



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.

April 9, 2026

Company Name: FURUNO ELECTRIC CO., LTD.
Representative: Yukio Furuno, President and CEO
(Code: 6814 Tokyo Stock Exchange Prime Market)
Contact: Yutaka Wada, Director, Managing Executive Officer, and CFO
(Telephone: +81-798-63-1017)

Notice Concerning the Introduction of a Performance-Based Post-Delivery Restricted Stock Compensation Plan

FURUNO ELECTRIC CO., LTD. (the “Company”) hereby announces that, at a meeting of the Board of Directors held on April 9, 2026, it resolved to introduce a performance-based post-delivery restricted stock compensation plan (the “Plan”) following a review of its executive compensation plan. Accordingly, the Company will submit a proposal for the Plan to the 75th Annual Shareholders’ Meeting scheduled for May 21, 2026 (the “75th Meeting”), as described below.

1. Purpose and Conditions for Introducing the Plan

(1) Purpose of introducing the Plan

The Company has decided to introduce a new stock-based compensation plan to incentivize its Directors (excluding Outside Directors; the “Eligible Directors”) to achieve the targets set forth in the medium-term management plan and to align their compensation more closely with the Company’s business performance and stock value. Under the Plan, restricted shares of the Company’s common stock (“Restricted Shares”) will be delivered to Eligible Directors in a number determined based on the level of achievement of performance targets and other relevant factors during a predetermined period (the “Performance Evaluation Period”). The Restricted Shares will be subject to a specified transfer restriction period and provisions under which the Company may acquire such shares without consideration.

(2) Conditions for introducing the Plan

As the Plan involves the payment of monetary compensation claims as compensation to Eligible Directors for the allotment of Restricted Shares, its introduction is subject to shareholder approval for the payment of such compensation at the 75th Meeting. The total amount of compensation for the Company’s Directors was approved at up to 480 million yen per year (excluding the employee portion of salaries and bonuses for Directors who concurrently serve as employees) at the Company’s 56th Annual Shareholders’ Meeting held on May 24, 2007. Subsequently, at the 69th Annual Shareholders’ Meeting held on May 28, 2020, shareholders approved, separately from the

aforementioned Directors' compensation, monetary compensation claims for restricted stock compensation to Eligible Directors of up to 100 million yen per year, with a maximum allotment of 50,000 Restricted Shares per fiscal year. At the 75th Meeting, the Company intends to seek approval for the introduction of the Plan. In addition, after comprehensive consideration of the contributions of Eligible Directors and other relevant factors, the Company proposes to set the total amount of monetary compensation claims to be paid to Eligible Directors under the Plan, separate from the aforementioned Directors' compensation, at a maximum of 300 million yen for each applicable period (as defined in 2. (3) below; the same applies hereinafter). However, as the applicable period covers multiple fiscal years and the compensation for the performance of duties over such period is to be paid in a lump sum, the effective annual amount will not exceed 100 million yen.

2. Details of the Plan

(1) Allotment and payment of Restricted Shares

Under the Plan, the Company will pay monetary compensation claims to Eligible Directors as compensation within the total amount specified above, based on the level of achievement of performance targets and other relevant factors during the Performance Evaluation Period. Each Eligible Director will receive an allotment of Restricted Shares by making an in-kind contribution of the entirety of such monetary compensation claims. Accordingly, at the start of the applicable period, neither the payment of monetary compensation claims for the delivery of Restricted Shares nor the number of Restricted Shares to be delivered to each Eligible Director will be determined.

The payment of monetary compensation claims will be subject to each Eligible Director's consent to the in-kind contribution described above and the execution of a restricted stock allotment agreement containing the provisions set forth in (4) below.

(Reference) Initial Performance Evaluation Period

The initial Performance Evaluation Period is scheduled to run from the 76th fiscal year through the 78th fiscal year (from March 1, 2026, to February 28, 2029).

(2) Total number of Restricted Shares

The total number of Restricted Shares to be allotted to Eligible Directors shall be capped at 150,000 shares per applicable period. However, as the applicable period covers multiple fiscal years and the compensation for the performance of duties over such period is to be paid in a lump sum, the effective annual number of shares will not exceed 50,000 shares.

The amount to be paid in for Restricted Shares shall be determined by the Company's Board of Directors based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of resolution by the Board of Directors regarding the issuance or disposal of such shares (or, if the Company's shares are not traded on that day, the closing price on the immediately preceding trading day), within a range not particularly favorable to the Eligible Directors who will subscribe for such Restricted Shares.

However, on or after the date of the resolution on the proposal regarding the Plan, if a stock split (including a gratis allotment of the Company's common stock), a reverse stock split of the Company's common stock, or other similar events require an adjustment to the total number of Restricted Shares to be allotted, such total number of Restricted Shares may be reasonably adjusted.

(3) Requirements for delivery

- (i) The Company shall, after establishing in advance the base number of shares and the method for calculating the level of achievement of performance targets, deliver Restricted Shares to Eligible Directors after the end of the applicable period. The number of shares to be delivered shall be determined based on the level of achievement of performance targets during the Performance Evaluation Period and the length of service during the period from the date of the Company's first annual shareholders' meeting held after the commencement of the Performance Evaluation Period to the date of the Company's first annual shareholders' meeting held after the end of the Performance Evaluation Period (the "Applicable Period").
- (ii) If an Eligible Director resigns from the position of Director of the Company due to death or other justifiable reasons prior to the date of delivery of shares under the Plan, the Company's Board of Directors shall reasonably determine the timing of payment of compensation, and the Company shall pay the Eligible Director (or, in the case of resignation due to death, the heir succeeding to the Eligible Director) an amount of money reasonably determined by the Company's Board of Directors, without requiring the Eligible Director to make an in-kind contribution for the monetary compensation claim.
- (iii) If a merger agreement in which the Company is dissolved, a share exchange agreement or share transfer plan in which the Company becomes a wholly-owned subsidiary, or any other proposal relating to reorganization is approved by the Company's shareholders' meeting (or by the Company's Board of Directors, if approval by the Company's shareholders' meeting is not required for such reorganization) prior to the date of delivery of shares under the Plan, and provided that the effective date of such reorganization is scheduled to occur prior to the date of delivery of shares under the Plan, the Company's Board of Directors shall reasonably determine the timing of payment of compensation, and the Company shall pay the Eligible Director an amount of money reasonably determined by the Company's Board of Directors, without requiring the Eligible Director to make an in-kind contribution for the monetary compensation claim.
- (iv) If an Eligible Director becomes subject to any forfeiture event deemed necessary to achieve the purpose of the stock compensation plan (as determined by the Board of Directors), such as resigning from the position of Director of the Company without justifiable reason (such as death) or engaging in misconduct, no Restricted Shares shall be delivered to such Eligible Director under the Plan.

(4) Overview of the restricted stock allotment agreement

Upon the allotment of Restricted Shares, a restricted stock allotment agreement shall be entered into between the Company and each Eligible Director who will receive the allotment of Restricted Shares under the Plan (the "Allottees"). This agreement shall include the following provisions:

(i) Transfer restriction period

The Allottees may not transfer, pledge, grant a security interest in, make a lifetime gift of, bequeath, or otherwise dispose of the Restricted Shares allotted to them (the "Allotted Shares") to any third party (the "Transfer Restrictions") during the period from the date of delivery of the Restricted Shares until the date on which they resign from their position of Director of the Company (the "Transfer Restriction Period").

(ii) Acquisition of Restricted Shares without consideration

If an Allottee resigns from the position of Director of the Company prior to the expiration of the Transfer Restriction Period, the Company shall automatically acquire the Allotted Shares without consideration, unless the Board of Directors determines that there are justifiable reasons for such resignation.

(iii) Lifting of Transfer Restrictions

Upon the expiration of the Transfer Restriction Period, the Company shall lift the Transfer Restrictions on all of the Allotted Shares held by the Allottee at that time.

(iv) Treatment in the event of reorganization

If, during the Transfer Restriction Period, a merger agreement in which the Company is dissolved, a share exchange agreement or share transfer plan in which the Company becomes a wholly-owned subsidiary, or any other proposal relating to reorganization is approved by the Company's shareholders' meeting (or by the Company's Board of Directors, if approval by the Company's shareholders' meeting is not required for such reorganization), and provided that the effective date of such reorganization occurs prior to the expiration of the Transfer Restriction Period, the Company shall, by resolution of the Board of Directors, lift the Transfer Restrictions on all of the Allotted Shares held by the Allottee as of the date of such approval, effective immediately prior to the business day preceding the effective date of such reorganization.

(Reference)

The Company also plans to introduce a similar performance-based post-delivery restricted stock compensation plan for its executive officers.

(End of document)