



# News Release

May 9, 2025

Nippon Steel Corporation

## **Starting a Full-Scale Study on Consolidating the Production of Steel Products and Free Forged Products at Osaka Area of Kansai Works into Sanyo Special Steel Co., Ltd.**

In order to generate synergy effects with Sanyo Special Steel Co., Ltd. (“Sanyo Special Steel”), a wholly-owned subsidiary, Nippon Steel Corporation (“Nippon Steel”) will start a full-fledged study on consolidating the production of steel products and free forged products currently produced at Osaka Area of Kansai Works into Sanyo Special Steel.

The business environment surrounding the special steel industry is changing globally, and the challenges it faces are becoming more complicated. Under these circumstances, in order to improve the corporate value of the entire group, it is necessary to develop a cooperative relationship with Sanyo Special Steel without being bound by constraints and to review and implement measures more rapidly and flexibly.

The best way to do so is to wholly own Sanyo Special Steel, and therefore Nippon Steel implemented a tender offer for Sanyo Special Steel’s shares. The Tender Offer was completed on March 18, 2025, and after a squeeze-out procedure, Sanyo Special Steel became Nippon Steel’s wholly-owned subsidiary on April 25, 2025.

As one of the measures for generating synergy effects by wholly owning Sanyo Special Steel, we will start to make a full-scale study on transferring the production of the steel products and free forged products, that are currently produced with similar pieces of equipment at both companies, from Nippon Steel’s Osaka Area of Kansai Works to Sanyo Special Steel, consolidating their production into Sanyo Special Steel, and shutting down the corresponding equipment at Osaka Area.

### Outline of consolidation of production

Target products	Steel products (steel ingots) Free forged products (such as plastic molding dies and rolling mill rolls)
Target equipment	Osaka Area of Kansai Works, Nippon Steel: Electric arc furnace through ingot casting equipment, free forging equipment, and special melting equipment
Location of consolidation of production	Sanyo Special Steel Co., Ltd. (Himeji-Shi, Hyogo Prefecture)
Expected completion of consolidation of production	Within FY2028

In cooperation with Sanyo Special Steel, in addition to the consolidation of production of these products, we will make efforts to generate synergy effects from various viewpoints and improve the corporate value of the whole Nippon Steel Group. These efforts with Sanyo Special Steel include creating optimal production systems for other products, expanding sales through sales cooperation, strengthening the abilities to make technological and solutions proposals by technological cooperation, further enhancing/expanding the global strategy, and improving measures for raw material procurement such as scrap procurement.

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