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News Release

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Notice Regarding Partial Revision of Performance-linked Stock Compensation Plan Due to Transition to a Company with an Audit and Supervisory Committee

As announced in the February 26, 2026 news release, "Notice Regarding Transition to a Company with an Audit and Supervisory Committee," Mitsubishi Steel Mfg. Co., Ltd. ("Company" hereinafter) will become a company with an Audit and Supervisory Committee, subject to approval at the Company's 102nd Ordinary General Meeting of Shareholders to be held June 19, 2026 ("Ordinary General Meeting of Shareholders" hereinafter).

Accordingly, in its meeting held today, the Company Board of Directors decided to submit a proposal ("Proposal" hereinafter) to the Ordinary General Meeting of Shareholders concerning the continuation and partial revision of the performance-linked stock compensation plan ("Plan" hereinafter) for Company Directors (excluding Directors who are Audit and Supervisory Committee members and Outside Directors) and for executive officers working under delegation contracts and employment contracts (collectively, "Directors and Director Equivalents" hereinafter).

Details

1. Continuation and partial revision of the performance-linked stock compensation plan

(1) Subsequent to the decision made to adopt the Plan at the 93rd Ordinary General Meeting of Shareholders held June 23, 2017, partial revisions were approved at the 97th Ordinary General Meeting of Shareholders held June 25, 2021; the 99th Ordinary General Meeting of Shareholders held June 28, 2023; and the 100th Ordinary General Meeting of Shareholders held June 21, 2024. We wish to continue this system with certain revisions and therefore submit this proposal to the current General Meeting of Shareholders.

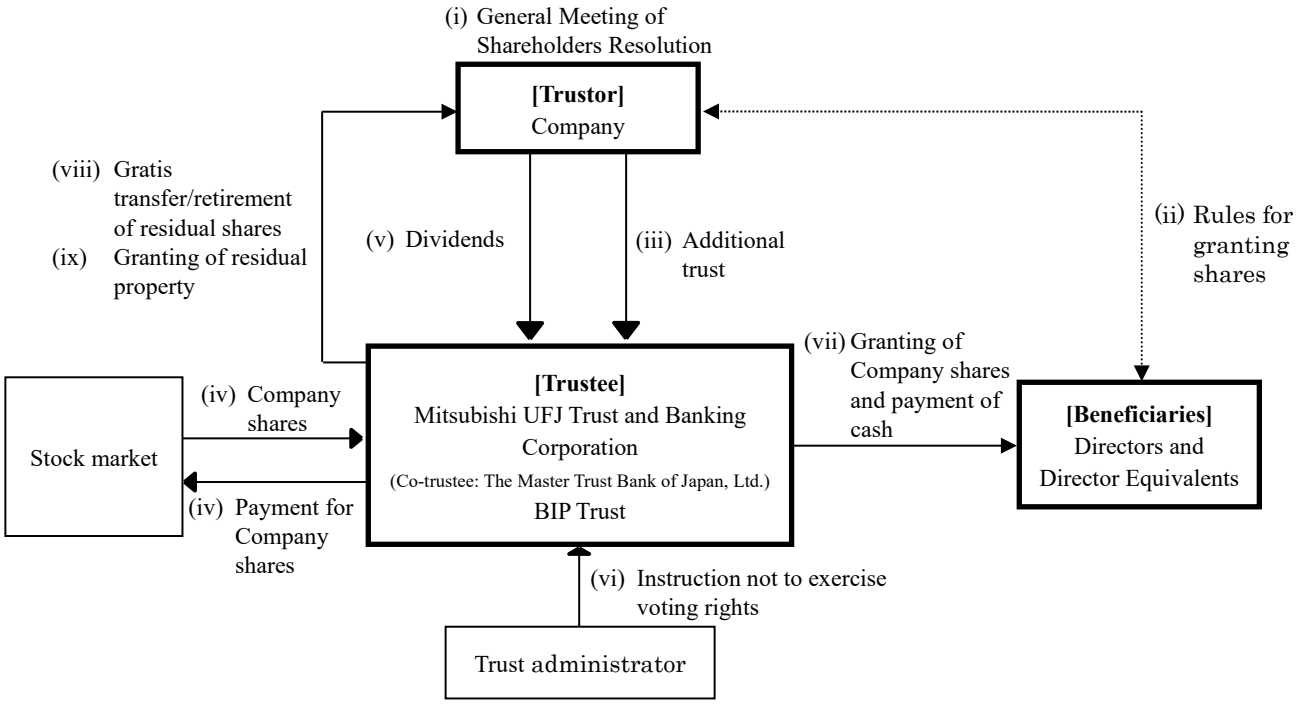
(2) The new 2026 Mid-term Business Plan seeks to enhance PBR and increase corporate value by using business portfolio transformation and the deepening of ROIC management as starting points, and linking them to the generation of operating cash flow and free cash flow, improved financial soundness, greater earnings stability, and stronger shareholder returns.. Following repeated deliberations by the Nomination and Compensation Committee concerning the approach to achieve these targets and the director remuneration system to enhance the business performance and corporate value over mid to long term, the decision was made to partially revise the Plan in terms of the maximum contributions to be made by the Company and the maximum number of shares to be issued, as well as provisions related to the performance-linked indicators used, to ensure a market-competitive level of compensation for Directors and Director Equivalents. We believe these revisions will promote the pursuit of

initiatives to realize a sustainable society while strengthening the motivation of Directors and Director Equivalents to contribute to increasing corporate value and maximizing the share price.

Note: Appropriate remuneration levels and share-based remuneration ratios for Directors and Director Equivalents are determined through deliberations by the Nomination and Compensation Committee based on comparison and verification against objective research data concerning remuneration and other information obtained from expert external institutions.

(3) The Plan employs the framework known as a Board Incentive Plan (BIP) trust ("BIP Trust" hereinafter). The BIP Trust is an incentive plan developed with reference to the performance share and restricted stock systems in the United States. Shares of Company stock acquired by the BIP Trust and cash in amounts equivalent to their conversion value ("Company Shares, etc." hereinafter) will be granted or paid ("Granting, etc." hereinafter) as Director remuneration.

2. Structure of the Plan



(i) The Company will obtain approval for Director remuneration by resolution at the Ordinary General Meeting of Shareholders regarding continuation and partial revision of the Plan.

(ii) The Company will revise its rules for granting shares related to Director remuneration.

(iii) To the extent approved by a resolution passed at the Ordinary General Meeting of Shareholders under (i) above, the Company will contribute additional funds into the trust that names as beneficiaries Directors and Director Equivalents who meet the beneficiary requirements ("Trust" hereinafter) and extend the trust period of the Trust.

(iv) In accordance with instructions issued by the Trust administrator, the Trustee will acquire shares of Company stock on the stock market using the funds contributed to the Trust under (iii) above.

(v) Dividends on shares of Company stock in the Trust will be paid in the same way as other shares of Company stock.

(vi) Voting rights for shares of Company stock in the Trust shall not be exercised at any time during the Trust Period.

(vii) During the Trust Period, Directors and Director Equivalents who meet the beneficiary requirements will be granted Company Shares, etc. in accordance with the rules for share granting.

(viii) If, at the end of the Trust Period, any residual shares arise due to the failure to achieve the performance targets during the Trust Period or for other reasons, the Company will either continue to use the Trust for the Plan or for a similar incentive plan by amending the Trust agreement and making additional contributions to the Trust or extinguish such residual shares based on a resolution passed by the Board of Directors after the gratis transfer from the Trust to the Company and their gratis acquisition by the Company.

(ix) Upon the termination of this Trust, any assets remaining after distribution to beneficiaries will be transferred to the Company within the scope of the Trust expense reserve, which is the trust fund minus the funds used to acquire shares. Any portion exceeding the Trust expense reserve will be donated to an organization that presents no conflicts of interest with the Company or Directors and Director Equivalents.

Note: The Trust will terminate prior to the expiration of the Trust Period if no Company Shares, etc. remain in trust due to their Granting, etc. to Directors and Director Equivalents who meet the beneficiary requirements. The Company, however, may add trust funds to be used for acquisition of additional shares of Company stock, within the extent not exceeding the maximum amount to be contributed to the Trust and the maximum number of shares to be granted, both stipulated under 3.(7) below.

3. Details of the Plan

(1) Overview of the Plan

The Plan is a program for Granting, etc. of Company Shares, etc. as Director remuneration in accordance with considerations such as the extent of achievement of the business performance targets described in the Mid-term Business Plan, during the fiscal years subject to the Mid-term Business Plan ("Target Period" hereinafter). The Target Period after the continuation of the Plan ("Continued Target Period" hereinafter) shall be the three fiscal years from that ending March 31, 2027, through the fiscal year ending March 31, 2029. *1

*1 If the Trust continues as described under (4), the Target Period will be the fiscal years covered by the subsequent medium-term management plan.

(2) General Meeting of Shareholders resolution on the continuation of the Plan

The maximum amount to be contributed to the Trust, the maximum number of shares to be granted (including the number of shares subject to conversion), and other necessary matters shall be determined by resolutions of the Ordinary General Meeting of Shareholders. In addition, in continuing the Trust as described under (4), any amendments of the Trust agreement upon the termination of the trust period and additional contributions to the Trust shall be determined by the resolution of the Board of Directors, within the extent authorized by the Ordinary General Meeting of Shareholders.

(3) Persons eligible for the Plan (beneficiary requirements)

Directors and Director Equivalents shall be granted Company Shares, etc. from the Trust in numbers corresponding to their share granting points under (5) below, provided that they meet the following beneficiary requirements:

(i) They must serve in posts of Directors and Director Equivalents on and after the commencement date of the Plan (including those newly taking office as Directors and Director Equivalents after the commencement date of the Plan).

(ii) They must be residents of Japan.

(iii) They must not have been dismissed due to certain misconduct during their terms in office.

(iv) Their numbers of share granting points under (5) below have been determined.

(v) They must also meet other requirements, if any, deemed necessary to achieve the purpose of the share-based remuneration program.

(4) Extended trust period

The extended trust period will be approximately three years, from August 12, 2026 (tentative) to the end of August 2029.

Upon the termination of the trust period, however, the Company may continue the trust by amending the trust agreement and making additional contributions to the trust.

In such case, the number of years corresponding to the medium-term management plan established by the Company at that time will become the new Target Period, and the trust period of this Trust will be extended for the same period as the new Target Period. For each extended trust period, the Company will make additional contributions within the limits of the amount to be contributed to this trust in the new Target Period, as approved by the resolution of this Ordinary General Meeting of Shareholders, and will continue to award points to Directors and Director Equivalents throughout the extended trust period.

When making such additional contributions, if any shares of Company stock and money remain in the trust assets on the final day of the trust period prior to extension ("Residual Shares, etc." hereinafter), the total amount of such Residual Shares, etc. and additionally contributed trust funds shall not exceed the maximum that can be contributed to the Trust in the new Target Period, as approved by the Ordinary General Meeting of Shareholders.

The trust period may be extended multiple times in the same manner.

(5) Numbers of shares to be granted to Directors and Director Equivalents (including numbers of shares subject to conversion)

During a certain period in each of the years of the Target Period, Directors and Director Equivalents shall be awarded points based on the formula below. Around the month of June immediately after the end of the Target Period, the numbers of shares to be granted (including numbers of shares subject to conversion) shall be determined based on points calculated by multiplying cumulative points by performance-linked coefficients *1 ("Share Granting Points" hereinafter). Each point shall correspond to one share of Company stock.*2

(Point calculation formula)

Base remuneration amount by post *3 × component ratio of the BIP Trust *3 ÷ average closing price of a share of Company stock on the Tokyo Stock Exchange in the month before the month in which the Target Period commences (rounded down to the nearest whole number)

(Share Granting Points)

Cumulative points during the trust period × performance-linked coefficients

*1 Performance-linked coefficients shall be determined within the range of 0–200% based on the target levels and other metrics set forth in the mid-term management plan for the final fiscal year of the Target Period, including consolidated operating income, ROE, TSR, and GHG emissions reductions.

*2 In the event of a stock split, reverse stock split, or similar action during the trust period for which it is determined that it would be appropriate to adjust numbers of points, points will be adjusted in accordance with the stock split ratio, reverse stock split ratio, and other considerations.

*3 The base remuneration amount by post and component ratio of the BIP Trust will be determined through deliberations by the Nomination and Compensation Committee after considering matters such as roles, responsibilities, and ratios of monetary and share-based remuneration to overall Director remuneration.

(6) Method and timing of Granting, etc. of Company Shares, etc. to Directors and Director Equivalents

Around July immediately following the end of the Target Period, Directors and Director Equivalents who meet the beneficiary requirements shall be granted from the Trust shares of Company stock in numbers corresponding to 50% of their Share Granting Points (rounded down to the nearest whole base trading unit) and paid from the Trust monetary amounts corresponding to the conversion value of any remaining shares of Company stock after conversion within the Trust.

(7) Planned amount of trust funds to be contributed to the Trust and planned number of shares of Company stock to be granted from the Trust (including numbers of shares subject to conversion)

The Company shall contribute trust funds to the Trust up to JPY 0.75 billion yen (for three fiscal years) *1 during the Continued Target Period.

However, in the event of the continuation of the Trust under the second paragraph to (4) above, the total amount of trust funds to be contributed to the Trust shall be determined by multiplying JPY 0.25 billion yen by the number of years in the new Target Period. *1

*1 The total amount of funds for acquisition of stock by the Trust, Trust fees, and trust expenses, including residual assets continuing from the existing BIP Trust

The total number of shares of Company stock subject to Granting, etc. under (6) above in the Trust (including numbers of shares subject to conversion) shall not exceed 840,000 shares during the Continued Target Period (however, if the Trust is continued as described in the second paragraph to (4) above, the total number of shares of Company stock subject to Granting, etc. from the Trust during the extended trust period shall be 280,000 shares multiplied by the number of years in the new Target Period) ("Maximum Number of Shares Granted" hereinafter). This Maximum Number of Shares Granted is determined based on the amount contributed to the Trust above, with reference to the current share price and other considerations.

(8) Method of acquiring shares of Company stock through this Trust

Plans call for the Trust to acquire shares of Company stock from the stock market within the extent of the funds for acquisition of shares under (7) above.

(9) Exercise of voting rights on shares of Company stock in the Trust

With regard to the Company shares held in the Trust (i.e., Company shares before they are granted to Directors and Director Equivalents), voting rights will not be exercised during the trust period in order to ensure neutrality in management.

(10) Handling of dividends on shares of Company stock in the Trust

Dividends on shares of Company stock in the Trust shall be received by the Trust and used to cover the Trust's fees and expenses.

(11) Handling at the end of the trust period

If, at the end of the Trust Period, any residual shares arise due to the failure to achieve the performance targets during the Target Period or for other reasons, the Company may continue to use the Trust for the Plan or for a similar incentive plan by amending the Trust agreement and making additional contributions to the Trust. If the Company terminates the Trust at the end of the Trust Period, such residual shares shall be transferred from the Trust to the Company gratis and extinguished based on a resolution by the Board of Directors.

Any residual dividends on shares of Company stock in the Trust arising at the end of the Trust Period shall be used

to fund acquisition of shares if the Trust continues to be used. However, if the Trust is to be terminated at the end of the Trust Period, any portion exceeding the Trust expense reserve will be donated to an organization that presents no conflicts of interest with the Company or Directors and Director Equivalents.

(Reference)

[Details of the trust agreement]

(i)	Type of trust	Monetary trust other than designated individually operated monetary trust (beneficiary trust)
(ii)	Purpose of trust	To establish incentives for Directors and Director Equivalents
(iii)	Trustor	The Company
(iv)	Trustee	Mitsubishi UFJ Trust and Banking Corporation (Co-trustee: The Master Trust Bank of Japan, Ltd.)
(v)	Beneficiaries	Directors and Director Equivalents who meet beneficiary requirements
(vi)	Trust administrator	A third party with no interest in the Company (Certified Public Accountant)
(vii)	Trust extension agreement date	August 12, 2026 (planned)
(viii)	Trust period	From September 19, 2017 to August 31, 2029 (planned)
(ix)	Commencement date of Trust	September 19, 2017
(x)	Exercise of voting rights	No voting rights shall be exercised
(xi)	Type of shares to be acquired	Common stock of the Company
(xii)	Maximum amount of money to be contributed to the Trust	0.75 billion yen (planned) (including Trust fees and Trust expenses)
(xiii)	Timing of purchase of shares	From August 17, 2026 (planned) to August 31, 2026 (planned) (Excluding the period from five business days prior to the ending date of the fiscal period (including half-yearly and quarterly periods) through the ending date of the fiscal period)
(xiv)	Method of purchase of shares	To be acquired on the stock market
(xv)	Vested rights holder	The Company
(xvi)	Scope of vesting of residual property	Residual assets receivable by the Company as the vested rights holder shall be within the scope of Trust expense reserves, net of funds used to acquire stocks from trust funds.