

*Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.*



July 11, 2025

Company name: Yodogawa Steel Works, Ltd.  
 Representative: Eiichi Tanaka,  
 President and Representative Director  
 Listing: Tokyo Stock Exchange, Prime Market  
 Stock code: 5451  
 Inquiries: Takayuki Deguchi,  
 General Manager of IR Department  
 Tel: +(81)6-6245-1113

## Notice Regarding Sale of Treasury Shares for Restricted Stock Compensation

The Board of Directors of Yodogawa Steel Works, Ltd. approved a resolution today to sell treasury shares for use as restricted stock compensation for directors.

### 1. Summary of sale of treasury shares

(1)	Deadline	July 28, 2025
(2)	Type and number of shares	Yodogawa Steel Works common stock: 45,700 shares
(3)	Price	1,124 yen per share
(4)	Total proceeds	51,366,800 yen
(5)	Planned purchasers of treasury shares	Four directors <sup>(Note)</sup> of Yodogawa Steel Works: 24,700 shares Note: Excluding outside directors 9 executive officers of Yodogawa Steel Works: 21,000 shares

### 2. Purpose and reasons for the sale of treasury shares

At the Annual General Meeting of Shareholders on June 22, 2021, shareholders approved the establishment of a stock compensation program using restricted stock for directors other than outside directors (the eligible directors). The purpose is to enable eligible directors to share with other shareholders the potential risks and rewards involving stock price movements, thereby further increasing their motivation to raise the stock price and the corporate value of Yodogawa Steel Works. This program includes the following terms. First, eligible directors can receive up to 35 million yen of monetary compensation claims for compensation as restricted stock. Second, up to 75,000 shares <sup>(Note)</sup> of restricted stock can be allocated to eligible directors in a business year. Third, the period of restrictions on the sale or other transfer of restricted stock begins on the day the stock is received and ends when an individual holding this stock is no longer a director or executive officer of Yodogawa Steel Works.

Today, the Yodogawa Steel Works Board of Directors approved a resolution to allocate 45,700 shares of common stock as designated restricted stock for use as restricted stock compensation for eligible directors applicable to the period between the shareholders meeting held in June 2025 and the shareholders meeting to be held in June 2026 and for executive officers for the fiscal year that ending on March 31, 2026. This restricted stock is to be allocated to four eligible directors and 9 executive officers (the eligible executives). The eligible executives will receive a total of 51,366,800 yen of monetary compensation claims that will be a payment in kind in the form of restricted stock. The amount of monetary compensation claims received by each eligible executive will be determined by using all applicable factors concerning the contribution of these individuals to performance of Yodogawa Steel Works. All eligible executives are required to sign a restricted stock allotment contract with Yodogawa Steel Works.

that includes the following terms.

Note: The Company conducted a 5-for-1 share split of its common stock effective as of July 1, 2025.

The maximum number of restricted stocks is stated in an adjusted number of shares after the share split.

### 3. Summary of the restricted stock allotment contract

#### (1) Mandatory holding period

The mandatory holding period begins on July 28, 2025 and ends when the eligible executive holding restricted stock is no longer a director or executive officer of Yodogawa Steel Works. However, this period will end on July 1, 2026 if the eligible executive's position as a director or executive officer ends on or before June 30, 2026.

During the mandatory holding period, eligible executives who have received restricted stock are not allowed to transfer ownership of this stock to a third party, establish a pledge on it, create a transferable security interest on it, gift it inter vivos, bequest it, or otherwise transfer ownership of this stock in any way.

#### (2) Acquisition of restricted stock without consideration

In the event that an eligible executive leaves the Yodogawa Steel Works Board of Directors during the period beginning on the first day of the mandatory holding period and ending on the day prior to the date of the first subsequent Annual General Meeting of Shareholders (but ending instead on the first subsequent last day of a business year for executive officers), Yodogawa Steel Works will, as a matter of course, acquire the restricted stock without consideration. However, this excludes cases when the reason for leaving is recognized as legitimate by the Yodogawa Steel Works Board of Directors.

In addition, if there are shares among the restricted stock for which the transfer restrictions have not been canceled in accordance with terms for the removal of transfer restrictions in the following item (3) as of the time the mandatory holding period ends, then Yodogawa Steel Works will, as a matter of course, acquire this restricted stock without consideration.

#### (3) Removal of transfer restrictions

For eligible executives who were continuously a Yodogawa Steel Works director or executive officer during the period beginning on the first day of the mandatory holding period and ending on the day of the first subsequent Annual General Meeting of Shareholders (but ending instead on the first subsequent last day of a business year for executive officers), the transfer restrictions will be canceled for all restricted stock held by these eligible executives upon the completion of the mandatory holding period. However, if an eligible executive's position as a director or executive officer ends during the period between the beginning of the mandatory holding period and the day before the first subsequent Annual General Meeting of Shareholders (or the day before the first subsequent last day of a business year) for a reason determined to be legitimate by the Board of Directors, then immediately after the position as a director or executive officer ends, the transfer restrictions will be canceled for a number of shares of restricted stock held by the eligible executive that is calculated by multiplying the total number of these shares held when the director or executive officer position ends by the number of months the eligible executive held this position since July 2025 (since April 2025 for executive officers), including the month of the departure, divided by 12; however, the number of shares is multiplied by one if this division results in a number larger than one and discarding any fraction of one share.

#### (4) Custody of restricted stock

Eligible executives are required to establish an account at SMBC Nikko Securities Inc., using a method designated by Yodogawa Steel Works, for holding all restricted stock and to keep this stock in the account until the transfer restriction ends.

(5) Treatment of organizational restructuring, etc.

If a merger agreement where Yodogawa Steel Works is to be dissolved, a share exchange agreement or share transfer plan where Yodogawa Steel Works becomes a wholly owned subsidiary, or any other proposal relating to an organizational restructuring, etc. is approved at an Annual General Meeting of Shareholders during the mandatory holding period (however, this is instead the Yodogawa Steel Works Board of Directors meeting in cases that do not require approval at the Annual General Meeting of Shareholders in relation to the organizational restructuring, etc.), by resolution of the Board of Directors, the transfer restriction will be removed immediately before the start of the business day before the date of effectiveness of the organizational restructuring, etc. for the number of shares of restricted stock determined by multiplying the number of shares of restricted stock held by each eligible executive on the date of the approval of the organizational restructuring, etc. by the fraction obtained by dividing by 12 the number of months beginning in July 2025 (since April 2025 for executive officers) and ending with the month of the approval of the organizational restructuring, etc., however, the number of shares is multiplied by one if this division results in a number larger than one and discarding any fraction of one share.

In this case, on the business day before the date of effectiveness of the organizational restructuring, etc., based on the above stipulations, Yodogawa Steel Works will acquire without consideration all restricted stock for which the transfer restrictions have not been removed as of that business day.

4. Basis of calculation and information about the price per share

To eliminate any ambiguity about the purchase price of these treasury shares, the price of 1,124 yen is the closing price of Yodogawa Steel Works common stock on the Tokyo Stock Exchange on July 10, 2025, which is the business day before the Board of Directors resolution concerning the sale of treasury shares. Yodogawa Steel Works believes this is a reasonable price that is not significantly advantageous because the purchase price is the market price immediately before the Board of Directors resolution.