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To whom it may concern:

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Notice Regarding Disposal of Treasury Shares as Stock Incentive with Transfer Restrictions for the Employee Stock Ownership Plan

At a meeting held today, the Board of Directors resolved to dispose of the Company's treasury shares as restricted stock under the Employee Stock Ownership Plan with Restricted Stock Incentive System (hereinafter, "the System"). The planned allocation destination for the disposal is the Company's *Akane Kai*, the Employee Stock Ownership Plan for employees of the Company and its domestic subsidiaries, in which the Company holds a 100% ownership, either directly or indirectly (hereinafter, "the Plan"). The disposal of the treasury shares (hereinafter, "the Disposal") will be carried out as outlined below.

1. Overview of the Disposal

(1) Disposal date	August 8, 2025
(2) Type and number of shares to be disposed of	179,400 common shares of the Company
(3) Price of shares to be disposed of	¥2,150 per share
(4) Total disposal amount	¥385,710,000*
(5) Disposal method (planned allocation destination)	Subject to the condition that the Employee Stock Ownership Plan submits a subscription application (through the third-party allotment method), the number of shares to be allocated to the Plan will be determined within the range of the shares to be disposed of, as outlined in point (2) above, and as specified by the Plan. (The allocated number of shares will be the number of shares to be disposed of.) (<i>Akane Kai</i> : 179,400 shares) Please note that applications for a portion of the allocated shares from individual eligible employees (as defined below) will not be accepted.
(6) Other	The Company has submitted a temporary report in accordance with Japan's Financial Instruments and Exchange Act regarding the Disposal.

* The number of shares to be disposed of and the total disposal amount are calculated based on the assumption that each of the employees of the Company and its subsidiaries who may be eligible for the Plan, totaling 2,600 people, will be granted 69 common shares as restricted stock. The actual number of shares to be disposed of and the total disposal amount will be finalized after the promotional campaign for non-members to join the Employee Stock Ownership Plan and after confirming agreement from the employees of the Company and its subsidiaries (hereinafter, “Eligible Employees”) who agree to the Plan. This will depend on the number of Eligible Employees (up to 2,600) who give their consent. Specifically, as described in (5) above, the number of shares specified by the Plan will be the “number of shares to be disposed of,” and the total disposal amount will be calculated by multiplying this number by the disposal price per share, resulting in the “total disposal amount.” Additionally, the Company and its subsidiaries will provide each Eligible Employee with a uniform monetary claim of ¥148,350, and the Company will allocate a uniform 69 shares to each Eligible Employee through the Plan.

2. Purpose and reasons for Disposal

The Board of Directors resolved to introduce a system aimed at enhancing the welfare of Eligible Employees by giving them the opportunity to acquire restricted stock through the Company’s Employee Stock Ownership Plan. The Plan will allow Eligible Employees of the Company and its subsidiaries to acquire common shares issued or disposed of by the Company, which will help them build their personal wealth. It will also serve as an incentive to promote a sustainable increase in the Company’s corporate value while encouraging Eligible Employees to share value with the Company’s shareholders.

An overview of the aforementioned System is as follows.

[Overview of the System]

Under the System, a special incentive in the form of a monetary claim (hereinafter, “Special Incentive”) will be provided to Eligible Employees by the Company and its subsidiaries, with each employee receiving 69 shares as restricted stock. The Eligible Employees will contribute this Special Incentive to the Employee Stock Ownership Plan. The Plan will then contribute the Special Incentive to the Company as an in-kind contribution, thereby receiving the Company’s disposed-of common shares as restricted stock.

Under the System, when disposing of the Company’s common shares, the subscription price per share will be determined by the Board of Directors based on the closing price of the Company’s shares on the Tokyo Stock Exchange on the preceding business day (or, if no transactions took place on that day, the closing price of the most recent transaction day). The price will be set within a range that does not result in an especially advantageous amount for the Employee Stock Ownership Plan (and ultimately the Eligible Employees).

When disposing of the Company’s common shares under the System, both the Company and the Employee Stock Ownership Plan will enter into a restricted stock allocation agreement that includes the following conditions: (1) Transfer restrictions, which prohibit the transfer, creation of security interests, or any other disposal of the allocated shares to a third party for a certain period of time, will apply, and (2) In the event of certain circumstances, the Company may acquire the allocated shares free of charge. Additionally, the payment of the Special Incentive to Eligible Employees will be made on the condition that a restricted stock allocation agreement is concluded between the Company and the Employee Stock Ownership Plan.

During the period until the transfer restrictions are lifted, Eligible Employees will be restricted from withdrawing their restricted stock ownership (hereinafter, “Restricted Stock

Ownership” or “RS Ownership”) based on the monetary claims contributed to the Employee Stock Ownership Plan. This is in accordance with the Plan’s regulations and operational rules (hereinafter, “the Plan’s Regulations”).

Note: The directors of the Employee Stock Ownership Plan will hold a meeting shortly after the Board of Directors’ decision regarding the Disposal. At the meeting, a decision will be made to amend the Plan’s regulations to align with the System. This amendment will become effective two weeks after the notification is sent to the members of the Plan, provided that objections from members amount to less than one-third of the total membership.

Under the Disposal, and based on the System, the Employee Stock Ownership Plan, which is the planned allocation destination, will contribute the full amount of the Special Incentive provided by Eligible Employees as in-kind contributions. In return, the Company will dispose of common shares (hereinafter, “the Allocated Shares”) and transfer them to the Plan. An overview of the restricted stock allocation agreement (hereinafter, “the Allocation Agreement”), to be concluded between the Company and the Employee Stock Ownership Plan under the Disposal, is given below (“3. Overview of Allocation Agreement”). The number of shares subject to the Disposal will be finalized at a later date, as indicated in the footnote to the above table. However, if all 2,600 employees of the Company and its subsidiaries (the maximum number of employees eligible for the System) join the Employee Stock Ownership Plan and agree to the System, the number of shares to be disposed of is expected to be 179,400. Assuming this is the number of shares that will be disposed of, the dilution scale of the shares subject to the Disposal would be 0.44% based on the total number of shares outstanding as of September 30, 2024, which was 40,445,568. (However, since the Company cancelled 4,000,000 shares on February 28, 2025, the dilution scale will be 0.49% based on the post-cancellation number of outstanding shares, which is 36,445,568. The calculation is rounded down to the third decimal place, and the same method of calculation applies to the percentage calculation below.) Based on the total number of voting rights as of September 30, 2024, which was 362,051, the dilution scale will be 0.49%.

By introducing the System, the Company aims to enhance the welfare of Eligible Employees by providing them with the opportunity to acquire common shares of the Company, issued or disposed of by the Company, as restricted stock through the Employee Stock Ownership Plan. This will help Eligible Employees build their wealth. The System will also serve as an incentive to promote the sustainable improvement of the Company’s corporate value, which will benefit Eligible Employees. Another purpose of the System is to further promote value sharing between Eligible Employees and the Company’s shareholders. We believe it will also foster an increase in the corporate value of the Furukawa Company Group. The number of shares to be disposed of and the scale of dilution under the Disposal are considered reasonable. Moreover, we have determined that the impact on the market will be minimal, even after taking the dilution scale into consideration.

This Disposal shall be carried out on the condition that the amended Plan’s Regulations (and other related documents) become effective by the day before the disposal date, and that the Allocation Agreement between the Company and the Plan is concluded within the prescribed period.

3. Overview of Allocation Agreement

(1) Transfer restriction period

August 8, 2025–June 7, 2028

(2) Conditions for lifting the transfer restrictions

The transfer restrictions will be lifted on all Allocated Shares corresponding to the Restricted Stock Ownership of Eligible Employees who have continuously remained members of the Employee Stock Ownership Plan during the transfer restriction period. The restrictions will be lifted once the period ends.

(3) Treatment in case of withdrawal from the Plan

If an Eligible Employee withdraws from the Employee Stock Ownership Plan due to retirement or other valid reasons (including loss of membership, submitting a withdrawal application, or in the case of death), the Company will lift the transfer restrictions on all restricted stock held by the employee on the withdrawal application reception date (or date of death, if applicable). As a result, the withdrawn employee will be able to freely dispose of the shares once the transfer restrictions are lifted. This measure will be applied based on the withdrawal application reception date.

(4) Treatment in the case of becoming a non-resident

If an Eligible Employee becomes a non-resident due to overseas transfer or other reasons during the transfer restriction period, and the Company or its subsidiary makes a decision to this effect, the transfer restrictions on all Allocated Shares corresponding to the Restricted Stock Ownership of the employee will be lifted on the date of that decision.

(5) Acquisition by the Company free of charge

If an Eligible Employee engages in illegal conduct or falls under certain conditions specified in the Allocation Agreement during the transfer restriction period, the Company will automatically acquire all Allocated Shares corresponding to the Restricted Stock Ownership of that employee, free of charge, at that point in time. Additionally, the Company will automatically acquire any Allocated Shares for which the transfer restrictions have not been lifted at the end of the transfer restriction period or at the time specified in points (3) or (4) above, also free of charge.

(6) Management of shares

The Allocated Shares will be managed in a dedicated account opened by the Employee Stock Ownership Plan with Nomura Securities Co., Ltd., during the transfer restriction period, to prevent any transfer, creation of security interests, or other disposal of the shares. Furthermore, in accordance with the regulations of the Employee Stock Ownership Plan, the Plan will register and manage the Restricted Stock Ownership separately from the regular membership shares (hereinafter, “Regular Shares”) held by the Eligible Employees.

(7) Treatment in the case of organizational restructuring, etc.

If matters related to organizational restructuring, such as a merger agreement in which the Company becomes the disappearing party, a share exchange agreement in which the Company becomes a wholly owned subsidiary, or a share transfer plan, are approved at the Company’s

Annual Shareholders' Meeting (or Board of Directors' meeting if shareholder approval is not required), the Board of Directors will resolve to lift the transfer restrictions on all Allocated Shares corresponding to the Restricted Stock Ownership of the Eligible Employees. This will take place on the business day immediately preceding the effective date of the organizational restructuring, based on the number of shares held by the Employee Stock Ownership Plan.

4. Basis for the disposal amount calculation and its specific details

The disposal of treasury shares to the Employee Stock Ownership Plan (the planned allocation destination) will be carried out using the Special Incentive provided to Eligible Employees for the purpose of granting restricted stock, which is contributed by the employees to the Employee Stock Ownership Plan as an investment. Regarding the disposal amount, to ensure it is free from subjectivity, the price is set at ¥2,150, which is the closing price of the Company's common shares on the Tokyo Stock Exchange Prime Market as of March 28, 2025 (the business day prior to the Board of Directors' decision date). This price reflects the market price just before the Board of Directors' decision and is considered reasonable, without being unduly advantageous.

The deviation rate from the average closing price of the Company's common shares on the Tokyo Stock Exchange Prime Market (rounded down to the third decimal place) for this disposal amount is shown below.

Period	Average closing price (rounded down)	Deviation rate
1 month (March 3–28, 2025)	¥2,216	-2.98%
3 months (December 30, 2024–March 28, 2025)	¥2,018	6.54%
6 months (September 30, 2024–March 28, 2025)	¥1,810	18.78%

All four Audit & Supervisory Board members (including two outside members) who attended the Board of Directors' meeting held today have expressed their opinion that, considering the purpose of the disposal of treasury shares being the introduction of the System, and the fact that the disposal amount is based on the closing price of the Company's common shares on the Tokyo Stock Exchange Prime Market on the business day prior to the Board's decision, the amount is not unduly advantageous to the planned allocation destination and is therefore lawful.

5. Matter related to the Furukawa Company Group's Charter of Corporate Conduct

This disposal of treasury shares meets the following conditions: (1) The dilution rate is less than 25%, and (2) It does not involve a change in the controlling shareholder. Therefore, it is not necessary to obtain an opinion from an independent third party or conduct shareholder consent procedures as stipulated in Article 432 of the Tokyo Stock Exchange's Securities Listing Regulations.

(Reference)

[Framework of the System]

- (1) The Company and its subsidiaries provide monetary claims as a Special Incentive for the granting of restricted stock to Eligible Employees.
- (2) The Eligible Employees contribute the monetary claims mentioned in (1) above to the Employee Stock Ownership Plan.
- (3) The Plan consolidates the monetary claims contributed in (2) above and makes payment to the Company.
- (4) The Company allocates restricted stock (referred to as “RS” in the diagram below) as Allocated Shares to the Plan.
- (5) Allocated Shares are deposited into a dedicated account opened by the Plan through Nomura Securities Co., Ltd., and withdrawals during the transfer restriction period are restricted.
- (6) After the transfer restrictions are lifted, the Allocated Shares are transferred to a securities account as Regular Shares or in the name of the Eligible Employee.

