



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.

June 27, 2025

To whom it may concern:

Company name: Furukawa Co., Ltd.
Name of representative: Minoru Nakatogawa,
President and Representative Director
(Securities code: 5715; TSE Prime Market)
Inquiries: Kenji Yamakawa,
Executive Officer and General Manager,
Human Resources & General Affairs
Department
(Telephone: +81-3-6636-9500)

Notice Concerning Disposal of Treasury Share as Restricted Share Compensation

Furukawa Co., Ltd. (the "Company") hereby inform that, at the meeting of the Board of Directors held today, the Company has decided to dispose of its treasury share (hereinafter referred to as the "Disposal of Treasury Share ") as Restricted Share Compensation. The details are as follows.

1. Outline of Disposal

- (1) Disposal date
July 25, 2025
- (2) Class and number of shares to be disposed
17,136 shares of common stock of the Company
- (3) Disposal price
¥2,101 per share
- (4) Total value of the disposal
¥36,002,736
- (5) Allottees and number thereof, number of shares to be disposed
Directors (excluding outside directors): 6; 17,136 shares

2. Purpose and reasons for the disposal

At the Board of Directors meeting held on April 30, 2024, the Company has resolved to introduce a restricted share compensation plan (hereinafter referred to as the "Plan") as a new compensation system for the Company's directors (excluding outside directors; hereinafter referred to as "Eligible Directors") with the aim of providing incentives to Eligible Directors to sustainably increase our corporate value and to promote value sharing further with our shareholders.

In addition, at the 157th Annual Shareholders' Meeting held on June 27, 2024, the Company has received approval based on this Plan: (1) to pay monetary compensation claims as the compensation for providing Restricted Share within the compensation limit of the Directors (the annual amount within ¥320 million (including up to ¥40 million for outside directors, however, not including employee salaries of directors who also serve as employees)) which was approved at the 150th Annual Shareholders' Meeting held on June 29, 2017, (2) to set the total amount of the monetary compensation claims to be paid to Eligible Directors not exceeding ¥50 million per year (however, not including employee salaries of directors who also serve as employees), (3) that the Company common stock to be issued or disposed by the Company is up to 50,000 shares per year, and (4) to set a transfer restriction period of Restricted Share for a period of 30 years (However, if a Eligible Director resigns for justifiable reasons during the transfer restriction period of Restricted Share, the restriction is removed subject to the condition that the Eligible Director has been a Director of the Company continuously during the period of service predetermined by the Board of Directors, etc.

The outline of this Plan is as follows.

[Outline of the Plan]

The Eligible Directors will pay in all of the monetary compensation claims provided by the Company under this Plan as property contributed in kind, and will receive the issuance or disposition of the Company's common stock. The amount to be paid per share shall be determined by the Board of Directors to the extent that the amount is not particularly advantageous to the Eligible Directors, who subscribe for the common stock and to be based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day preceding the date of each Board of Directors resolution (or, if no transaction has been conducted on the same day, the closing price on the most recent trading day preceding the transaction). The specific timing and allocation of payments to each Eligible Director will be determined by the Board of Directors based on the deliberations of the Nomination and Remuneration Committee, whose principal members are independent outside directors.

In addition, when issuing or disposing of the Company's common stock under this system, the Company and the Eligible Directors shall enter into a restricted share allotment agreement, which includes: (1) Eligible Directors are prohibited from transferring to a third party, the creation of a security interest, or any other disposition of the Company's common stock that has been allocated under the restricted share allotment agreement (hereinafter referred to as the "Allotted Shares"); and (2) In occurring the certain event, the Company shall acquire the Allotted Shares, free of charge.

At a meeting of the Board of Directors held today, the Company resolved to grant a total of ¥36,002,736 monetary compensation claims (hereinafter referred to as the "Monetary Compensation Claims") to the six Eligible Directors, and dispose of the 17,136 Treasury Shares (common stock) held by the Company, taking into consideration the purpose of the Plan, the Company's business conditions, the scope of responsibilities and contribution of each Eligible Director and various other circumstances, as well as the deliberations of the Nomination and Remuneration Committee, whose principal members are independent external directors.

Under the Disposal of Treasury Share, the six Eligible Directors to whom the allotment is scheduled will pay all of the monetary compensation claims against the Company as property contributed in kind, and will receive disposal of the Allotted Shares. A summary of the restricted share allotment agreement (hereinafter referred to as the "Allotment Agreement") to be concluded between the Company and the Eligible Directors in this Disposal of Treasury Share is set out in 3. below.

3. Overview of Allotment Agreement

(1) Transfer restriction period

From July 25, 2025 (hereafter referred to as the "Disposal Date" to July 25, 2055

(2) Conditions and timing of removal of transfer restrictions

Provided that the Eligible Directors continued to hold the position of a director of the Company during the period from date of commencement of execution of duties to the time immediately preceding the conclusion of the first Annual Shareholders' Meeting to be held (hereafter referred to as the "Service Period"), all of the Allotted Shares will be removed of the transfer restrictions at the expiration of transfer restriction period. However, if the Eligible Director resigns from his/her position as a director of the Company due to the expiration of his/her term of office, death or other justifiable reasons during the transfer restriction period, the transfer restriction shall be removed as of the time immediately following such resignation.

(3) Treatment of removal of transfer restrictions in the event that the Eligible Director resigns due to the expiration of his/her term of office, death or other justifiable reason during Service Period

(i) Timing of removal of transfer restrictions

If an Eligible Director resigns due to the expiration of his/her term of office, death or any other justifiable reason, the restriction on transfer shall be removed as of the time immediately following such resignation.

(ii) Number of shares subject to removal of the transfer restriction

Number of shares shall be calculated by multiplying the number of Allotted Shares held at the time of the resignation referred to in (i) above by the number of months from the month containing the Disposal Date to the month containing the resignation date of the Eligible Director divided by 12 (provided that fractions of less than 1 share generated as the calculation result shall be rounded down)

(4) Free acquisition by the Company

The Company will naturally acquire the Allotted Shares for which the transfer restrictions are not removed at the expiration of the transfer restriction period or at the time the transfer restrictions are removed as specified in (2) or (3) above, free of charge.

(5) Treatment during reorganization, etc.

During the transfer restriction period, if matters related to a merger agreement in which the Company becomes a dissolved company, a stock exchange agreement in which the Company becomes a wholly owned subsidiary, a stock transfer plan, and other organizational restructuring, etc. are approved by the General Meeting of Shareholders (or the Board of the Directors meeting if the approval is not required in the General Meeting of Shareholders), the number of transfer restriction of shares shall be calculated by multiplying the number of Allotted Shares held at the relevant time by the number of months from the month containing the Disposal Date to the month containing such approval date divided by 12 (provided that if the number is above 1, 1 shall be used) shall be removed by a resolution of the Board of Directors at the immediately preceding the one business day before the effective date of organizational reorganization etc. Additionally, immediately after the transfer restrictions are removed, the Company will naturally acquire all of the Allotted Shares for which the transfer restrictions have not been removed, free of charge.

(6) Stock management

During the transfer restriction period, the Allotted Shares will be managed in a dedicated account opened by the Eligible Directors 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 order to ensure the effectiveness of transfer restrictions, etc. related to the Allotted Shares, the Company has entered into an agreement with Nomura Securities Co., Ltd. regarding the management of accounts for the Allotted Shares held by each Eligible Director. In addition, the Eligible Directors shall agree to the details of the management of the relevant account.

4. Basis for calculating the payment amount and its specific details

This Disposal of Treasury Share to the scheduled allottee will be carried out using the monetary compensation claims provided as Restricted Share Compensation for the Company's 159th fiscal year under this as property contributed in kind. Regarding the disposal price, in order to eliminate arbitrariness, the closing price of the Company's common stock on the Tokyo Stock Exchange prime market on June 26, 2025 (the business day before the date of the Board of Directors' resolution) was determined as ¥2,101. The Company believe that this is a reasonable price and does not constitute a particularly advantageous price.