May 20, 2026

Dear All

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Notice Regarding Introduction of a Restricted Stock Compensation Plan

Fujikura Ltd. (the “Company”) hereby announces that, at a meeting of the Board of Directors held today, it resolved to review its directors’ compensation system and introduce a restricted stock compensation plan (the “Plan”). In connection with this, the Company also resolved to submit a proposal relating to the Plan to the 178th Annual General Meeting of Shareholders scheduled to be held on June 26, 2026 (the “General Meeting of Shareholders”), as set forth below.

1. Purpose of the Plan

The Plan is intended for directors of the Company who are not Audit and Supervisory Committee Members, excluding outside directors (the “Eligible Directors”), for the purpose of providing them with an incentive to sustainably enhance the Company’s corporate value and to further promote shared value with shareholders.

In connection with the introduction of the Plan, the Eligible Directors will be granted, as compensation, either (i) the Company’s common shares or (ii) monetary compensation receivables to be contributed in kind for the acquisition of the Company’s common shares. Accordingly, the payment of such compensation shall be subject to the approval of shareholders at the General Meeting of Shareholders.

At the 177th Annual General Meeting of Shareholders held on June 27, 2025, the amount of monetary compensation for directors of the Company who are not Audit and Supervisory Committee Members was approved at no more than JPY 700 million per year (of which no more than JPY 100 million is for outside directors), and such arrangement remains in effect to date. In addition, the amount of compensation under the stock compensation plan for directors of the Company who are not Audit and Supervisory Committee Members (excluding outside directors) (the “Existing Plan”) was approved, separately from the above monetary compensation limit, at no more than JPY 500 million per fiscal year and no more than 285 thousand shares, and such arrangement remains in effect to date.

At the General Meeting of Shareholders, the Company plans to seek approval for the introduction of the Plan and the establishment of a compensation framework for the Plan for the Eligible Directors separately from the above compensation framework.

Subject to the approval and adoption of the proposal relating to the Plan at the General Meeting of Shareholders, no new points will be granted under the Existing Plan after the final grant of points made prior to the resolution at the General Meeting of Shareholders, and the Existing Plan will be terminated upon completion of the delivery of the Company’s common shares and payment of cash equivalent to the proceeds from the conversion of the Company's common shares relating to the points already granted.

2. Outline of the Plan

Compensation to be provided to the Eligible Directors under the Plan shall consist of either (i) the Company's common shares or (ii) monetary compensation receivables to be contributed in kind for the acquisition of the Company's common shares, and the Eligible Directors shall receive the issuance or disposition of the Company's common shares pursuant to a resolution of the Board of Directors of the Company.

The aggregate amount of the Company's common shares or monetary compensation receivables to be granted to the Eligible Directors under the Plan shall be no more than JPY 500 million per year, and the total number of the Company's common shares to be newly issued or disposed of by the Company shall be no more than 212 thousand shares per year; provided, however, that if, on or after the date of the resolution of the General Meeting of Shareholders, a share split of the Company's common shares (including a gratis allotment of the Company's common shares) or a share consolidation is effected with an effective date falling after such date, the total number of shares shall be adjusted within a reasonable range, as necessary, in accordance with the split ratio, consolidation ratio or the like, on and after the effective date thereof.

If the Company grants the Eligible Directors its common shares directly as compensation under the Plan without granting monetary compensation receivables, such common shares shall be issued or disposed of as compensation to the Eligible Directors, and no payment shall be required with respect to monetary compensation receivables as property to be contributed in kind in exchange for such common shares. In such case, the amount of the Company's common shares to be granted to the Eligible Directors shall be calculated based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately preceding the date of each resolution of the Board of Directors relating to such issuance or disposition (or, if no trading is effected on such date, the closing price on the most recent trading day prior thereto), which shall serve as the amount per share of the Company's common shares to be issued or disposed of.

On the other hand, if the Company grants monetary compensation receivables to the Eligible Directors as compensation under the Plan for the purpose of acquiring the Company's common shares, each Eligible Director shall contribute all of such monetary compensation receivables as property contributed in kind, pursuant to a resolution of the Board of Directors of the Company, and shall receive the issuance or disposition of the Company's common shares. In such case, the amount to be paid in per 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 preceding the date of each resolution of the Board of Directors (or, if no trading is effected on such date, the closing price on the most recent trading day prior thereto), within a range that is not especially advantageous to the Eligible Directors who subscribe for such common shares.

The specific timing and allocation for each Eligible Director shall be determined by the Board of Directors after deliberation by the Compensation Advisory Committee, in accordance with the Company's policy for determining directors' compensation.

In addition, upon the issuance or disposition of the Company's common shares under the Plan (the "Shares") and the grant of monetary compensation receivables as property to be contributed in kind therefor, the Company shall enter into a restricted stock allotment agreement with each Eligible Director, the terms of which shall include: (i) a prohibition, for a certain period (the “Transfer Restriction Period”), on any transfer to a third party, creation of a security interest, or any other disposition of the Shares; and (ii) if the Board of Directors of the Company determines that the relevant Eligible Director has materially violated any laws, regulations or internal rules during the Transfer Restriction Period or after the lifting of the transfer restrictions, or if any certain event specified by the Board of Directors of the Company occurs, including material accounting misconduct or substantial losses, the Company shall acquire the Shares without consideration, or require payment of an amount equivalent to the allotted shares or the Company’s common shares for which the transfer restrictions have been lifted.

Subject to the approval of the proposal relating to the Plan at the General Meeting of Shareholders, the Company also plans to introduce a restricted stock compensation plan similar to the Plan for executive officers who do not concurrently serve as directors of the Company.