



May 20, 2024

**BY OVERNIGHT
AND ELECTRONIC MAIL**

David McCall
International President
United Steelworkers
60 Boulevard of the Allies
Pittsburgh, PA 15222
damccall@usw.org

Re: Updated Successorship Letter from Nippon Steel

Dear Mr. McCall:

I am in receipt of your response. I am sorry to hear of your unwillingness to meet with me. From all my time in the steel industry, I know the importance of having a strong and enduring partnership with our union partners. For that reason, I remain committed to addressing the USW's concerns regarding our transaction, and my offer to meet remains open.

I firmly believe the USW is missing out on a once-in-a-lifetime opportunity to secure the good fortune of U. S. Steel and the BLA-covered facilities for generations to come. I urge you to step back and consider that, because—as I understand it—you, as much as anyone in this industry, have seen the steel plants in the U.S. repeatedly change hands, resulting in great instability. Nippon Steel started making investments in the United States more than 40 years ago, and we have only increased our commitments here over time. As evidenced by our investment in Standard Steel and Wheeling-Nippon where we employ more than 600 USW-represented employees, even in bad times, we did not back away from our investments but found ways to make them stronger. We treat all of our employees with respect, and we work hard to make their lives and the lives of their families and their communities better.

I will be frank. I was disappointed by your inaccurate public statement to the USW's membership on Friday afternoon that we are walking back our public commitments. As you know, in my letter to you, we specifically stated that Nippon Steel is not backing away from any of the commitments previously made. While I understand that the USW may have concerns about certain aspects of our commitments, it should be noted that each of them goes well beyond the current BLA that the USW negotiated and are intended to provide security to the USW's membership. Any concerns about enforcing these commitments against Nippon Steel are also addressed by the ironclad guarantee and consent to U.S. jurisdiction that I furnished to you in my letter.

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In order for us to have a constructive relationship going forward it is important that we are open and transparent with one another. I therefore want to be crystal clear about some of the key commitments we have made and as to which concerns have been raised, namely:

- You expressed concerns about job security for your members. *Nippon Steel has committed to no layoffs, and no idling or plant closures as a result of the transaction;*
 - *While we believe that business exceptions to this commitment are customary, we understand your concerns, and would welcome the opportunity to work with you to define parameters around the exceptions to ensure they are only necessary for the most extenuating circumstances (should they arise) and collaborate with the USW to avoid an adverse outcome as best as possible.*
 - *No employer can provide a stronger commitment to its employees (in addition to the extensive protections set forth in the BLA in the unlikely event a layoff or plant closure were to occur), and we are resolute in ensuring we stand behind our word when we make this offer.*
- You expressed concerns about the Company's investment in unionized facilities. *Nippon Steel has committed to investing no less than \$1.4 billion through 2026 for these facilities—above and beyond the BLA's \$1 billion investment obligation, which as you know has already been spent;*
- You expressed concerns about your members' pensions and profit sharing. *Nippon Steel has committed to providing an annual independent audit of the Company's financial statements, as well as the same information relative to profit-sharing calculations as the USW receives today, and acknowledged that Nippon Steel and NSNA will be members of the same "controlled group" as the Company for ERISA purposes;*
- You expressed concerns about your ability to enforce the Company's obligations under the USW Agreements. *Nippon Steel and NSNA have stated that they assume the BLA, consented to jurisdiction in any arbitration or in US courts, consented to being additional parties in any actions brought against the Company by the USW, and guaranteed payments and performance for any relief awarded to the USW against the Company. We believe this addresses the USW's concern that it would need to chase Nippon Steel through multiple layers of litigation in order to achieve performance;*
- You expressed concerns about the Company's views and commitments on trade issues. *Nippon Steel is committed to defending the best interests of the Company with respect to foreign trade matters, and to defend the Company against unfair trade for the benefit of its facilities and workers.*



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I would be happy to discuss these topics—among many others—with you to see if there is anything we can do to address the USW’s concerns. We are committed to building a long-term, positive relationship with the USW.

We will not back away from the existing commitments because we are investing in the employees of U. S. Steel as much as we are in its assets, and we know what it takes to build a successful company.


With the financial strength, technology and commitments of Nippon Steel, we will be stronger together for years to come as we fight together against unfair Chinese competition in the U.S. market. I look forward to meeting with you soon and working with you to realizing that goal.

* * *



Very truly yours,

NIPPON STEEL CORPORATION

By: 
Takahiro Mori
Representative Director, Vice Chairman and
Executive Vice President