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## Notice Concerning Disposal of Treasury Shares as Restricted Stock Incentive for Employee Shareholding Association

AICHI STEEL CORPORATION (the “Company”) hereby announces that, in commemoration of the 85th anniversary of the Company’s founding, it resolved, at a meeting of the Board of Directors held today, to dispose of its treasury shares (hereinafter referred to as the “Disposal of Treasury Shares” or “Disposal”) as restricted stock, with the AICHI STEEL CORPORATION Employee Shareholding Association (hereinafter referred to as the “Shareholding Association”) as the scheduled allottee, based on the restricted stock incentive plan for the Shareholding Association (hereinafter referred to as the “Plan”) as follows.

### 1. Outline of Disposal

(1) Disposal date	November 17, 2025
(2) Class and number of shares subject to Disposal	264,864 common shares of the Company (Note)
(3) Disposal price	2,254 yen per share
(4) Total value of Disposal	597,003,456 yen (Note)
(5) Method of Disposal (Scheduled allottee)	By third-party allotment (AICHI STEEL CORPORATION Employee Shareholding Association: 264,864 shares)
(6) Other	The Company has submitted an Extraordinary Report regarding the Disposal of Treasury Shares pursuant to the Financial Instruments and Exchange Act.

(Note) “Number of shares subject to Disposal” and “Total value of Disposal” are calculated based on the assumption that 89 common shares of the Company shall be granted as restricted stock to each of 2,976 employees of the Company, which is the maximum number of eligible persons under the Plan, and the actual number of shares subject to Disposal and the total value of Disposal shall be finalized according to the number of employees of the Company (up to 2,976 employees) who agree to the Plan (hereinafter referred to as the “Eligible Employee(s)”) after the completion of the promotion of membership to those who have not yet joined the Shareholding Association and the confirmation of consent to the Plan by the members of the Shareholding Association.

## 2. Purpose and reasons for Disposal

The Company, in commemoration of the 85th anniversary of its founding, resolved, at a meeting of the Board of Directors held today, to introduce the Plan for Eligible Employees among the Company's employees who are members of the Shareholding Association, as a measure to enhance the welfare of Eligible Employees by creating opportunities for them to acquire common shares of the Company issued or disposed of by the Company as restricted stock through the Shareholding Association, and thereby helping Eligible Employees to build up their assets, as well as aiming to provide them with an incentive to boost their motivation to work toward the achievement of the Company's growth strategy and to foster a sense of unity with the Company, and to further promote shared value between shareholders of the Company and them.

The outline of the Plan is as follows.

### [Outline of the Plan]

Under the Plan, the Company shall provide the Eligible Employees with monetary claims (hereinafter referred to as the "Special Incentive") as a special incentive payment to grant 89 shares as restricted stock per employee, and the Eligible Employees shall contribute the Special Incentive to the Shareholding Association. The Shareholding Association shall then make in-kind contribution of the Special Incentive contributed by the Eligible Employees to the Company, and common shares of the Company shall either be issued or disposed of by the Company as restricted stock.

In the event that common shares of the Company are newly issued or disposed of under the Plan, the amount to be paid per share of such common share shall be determined by the Board of Directors based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately prior to the date on which a resolution relating to such issuance or disposal is made at Board of Directors meetings (or the closing price on the transaction day immediately prior thereto if no transaction is made on such business day), within the range that is not particularly advantageous to the Shareholding Association (and thus to the Eligible Employees).

For the purpose of such issuance or disposal of common shares of the Company under the Plan, a contract on the allotment of restricted stock shall be concluded between the Company and the Shareholding Association, which includes, but is not limited to: 1) a prohibition on the transfer to third parties, creation of a security interest on, or otherwise disposal of the allotted shares during a certain period (hereinafter referred to as the "Transfer Restrictions"); and 2) the Company's acquisition of the allotted shares without consideration if certain conditions are met. The provision of the Special Incentive to the Eligible Employees shall be subject to the conclusion of a contract on the allotment of restricted stock between the Company and the Shareholding Association.

Moreover, until the Transfer Restrictions are lifted, the Eligible Employees shall be restricted from withdrawing the membership interests held by the Eligible Employees for the restricted stock, which is to be held by the Eligible Employees according to the monetary claims contributed to the Shareholding Association (hereinafter referred to as the "Restricted Stock Interests" or "RS Interests") based on the Shareholding Association Rules, the Shareholding Association Operation Rules, and other rules pertaining to the Shareholding Association (hereinafter collectively referred to as the "Shareholding Association Rules, etc.")(Note)

(Note) The Shareholding Association is scheduled to resolve to amend the Shareholding Association Rules, etc. to comply with the Plan prior to the Disposal of Treasury Shares, at a meeting of the Board of Shareholding Association to be held promptly after the resolution of the Board of Directors pertaining to the Disposal of Treasury Shares. The amendments will come into force two weeks after the notice is sent to the members of the Shareholding Association in accordance with the Shareholding Association Rules, etc., after said Board's resolution, and objections from the members of the Shareholding Association are less than one-third of the total number of members of the Shareholding Association.

Under the Disposal of Treasury Shares, the Shareholding Association, to whom the allotment is scheduled, will make in-kind contribution of all the Special Incentive contributed by the Eligible Employees under the Plan, and common shares of the Company (hereinafter referred to as the "Allotted Shares") shall be disposed of by the Company to the Shareholding Association. An outline of the restricted stock allotment contract (hereinafter referred to as the "Allotment Contract") to be concluded between the Company and the Shareholding Association for the Disposal of Treasury Shares is provided in "3. Outline of Allotment Contract" below. The number of shares to be disposed of under the Disposal of Treasury Shares shall be determined at a later date as described in (Note) of 1. above, and is expected to be 264,864 shares if all of the 2,976 employees of the Company, the maximum number of persons to be eligible for the Plan, join the Shareholding Association and agree to the Plan. Assuming such number of shares to be disposed of, the dilutive effect of the Disposal of Treasury Shares shall be 0.35% (rounded off to

two decimal places; the same shall apply hereinafter for the calculation of the percentage) of the total number of shares issued of 76,436,748 shares as of March 31, 2025, and 0.35% of the total number of voting rights of 762,940 as of March 31, 2025. (Please note that each common share of the Company held by shareholders listed or recorded in the final shareholder register as of June 30, 2025 as the record date was split into four shares with the effective date of July 1, 2025. Accordingly, the total number of shares issued and the total number of voting rights as of March 31, 2025 are calculated and presented at a ratio of four common shares to one common share, and the dilution ratio is calculated.)

The introduction of the Plan is intended, as a measure to enhance the welfare of Eligible Employees, to create opportunities for them to acquire common shares of the Company issued or disposed of by the Company as restricted stock through the Shareholding Association, and thereby helping Eligible Employees to build up their assets, as well as to provide them with an incentive to sustainably increase the Company's corporate value and to further promote shared value between shareholders of the Company and them. The Company believes that it will contribute to increasing the Company's corporate value, and that the number of shares to be disposed of and the scale of share dilution under the Disposal of Treasury Shares are reasonable, and the impact on the market shall be insignificant in light of the scale of dilution.

The Disposal of Treasury Shares shall be implemented on the condition that the amended Shareholding Association Rules, etc. become effective by the day immediately preceding the Disposal date pertaining to the Disposal of Treasury Shares, and that the Allotment Contract is concluded between the Company and the Shareholding Association within the prescribed time frame.

### 3. Outline of Allotment Contract

#### (1) Transfer restriction period

From November 17, 2025 to May 31, 2030

#### (2) Conditions for removing Transfer Restrictions

On the condition that Eligible Employees have continued to be a member of the Shareholding Association during the transfer restriction period, the Company shall lift the Transfer Restrictions at the expiration of the transfer restriction period with respect to all of the Allotted Shares in the number corresponding to the Restricted Stock Interests held by the Eligible Employee who satisfies such conditions.

#### (3) Treatment in cases where Eligible Employee withdraws from the Shareholding Association

If an Eligible Employee withdraws from the Shareholding Association during the transfer restriction period due to reaching retirement age or other justifiable reasons (meaning the case where the Eligible Employee loses his or her membership or applies for withdrawal from the Shareholding Association, including withdrawal due to death), the Company shall lift the Transfer Restrictions on the date of acceptance by the Shareholding Association of the Eligible Employee's application for withdrawal from membership (or the date on which membership is lost (the date of death in the case of withdrawal due to death); hereinafter referred to as the "Withdrawal Application Acceptance Date") with respect to all of the Allotted Shares in the number corresponding to the Restricted Stock Interests held by the Eligible Employee as of the Withdrawal Application Acceptance Date.

#### (4) Treatment in cases where Eligible Employee becomes a non-resident

If the Company's decision is made that an Eligible Employee will become a non-resident during the transfer restriction period due to overseas transfer or other reasons, the Company shall lift the Transfer Restrictions on the date of making such decision (hereinafter referred to as the "Overseas Transfer, etc. Decision Date") with respect to all of the Allotted Shares in the number corresponding to the Restricted Stock Interests held by the Eligible Employee as of the Overseas Transfer, etc. Decision Date.

#### (5) Free acquisition by the Company

If an Eligible Employee commits violation of laws and regulations or falls under any of the specified circumstances stipulated in the Allotment Contract during the transfer restriction period, the Company shall acquire all of the Allotted Shares in the number corresponding to the Restricted Stock Interests held by the Eligible Employee as of such time, rightfully without consideration. Additionally, at the expiration of the transfer restriction period or at the time the transfer restrictions are lifted as specified in (3) or (4) above, the Company shall acquire the Allotted Shares for which Transfer Restrictions have not been lifted, rightfully without consideration.

(6) Management of shares

During the transfer restriction period, the Allotted Shares will be managed in a dedicated account opened by the Shareholding Association at Nomura Securities Co., Ltd., so that they cannot be transferred, set up a security interest, or otherwise disposed of during the transfer restriction period. In addition, the Shareholding Association shall register and manage the Restricted Stock Interests separately from the other membership interests (hereinafter referred to as the “Ordinary Interests”) held by the Eligible Employees, in accordance with the Shareholding Association Rules, etc.

(7) Treatment on organizational restructuring, etc.

In the case where an agreement of merger with the Company as the non-surviving entity, agreement of share exchange or plan for share transfer through which the Company becomes a wholly-owned subsidiary, or a matter concerning other organizational restructuring, etc. is approved at the General Meeting of Shareholders (or at the Company’s Board of Directors in the case where approval of the General Meeting of Shareholders is not required for the said organizational restructuring, etc.) during the transfer restriction period, by a resolution of the Board of Directors, the Transfer Restrictions will be lifted with respect to all of the Allotted Shares among the Allotted Shares pertaining to the holding by the Shareholding Association in the number corresponding to the Restricted Stock Interests held by the Eligible Employee as of the date of said approval, immediately before the business day preceding the effective date of such organizational restructuring, etc.

4. Basis for calculating the disposal price and its specific details

The Disposal of Treasury Shares to the Shareholding Association as the scheduled allottee is conducted by the Eligible Employees contributing the Special Incentive to the Shareholding Association as capital contribution, which was paid to the Eligible Employees for the grant of restricted stock. To eliminate arbitrariness, the Disposal price has been set at 2,254 yen, which is the closing price of the Company’s common shares on the Tokyo Stock Exchange Prime Market on July 30, 2025 (the business day before the date of the Board of Directors’ resolution). This is the market share price immediately before the date of the Board of Directors’ resolution, and the Company believes that this is a reasonable price and does not constitute a particularly advantageous price.

The deviation rate (rounded off to two decimal places) of the Disposal price from the average closing price of the Company’s common shares on the Tokyo Stock Exchange Prime Market is as follows. (The deviation rate is calculated using the share price after taking into account the stock split effective on July 1, 2025.)

Period	Average closing price (any amount less than one yen is rounded down)	Deviation rate
1 month (July 1, 2025 to July 30, 2025)	2,117 yen	6.47%
3 months (May 1, 2025 to July 30, 2025)	2,045 yen	10.22%
6 months (January 31, 2025 to July 30, 2025)	1,929 yen	16.85%

5. Matters related to procedures under the Code of Corporate Conduct

The Disposal of Treasury Shares does not require the receipt of the opinion of an independent third party or conducting the procedure of confirmation of the intent of shareholders as stipulated in Article 432 of the Securities Listing Regulations of the Tokyo Stock Exchange, as it meets the following conditions: 1) the dilution ratio is less than 25%; and 2) it does not result in a change in a controlling shareholder.

(Reference)

[How the Plan works]

- (1) The Company shall provide Eligible Employees with monetary claims as Special Incentive for granting restricted stock.
- (2) The Eligible Employees shall contribute the monetary claims described in (1) above to the Shareholding Association.
- (3) The Shareholding Association shall collect and contribute to the Company the monetary claims contributed in (2) above.
- (4) The Company shall allot the Allotted Shares to the Shareholding Association as restricted stock (referred to as “RS” in the diagram below).
- (5) The Allotted Shares shall be deposited in a dedicated account opened by the Shareholding Association through Nomura Securities Co., Ltd. and the withdrawal of the Allotted Shares shall be limited during the transfer restriction period.
- (6) The Allotted Shares shall be transferred to the Ordinary Interests or a securities account in the Eligible Employee’s name after the lifting of transfer restrictions.

