

4. Effects on Financial Results

The effects of the Transfer on the consolidated financial results of the respective companies will be insignificant.

For inquiries

NSC

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NSTC

Corporate Communications Section, General Affairs & Corporate Communications Department

Tel: 03-5412-5003

Nihon Teppan

General Affairs Group, General Affairs & Human Resources Department

Tel: 03-3272-5184

Tsukiboshi

General Affairs Department

Tel: 03-3551-2122

Reference: Outline of the Companies Related to the Transfer

(1) Trade name	Tsukiboshi Shoji Co., Ltd.	NST Nihon Teppan Co., Ltd.
(2) Date of establishment	December 26, 1939	May 20, 1955
(3) Location of head office	4-2, Hatchobori 4-chome, Chuo-ku, Tokyo	Eitaro Building, 6th Floor, 2-5, Nihonbashi 1-chome, Chuo-ku, Tokyo
(4) Name and position of representative	Junichiro Hanzawa, Representative Director & President	Hideyuki Takayama, Representative Director & President
(5) Capital	437 million yen	1,300 million yen
(6) Settlement term	March 31	March 31