



# News Release

August 1, 2024

Nippon Steel Corporation  
NIPPON STEEL METAL PRODUCTS CO., LTD.  
Nippon Steel Pipe Co., Ltd.  
NIPPON STEEL COATED STEEL PIPE Co., Ltd.

**Announcement of the Conclusion of a MOU for Reorganization of ERW Steel Pipe Business in Japan among Nippon Steel Corporation, NIPPON STEEL METAL PRODUCTS CO.,LTD., Nippon Steel Pipe Co., Ltd., and NIPPON STEEL COATED STEEL PIPE Co., Ltd.**

We hereby announce that four companies, NIPPON STEEL CORPORATION (Nippon Steel), its wholly owned subsidiaries, NIPPON STEEL METAL PRODUCTS CO.,LTD. (NIPPON STEEL METAL PRODUCTS) and Nippon Steel Pipe Co., Ltd. (Nippon Steel Pipe), and a wholly owned subsidiary of NIPPON STEEL METAL PRODUCTS, NIPPON STEEL COATED STEEL PIPE Co., Ltd. (NIPPON STEEL COATED STEEL PIPE), have resolved the details of this business reorganization at their respective Board of Directors meetings today and have concluded a memorandum of understanding (MOU) regarding this business restructuring (hereinafter referred to as the “Business Restructuring”). The Business Restructuring is intended to reform the domestic ERW steel pipe business into a more efficient business structure and further strengthen competitiveness, effective April 1, 2025, the business centered on the commercial rights for the construction steel pipe of Nippon Steel Pipe will be succeeded by NIPPON STEEL METAL PRODUCTS through a company split, and the remaining mechanical steel pipe business will be succeeded by Nippon Steel through an absorption-type merger of Nippon Steel Pipe. In addition, the commercial rights for mechanical steel pipes of NIPPON STEEL COATED STEEL PIPE will be transferred to Nippon Steel, and the production structures of the remaining Nippon Steel, NIPPON STEEL METAL PRODUCTS, and NIPPON STEEL COATED STEEL PIPE will be optimized from April 1, 2025.

## 1. Purpose of the Business Reorganization

Nippon Steel, NIPPON STEEL METAL PRODUCTS, Nippon Steel Pipe, and NIPPON STEEL COATED STEEL PIPE have contributed to meeting the various needs of their customers, mainly in the fields of construction steel pipe and mechanical steel pipe, by leveraging the strengths of each company to reduce various costs, optimize production, develop technologies, propose solutions, and so on. On the other hand, the prolonged slump in domestic demand for steel products has led to a decline in the Nippon Steel Group's steel pipe sales volume, and the utilization rate of production lines has remained low. In addition, macroeconomic and technological shifts such as domestic manpower shortages, the electrification of automobiles, the globalization of customers and an increasingly competitive landscape have produced a more challenging operational environment. In order to continue to grow sustainably, we believe it is essential to reform our business structure to strengthen our efficiency and competitiveness.

As a result of discussions among the four companies, we have concluded a memorandum of understanding (MOU) on the implementation of a business restructuring in which the business centered

on the commercial rights for the construction steel pipe of Nippon Steel Pipe will be consolidated into NIPPON STEEL METAL PRODUCTS and the mechanical steel pipe business of Nippon Steel Pipe will be consolidated into Nippon Steel, while optimizing the production structure of the remaining Nippon Steel, NIPPON STEEL METAL PRODUCTS and NIPPON STEEL COATED STEEL PIPE, thereby integrating production and sales in their respective business fields and further strengthening their competitiveness. The four companies will discuss the specific details of the agreement and plan to conclude a reorganization and integration agreement in the end. The Nippon Steel Group will be fully prepared to contribute to customers even more than before by further enhancing its ability to respond to customers, strengthening its supply chain, sophisticating its commodities, and providing solutions to meet new demands for a decarbonized society in the future.

## 2. Details of the MOU

### (1) Method of business restructuring

- The business centered on the commercial rights for the construction steel pipe of Nippon Steel Pipe will be taken over by NIPPON STEEL METAL PRODUCTS through a corporate split, and the remaining mechanical steel pipe business will be taken over by Nippon Steel through an absorption-type merger with Nippon Steel Pipe.
- The commercial rights of mechanical steel pipe business of NIPPON STEEL COATED STEEL PIPE will be transferred to Nippon Steel.
- The execution date is scheduled for April 1, 2025.

### (2) Production structure optimization

- Closure of production bases: Nippon Steel Pipe / Amagasaki Works (some pipe mills were transferred to Nippon Steel Pipe / Wakayama Works)
- Line closures: Nippon Steel / East Nippon Works, Kimitsu Small Diameter Pipe & Tube Mill, 8" mill at the Wakayama Works of Nippon Steel Pipe
- Change of manufacturing type:
  - NIPPON STEEL COATED STEEL PIPE / Gamagori Plant, Shimotsuma Plant . . .
  - Specializing in construction steel pipes (mechanical steel pipe will be transferred to other sites)
  - NIPPON STEEL METAL PRODUCTS / Sendai Works . . . Addition of round tubes for construction steel pipes (transferred from other mills)
- The implementation timing is subject to customer approval, and changes in manufacturing types to be implemented sequentially from April 1, 2025, onward.

The closure of bases and suspension of production lines is scheduled to be implemented by April 1, 2028.

### (3) Change of distributor of main sales items

- Construction steel pipes sold by Nippon Steel Pipe: Pipes, raw pipes for lining, and steel pipes for AGF transferred to Nippon Steel.
- Other construction material tubes transferred to NIPPON STEEL METAL PRODUCTS.

- Tapered steel pipes, special piles (\*), and pipes for ball prevention net sold by Nippon Steel: All transferred to NIPPON STEEL METAL PRODUCTS. \* For Strong-Tubfix micropiles
- Mechanical steel pipes sold by Nippon Steel Pipe: All transferred to Nippon Steel.
- Mechanical steel pipes sold by NIPPON STEEL COATED STEEL PIPE: All transferred to Nippon Steel.
- The execution date is scheduled for April 1, 2025.

### 3. Overview of the four companies to be restructured

Company name	Nippon Steel	NIPPON STEEL METAL PRODUCTS	Nippon Steel Pipe	NIPPON STEEL COATED STEEL PIPE
Representative	Tadashi Imai, Representative Director, President and COO	Shinji Minobe, Representative Director and President	Akira Shinjo, President and Representative Director	Hikaru Shimomoto, Representative Director and President
Headquarters Location	2-6-1 Marunouchi, Chiyoda-ku, Tokyo	4-14-1 Sotokanda, Chiyoda-ku, Tokyo	1-1-3 Yurakucho, Chiyoda-ku, Tokyo	4-11-15 Hatchobori, Chuo-ku, Tokyo
Company Established	April 1, 1950	April 20, 1973	August 12, 2022	February 1, 1983
Capital (Unit: JPY billion) (As of the end of June 2024)	449.8	5.9	5.0	1.4
Net Sales (Unit: JPY billion) (FY2023)	8,868.0	127.3	82.0	21.1
Number of employees (Unit: persons) (As of the end of FY2023)	106,068	1,792	833	217
Major Shareholders (As of the end of FY2023)	The Master Trust Bank of Japan, Ltd. 12.6% Custody Bank of Japan, Ltd. 4.9% Nippon Life Insurance Company 2.0%	100% owned by Nippon Steel	100% owned by Nippon Steel	100% owned by NIPPON STEEL METAL PRODUCTS

For inquiries,

Nippon Steel : <https://www.nipponsteel.com/contact/>

NIPPON STEEL METAL PRODUCTS Planning Div. : TEL: +81-3-6625-6110

Nippon Steel Pipe General Affairs & Human Resources Dept. : TEL: +81-3-6758-0276

NIPPON STEEL COATED STEEL PIPE Corporate Administration Div. : TEL: +81-3-5117-4211