



GET PREPARED FOR USS'S DOG AND PONY SHOW

May 3, 2024

Dear Brothers and Sisters,

In the coming days, you may hear that USS management is inviting you – or more likely telling you – to attend one of its Nippon propaganda meetings.

A merger between Nippon and USS would negatively impact workers, retirees, our communities, and our national security, and your Union is working in Washington, in the public, and under our BLA to stop it.

USS and Nippon will continue to say that the merger is good, but it's important to consider who it's really good for. It's certainly good for the **stockholders**, who are getting \$55.00 a share, a significant premium over the current stock price. And it's good for **Burritt**, who gets \$72 million to walk away.

If USS is truly committed to "future focus," it should focus on what's good for workers, retirees and future retirees and abandon its merger. We built this company, not Dave Burritt, and we will be here long after he cashes out.

Here are the real facts:

ON ASSUMING ALL USW AGREEMENTS:

USS keeps saying Nippon will assume all USW agreements. However, this is what the document Nippon sent us actually says: Nippon itself is not signing the agreements. USS will remain the contract party. Nippon will only step up to pay our contractual obligations if (1) USS the company defaults on the contract and, after a court delivers a final and non-appealable judgment adjudication, USS still fails to pay, and (2) after USS's default, Nippon's subsidiary Nippon Steel North America – a shell company that does not publicly report its financial obligation – is asked to pay U.S. Steel's obligations and itself defaults, and only then (3) Nippon would finally agree to back-up the contract. This is no guarantee: it is a roadmap for years of litigation, gameplaying, and evasion written by corporate lawyers whose assignment was to protect Nippon at all costs!

ON INVESTMENTS:

Nippon has been teasing at more than significant investments, but this is what the document Nippon sent us actually says: It doesn't know where the capital will be implemented or how much, but it promises to do a study after closing. This is the same kind of promise we got from USS as it stopped capital investment in the Mon Valley to buy Big River and as it shut down steelmaking in Great Lakes, Granite City and other locations. We all know how empty that kind of promise is.

ON JOB SECURITY:

USS might say that Nippon will promise job security for our members, but this is what the document Nippon sent us actually says: After closing, it will not conduct any reduction in force unless it's part of a planned layoff or idling prior to the closing; or an act of God; or a downturn in business conditions. With all these exceptions, the promise is nothing but hollow.

ON TRADE:

USS would have us believe that Nippon would allow the Company to continue to join us in our fight for fair trade. However, just last month Nippon testified before the International Trade Commission it wanted the tariffs removed from Japanese-made tin products, even as four of our USS tin lines are shutdown (one permanent and three idled). Actions speak louder than words and Nippon showed that, when push comes to shove, it will always favor its operations in Japan over U.S. steelmaking.

There are many more issues that impact this proposed transaction that the Union has identified, including but not limited to non-public financial reporting (why non-public?) that impacts profit sharing, upstreaming that prevents the company from exchanging profits for debt and replacement of products we are capable of producing with products from non-USW facilities.

The more we've heard from Nippon since December, the less real their commitments have become. So, if you happen to attend one of the USS/Nippon "dog and pony" shows, make sure you know the real facts. U.S. Steel must remain domestically owned for our national security, our economic security, and the well-being of the communities where our members live and work.



Mike Millsap
District 7 Director &
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