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To whom it may concern

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Notice Concerning Revision of Restricted Stock Compensation Plan for Directors (Excluding Outside Directors)

The Japan Steel Works, Ltd. (hereinafter referred to as the “Company”) hereby announces that its Board of Directors resolved at a meeting held today to submit a proposal for the revision of the Restricted Stock Compensation Plan (hereinafter referred to as the “System”), which was approved at the 92th Ordinary General Meeting of Shareholders held on June 26, 2018 (hereinafter referred to as this “Proposal”), to the 100th Ordinary General Meeting of Shareholders to be held on June 22, 2026 (hereinafter referred to as the “Ordinary General Meeting of Shareholders”).

1. Outline of System Revision

At the 92th Ordinary General Meeting of Shareholders held on June 26, 2018, the System was introduced to the director of the Company (excluding outside directors; hereinafter referred to as the “Eligible Directors”) after the Company received approval for the payment of restricted stocks as compensation separate from the annual compensation of directors of 480 million yen or less (however, this does not include employee salaries for directors who concurrently serve as employees), with the aim of providing incentives for the sustainable improvement of the Company's corporate value and further sharing of value between Eligible Directors and shareholders.

At that time, the Company proposes that the transfer restriction period for restricted stocks to be issued or disposed of to Eligible Directors under the System, which had been approved as "a period of three (3) to five (5) years from the date of receipt of the allotment under the Allotment Agreement concluded between the Company and the Eligible Directors, as determined in advance by the Board of Directors of the Company" be revised to "the period from the date of the allotment pursuant to the Allotment Agreement until the date on which the Eligible Directors retire from any position as directors or executive officers of the Company" at the Ordinary General Meeting of Shareholders. In addition, in accordance with the change in the transfer restriction period, the cancellation of the transfer restriction under the System and the treatment at the time of retirement will be modified as necessary.

Subject to the approval of this Proposal as proposed, the transfer restriction period will also be changed for restricted stocks that have already been granted as compensation for granting restricted stocks prior to revision of the System, subject to the consent of the Eligible Directors who hold such stocks.

2. Purpose and Conditions of System Revision

The purpose of this revision is to further enhance the motivation of the Eligible Directors to contribute to the sustainable improvement of the Company's corporate value by holding restricted stocks until their retirement, and to share value with shareholders for as long as possible. In addition, the Company is subject to the approval of shareholders at the Ordinary General Meeting of Shareholders, as the Company intends to revise the transfer restriction period for restricted stocks as compensation for the Eligible Directors.

3. Other

In addition to the above revisions, there are no changes to the content of the System. For details of the System at the time of its introduction, please refer to "Notice Concerning Revision of Compensation Amount for Directors and Introduction of Restricted Stock Compensation Plan" announced on May 14, 2018.