



May 13, 2025

Name of Company	Furukawa Electric Co., Ltd.
Name of Representative	Hideya Moridaira, President (Code: 5801 Prime Market of the Tokyo Stock Exchange)
Contact	Hiroko Takita, Corporate Vice President and General Manager of Investor Relations Dept. (TEL +81-3-6281-8540)

Notice Regarding Partial Revision of Performance-Linked Stock Remuneration System

Furukawa Electric Co., Ltd. (hereinafter the “Company”) has been implementing the Performance-Linked Stock Remuneration System (hereinafter the “System”) for Directors excluding Outside Directors, as well as Corporate Vice Presidents and Senior Fellows excluding Directors , upon the resolution of the 194th Annual Shareholders Meeting on June 27, 2016 on the introduction of the System and the 197th Annual Shareholders Meeting on June 27, 2019 on the partial revision of the System. At the Board of Directors meeting held today, the Company adopted a resolution for the continuation and partial revision of the System (hereinafter the “Revision”), and will submit a proposal concerning the Revision to the 203rd Annual Shareholders Meeting to be held on June 25, 2025 (hereinafter “the Shareholders Meeting”). We hereby inform you of the details as follows:

1. Background and Objectives of the Revision

The Company introduced the System in order to ensure that it strengthens linkage between the remuneration for Directors and Officers and the Company’s business performance and contributes to increasing its corporate value over the mid- to long-term.

As announced in the “Notice regarding the transition to a Company with an Audit & Supervisory Committee” dated March 6, 2025, in case the proposal of “Partial Amendments to the Articles of Incorporation,” including a change in the form of corporate organization, to be submitted to the Shareholders Meeting, is approved as drafted, the Company will undergo the transition to a Company with an Audit & Supervisory Committee. Accordingly, the Company decided to submit a proposal for the Revision to change the maximum remuneration amount under the System for the purposes of reflecting the new officer structure after the transition to the Company with an Audit & Supervisory Committee to the System, and to further motivate Directors and Officers to contribute to increasing our Group’s corporate value over the mid- to long-term.

The Revision is subject to the approval of the Shareholders Meeting.

2. Overview of the Revision

Major changes in the Revision are summarized in the following table.

As for details of the current System, please refer to the “Notice Regarding Partial Revision of Performance-Linked Stock Remuneration System” published on May 14, 2019.

Item	Before revision	After revision
Eligible persons under the System	Directors excluding Outside Directors, Corporate Vice Presidents excluding Directors who concluded a mandate agreement with the Company, and Senior Fellows	Directors (excluding Outside Directors and Directors who serve as Audit & Supervisory Committee Members), Corporate Vice Presidents excluding Directors who concluded a mandate agreement with the Company, and Senior Fellows
Maximum amount of the Company's contribution	450 million yen per 3 fiscal years	1,450 million yen per 3 fiscal years
Maximum number of shares to be acquired by the Trust under the System	180,000 shares per 3 fiscal years ※To be acquired through the stock market or the disposal of treasury shares of the Company	168,000 shares per 3 fiscal years ※To be acquired through the stock market or the disposal of treasury shares of the Company
Total points to be granted to Directors, etc.	180,000 points per 3 fiscal years ※One point is equivalent to one share of the Company	168,000 points per 3 fiscal years ※One point is equivalent to one share of the Company

3. Details of the System after the Revision

(1) Overview of the System

The System adopted a structure where the Company's shares (common stock) (hereinafter the “Company's Shares”) are acquired through a trust using the money which the Company contributed to the trust (hereinafter the “Trust” referring to the trust established under the System). And the Company's Shares and the amount of money equivalent to the market value of the Company's Shares (hereinafter the “Company's Shares, etc.”) are granted to eligible persons of the System through the Trust in accordance with the “Stock Benefit Regulations for Executives” predetermined by the resolution of the Board of Directors. One target period under the System

consists of three fiscal years (hereinafter the “target period”; the initial target period of the System introduced in June 2016 is three fiscal years from April 1, 2016 to March 31, 2019; the target periods after the partial revision in June 2019 are three fiscal years from April 1, 2019 to March 31, 2022 and three fiscal years from April 1, 2022 to March 31, 2025; and the first target period after the Revision is three fiscal years from April 1, 2025 to March 31, 2028). A predetermined number of points shall be granted to eligible persons of the System based on their ranks every year, as a basis of their entitlement to receive the Company’s Shares, etc., and the granted points shall be adjusted by the method stipulated in (4) below after each target period to finalize the number of points for receiving the Company’s Shares, etc. Eligible persons of the System will receive the Company’s Shares, etc. in an amount corresponding to the final number of points granted while they are in office from the Trust, in principle, at the time of their retirement.

(2) Eligible Persons under the System after the revision

Eligible persons are Directors (excluding Outside Directors, and Directors who serve as Audit & Supervisory Committee Members), Corporate Vice Presidents excluding Directors who concluded a mandate agreement with the Company, and Senior Fellows (hereinafter the “Directors, etc.”), who are in office during the period the System remains in effect. However, non-residents of Japan are not eligible for receiving stock remuneration under the System: instead, they are paid in cash equivalent to the amount of remuneration under the System at the time of retirement.

(3) Maximum amount of the Company’s contribution

The Company established the Trust, where its beneficiaries are retired eligible persons of the System who fulfill beneficiary requirements under the “Stock Benefit Regulations for Executives”. At the time of establishing the Trust, the Company contributed 347 million yen to the Trust as monetary assets for acquiring an appropriate number of the Company’s Shares deemed reasonably necessary for providing remuneration for eligible persons of the System in the form of the Company’s Shares, etc. for the initial target period (three fiscal years from April 1, 2016 to March 31, 2019). The Trust used entrusted money to acquire the Company’s Shares from the stock market.

After the elapse of the initial target period, the Company has made an additional contribution of no more than 450 million yen to the Trust in every three fiscal years for the subsequent three fiscal years (hereinafter the “next target period”). After the Revision, the maximum amount of the Company’s additional contribution will be no more than 1,450 million yen per three fiscal years. However, when an additional contribution is to be made, if there remain the Company’s Shares (excluding the Company’s Shares corresponding to the number of points granted and adjusted in accordance with (4) below, which have not yet been allotted to eligible persons of the System) and money (hereinafter such Company’s Shares and money are collectively referred to as the

“Remaining Shares, etc.”) in the Trust account as of the date preceding to the start of the next target period, for which the contribution is to be made, such Remaining Shares, etc. shall be used for payments under the System during the next target period, and the maximum amount of the Company’s contribution for the next target period shall be calculated by deducting the amount of the Remaining Shares, etc. (the value of the Company’s Shares is calculated at market value as of the preceding date of the start of the next target period) from 1,450 million yen.

For the first target period after the Revision, it is intended that the Trust shall acquire the Company’s Shares up to 168,000 shares (except for those cases where the payment to the recipients under this system has not yet been completed, this number corresponds to the number of points to be granted in every target period as described in (4) below) through the stock market or the disposal of treasury shares of the Company promptly after the additional contribution. The maximum number of the Company’s Shares to be acquired by the Trust in every subsequent target period shall also be 168,000 shares (the number of shares corresponding to the maximum number of points granted for each target period as specified in the following (4)).

(4) Calculation method and maximum number/amount of the Company’s Shares, etc. to be granted to Directors and Officers

Directors and Officers shall be granted a predetermined number of points, depending on their ranks, every year, which serves as the basis of their entitlement to receive the Company’s Shares, etc. However, the maximum number of total points to be granted to Directors and Officers during each target period is limited to 168,000 points. After the elapse of each target period, in accordance with the predetermined standards (standards for comparison between the volatility of the Company’s share prices and the volatility of Tokyo Stock Price Index (TOPIX) during the target period), upon adjusting the number of points in certain cases, the number of points eligible for receiving the Company’s Shares by converting one point to one share is determined. In case a stock split or reverse stock split that is carried out during the period the System remains in effect, necessary adjustment will be made according to the ratio of split or reverse split.

As for Directors and Officers who retired at the expiration of their terms before the target period ends, they are entitled to receive the Company’s Shares, etc. in an amount corresponding to the number of points calculated by the above-mentioned method. As for Directors and Officers who retired for other reasons, the Board of Directors shall make a decision depending on their specific circumstances.

(5) Granting of the Company’s Shares, etc.

On condition that Directors and Officers fulfill the Trust’s beneficiary requirements under the “Stock Benefit Regulations for Executives”, by completing procedures for determining eligibility at the time of retirement, Directors and Officers are entitled to receive, from Trust, the Company’s

Shares in a number corresponding to an aggregate number of points earned during their services. The number is determined by the method stipulated in the above (4) by converting one point to one share. However, if Directors and Officers satisfy separate requirements in the “Stock Benefit Regulations for Executives” in addition to the above mentioned beneficiary requirements, they will receive an amount of money equivalent to the market value of the Company’s Shares at that time, for a certain proportion of their points in lieu of the Company’s Shares. The Trust may sell the Company’s Shares to make such monetary payments.

(6) Trust term

The Trust term shall be from August 8, 2016 to the termination of the System.

* An expiry date is not set for the Trust term, and the Trust will be maintained as long as the System is maintained. The System will be terminated in such events as delisting of the Company’s Shares and the termination of the “Stock Benefit Regulations for Executives”.

(7) Voting rights of the shares held in the Trust

In accordance with instructions of the trust administrator, the Trust shall not exercise its voting rights of the Company’s Shares held in the Trust. Through this arrangement, the Company aims at ensuring neutrality toward the Company’s management with respect to voting rights of its shares in the Trust.

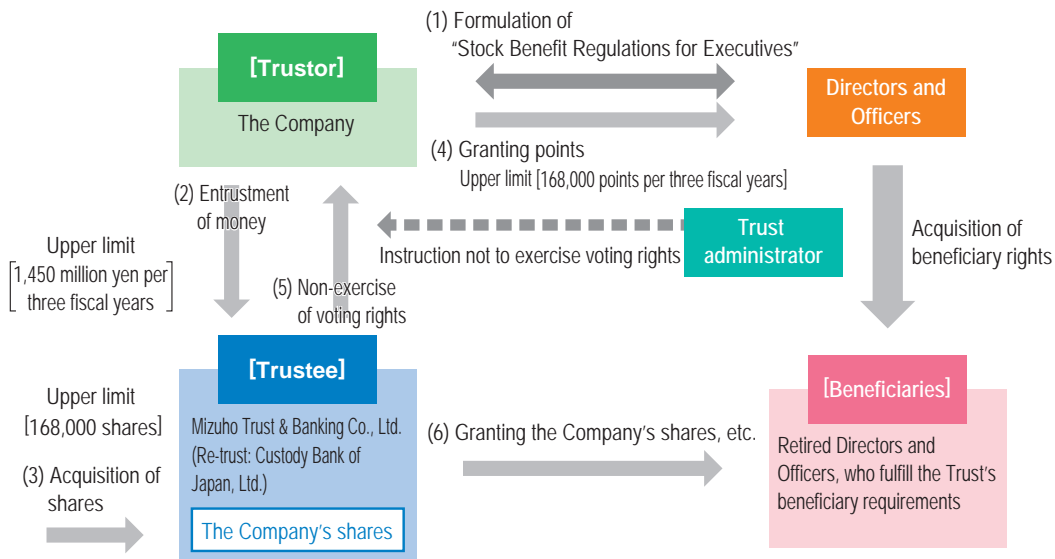
(8) Dividends

With respect to dividends from the Company’s Shares held in the Trust, the Trust shall receive such dividends, which are to be allocated to the capital for the acquisition of the Company’s Shares and/or payments of trust fees to the trustees associated with this Trust. In the event of the termination of the Trust, dividends remaining as residual assets of the Trust shall be donated to an organization in which the Company and its executives have no interest, or paid to Directors and Officers in office at the time of the termination

(9) Termination of the Trust

With respect to the Company’s Shares remaining as residual assets of the Trust at the time of its termination, it is intended that all such shares shall be transferred to the Company free of charge and retired based on the resolution of the Board of Directors. With respect to money remaining as residual assets of the Trust at the time of its termination, the remaining balance after making the donation to the organization as stipulated in the above (8) or payments to Directors and Officers, shall belong to the Company.

Structure of the System and Key Points of the Revision



1. The Company established the "Stock Benefit Regulations for Executives" within the framework of the System, of which introduction and partial revision were approved at the 194th Annual Shareholders Meeting and the 197th Annual Shareholders Meeting, and the "Stock Benefit Regulations for Executives" will be revised within the framework of the Revision to be approved at this Shareholders Meeting.
2. The Company entrusted money within the scope, of which introduction and partial revision were approved at the 194th Annual Shareholders Meeting and the 197th Annual Shareholders Meeting, and will entrust additional money within the scope of the Revision (1,450 million yen per three fiscal years) to be approved at this Shareholders Meeting.
3. The Trustee acquires up to 168,000 shares of the Company's shares through the stock market or the disposal of treasury shares of the Company, using the monetary assets in the Trust (including additional monetary contribution to be made by the Company as stated in the above 2, and remaining balance of money entrusted prior to the additional contribution).
4. The Company grants points to Directors and Officers in accordance with the "Stock Benefit Regulations for Executives"
5. In accordance with instructions given by an independent trust administrator, the Trust shall not exercise its voting rights of the Company's Shares held in the Trust.
6. The Trust will provide the retired Directors and Officers, who fulfill the Trust's beneficiary requirements under the "Stock Benefit Regulations for Executives" (hereinafter "Beneficiaries") with the Company's shares in a number corresponding to the number of points granted to the Beneficiaries. However, if Directors and Officers satisfy separate requirements in the "Stock Benefit Regulations for Executives" in addition to the above mentioned beneficiary requirements, they will receive an amount of money equivalent to the market value of the Company's Shares at the time of retirement, for a certain proportion of their points in lieu of the Company's Shares.

[Overview of the Trust]

- Name: Board Benefit Trust (BBT)
- Trustor: The Company
- Trustee: Mizuho Trust & Banking Co., Ltd. (Re-trustee: Custody Bank of Japan, Ltd.)
- Beneficiaries: Retired Directors and Officers, who fulfill the Trust's beneficiary requirements under the "Stock Benefit Regulations for Executives"
- Trust administrator: A third party with no conflicts of interest with the Company (lawyer)
- Type of Trust: Trust of money other than money trust (third party benefit trust)
- Date of conclusion of the Trust Agreement: August 8, 2016
- Date on which money was entrusted: August 8, 2016