

June 1, 2023

Dear Shareholders:

Notice of the 201st Annual Shareholders Meeting

You are cordially invited to attend the 201st Annual Shareholders Meeting of Furukawa Electric Co., Ltd. to be held on June 23, 2023, at 10:00 a.m., at the conference room of Furukawa Electric Co., Ltd. on the 18th floor of Tokiwabashi Tower, 2-6-4 Otemachi Chiyoda-ku, Tokyo, Japan.

The Annual shareholders meeting will be conducted:

To receive the following reports,

1. Business Report, Consolidated Accounting Documents and the Audit Reports of Account Auditors and Audit & Supervisory Board for Consolidated Accounting Documents for the 201st fiscal year (from April 1, 2022 to March 31, 2023)
2. Reports on Non-Consolidated Accounting Documents for the 201st fiscal year (from April 1, 2022 to March 31, 2023)

To consider and act on the following proposals,

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|------------------------|---|
| Proposal One: | Dividends from surplus |
| Proposal Two: | Election of eleven (11) Directors |
| Proposal Three: | Election of one (1) Audit & Supervisory Board Member |
| Proposal Four: | Election of one (1) Reserve Audit & Supervisory Board Member |

The foregoing proposals of business are more fully described in the documents attached and made a part hereof. Your vote is important. When you are attending the Annual shareholders meeting, please bring enclosed Card for Exercise of Voting Rights with you. If you are unable to attend the Annual shareholders meeting, please exercise your voting rights in writing or via the Internet (<https://soukai.mizuho-tb.co.jp/>). The Card arrived at the Company and the submission via the Internet after 5:00 p.m. on June 22, 2023 would be a void vote.

Sincerely
Hideya Moridaira
President

DISCLAIMER: This translation may be used only for reference purposes. This English version is not an official translation of the original Japanese version (including Reference Documents for Annual Shareholders Meeting, the Business Report, Financial Statements for the fiscal year ended March 31, 2023, which consist of consolidated balance sheet, and consolidated statement of operation, non-consolidated balance sheet, non-consolidated statement of operation; hereinafter the same). Due to differences of accounting, legal, and other systems as well as language, etc., this English version might contain inaccuracies, and therefore, might be inconsistent with the original import intended in Japanese version. Certain parts of the translation may have been edited to accommodate differences in writing style and expression between English and Japanese version. In the event of any discrepancies between the Japanese and English version, the former shall prevail. Furukawa Electric Co., Ltd. shall accept no responsibility or liability for damage or loss caused by any error, inaccuracy, or misunderstanding with regard to this translation.

[Translation for Reference Purpose Only]

Proposal One: Dividends from surplus

The Company's capital allocation policy is to strike a balance among investments in growth and new business opportunity, improvement of balance sheet and shareholder returns, with management priority.

Based on this policy, as its shareholder return policy during the period of the Medium-term Management Plan (MTMP) "Road to Vision 2030: Transform and Challenge" ending in FY2025, the Company will focus its investment in growth segments in order to increase corporate value through profit growth, and provide a return to shareholders in a stable and continuous manner. Specifically, the Company will make performance-linked dividend distribution, that is projected to be roughly 30% of profit attributable to owners of parent.

It is proposed that the year-end dividends for the current fiscal year be 80 yen per share.

- (1) Matters concerning allotment of dividend assets to shareholders and total amount of dividends
 - 80 yen per common share of the Company
 - Total amount: 5,649,317,120yen
- (2) Effective date of the dividend from surplus
 - June 26, 2023

[Translation for Reference Purpose Only]

Proposal Two: Election of eleven (11) Directors

The term of office of all Directors (11 Directors) will expire at the close of the Annual Shareholders Meeting. We therefore request you to appoint 11 Directors.

The candidates for Directors are as shown below.

Candidate no.	Name		Position/responsibilities
1	Keiichi Kobayashi	Re-election	Chairman and Director
2	Hideya Moridaira	Re-election	President and Representative Director
3	Osamu Tsukamoto	Re-election Candidate for Outside Director, Independent Officer	Outside Director
4	Takashi Tsukamoto	Re-election Candidate for Outside Director, Independent Officer	Outside Director
5	Yoshiro Miyokawa	Re-election Candidate for Outside Director, Independent Officer	Outside Director
6	Yukiko Yabu	Re-election Candidate for Outside Director, Independent Officer	Outside Director
7	Tamotsu Saito	Re-election Candidate for Outside Director, Independent Officer	Outside Director
8	Satoshi Miyamoto	Re-election	Director and Corporate Executive Vice President General Manager, Strategy Division
9	Akihiro Fukunaga	Re-election	Director and Corporate Senior Vice President General Manager, Finance & Accounting Division

[Translation for Reference Purpose Only]

10	Yoshio Masutani	Re-election	Director and Corporate Senior Vice President General Manager, Global Marketing Sales Division
11	Toshio Yanagi	Election	Corporate Vice President General Manager, Risk Management Division

The Company board of directors selected the candidates here based on the reports from Nominating/ Compensation Committee majority members and Chairman of which are outside directors.

Please see the following pages for the individual candidates' background, anticipated role in the board and other information.

[Translation for Reference Purpose Only]

1.	Keiichi Kobayashi	[Date of Birth: June 24, 1959]
■Brief history April 1985 Joined Furukawa Electric Co., Ltd. April 2014 Corporate Vice President and General Manager of Copper & High Performance Material Products Division April 2015 Corporate Senior Vice President, Advisor of Automotive Electronics Material Business, and General Manager of Copper & High Performance Material Products Division June 2015 Director and Corporate Senior Vice President, Advisor of Automotive Electronics Material Business, and General Manager of Copper & High Performance Material Products Division April 2016 Representative Director and Corporate Executive Vice President, General Manager of Global Marketing Sales Division April 2017 President and Representative Director April 2023 Chairman and Director (present post)		
Number of shares in the Company 9,300 Shares Number of Potential shares (*1) 36,682 Shares		
The Number of Attendance at the Board of Directors Meetings 17 out of 17 times The Number of Attendance at Nominating/ Compensation Committee 8 out of 9 times (*3)		
■Important Concurrent Posts N/A		
■Reasons for selection as a candidate for Director Mr. Keiichi Kobayashi has been engaged in the management of our Group, including in the capacity of President & Representative Director, for long years, and has extensive experience and in-depth insight in business operations and marketing/sales. Since April this year, in the capacity of the chairperson of the Board of Directors being a non-executive officer, he has been supervising business execution by the management team including the President. The Company expects that his wealth of experience in managing our Group and his advanced knowledge of technologies in our core business areas will contribute to stimulating strategic discussion at the Board of Directors to realize “Furukawa Electric Group Vision 2030” formulated by looking toward 2030 as well as further strengthening of corporate governance. Therefore, the Company requests his re-election as a Director.		

[Translation for Reference Purpose Only]

2.	Hideya Moridaira	[Date of Birth: July 13, 1965]
■Brief history April 1990 Joined Furukawa Electric Co., Ltd. Mar. 2011 Manager, Strategic Planning Group, Intellectual Property Department April 2013 Assistant Section Chief, Corporate Planning Section, Strategy Division April 2014 Section Chief, Corporate Planning Section, Strategy Division April 2016 General Manager, Planning & Administration Department, Communications Solutions Division April 2017 Deputy General Manager of Communications Solutions Division, General Manager of Planning & Administration Department (concurrent posts) Feb. 2020 General Manager of Optical Fiber & Cable Products Division in Communications Solutions Division April 2020 Corporate Vice President, General Manager of Optical Fiber & Cable Products Division in Communications Solutions Division April 2021 Corporate Vice President, General Manager of Communications Solutions Division, General Manager of Optical Fiber & Cable Products Division (concurrent posts) May 2021 Corporate Vice President, General Manager of Communications Solutions Division April 2022 Corporate Senior Vice President, General Manager of Communications Solutions Division June 2022 Director and Corporate Senior Vice President, General Manager of Communications Solutions Division April 2023 President and Representative Director (present post)		
Number of shares in the Company 3,600 Shares		
Number of Potential shares (*1) 2,766 Shares		
The Number of Attendance at the Board of Directors Meetings 13 out of 13 times (*2)		
■Important Concurrent Posts N/A		
■Reasons for selection as a candidate for Director Mr. Hideya Moridaira has significant experience in production technologies and intellectual properties, and led Corporate Planning Section in formulating the previous Medium-term Management Plan. Since 2016, he has served as General Manager of Communications Solutions Division (global business) to promote the transformation of overall Communications Solutions business, thus he has extensive experience in business operations as well as advanced knowledge of technologies in core business areas of our Group. Since April this year, he has assumed the position of President & Representative Director, and played a role in firmly advancing the Medium-term Management Plan (MTMP) “Road to Vision 2030: Transform and Challenge” under his excellent leadership, and further increasing corporate value toward realizing “Furukawa Electric Group Vision 2030”. Therefore, the Company requests his re-election as a Director.		

3.	Osamu Tsukamoto	[Date of Birth: June 11, 1953]
Candidate for outside Director and Independent Officer		
■Brief history April 1977 Joined the Ministry of International Trade & Industry (presently Ministry of Economy, Trade & Industry) July 2003 Deputy Director-General for Regional Economic and Industrial Policy Group, and Agency for Natural Resources and Energy June 2004 Director-General for Manufacturing Industries Bureau July 2006 Deputy Director-General for Technology Policy Coordination July 2008 Director-General, Kanto Bureau for Economy, Trade and Industry July 2009 Director-General for Regional Economic and Industrial Policy July 2010 Retire from office Oct. 2010 Distinguished Professor of Tokyo University of Science Oct. 2010 Advisor of Furukawa Electric Co., Ltd. (part-time) June 2013 Director (Outside) of Furukawa Electric Co., Ltd. (present post) Mar. 2014 Retire from Distinguished Professor of Tokyo University of Science June 2014 President of Japan Coal Energy Center (presently JAPAN CARBON FRONTIER ORGANIZATION, present post)		
Number of shares in the Company 500 Shares		
The Number of Attendance at the Board of Directors Meetings 17 out of 17 times		
The Number of Attendance at Nominating/ Compensation Committee 9 out of 9 times (*3)		
■Important Concurrent Posts President of JAPAN CARBON FRONTIER ORGANIZATION		
■Reasons for selection as a candidate for Director and expected roles Mr. Osamu Tsukamoto has many years of experience in industrial policies at the Ministry of Economy, Trade and Industry as well as broad knowledge especially in environment and energy fields, despite the fact that he has not been directly involved in corporate management other than serving as an outside director of the Company. Since he assumed the position of Outside Director of the Company, he has actively provided advice and suggestions mainly on research & development, business strategy, and product quality, taking into account the government's economic policies and market trends. While the Group will further focus on developing new technologies and new businesses, his advice and recommendations backed by his in-depth insights into industry policies, especially in the environment and energy areas, will be extremely useful. In addition, the Company expects that he will contribute to strengthening the oversight function of the Board of Directors from an independent viewpoint. Therefore, the Company requests his re-election as an Outside Director.		

[Translation for Reference Purpose Only]

4.	Takashi Tsukamoto	[Date of Birth: August 2, 1950]
Candidate for outside Director and Independent Officer		
■Brief history April 1974 Joined The Dai-Ichi Kangyo Bank., Ltd. (presently Mizuho Bank, Ltd.) April 2002 Executive Officer / General Manager of Human Resources Division of Mizuho Corporate Bank, Ltd. (presently Mizuho Bank, Ltd.) Mar. 2003 Managing Executive Officer / Head of Risk Management Group and Head of Human Resources Group of Mizuho Financial Group, Inc. April 2004 Managing Executive Officer / Head of Europe, Middle East and Africa of Mizuho Corporate Bank, Ltd. Mar. 2006 Managing Director / Chief Strategy Officer and Chief Financial Officer of Mizuho Corporate Bank, Ltd. April 2007 Deputy President of Mizuho Corporate Bank, Ltd. April 2008 Deputy President-Executive Officer / Head of Financial Control and Accounting Group of Mizuho Financial Group, Inc. June 2008 Deputy President / Head of Financial Control and Accounting Group of Mizuho Financial Group, Inc. April 2009 President & CEO of Mizuho Financial Group, Inc. June 2011 Chairman of Mizuho Financial Group, Inc. and President & CEO of Mizuho Bank, Ltd. July 2013 Chairman of Mizuho Financial Group, Inc. and Chairman of Mizuho Bank, Ltd. Nov. 2013 Chairman of Mizuho Financial Group, Inc. April 2014 Senior Advisor of Mizuho Financial Group April 2017 Honorary Advisor of Mizuho Financial Group (present post) June 2017 Outside Audit & Supervisory Board Member of Furukawa Electric Co., Ltd. June 2021 Director (Outside) of Furukawa Electric Co., Ltd. (present post)		
Number of shares in the Company 4,200 Shares		
The Number of Attendance at the Board of Directors Meetings 17 out of 17 times		
The Number of Attendance at Nominating/ Compensation Committee 9 out of 9 times (*3)		
■Important Concurrent Posts Honorary Advisor of Mizuho Financial Group / Director (Outside) of Asahi Mutual Life Director (Outside) of AEON CO., LTD. / Director (Outside) of Internet Initiative Japan Inc.		
■Reasons for selection as a candidate for Director and expected roles Mr. Takashi Tsukamoto has held several leadership positions, including Director in charge of Finance and Representative Director, in a financial institution, and has a wealth of experience and extensive knowledge of overall corporate management, including finance and accounting. Since he assumed the position of Outside Director of the Company in 2021, he has actively provided advice and recommendations mainly on business strategy, group management, financial policies and investor relations from the perspectives of the Group's global management as well as shareholders and other stakeholders. Furthermore, he has demonstrated his leadership as the chairperson of Nominating/ Compensation Committee as well as outside officer meetings, while taking initiative as the lead outside officer by sharing the recognition of the Company's management challenges among outside officers and by ensuring cooperation between outside officers and the management/Audit & Supervisory Board (Members). As such, he has significantly contributed to improving the Company's corporate governance. As the Group will work on strengthening the corporate governance system and promoting global corporate management, his advice and recommendations on corporate management and finance/accounting based on his experience and expertise, as well as his leadership will be extremely beneficial for the Company. In addition, the Company expects that he will contribute to strengthening the oversight function of the Board of Directors from an independent viewpoint. Therefore, the Company requests his re-election as an Outside Director.		

[Translation for Reference Purpose Only]

5.	Yoshiro Miyokawa	[Date of Birth: December 28, 1952]
Candidate for outside Director and Independent Officer		
■Brief history April 1975 Joined Yamanouchi Pharmaceutical Co., Ltd. (presently Astellas Pharma Inc.) Jan. 2003 General Manager, Business Process Innovation Promotion Department, Yamanouchi Pharmaceutical Sept. 2004 Leader, Integration Secretariat, Merger Preparatory Committee, Group Strategy Planning Department, Yamanouchi Pharmaceutical April 2005 General Manager, Integration Promotion Department, Astellas Pharma Inc. Sept. 2005 Executive Officer and General Manager, Business Innovation Department, Astellas Pharma Inc. April 2006 Executive Officer and General Manager, Human Resources Department, Astellas Pharma Inc. April 2008 Executive Officer and Chief Administrative Officer, Astellas Pharma Inc. June 2008 Senior Executive Officer and Chief Administrative Officer, Astellas Pharma Inc. June 2011 Vice President and Executive Officer, Astellas Pharma Inc. June 2013 Representative Director & Vice President, Chief Administrative Officer, and Chief Compliance Officer, Astellas Pharma Inc. June 2017 Retired from Astellas Pharma Inc. June 2019 Director (Outside) of Furukawa Electric Co., Ltd. (present post)		
Number of shares in the Company 2,700 Shares		
The Number of Attendance at the Board of Directors Meetings 17 out of 17 times		
The Number of Attendance at Nominating/ Compensation Committee 9 out of 9 times (*3)		
■Important Concurrent Posts N/A		
■Reasons for selection as a candidate for Director and expected roles Mr. Yoshiro Miyokawa assumed prominent administrative positions and served as Representative Director & Vice President at a large pharmaceutical company and has extensive experience and in-depth insight in corporate management, compliance, and corporate governance. Since he assumed the position of Outside Director of the Company, he has actively provided advice and recommendations mainly on corporate governance, business strategy, and human resource development to improve governance of the entire Group. While the Company will work on enhancing the group governance system for the entire Group, his advice and recommendations on corporate management and compliance based on his experience and expertise will be extremely useful. In addition, the Company expects that he will contribute to strengthening the oversight function of the Board of Directors from an independent viewpoint. Therefore, the Company requests his re-election as an Outside Director.		

[Translation for Reference Purpose Only]

6.	Yukiko Yabu	[Date of Birth: June 23, 1958]
Candidate for outside Director and Independent Officer		
■Brief history April 1981 Joined Matsushita Electric Industrial Co., Ltd. (presently Panasonic Corporation) Jan. 2006 Director of Lifestyle Value Research Laboratory, R&D Headquarters, Home Appliances Company, Matsushita Electric Industrial Co., Ltd. Jan. 2011 Director of Global Consumer Research Center, Corporate Brand Strategy Division, Panasonic Corporation April 2012 Director of Consumer Research Center, Global Consumer Marketing Sector, Panasonic Corporation April 2013 Director and Group Manager responsible for consumer research at the Global Marketing Planning Center, Appliances Company, Panasonic Corporation Mar. 2014 Retired from Panasonic Corporation June 2014 Director (Outside) of DUSKIN CO., LTD. June 2015 Director (Outside) of TAKARA HOLDINGS INC. June 2016 Director (Outside) of Daiwa House Industry Co., Ltd. (present Post) June 2019 Director (Outside) of Furukawa Electric Co., Ltd. (present post) June 2021 Director (Outside), Audit and Supervisory Committee Member of IBIDEN CO., LTD (present post)		
Number of shares in the Company 1,700 Shares		
The Number of Attendance at the Board of Directors Meetings 16 out of 17 times		
The Number of Attendance at Nominating/ Compensation Committee 9 out of 9 times (*3)		
■Important Concurrent Posts Director (Outside) of DAIWA HOUSE INDUSTRY CO., LTD. Director (Outside), Audit and Supervisory Committee Member of IBIDEN CO., LTD		
■Reasons for selection as a candidate for Director and expected roles Ms. Yukiko Yabu has served as outside director of several listed companies including our Company, although she has not engaged in corporate management in any other capacity; and has a wealth of experience and advanced knowledge of customer-oriented marketing and product development based on her experience with a leading electrical appliance manufacturer. Since she assumed the position of Outside Director of the Company, she has actively provided advice and recommendations mainly on business strategy, marketing, and diversity from a broad perspective. While the Group will accelerate global sales expansion, her advice and recommendations based on her experience and expertise in marketing and product development, among others, will be extremely useful. In addition, the Company expects that she will contribute to strengthening the oversight function of the Board of Directors from an independent viewpoint. Therefore, the Company requests her re-election as an Outside Director.		

[Translation for Reference Purpose Only]

7.	Tamotsu Saito	[Date of Birth: July 13, 1952)]
Candidate for outside Director and Independent Officer		
■Brief history April 1975 Joined Ishikawajima-Harima Heavy Industries Co., Ltd (presently IHI Corporation) June 2006 Executive Officer, Vice President of Aero-Engine & Space Operations of Ishikawajima-Harima Heavy Industries Co., Ltd. Jan. 2008 Executive Officer, President of Aero-Engine & Space Operations of IHI Corporation April 2008 Director, Executive Officer, President of Aero Engine & Space Operations of IHI Corporation April 2009 Director, Managing Executive Officer, President of Aero-Engine & Space Operations of IHI Corporation April 2011 Executive Vice President of IHI Corporation April 2012 President, Chief Executive Officer of IHI Corporation April 2016 Chairman of the Board, Chief Executive Officer of IHI Corporation April 2017 Chairman of the Board of IHI Corporation April 2020 Director of IHI Corporation June 2020 Senior Counselor of IHI Corporation (present post) June 2021 Director (Outside) of Furukawa Electric Co., Ltd. (present post)		
Number of shares in the Company 700 Shares		
The Number of Attendance at the Board of Directors Meetings 17 out of 17 times		
The Number of Attendance at Nominating/ Compensation Committee 9 out of 9 times (*3)		
■Important Concurrent Posts Senior Counselor of IHI Corporation Director (Outside) of JAPAN POST INSURANCE Co., Ltd. Director (Outside) of Oki Electric Industry Co., Ltd. Director (Outside) of KAJIMA CORPORATION		
■Reasons for selection as a candidate for Director and expected roles Mr. Tamotsu Saito has held several leadership positions including President & Representative Director and Chairman of one of Japan's leading heavy manufacturers, and has a wealth of experience and extensive expertise of global corporation management and overall manufacturing (<i>monozukuri</i>). Since he assumed the position of Outside Director of the Company, he has actively provided advice and recommendations mainly on business strategy, manufacturing (<i>monozukuri</i>), and finance and accounting from the perspective of the Group's global management. While the Group plans to further expand business as a manufacturer in the future, his advice and recommendations based on his experience and expertise in corporate management and manufacturing will be extremely useful. In addition, the Company expects that he will contribute to strengthening the oversight function of the Board of Directors from an independent viewpoint. Therefore, the Company requests his re-election as an Outside Director.		

[Translation for Reference Purpose Only]

8.	Satoshi Miyamoto	[Date of Birth: February 20, 1962]
■Brief history April 1984 Joined Ministry of Trade and Industry (current Ministry of Economy, Trade and Industry) July 1999 Director, Information Disclosure Promotion Office, Public Relations Office, Minister's Secretariat, Ministry of Economy, Trade and Industry June 2001 Deputy Director, Japan External Trade Organization (JETRO) New York Center June 2004 Director, Commodity Derivatives Division, Commerce and Information Policy Bureau, Ministry of Economy, Trade and Industry April 2006 Canon Inc. (exchange via Act on Personnel Exchange Between the Government Sector and Private Enterprises) June 2010 Counselor to the Commissioner of the Small and Medium Enterprise Agency, Ministry of Economy, Trade and Industry April 2011 Councilor for Policy Evaluation, Minister's Secretariat, Ministry of Economy, Trade and Industry Feb. 2012 Councilor, Minister's Secretariat, Ministry of Economy, Trade and Industry (Manufacturing Industries Bureau) June 2013 Deputy Chairman, JETRO Oct. 2015 Deputy Commissioner of the Small and Medium Enterprise Agency, Ministry of Economy, Trade and Industry June 2016 Commissioner of the Small and Medium Enterprise Agency, Ministry of Economy, Trade and Industry July 2017 Retired from the Ministry of Economy, Trade and Industry Nov. 2017 Advisor (full-time), Furukawa Electric Co., Ltd. April 2018 Corporate Vice President, and General Manager, Administration & CSR Division April 2019 Corporate Senior Vice President, and General Manager, Administration & CSR Division June 2019 Director and Corporate Senior Vice President, and General Manager, Administration & CSR Division April 2021 Director and Corporate Senior Vice President, and General Manager, Business Basis Transformation Division April 2022 Director and Corporate Executive Vice President, and General Manager, Strategy Division (present Post)		
Number of shares in the Company 3,300 Shares		
Number of Potential shares (*1) 7,334 Shares		
The Number of Attendance at the Board of Directors Meetings 17 out of 17 times		
■Important Concurrent Posts N/A		
■Reasons for selection as a candidate for Director During his career at the Ministry of Economy, Trade and Industry, Mr. Satoshi Miyamoto assumed several prominent positions, including Councilor of the Minister's Secretariat (Manufacturing Industries Bureau) and Commissioner of the Small and Medium Enterprise Agency, etc. and has a wealth of experience and knowledge in industrial policies, as well as a wide network of connections. Since 2018, he has led various divisions of the Company related to legal affairs and compliance, human resources, sustainability, and group management strategy, while promoting various measures; and also led discussions and initiatives concerning the optimization of the business portfolio and allocation of management resources. Toward realizing “Furukawa Electric Group Vision 2030”, the Company expects that his perspectives of ESG management and sustainability will contribute to strategic discussions at the Board of Directors meetings for “strengthening the foundation for ESG management” under new Medium-term Management Plan. Therefore, the Company requests his re-election as a Director.		

[Translation for Reference Purpose Only]

9.	Akihiro Fukunaga	[Date of Birth: January 29, 1964]
■Brief history April 1986 Joined Furukawa Electric Co., Ltd. Nov. 2005 Senior Vice President and Chief Financial Officer, OFS Fitel, LLC Aug. 2009 Manager, Accounting Section 2, Finance & Accounting Department Aug. 2011 Manager, Accounting Section 1, Finance & Accounting Department June 2013 Manager, Finance & Accounting Section, Finance & Accounting Department, Finance & Procurement Division Nov. 2013 General Manager, Global Group Management Office, Global Group Management Division April 2016 General Manager, Finance & Accounting Department, Finance & Procurement Division April 2018 Corporate Vice President, and General Manager, Global Management Division April 2019 Corporate Vice President, and General Manager, Finance & Global Management Division June 2019 Director and Corporate Vice President, and General Manager, Finance & Global Management Division April 2021 Director and Corporate Senior Vice President, and General Manager, Finance & Global Management Division April 2022 Director and Corporate Senior Vice President, and General Manager, Finance & Accounting Division (present Post)		
Number of shares in the Company 5,000 Shares		
Number of Potential shares (*1) 4,838 Shares		
The Number of Attendance at the Board of Directors Meetings 17 out of 17 times		
■Important Concurrent Posts N/A		
■Reasons for selection as a candidate for Director Mr. Akihiro Fukunaga assumed the position of CFO of our U.S. subsidiary and leadership positions in the accounting division, and also directed and improved business management of affiliated companies in Japan and overseas as General Manager of Global Group Management Division. As such, he has considerable experience and knowledge in finance and accounting as well as group management. Since 2019, he has led Finance and Global Management Division and then, Finance & Accounting Division as General Manager, and has worked on further strengthening the Group's financial position and promoted the Group's global management. Toward realizing "Furukawa Electric Group Vision 2030", the Company expects that his perspectives based on his extensive knowledge of finance and accounting in Japan and abroad will contribute to strategic discussions at the Board of Directors meetings for "maximizing revenue from existing businesses by focusing on capital efficiency" under new Medium-term Management Plan. Therefore, the Company requests his re-election as a Director.		

[Translation for Reference Purpose Only]

10.	Yoshio Masutani	[Date of Birth: September 29, 1965]
■Brief history		
April 1989	Joined Okura & Co., Ltd.	
July 1993	Okura & Co. UK Ltd.	
Oct. 1998	Joined Furukawa Electric Co., Ltd.	
April 2011	General Manger of Overseas Sales Department, Communications Company	
April 2013	General Manager of Overseas Sales Department, Environment/Infrastructure Sales Division, Sales Marketing Division	
April 2015	General Manager of Overseas Sales Department, Global Business Division, and General Manager of Overseas Sales Department, Environment/Infrastructure Sales Division, Sales Marketing Division	
July 2015	Deputy General Manager of Copper Foil Division, and General Manager of Sales Department, Copper Foil Division	
April 2017	General Manager of Planning & Administration Department, Global Marketing Sales Division	
April 2018	General Manager of Group Marketing Department, Global Marketing Sales Division	
April 2020	Corporate Vice President, General Manager of Business Innovation Design Department, Global Marketing Sales Division	
April 2021	Corporate Vice President, Deputy General Manager of Corporate Strategy & Direction Division, General Manager of Social Design & New Business Development Department, General Manager of OneF Mobility Business Development Team	
April 2022	Corporate Senior Vice President, General Manager of Global Marketing Sales Division	
June 2022	Director and Corporate Senior Vice President, General Manager of Global Marketing Sales Division (present post)	
Number of shares in the Company 3,800 Shares		
Number of Potential shares (*1) 2,766 Shares		
The Number of Attendance at the Board of Directors Meetings 13 out of 13 times (*2)		
■Important Concurrent Posts		
N/A		
■Reasons for selection as a candidate for Director		
Mr. Yoshio Masutani has long experience in product sales and business planning mainly in Infrastructure segment, which is one of the focus areas of the Group. Since 2020, he has been leading the division in charge of creating new businesses: he has not only engaged in sales expansion, but also worked on strengthening our ability to make proposals to customers and developing a new business model, thus has extensive experience and advanced knowledge of sales and marketing. Since 2022, as Global Marketing Sales Division Head, he has promoted various measures to facilitate the Group’s business development in the global market. Toward realizing “Furukawa Electric Group Vision 2030”, the Company expects that his extensive experience and expertise in sales and marketing will contribute to strategic discussions at the Board of Directors meetings for “strengthening the foundation for the creation of new businesses by strengthening development and proposal capabilities” under new Medium-term Management Plan. Therefore, the Company requests his election as a new Director.		

[Translation for Reference Purpose Only]

11.	Toshio Yanagi	[Date of Birth: January 26, 1966]
■Brief history April 1988 Joined Furukawa Electric Co., Ltd. April 2003 Manager, Planning & Administration Unit, FITEL Products Division Feb.2008 Assistant Manager, Corporate Planning Department April 2013 Senior Manager, Planning Unit, Copper Foil Division April 2016 General Manager, Corporate Planning Department, Strategy Division□ April 2018 General Manager, Corporate Planning Department, Strategy Division April 2020 Corporate Vice President, General Manager, Copper Foil Division, Functional Products Division April 2021 Corporate Vice President, General Manager, Risk Management Division (present post)		
Number of shares in the Company 2,900 Shares Number of Potential shares (*1) 1,236 Shares		
Number of Attendance at the Board of Directors Meetings N/A		
■Important Concurrent Posts N/A		
■Reasons for selection as a candidate for Director Mr. Toshio Yanagi has led the Group's structural reform as the manager of Corporate Planning Section and then Copper Foil Business Department. Since 2021, he has led various divisions related to legal affairs and compliance, risk management and environment, and took initiatives for further improving the level of the Group's governance and risk management; and thus, has a wealth of experience and advance knowledge in such areas. He continues to play the role to promote initiatives related to establishing well-balanced (growth oriented vs. defensive) corporate governance structure of the Group. Toward realizing "Furukawa Electric Group Vision 2030", the Company expects that his experience and knowledge in legal affairs and compliance as well as environment will contribute to discussions at the Board of Directors for advancing the initiative of "strengthening the foundation for ESG management" as stated in the Medium-term Management Plan "Road to Vision 2030: Transform and Challenge". Therefore, the Company requests his election as a new Director.		

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(*1) The number of potential shares represents the number of shares equivalent to vested points granted to each Director under the stock remuneration plan utilizing the trust.

(*2) In FY2022, the Board of Directors met 17 times. Because Mr. Hideya Moridaira and Mr. Yoshio Masutani were newly appointed as Directors at the 200th Annual Shareholder Meeting held on June 23, 2022, the number of eligible Board meetings is different from that for other Directors.

(*3) The Company established the Nomination/Compensation Committee, which is a voluntary committee consisting of the majority of Outside Directors and chaired by an Outside Director for the purposes of appointing/removing and evaluating Directors as well as discussing remuneration for the management.

[Note] Matters concerning candidates for Directors

1. Mr. Keiichi Kobayashi is nominated as a candidate for outside director at the general shareholders' meeting of NTT DATA Japan Preparation Corporation (to be renamed as NTT DATA Japan Corporation on July 1, 2023) to be held on June 16, 2023.
2. Mr. Osamu Tsukamoto, Mr. Takashi Tsukamoto, Mr. Yoshiro Miyokawa, Ms. Yukiko Yabu and Mr. Tamotsu Saito are currently Outside Directors of the Company and their term will be ten (10) years, two (2) years, four (4) years, four (4) years and two (2) years respectively at the close of the Annual shareholders meeting.
3. The relationship between the firm from which the candidate for Outside Directors came and the Company are as follows.

1) Concerning Mr. Osamu Tsukamoto, in light of the independence Standards for outside officers specified by the Tokyo Stock Exchange and the Company, it is our judgement that he is independent from the Company, and the Company has registered him as an independent officer. When his re-election is approved, the Company will continue to register him as an independent officer. An advisory contract was entered into between Mr. Tsukamoto and the Company in October 2010. Since then, the Company has been receiving professional advice from him on the business fields of the Company Group. After he became an Outside Director in June 2013, the Company continued to pay compensations for his advice in his area of expertise in addition to the remuneration for Outside Director and will continue to do so after he is re-elected as a Director. The amount of the compensation which the Company has paid to him so far and will pay this year is less than 5 million yen, which is lower than the threshold specified in the Company's Independence Standards. Furthermore, the Company is a supporting member of the JAPAN CARBON FRONTIER ORGANIZATION, where he serves as President, and pays an annual membership fee. The amount of the annual membership fees which the Company has paid so far and will pay this year is approx. 1 million yen per year, which is lower than the threshold specified in the Company's Independence Standards.

2) Concerning Mr. Takashi Tsukamoto, in light of the independence Standards for outside

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officers specified by the Tokyo Stock Exchange and the Company, it is our judgement that he is independent from the Company. When his appointment is approved, the Company will register him as an independent director. Mizuho Bank, Ltd., where Mr. Tsukamoto served as President & CEO in the past, holds 3.42% (including shares placed in a retirement benefit trust) of the Company's outstanding shares, and the Group borrowed 68,359 million yen per year as of the end of FY2022. He had served as an executive or non-executive officer of Mizuho Bank, Ltd., which is one of our main creditor banks (refer to the Company's Independence Standards (3)) in the past 10 years.

3) Concerning Mr. Yoshiro Miyokawa, in light of the independence Standards for outside officers specified by the Tokyo Stock Exchange and the Company, it is our judgement that he is independent from the Company, and the Company has registered him as an independent officer. When his re-election is approved, the Company will continue to register him as an independent officer. There is no special interest between Mr. Miyokawa and the Company.

4) Concerning Ms. Yukiko Yabu, in light of the independence Standards for outside officers specified by the Tokyo Stock Exchange and the Company, it is our judgement that she is independent from the Company, and the Company has registered her as an independent officer. When her re-election is approved, the Company will continue to register her as an independent officer. Between the Company and Panasonic Corporation, for which Ms. Yabu worked until March 2014, there is a business relationship where the Company sells metal products to Panasonic Corporation. However, the total trading amount in FY2022 was approx. 2,083 million yen, and therefore, the amount is quite small.

5) Concerning Mr. Tamotsu Saito, in light of the independence Standards for outside officers specified by the Tokyo Stock Exchange and the Company, it is our judgement that he is independent from the Company. When his appointment is approved, the Company will register him as an independent director. There is no special interest between Mr. Saito and the Company.

4. With respect to the candidates for re-election, there are no specific facts of inappropriate business execution by the Company during the term of the Outside Director.
5. During the past five years, there were the following facts of inappropriate business execution by a candidate for the Company's Outside Director who served as an officer of another company:
Ms. Yukiko Yabu has served as an outside director of DAIWA HOUSE INDUSTRY CO., LTD. (hereinafter "Daiwa House") since June 2016. In March 2019, Daiwa House disclosed that its fund for approx. 1,415 million Chinese Yuan (23,400 million yen) was fraudulently withdrawn at its affiliate company in China. Furthermore, as a result of its internal investigation in response to a whistleblowing claim, Daiwa House found some of houses and apartment buildings to rent do not conform to the Building Regulations, and reported the fact to the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) in April 2019. Moreover, as a result of its internal investigation

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triggered by a whistleblowing claim, Daiwa House found that some employees took certification exams even though they had not met the requirement of certain work experience, and acquired the certification of construction managing engineer, and that some of such employees were assigned as technical experts at construction sites. Daiwa House reported such facts to the MLIT in December 2019. Consequently, in November 2021, Daiwa House received instructions and business suspension penalties imposed by the MLIT in accordance with the Construction Business Act.

Ms. Yabu was not aware of such facts in advance, but she has called attention to the importance of legal compliance on a regular basis at the Board of Directors, Joint Member Council, and Corporate Governance Committee, etc., based on her extensive experience and in-depth insights. After such facts were found out, she performed her duties by actively taking part in the fact-finding, causal analysis, and consideration of measures for preventing a recurrence, and calling for appropriate measures to strengthen the compliance system and ensure compliance.

Mr. Tamotsu Saito served as Director of IHI Corporation (“IHI”) from April 2008 to June 2020. During his term of office, it was found that, in IHI’s Civil Aero Engines Maintenance business, airplane engines were improperly inspected. In March 2019, IHI received an order from the Ministry of Economy, Trade and Industry to repair the engines using the repair method approved in accordance with the Aircraft Manufacturing Industry Act. In April 2019, IHI also received a business improvement order based on the Civil Aeronautics Act from the Ministry of Land, Infrastructure, Transport and Tourism.

Mr. Tamotsu Saito has also served as Outside Director of Japan Post Insurance Co., Ltd. from June 2017 up to now. It was found that salespeople of the insurance company encouraged customers to switch insurance contracts against their wishes and may have undermined the interests of the customers. Consequently, on December 27, 2019, the Financial Services Agency took an administrative action against the insurance company in accordance with the Insurance Business Act. Mr. Saito, however, regularly makes recommendations from the viewpoint of legal compliance, and after the case was found, he made recommendations for protecting customers and preventing the reoccurrence of such cases. Accordingly, he has performed his duties.

6. Overview of limited liability agreement

It is stipulated in the Articles of Incorporation that the Company may enter into limited liability agreements with Outside Directors to bring qualified human resources capable of fulfilling expected roles in performing their duties. Accordingly, Mr. Osamu Tsukamoto, Mr. Takashi Tsukamoto, Mr. Yoshiro Miyokawa, Ms. Yukiko Yabu and Mr. Tamotsu Saito, as Outside Directors, concluded the limited liability agreements with the Company, which will continue to be effective. If their re-election are approved and they assume the positions of Outside Directors, The Company will conclude limited liability agreements with them. The limit of liabilities under the agreements is the minimum amount provided for in laws and regulations.

[Translation for Reference Purpose Only]

7. Overview of Indemnity Agreement

The Company has concluded an indemnity agreement set forth in Article 430-2, Paragraph 1 with each of Directors and Audit & Supervisory Board Members. In case candidates for Directors and Audit & Supervisory Board Members are re-elected and re-assume their positions, the respective agreement will remain in force. Furthermore, in case Mr. Toshio Yanagi assumes the position of Director, the Company will conclude such an indemnity agreement with him.

The indemnity agreement specifies that the Company shall compensate for expenses set forth in Item 1 and losses set forth in Item 2 of Paragraph 1 of the above-mentioned Article to the extent prescribed by laws and regulations. However, in the indemnity agreement, if bad faith or gross negligence on the part of Directors and other officers was found in relation to their execution of duties, the Company may claim refund of compensation; as such, the Company has taken measures for maintaining the adequacy of the execution of duties of Directors and other officers.

8. Overview of Directors and Officers Liability Insurance (D&O Insurance) agreement

The Company purchased a Directors and Officers Liability Insurance (D&O Insurance) policy, which covers Directors, Audit & Supervisory Board Members, and Corporate Vice Presidents, etc. (including those who retired on March 31, 1994 and thereafter) and their successors, in order to bring in competent people who fulfill expected roles in performing their duties. Among the candidates for Directors, those who are reappointed are already insured under the D&O insurance policy. In case they are re-elected and assume the position, they will continue to be insured. As for newly-appointed candidates, once they assume the position, they will be insured.

This insurance policy covers claims against insured directors/officers on the basis of their legal liability for damages caused by their actions (including failure to act) relating to their execution of duties, and litigation expenses that are incurred due to the liability claims against the directors/officers. However, there are some exclusions, for example, a case where the insured knowingly committed an illegal act. The Company bears all of the insurance premium.

The term of the policy is one year, and the Company will renew the policy in December 2023.

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Proposal Three: Election of one (1) Audit & Supervisory Board Member

The term of office of one Audit & Supervisory Board Member, Mr. Yoshiaki Mizota will expire at the close of this shareholders meeting. Therefore, the Company requests the election of one Audit & Supervisory Board Member, in order to maintain/strengthen its auditing system.

The candidate for Audit & Supervisory Board Member is as follows.

The Company obtained prior consent from the Audit & Supervisory Board regarding this proposal.

	Hiroyuki Ogiwara	[Date of Birth: February 18, 1961]
Candidate for Audit & Supervisory Board Member (full-time)		
■Brief history		
April 1983	Joined Furukawa Electric Co., Ltd.	
Dec. 2003	Vice President and Chief Financial Officer, OFS Fitel, LLC	
Nov. 2005	Section Manager, Accounting Section 2, Finance & Accounting Department	
June 2009	General Manager of the Finance & Accounting Department	
April 2013	General Manager of the Finance & Accounting Department, Finance & Procurement Division	
April 2014	Corporate Vice President, General Manager of the Finance & Procurement Division	
June 2014	Director and Corporate Vice President, General Manager of the Finance & Procurement Division	
April 2016	Director and Corporate Senior Vice President, General Manager of the Finance & Procurement Division and General Manager of Global Group Management Division	
April 2017	Director and Corporate Executive Vice President, General Manager of the Finance & Procurement Division and General Manager of Global Group Management Division	
April 2018	Director and Corporate Executive Vice President, General Manager, Finance & Procurement Division	
April 2019	Representative Director and Corporate Senior Executive Vice President, Chief of Transformation Division	
April 2021	Representative Director and Corporate Senior Executive Vice President, General Manager, Corporate Strategy & Direction Division	
April 2022	Director and Corporate Senior Executive Vice President	
June 2022	Corporate Senior Executive Vice President	
April 2023	Advisor (present post)	
Number of shares in the Company 7,300 Shares		
Number of Potential shares (*1) 18,044 Shares		
The Number of Attendance at the Board of Directors Meetings 4 out of 4 times (*2)		
Number of Attendance at Audit & Supervisory Board N/A		
■Important Concurrent Posts		
N/A		
■Reasons for selection as a candidate for Audit & Supervisory Board Member		
Mr. Hiroyuki Ogiwara assumed various positions in the Group, including CFO of our U.S. subsidiary and Finance and Procurement Division Head of the Company, continuously supporting the financial aspect of the Group’s businesses. Furthermore, since 2019, he has been responsible for the Group’s transformation activities, and firmly advanced such transformation activities for increasing earnings power and strengthening organizational execution ability of the entire Group. Along with that, he has assisted the President’s decision-making on business execution in the capacity of Corporate Senior Executive Vice President. Thus, he has a wealth of experience and knowledge in finance/accounting and the Group management. The Company expects that his experience and knowledge will contribute to further cooperation		

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with accounting auditors as well as strengthening of our auditing system from the perspectives of the legality of our Group management and adequate risk management. Therefore, the Company requests his election as a new Audit & Supervisory Board Member.

(*1) The number of potential shares represents the number of shares equivalent to vested points granted to each Director under the stock remuneration plan utilizing the trust.

(*2) In FY2022, the Board of Directors met 17 times. As Mr. Hiroyuki Ogiwara retired from the position of Director due to the expiry of his term at the end of the 200th Annual Shareholders Meeting held on June 23, 2022, the total number of eligible meetings for him was 4.

[Note] Matters concerning the candidate for Audit & Supervisory Board Member

1. Mr. Hiroyuki Ogiwara is nominated as a candidate for an outside director at the ordinary general meeting of shareholders of Asahi-Seiki Manufacturing Co., Ltd. to be held on June 28, 2023.

2. Overview of Indemnity Agreement

The Company has concluded an indemnity agreement set forth in Article 430-2, Paragraph 1 with each of Directors and Audit & Supervisory Board Members. In case Mr. Hiroyuki Ogiwara assumes the position of Audit & Supervisory Board Member, the Company will conclude such an indemnity agreement with him.

The indemnity agreement specifies that the Company shall compensate for expenses set forth in Item 1 and losses set forth in Item 2 of Paragraph 1 of the above-mentioned Article to the extent prescribed by laws and regulations. However, in the indemnity agreement, if bad faith or gross negligence on the part of Directors and other officers was found in relation to their execution of duties, the Company may claim refund of compensation; as such, the Company has taken measures for maintaining the adequacy of the execution of duties of Directors and other officers.

3. Overview of Directors and Officers Liability Insurance (D&O Insurance) agreement

The Company purchased a Directors and Officers Liability Insurance (D&O Insurance) policy, which covers Directors, Audit & Supervisory Board Members, and Corporate Vice Presidents, etc. (including those who retired on March 31, 1994 and thereafter) and their successors, in order to bring in competent people who fulfill expected roles in performing their duties. As for newly-appointed candidates, once they assume the position, they will be insured.

This insurance policy covers claims against insured directors/officers on the basis of their legal liability for damages caused by their actions (including failure to act) relating to their execution of duties, and litigation expenses that are incurred due to the liability claims against the directors/officers. However, there are some exclusions, for example, a case where the insured knowingly committed an illegal act. The Company bears all of the insurance premium.

The term of the policy is one year, and the Company will renew the policy in December 2023.

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Proposal Four: Election of one (1) Reserve Audit & Supervisory Board Member

The effective terms of the resolution on the election of a substitute Audit & Supervisory Board Member at the 200th Annual Shareholders Meeting held on June 23, 2022, will expire at the beginning of this Shareholders Meeting. Therefore, to ensure that the Company will not lack the mandatory number of outside Audit & Supervisory Board Members, we request the election of one substitute outside Audit & Supervisory Board Member.

The candidate for substitute Audit & Supervisory Board Member is shown below.

The Company obtained prior consent from the Audit & Supervisory Board regarding this proposal.

	Kenji Koroyasu	[Date of Birth: April 16, 1942]
■Brief history		
April 1967	Public Prosecutor	
April 1993	Public Prosecutor, Supreme Public Prosecutors Office	
Dec. 1993	Chief Public Prosecutor, Otsu District Public Prosecutors Office	
Jan. 1996	Chief Secretary, Ministry of Justice	
Dec. 1997	Director of General Affairs Department, Supreme Public Prosecutors Office	
April 1999	Director of Criminal Affairs Department, Supreme Public Prosecutors Office	
Dec. 1999	Director General, Research and Training Institute of the Ministry of Justice	
May 2001	Superintending Prosecutor, Sapporo High Public Prosecutors Office	
June 2002	Superintending Prosecutor, Nagoya High Public Prosecutors Office	
Feb. 2003	Superintending Prosecutor, Osaka High Public Prosecutors Office	
June 2004	Retired as Superintending Prosecutor	
July 2004	Joined Tokyo Eiwa Attorneys at Law	
July 2008	Advisor (Attorney), TMI Associates (present post)	
June 2010	Outside Audit & Supervisory Board Member of Furukawa Electric Co., Ltd.	
June 2018	Retired as Outside Audit & Supervisory Board Member of Furukawa Electric Co., Ltd.	
Number of shares in the Company 2,000Shares		
■Important Concurrent Posts		
Advisor Attorney of TMI Associates		

[Notes] 1. Mr. Kenji Koroyasu is a candidate for substitute Outside Audit & Supervisory Board Member.

2. Reasons for nominating him as a substitute Outside Audit & Supervisory Board Member are as follows:

Mr. Kenji Koroyasu has not directly engaged in corporate management in any other capacity than outside officer, but he has long experience as a legal professional, and is familiar with legal affairs of companies through his experience as outside officer. He has sufficient expertise and extensive knowledge of corporate management, and therefore, the Company judged that he is capable of properly carrying out auditing of the Company's business execution, and requests his election as a substitute Audit & Supervisory Board Member.

3. The relationship between the company for which the substitute Outside Audit & Supervisory Board Member previously worked and the Company is as follows: Mr. Kenji Koroyasu served as Outside Audit & Supervisory Board Member of the Company from June 2010 to June 2018. Concerning Mr. Kenji Koroyasu, the Company judged that he satisfies the independence criteria for outside officers stipulated by the Tokyo Stock Exchange and the Company's Independence Standard, and therefore, he is independent from the Company. When his appointment is

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approved, the Company will register him as an independent officer.

4. Overview of limited liability agreement

It is stipulated in the Articles of Incorporation that the Company may enter into limited liability agreements with Outside Audit & Supervisory Board Member to bring qualified human resources capable of fulfilling expected roles in performing their duties. If Mr. Kenji Koroyasu is appointed and assume the positions of Outside Audit & Supervisory Board Member, the Company will conclude limited liability agreements with them. The limit of liabilities under the agreements is the minimum amount provided for in laws and regulations.

5. Overview of Indemnity Agreement

The Company has concluded an indemnity agreement set forth in Article 430-2, Paragraph 1 with each of Directors and Audit & Supervisory Board Members. If Mr. Kenji Koroyasu is appointed and assume the position of Audit & Supervisory Board Member, the Company will conclude such an indemnity agreement with him.

The indemnity agreement specifies that the Company shall compensate for expenses set forth in Item 1 and losses set forth in Item 2 of Paragraph 1 of the above-mentioned Article to the extent prescribed by laws and regulations. However, in the indemnity agreement, if bad faith or gross negligence on the part of Directors and other officers was found in relation to their execution of duties, the Company may claim refund of compensation; as such, the Company has taken measures for maintaining the adequacy of the execution of duties of Directors and other officers.

6. Overview of Directors and Officers Liability Insurance (D&O Insurance) agreement

The Company purchased a Directors and Officers Liability Insurance (D&O Insurance) policy, which covers Directors, Audit & Supervisory Board Members, and Corporate Vice Presidents, etc. (including those who retired on March 31, 1994 and thereafter) and their successors, in order to bring in competent people who fulfill expected roles in performing their duties. Among the candidates for Directors, those who are reappointed are already insured under the D&O insurance policy. In case they are re-elected and assume the position, they will continue to be insured. As for newly-appointed candidates, once they assume the position, they will be insured.

This insurance policy covers claims against insured directors/officers on the basis of their legal liability for damages caused by their actions (including failure to act) relating to their execution of duties, and litigation expenses that are incurred due to the liability claims against the directors/officers. However, there are some exclusions, for example, a case where the insured knowingly committed an illegal act. The Company bears all of the insurance premium.

The term of the policy is one year, and the Company will renew the policy in December 2023.

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With respect to board members (Directors and Audit & Supervisory Board Members), the Company believes that their skills, knowledge and experience, as well as multiple views from diverse board members, in terms of gender and international experience, contribute to the Group's global business operations and appropriate oversight/auditing. Based on this perception, the Company selects candidates for board members as follows:

- Candidates for Outside Director: Total mix of various skills and backgrounds; a person with experience of corporate management and governmental body, an engineer with specific technological expertise, and an expert of law or accounting
- Candidates for Director: With the consideration of the Furukawa group business with many affiliates around the globe and various business lines, a person who has the sufficient skillset, knowledge and experience and contributes to the Furukawa corporate value

[Independence Standards for outside officers specified by the Company]

If none of the following attributes are applicable to the relevant outside Directors and outside Audit & Supervisory Board Members (including candidates), the Company considers that they are independent Directors and Audit & Supervisory Board Members without the possibility of creating any conflict of interest with general shareholders.

- (i) Person belonging to a company whose main clients include the Company (a client who provides products or services to the Company and whose amount of transactions with the Company is equivalent to more than 2% of the client's annualized total sales in the most recent fiscal year) or who engages in such operations.
- (ii) Person belonging to a company which is one of the Company's main clients (a client to whom the Company provides products or services and whose amount of transactions with the Company is equivalent to more than 2% of the Company's annualized total sales in the most recent fiscal year) or who engages in such operations.
- (iii) Person who engages in operations at a financial institution which is a main lender to the Company (a lender whose amount of loans is equivalent to more than 2% of the Company's total assets in the most recent years).
- (iv) Person who receives monetary or other economic benefits from the Company of JPY 10 million or more a year, over and above officer's remuneration, in the capacity of such an expert as a consultant, accountant, lawyer, or who belongs to any legal entity which receives JPY 100 million a year from the Company.
- (v) Person who has fallen under items (i) to (iv) during any period within the past three years.
- (vi) Relative of the person who falls under items (i) to (v) above, within the second degree of kinship.
- (vii) Any other person in breach of standards for independence set out by Tokyo Stock Exchange, Inc.

* Even if items (i) to (vii) are not applicable, the Company may determine that the person is not independent depending on factors such as the amount of transactions at subsidiaries of the Company or those of the relevant client to which the person belongs.

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【Reference】 Skill matrix for Directors and Audit & Supervisory Board Members (projected)

Taking into account expected roles and responsibilities of the Board of Directors (i.e. (1) establishing corporate philosophy/business principles and setting strategic direction; (2) establishing an environment that supports appropriate risk-taking; and (3) effectively overseeing the management from an independent and objective standpoint), and toward realizing new Medium-term Management Plan “Road to Vision 2030” which covers a period ending in fiscal year 2025 as well as “Furukawa Electric Group Vision 2030”, the Company identified the following 7 key areas of experience and expertise the Company expects from Directors and Audit & Supervisory Board Members: corporate management, finance/accounting, legal affairs/compliance, environment/energy, technology/ IT, sales/marketing, and international experience/knowledge. The Company will review and update these key areas, as necessary, in response to changes in the external environment/business environment, etc.

The following skill matrix shows skills of Directors and Audit & Supervisory Board Members in case their appointments are approved by resolution as per Proposal No. 2 and Proposal No. 3. The Company selected Directors and Audit & Supervisory Board Members (including candidates) by ensuring the balance between areas of expertise and experience.

【Directors】

Name	Gender	Independent	Corporate management	Finance/Accounting	Legal affairs/Compliance	Environment/Energy	Technology/IT	Sales/Marketing	International experience/knowledge
Keiichi Kobayashi	M		○				○	○	
Hideya Moridaira	M		○				○		○
Osamu Tsukamoto	M	★				○	○		
Takashi Tsukamoto	M	★	○	○					○
Yoshiro Miyokawa	M	★	○		○				
Yukiko Yabu	F	★					○	○	
Tamotsu Saito	M	★	○				○		
Satoshi Miyamoto	M				○				○
Akihiro Fukunaga	M			○					○
Yoshio Masutani	M							○	○
Toshio Yanagi	M				○	○			

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【Audit & Supervisory Board Members】

Name	Gender	Independent	Corporate management	Finance/Accounting	Legal affairs/Compliance	Environment/Energy	Technology/IT	Sales/Marketing	International experience/knowledge
Nozomu Amano	M			○	○				
Masao Terauchi	M		○						○
Hiroyuki Ogiwara	M		○	○					○
Kunihiko Sakai	M	★			○				○
Sayaka Sumida	F	★		○					○
Takao Shiomi	M	★	○	○					○

(Note) The above table does not list all of the areas of experience or expertise each person has but shows the areas the Company highly expects in particular.

■ Details of skillsets

Corporate management	Have experience in serving as Representative Director or equivalent (i.e. an officer with a broad scope of responsibilities that are similar to that of an officer)
Finance/Accounting	Have experience/expertise in finance/accounting; have significant experience as the person in charge of finance/accounting division
Legal affairs/Compliance	Have experience/expertise in establishing legal/compliance system, etc.; have significant experience as the person in charge of legal affairs/compliance division
Environment/Energy	Have extensive experience, expertise and/or network in the area of environment/energy
Technology/IT	Have experience/expertise in R&D, IT, DX, etc.; have significant experience as the person in charge of technology/IT division
Sales/Marketing	Have experience/expertise in sales/marketing; have significant experience as the person in charge of sales/marketing division
International experience/knowledge	Have experience in running a company abroad or have international knowledge of international trade or a relevant specialized area

End.

Business Report

(1) Overview of progress and results of our Group's business in the current fiscal year

In the current fiscal year, with the ease of restrictions on socio-economic activities during the COVID-19 pandemic, the global economy has been in a moderate recovery trend in terms of both demand and supply. On the other hand, the economic environment has remained uncertain due to global inflation along with further tightening in monetary policy, and geopolitical tensions, among others.

The United States saw downward pressure on consumption due to continued high prices, a decline in housing investments due to sharp and repeated interest rate increases, and adverse effects on financial positions of some financial institutions due to sharp monetary policy tightening. The U.S. economy has, however, stayed resilient, as consumer spending was underpinned by improved labor market conditions. In Europe, although the region saw the recovery in consumption due to the ease of restrictions for preventing the spread of COVID-19 as well as signs of recovery in car production, the economy has slowed down because of continuously rising prices due to energy price hike/supply constraint accelerated by the impact of the Russia-Ukraine situation. In China, despite the economic growth-oriented policy, the country saw a limited economic recovery due to strict movement restrictions under zero-COVID policy for a long time, followed by a rapid spread of COVID-19 after relaxing the restrictions, as well as the downturn in its real estate market.

In Japan, although the economy has been on a moderate recovery path as socio-economic activities has been normalized, it has not entered a full-fledged recovery due to such downward factors as high prices in response to the depreciation of the yen, as well as the impact of supply instability and price increases of oil, natural gas, and various raw materials.

Under such circumstances, the Group defined its ideal state in 2030 and specified relevant target timeline and scope in “Furukawa Electric Group Vision 2030” (hereinafter, “Vision 2030”); and then formulated the Medium-term Management Plan “Road to Vision 2030: Transformation and Challenges” (hereinafter, “MTMP 2025”), looking forward from its ideal state in 2025 by backcasting from Vision 2030. Based on the MTMP 2025, the Group has been working on “maximizing revenue from existing businesses by focusing on capital efficiency” and “strengthening the foundation for the creation of new businesses by strengthening development and proposal capabilities.” Furthermore, the Group has also strived for “strengthening the foundation for ESG management” as it supports the above-mentioned two initiatives.

With respect to “maximizing revenue from existing businesses by focusing on capital efficiency,” the Group has visualized the positioning of each business by using indicators for growth potential and profitability, and accordingly allocated management resources to areas of growth potential in a targeted manner; and thereby promoted management with a focus on capital efficiency and reviewed the business portfolio. Under this initiative, the Company considered the positioning of its consolidated subsidiary, TOTOKU Electric Co., Ltd., and sold all its shares in the subsidiary in December 2022. Furthermore, as for Communications Solutions business, the Company has strived for expanding sales of high-value-added products, and improving the productivity at its plants by securing and further nurturing human resources. As for Automotive Products business, the Company has established its production/supply structure, which has cost competitiveness and is tolerant of changes, and also strived to reduce costs through efforts for improving the operational processes, taking advantage of DX (Digital Transformation).

With respect to “strengthening the foundation for the creation of new businesses by strengthening development and proposal capabilities,” the Company has worked on developing a technology to synthesize green LP gas* that does not rely on fossil resources as an initiative for creating a new business that contributes to realizing carbon neutrality. To accelerate this initiative toward practical use, in September 2022, the Company launched “Local production and inheritance* energy product team”. Moreover, the Company concluded a contract with a UK client, who works on development of nuclear fusion* power generation that is expected to

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be a next-generation energy source, to supply necessary high-temperature superconducting wire rods.

* Green LP gas: LP gas produced from biogas (a mixture of methane gas, which is from the fermentation of animal manure and food waste, and carbon dioxide).

* Local production and inheritance: Succession of local resources and culture to the next generation.

*Nuclear fusion: The energy is released from nuclear fusion reactions by trapping high-temperature plasma (at several hundred million degrees), using strong superconducting magnet. The fuel of nuclear fusion comes from seawater (deuterium= ^2H), so it is possible to generate power without CO₂ emissions, with reduced environmental burdens. Therefore, nuclear fusion power generation is attracting expectations as a next-generation energy source.

With respect to “strengthening the foundation for ESG management”, the Company has been working on achieving “Furukawa Electric Group Environmental Targets 2030” (hereinafter, “Environmental Target 2030”), aiming at contributing to a carbon-free society and contributing to realizing a recycling-based society for water and resources. For the greenhouse gas (GHG) emissions reduction target thereof, the Company obtained SBT WB2°C* certification from the SBTi (Science Based Targets initiative). In order to accelerate its initiatives for realizing carbon neutrality, in December 2022, the Company revised the GHG emissions reduction rate in FY2030 under the Environmental Target 2030 to a higher level. With this revised target, the Company applied for SBT1.5°C certification. It aims at achieving the target by saving energy during production, reviewing product designs, and using hydropower and solar power, among others. Furthermore, the Company has been continuously working on “strengthening human capital management and organizational execution abilities.” In order to monitor the current state of human resources and organizations as well as the effect of improvement measures, in July 2022, the Company conducted a survey on human capital/organizational execution abilities, including elements related to employee engagement, with the participation of employees of the Company and Group companies in Japan and abroad; and made use of the results for its subsequent activity plan. In March this year, the Company was selected as a “Nadeshiko Stock” – acknowledgement as an excellent company in terms of women’s participation and advancement in the workplace – for the third time. The Company was also selected as a “2023 Health & Productivity Stock” being a company which focuses on and strategically carries out efforts with regard to its employees’ and other workers’ health from a management perspective. In addition, the Company was also recognized as a “Certified Health & Productivity Management Outstanding Organization: White 500” for the fifth time. With respect to “human rights/labor practice” which was identified as the 4th sub-materiality of governance in FY2021, the Group has provided its management-level employees with human rights education as a part of human rights due diligence, and strived for establishing an objective and transparent relief mechanism by using an external point of contact for whistleblowing related to human rights.

*WB2°C: Greenhouse gas emissions reduction target to limit the temperature increase to “well-below 2 degrees Celsius” above pre-industrial levels.

With regard to the current year’s financial results, net sales of the entire Group increased due to increased sales from optical fibers in North America in Communications Solutions business, increased sales from automotive products such as wire harnesses in Electronics & Automotive Systems business, favorable exchange rates, and copper bullion price increase. In terms of profits and losses, despite the hike of raw material and fuel prices, profit increased due to the progress in the rationalization of selling prices via cost pass-through and depreciation of the yen.

As a result, the Company recorded consolidated net sales of 1,066.3 billion yen (up 14.6% year-on-year), consolidated operating profit of 15.4 billion yen (up 35.1% yoy), and consolidated ordinary income of 19.6 billion yen (down 0.1% yoy). Furthermore, the profit of 15.3 billion yen, including a gain on sales of investment securities by selling stocks of a consolidated subsidiary, was recorded as extraordinary profit, and the loss of 2.3 billion yen, including a loss on business of subsidiaries, was recorded as extraordinary loss. Accordingly, profit attributable to owners of parent amounted to 17.9 billion yen (up 77.4% yoy). Overseas sales amounted to 549.0 billion yen (up 17.0% yoy), and the overseas sales ratio was 51.5% (up 1.1 percentage points yoy).

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On a non-consolidated basis, the Company recorded net sales of 305.8 billion yen (up 4.6% yoy), operating loss of 1.8 billion yen (deteriorated by 2.3 billion yoy), ordinary income of 8.7 billion yen (up 34.4% yoy), and net income of 25.2 billion yen (improved by 25.8 billion yen yoy).

(2) Changes in business outcomes and assets

(i) Changes in Group business outcomes and assets

Category	198 th term Fiscal 2019	199 th term Fiscal 2020	200 th term Fiscal 2021	201 st term (Current term) Fiscal 2022
Net sales (JPY millions)	914,439	811,600	930,496	1,066,326
Operating profit (JPY million)	23,565	8,429	11,482	15,441
Ordinary income (JPY million)	22,771	5,189	19,666	19,639
Profit attributable to owners of parent (JPY million)	17,639	10,001	10,093	17,911
Net income per share (JPY)	250.25	141.88	143.40	254.45
Total assets (JPY millions)	794,616	832,044	935,876	934,837
Net assets (JPY millions)	273,030	291,617	314,062	330,990

(ii) Changes in Company business outcomes and assets

Category	198 th term Fiscal 2019	199 th term Fiscal 2020	200 th term Fiscal 2021	201 st term (Current term) Fiscal 2022
Net sales (JPY millions)	440,675	392,616	292,424	305,835
Operating profit / loss (JPY million)	531	(6,919)	501	(1,761)
Ordinary income (JPY millions)	11,991	5,591	6,461	8,686
Net income / loss (JPY million)	18,177	24,333	(525)	25,235
Net income / loss per share (JPY)	257.82	345.10	(7.47)	358.40
Total assets (JPY millions)	473,935	570,121	608,376	593,768
Net assets (JPY millions)	167,901	190,070	183,515	201,845

(Note) The Company has adopted “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, issued on March 31, 2020) from 200th term, and the above figures for the Group and the Company are reported under the above-mentioned Standard.

[Translation for Reference Purpose Only]

(3) Overview and results of business activities for the term (each segment)

[Consolidated Net Sales and Operating Income by Segment] (Unit: JPY millions)

Segment	Net sales	Increase/ decrease from the previous year-end	Operating profit / loss	Increase/ decrease from the previous year-end
Infrastructure	323,908	26,957	8,609	3,425
Electronics & Automotive Systems	610,347	109,633	4,694	4,570
Functional Products	126,481	(3,517)	4,179	(3,403)
Services and Developments etc.	31,735	(2,743)	(2,109)	(740)
Elimination	(26,146)	5,499	66	161
Total	1,066,326	135,830	15,441	4,012

Infrastructure

Communications Solutions business recorded an increase in net sales due to strong demand for optical fibers, etc. in North America as well as improved plant productivity, despite certain impact of sales decrease in network-related products in Japan due to reduced production as a result of difficulty in procuring semi-conductors, and sales decrease associated with the Russia-Ukraine situation. Despite continued increases in raw material and fuel prices, profit also increased due to the progress in cost pass-through to cover increased costs, improved product mix, and foreign exchange impacts.

As for Energy Infrastructure business, although the sales from Chinese subsidiary declined due to the impact of delay in construction for clients because of the spread of COVID-19 in China, both net sales and profit increased as a result of strong sales of underground cables in Japan, smooth recording of sales from shipment/installation of cables for the submarine cables/water pipe project, and progress in cost pass-through to cover increased raw material and fuel costs.

As a result, this segment recorded consolidated net sales of 323.9 billion yen (up 9.1% yoy), and consolidated operating profit of 8.6 billion yen (up 66.1% yoy). On a non-consolidated basis, the segment reported net sales of 89.8 billion yen (up 5.8% yoy).

With respect to Communications Solutions business, we will continue to improve the productivity of optical fiber cables in North America, and strive to expand sales of high-value-added products, aiming at increasing net sales. Regarding the networking system business in Latin America where we not only sell products such as optical fiber cables, but also provide total solutions including network design and operations support, and after-sales services, we will accelerate the expansion of this business in North America, Europe, and Asia. Furthermore, while network-related products in Japan are still affected by difficulties in procuring semi-conductors, we will proceed with measures to reduce the impact of the procurement difficulties by securing strategic inventory of semi-conductors, placing pre-orders to satisfy long-term demand, and switching to new models. As for Energy Infrastructure business, we will focus on the areas where market expansion is expected, such as extra-high voltage underground cables in Japan, and submarine and underground cables for renewable energy including solar and offshore wind power; strengthen our cable production capacity and construction capacity, and also expand sales of such functional products as light weight and flexible aluminum CV cables for constructions that contribute to labor-saving and increased efficiency as well as products for power transmission and distribution, aiming at increasing net sales.

Electronics & Automotive Systems

With respect to Automotive Products business, despite continued increase in prices of raw materials and fuel, and increase in labor costs due to the lockdown to contain the spread of COVID-19 in China and changes of clients' production plans, both net sales and profit increased due to the following factors: strengthening sales of aluminum wire harness, which is an environment-friendly product because renewable energy is used in the manufacturing process and its weight-saving contributes to reducing CO2 emissions; progress in cost pass-through to cover increased raw material and fuel costs; and reduction in emergency transportation costs associated with lockdown of some production sites in Southeast Asia, which incurred in FY2021.

Electronics Component Materials business saw an increase in net sales, because we captured strong demand for products related to communications infrastructure and products for power semiconductors, and copper bullion prices increased. However, profit decreased, affected by continued increase in prices of raw materials and fuel as well as a decline in demand for auto components and electronics-related products in the second half of the year.

As a result, this segment recorded consolidated net sales of 610.3 billion yen (up 21.9% yoy), and consolidated operating profit of 4.7 billion yen (increased by 4.6 billion yen yoy). On a non-consolidated basis, the segment reported net sales of 152.7 billion yen (up 4.2% yoy).

With respect to Automotive Products business, we will further expand sales of aluminum wire

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harnesses, and strive for creating high-value added products which are safe, secure and environment-friendly. In response to further increase in prices of raw material and fuel prices, we will proceed with the rationalization of selling prices through cost pass-through. Furthermore, we will establish the system which can respond flexibly to changes in clients' production plans, and also strive to reduce costs of goods sold by improving operational processes, taking advantage of DX. With respect to Electronics Component Materials business, we will work on further cost pass-through to address the increase in raw material and fuel prices, expand sales of oxygen-free copper strips for optical submarine cables which support global communications networks and for power semi-conductors, and improve the product mix.

Functional Products

With respect to Functional Products business, despite the progress of cost pass-through due to increases in raw material and fuel prices, both net sales and profit declined, because sales of tapes for semi-conductor production, aluminum blank material for hard disk drives, and electrolytic copper foils were adversely affected by inventory adjustments in the supply chain associated with a decline in global demand for smartphones, personal computers, and data centers since the second half of the year.

As a result, this segment recorded consolidated net sales of 126.5 billion yen (down 2.7% yoy), and consolidated operating profit of 4.2 billion yen (down 44.9% yoy). On a non-consolidated basis, the segment reported net sales of 60.1 billion yen (up 2.1% yoy).

In the Functional Products business, we will strengthen communications with our clients to monitor inventories in the supply chain, establish a production system which can flexibly respond to a sudden change in the market, and propose/develop new products, which meet needs of the market/clients and are differentiated from competitors' products, aiming at increasing net sales. Moreover, we will continue to work on cost pass-through in response to increases in raw material and fuel prices, in order to secure net sales.

As a part of the review of the business portfolio, we sold all of our shares in our consolidated subsidiary, TOTOKU Electric Co., Ltd., in last December. Consequently, the company is now excluded from our consolidated subsidiaries, yet we will maintain the trade relationship with the company.

Services and Developments etc.

This segment supports the Group's businesses through hydropower generation, R&D of new products, real estate leasing, and various services. In our Nikko Works, most of its necessary electric power comes from a renewable energy source (hydropower). This hydropower generation plays a role toward achieving our sustainability target "ratio of renewable energy use to total consumption: 30%" defined in the MTMP2025.

This segment recorded consolidated net sales of 31.7 billion yen (down 8.0% yoy), and consolidated operating loss of 2.1 billion yen (declined by 0.7 billion yen yoy). On a non-consolidated basis, the segment reported net sales of 3.3 billion yen (up 48.0% yoy).

(4) Issues to be addressed

1. Furukawa Electric Group Vision 2030

Under the Group's corporate philosophy, "Drawing on more than a century of expertise in the development and fabrication of advanced materials, we will contribute to the realization of a sustainable society through continuous technological innovation", from the perspective of addressing social issues raised by "Sustainable Development Goals (SDGs*)" adopted by the United Nations, the Group formulated "Vision 2030", which defines the ideal state of the Group in 2030 and specifies target timeline and scope to achieve the vision. Under Vision 2030, the Group aims at addressing social issues in each or in combination of the following areas: information, energy and mobility. Furthermore, in new areas as well, the Group will work on solving social

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issues through creating new businesses.

The Group defined significant management issues as “materiality” which the Group should address in order to achieve “Vision 2030”, and identified the materiality as below from the perspective of revenue opportunities and risks. By addressing the materiality, we will achieve “Vision 2030” and contribute to achieving SDGs.

*SDGs...Abbreviated name for Sustainable Development Goals, which are global goals adopted by the United Nations, consisting of 17 goals, 169 targets.

2. New Medium-term Management Plan “Road to Vision 2030: Transformation and Challenges”

Backcasting from the ideal in 2030, the Company defined the target state in 2025 which is a halfway point. To realize that, last year, the Company formulated the Medium-term Management Plan “Road to Vision 2030: Transformation and Challenges” for 4 years ending in FY2025, and has worked on various measures.

The business environment surrounding the Company has been rapidly changing – the protracted conflict between Russia and Ukraine, lasting impact of the COVID-19 pandemic, to name a few, but to ensure a steady increase in net sales, the Company will continue to work on “maximizing revenue from existing businesses by focusing on capital efficiency” and “strengthening the foundation for the creation of new businesses by strengthening development and proposal capabilities.” The Company will also strive for “strengthening the foundation for ESG management” as it supports those initiatives.

*4 core technologies: metals, polymers, photonics, and high-frequency.

*B5G (Beyond 5G): mobile communication systems with such features as scalability (expansion of communication areas to sky, sea, and space), ultra-low power consumption, and ultra security and reliability, in addition to the further advancement of 5G's characteristic features (high speed and high capacity, low latency, and multiple simultaneous connections). It is also called 6G (the 6th generation mobile communication system).

① Maximizing revenue from existing businesses by focusing on capital efficiency

We have visualized the positioning of each business from the perspective of profitability and growth potential, and will optimize allocation of investments accordingly, and accelerate business management and decision-making, including the review of our business portfolio, with a further focus on cost of capital. Furthermore, we will improve/increase net sales by improving the ratio of high-value added products to total sales and rationalize product prices worth added value. Specifically, we will capture increased demand for optical fibers, etc., and strive for increasing sales of such high-value added products as rollable ribbon cables, for which we have worked on sales expansion. We will also expand the networking system business globally, taking advantage of the strength of the business model developed in Latin America. As for power cable system, we will achieve sales growth by enhancing our production capacity and construction capacity, and establishing a business foundation mainly focusing on submarine and underground cables for ensuring resilience of power networks in Japan and for renewable energy. To address the need for reducing vehicle weight alongside the shift to EV, we will take advantage of the superiority of aluminum wire harnesses, with which new types of vehicles are increasingly equipped, thus expanding the business and improving the profitability. Furthermore, since it is expected that demand for semi-conductors will increase in the medium to long term, we started the construction of a new plant to begin commercial production of tapes for manufacturing semi-conductors in FY2025, and aim at expanding sales by ensuring stable supply as a result of increased production capability and providing sophisticated high-quality products.

② Strengthening the foundation for the creation of new businesses by strengthening development and proposal capabilities

The Group will develop a foundation for creating new businesses designed to solve social issues, by drawing on 4 core technologies, namely, metal, polymer, photonics, and

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high-frequency technologies based on our long-standing expertise in the development and fabrication of advanced materials. While communication traffic volume is expected to increase towards a Beyond 5G society, we will take advantage of our capability to develop photonics products with high functionality by using the Company's core technologies, namely, photonics technology and high-frequency technology, along with our broad readiness to the optical communication market, thus contributing to realizing the all-optical network and a society with highly efficient energy. Furthermore, in order to become carbon neutral in 2050, we will advance the development and production of green LP gas which does not rely on fossil resources. We also develop and produce high-temperature superconducting materials for nuclear fusion, which is expected to be a next-generation energy source, thus contributing to the supply of environmental-friendly clean electric power. In addition to continuing co-creation with external partners, we will move forward with the use of digital technologies and data and develop/provide products and services designed to solve issues, aiming at creating new values.

③ Strengthening the foundation for ESG management

In the MTMP 2025, we defined the ideal state in FY2025 for each identified materiality, formulated measures to realize them, and set sustainability indicators/targets to measure the progress. By working on achieving such targets, we will strengthen the foundation of ESG management. In order to conduct business activities taking into account climate change that is mandatory for the transformation to a sustainable company, we will accelerate our efforts to become carbon neutral through both capturing revenue opportunities and reducing risks, as stipulated as "Eliminate or reduce direct CO2 emissions," "Eliminate or reduce CO2 emissions by society," and "Capture or transform the CO2 that is emitted." In order to strengthen human capital, based on "Furukawa Electric Group People Vision" which is shared beliefs on human capital at both Group and global levels, we defined the ideal state in 2030 as follows: "secure diverse human resources and support the growth of people who continue to take on challenges," "aim at becoming an enterprise group where everyone plays a leading role and feels excited to work with pride," and "nurture the culture where teams accomplish things to the end." With such a basic policy, we will strive to strengthen "human capital management and organizational execution abilities." Specifically, we conducted a survey on human capital/organizational execution abilities, including elements related to employee engagement; and by using it as a monitoring tool, we will strengthen our efforts of human capital management, including the promotion of diversity & inclusion, leadership transformation activities, and measures for hiring, assigning, and developing people who contribute to carrying out management/business strategies. With respect to human rights management, we will proceed in accordance with 3 requirements in the UN's Guiding Principles on Business and Human Rights. As for "human rights due diligence" among those requirements, we regard employees and suppliers as primary stakeholders, identify presumed human rights issues for each of them, and take measures to solve and/or prevent such issues. Specifically, we plan to expand the scope of human rights training participants to managerial positions in Group companies in Japan and abroad, not limited to those in the Company, and regularly provide such education. Furthermore, in order to realize CSR procurement, including the element of human rights in the supply chain, with regard to the Self-Assessment Questionnaire (SAQ) based on "Furukawa Electric Group CSR Procurement Guidelines," we will expand the scope from major suppliers to the Company to major suppliers to Group companies in Japan and abroad in a phased manner.

Through these initiatives, we will strive to achieve financial targets and sustainability targets defined in the MTMP 2025.

FY2025 Financial Targets

ROIC	6.0% or more
ROE	11% or more
Net D/E ratio	0.8 or less

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Equity capital ratio	35% or more
Consolidated net sales	1.1 trillion yen or more
Consolidated operating profit	58.0 billion yen or more
Profit attributable to owners of parent	37.0 billion yen or more

FY2025 Sustainability target

Sales ratio of environmentally friendly products	70%
R&D expense growth rate for new businesses (compared to FY2021)	125%
Implementation rate of IP landscaping for strengthening businesses and themes (*1) for creating new businesses	100%
GHG emissions reduction rate (Scope1,2) (compared to FY2021)	△18.7% (*2)
Ratio of renewable energy use to total consumption	30% (*3)
Employee engagement score (non-consolidated)	75 (*4)
Ratio of female managers (non-consolidated)	7%
Ratio of mid-career hires to total new hires (non-consolidated)	30%
Ratio of follow-up on risk management activities for all risk domains	100%
Ratio of SAQ implementation based on CSR Procurement Guidelines for major suppliers	Global 100%
Implementation rate of human rights education for managerial positions	Global 100%

(*1) Themes set in FY2022

(*2) Target value and base year were updated upon the revision of Environmental Target 2030; the revised target is equivalent to △42% compared to FY2017 (previous base year)

(*3) Target value was updated upon the revision of Environmental Target 2030

(*4) Target was newly set in FY2022

The Group will steadily implement various measures to increase its corporate value. We would appreciate it, if you would understand the situation and provide your continued support and guidance to us.

(5) Capital investments

The status of capital investments executed by the Company Group for the current period is as follows:

Segment	Detail of key investments	Amount (JPY millions)	Increase/ decrease from the previous year-end (JPY millions)
Infrastructure	Rationalization of power cable manufacturing equipment, etc.	12,921	1,536
Electronics & Automotive Systems	new establishment of winding wire manufacturing equipment for automobiles	17,822	2,328
Functional Products	Construction of a new factory for semiconductor manufacturing tape	5,997	207

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Services and Developments etc.	—	4,351	2,935
Elimination	Replacement of ERP systems, etc.	2,698	(1,360)
Total	—	43,792	5,647

(6) Fund procurement

The Company and each Group company raise necessary funds through long-term/short-term borrowing from financial institutions, issuance of corporate bonds and commercial paper, securitization of notes receivables and trade receivables, etc. In Japan, China and Thailand, the cash management system was introduced for subsidiaries/affiliates in each country (including the Company in Japan), aiming at efficient use of funds and reduction of interest-bearing debts.

Consolidated interest-bearing debts as of the end of the year decreased by 18.3 billion yen from the previous year to 323.8 billion yen.

(7) Main loan creditor (as of March 31, 2023)

Name of creditor	Amount of loan credit (JPY millions)
Mizuho Bank, Ltd.	68,359
The Bank of Mitsubishi UFJ, Ltd.	35,368
The Norinchukin Bank	20,051
The Bank of Yokohama, Ltd.	16,289

(8) Main offices, plants, and Subsidiaries (as of March 31, 2023)

1) Furukawa Electric Co., Ltd.

Head office	6-4, Otemachi 2-chome, Chiyoda-ku, Tokyo
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Type of facility	Name	Location
Branch offices	Hokkaido Branch	Sapporo
	Tohoku Branch	Sendai
	Chubu Branch	Nagoya
	Kansai Branch	Osaka
	Chugoku Branch	Hiroshima
	Kyusyu Branch	Fukuoka
Plant	Nikko Works	Nikko, Tochigi Pref.
	Chiba Works	Ichihara, Chiba Pref.

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	Yokohama Works Hiratsuka Works Mie Works Copper foil Division	Yokohama Hiratsuka, Kanagawa Pref. Kameyama, Mie Pref. Nikko, Tochigi Pref.
R&D Laboratories	Sustainable Technologies Laboratories Automotive Products & Electronics Laboratories Telecommunications & Energy Laboratories	Yokohama Hiratsuka, Kanagawa Pref. Ichihara, Chiba Pref.

Note: As of April 1, 2023, “Material Laboratories” were newly established; and the name of “Automotive Products and Electronics Laboratory” was changed to “Electronics Laboratories” and the name of “Telecommunications & Energy Laboratory” was changed to “Photonics Laboratories”.

2) Subsidiaries in Japan

Company name (Head office / Plant)	Capital	% of the FEC's share	Scope of business
The Furukawa Battery Co., Ltd. (Yokohama /Nikko, Tochigi Pref, Iwaki, Fukushima Pref.)	JPY 1,640 million	58.05%	Manufacture and sales of batteries (for automotive and industry)
KANZACC CO., LTD. (Osaka /Sakai, Fukui Pref)	JPY 720 million	99.92%	Manufacture and sales of electric cables and non-ferrous metal products
Furukawa Sangyo Kaisha, Ltd. (Minato-ku, Tokyo)	JPY 700 million	100%	Sales of electric cables and non-ferrous metal products
Okano Cable Co., Ltd. (Yamato, Kanagawa Pref. / Yamato, Kanagawa Pref.)	JPY 489 million	49.21%	Manufacture and sales of optical fiber cables and optical parts
Furukawa Electric Industrial Cable Co., Ltd. (Arakawa-ku, Tokyo / Hiratsuka, Kanagawa Pref.)	JPY 450 million	100%	Manufacture and sales of electric cables and other cables
FURUKAWA ELECTRIC POWER SYSTEMS CO., LTD. (Yokohama/ Nagai, Yamagata Pref.)	JPY 450 million	100%	Manufacture and sales of equipment for transmission-transformation of electric energy and overhead /underground distribution equipment

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FURUKAWA INDUSTRIAL PLASTICS CO., LTD. (Chiba/ Chiba)	JPY 300 million	100%	Manufacture and sales of Plastic electric cable protection tubes
FURUKAWA TECHNO MATERIAL CO., LTD. (Hiratsuka, Kanagawa Pref./ Hiratsuka, Kanagawa Pref.)	JPY 300 million	100%	Manufacture and sales of fire prevention products
Furukawa Nikko Power Generation Inc. (Nikko, Tochigi Pref.)	JPY 300 million	100%	Generation, supply and sale of electric power and transmission of electric power
FURUKAWA NETWORK SOLUTION CORPORATION (Hiratsuka, Kanagawa Pref./ Hiratsuka, Kanagawa Pref.)	JPY 150 million	100%	Manufacture and sales of Network router equipment
FURUKAWA AUTOMOTIVE SYSTEMS INC (Inugami, Shiga Pref. /Inugami, Shiga Pref. & Kameyama Mie Pref.)	JPY 100 million	100%	Manufacture and sales of automotive wire harnesses and automotive components
Furukawa FITEL Optical Device Co., Ltd. (Ichihara, Chiba Pref./ Ichihara, Chiba Pref. & Naka, Ibaraki Pref)	JPY 100 million	70.59%	Manufacture of Optical Semiconductor Products
Furukawa Precision Engineering Co.,Ltd. (Nikko, Tochigi Pref./ Nikko, Tochigi Pref.)	JPY 100 million	100%	Manufacture and sales of electronic components
Riken Electric Wire Co., Ltd. (Chuo-ku, Tokyo / Ichihara, Chiba Pref.)	JPY 100 million	100%	Manufacture and sales of electric cables and other cables
Furukawa Elecom Co., Ltd. (Chiyoda-ku, Tokyo)	JPY 98 million	100%	Sales of electric cables and other cables
Furukawa Magnet Wire Co., Ltd. (Chiyoda-ku, Tokyo /Niigata)	JPY 96 million	100%	Manufacture and sales of magnet wire and various type of metal cables
FURUKAWA C&B CO., LTD. (Hiratsuka, Kanagawa Pref./ Yokohama)	JPY 90 million	100%	Manufacturing and sales of broadcasting antennas, communication antennas, and line monitoring systems

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3) Overseas subsidiaries

Company name (Head office / Plant)	Capital	% of the FEC's share	Scope of business
OFS Fitel, LLC (USA)	USD 362 million	100%	Telecommunication solution business
Furukawa Electric LatAm S.A. (Brazil)	BRL 149 million	100%	Telecommunication solution business
American Furukawa, Inc. (USA)	USD 109 million	100%	Manufacture and sales of automotive components
SHENYANG FURUKAWA CABLE CO., LTD. (China)	CNY 768 million	100%	Manufacture and sales of electric wires and components
Furukawa Electric Copper Foil Taiwan Co., Ltd. (Taiwan)	NWD 1,555 million	100%	Manufacture and sale of copper foils for li-ion batteries
Furukawa Circuit Foil Taiwan Corporation (Taiwan)	NWD 1,475 million	81.85%	Manufacture and sale of electrodeposited copper foils
Furukawa Electric Singapore Pte. Ltd. (Singapore)	USD 3 million	100%	Sales of electric cables, electric wires, coiled wires and metal products
Furukawa Precision (Thailand) Co., Ltd.	THB 169 million	100%	Manufacture and sales of electronic components
Thai Furukawa Unicom Engineering Co., Ltd. (Thailand)	THB 104 million	91.75%	Engineering work in Telecommunication, CATV and Civil field.
Furukawa Automotive Parts (Vietnam) Inc.	USD 18 million	100%	Manufacture and sale of automotive components.
PT Tembaga Mulia Semanan Tbk (Indonesia)	USD 12 million	42.42%	Manufacture and sales of metal rods and aluminium rods
Trocellen GmbH (Germany)	EUR 8 million	100%	Manufacture and sales of foam products
PT. FURUKAWA INDOMOBIL BATTERY MANUFACTURING (Indonesia)	IDR 899,732million	51%	Manufacture of Lead battery for automobiles

[Notes] 1. The figures in the bracket include the ratio of indirectly ownership.

2. As of December 28, 2022, the Company sold all its shares in TOTOKU Electric Co., Ltd., and consequently, TOTOKU was excluded from our consolidated subsidiaries.

3. In fiscal 2022, the Company had 111 consolidated subsidiaries and 15 equity-method affiliates.

(9) Employee Data (as of March 31, 2023)

[Translation for Reference Purpose Only]

Segment	Number of employees of the Group	Number of employees of Furukawa Electric Co., Ltd.
Infrastructure	10,051	1,516
Electronics & Automotive Systems	36,815	525
Functional Products	2,282	712
Services and Developments etc.	2,166	1,514
Total	51,314(+447)	4,267(+66)

- [Notes]1. Temporary employees and loan employees assigned to companies outside the Group are not included.
2. Brackets () in the above table show changes compared to the end of the previous period.
3. Number of employees in the segment of Services and Developments segment includes personnel engaged in country-wide operations such as the Head Office departments of the Company.
4. The average age of employees of the Company is 43.7 years old, and the average years of service is 19.9 years. (Temporary employees and loan employees are not included.)

(10) Other important matters concerning the current status of the Group

The Company has been investigated by the Brazilian Anti-trust Authority with respect to trading of automotive parts. In class actions filed in the U.S., claiming for damage resulting from cartel activities pertaining to automotive parts, the Company or its subsidiary was named as the defendant. In addition, some clients claimed damages for the alleged violation of the Competition Act to the Company and its subsidiary. All of the above have arisen from conduct in the past, and there is no such conduct at present.

2. Shares (as of March 31, 2023)

(1) Shareholder' Equity

Class of share	Total number of shares to be issued by the company	Total number of outstanding shares	Number of shareholders
Common Stock	250,000,000	70,666,917	45,574

(2) Major top 10 shareholders of the Company and the Company's capital contributions to such shareholders.

Name of major shareholders	Number of shares	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	11,829,200	16.75%
Custody Bank of Japan, Ltd. (Trust Account)	4,763,900	6.75%
BNYMSANV AS AGENT/CLIENTS LUX UCITS NON TREATY 1	3,154,100	4.47%
Custody Bank of Japan, Ltd. (Trust Account 4)	2,718,200	3.85%
Custody Bank of Japan, Ltd. (Mizuho Trust & Banking; Employee Retirement Benefit Trust, Mizuho Bank Account)	2,413,500	3.42%

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Asahi Mutual Life Insurance Company	1,365,050	1.93%
FURUKAWA CO., LTD.	1,329,045	1.88%
DFA INTL SMALL CAP VALUE PORTFOLIO	1,292,296	1.83%
Custody Bank of Japan, Ltd. (Mizuho Trust & Banking; Employee Retirement Benefit Trust, FURUKAWA CO., LTD. Account)	1,091,900	1.55%
The Nomura Trust and Banking Co., Ltd (Trust Account)	1,072,000	1.52%

- [Notes] 1. Shareholding ratio is calculated with the number which deducted 50,453 shares of the Company's treasury stock.
2. In addition to the 2,413,500 shares in a retirement benefits trust mentioned above, Mizuho Bank, Ltd. has a further 173 shares in the Company.
3. In addition to the above-mentioned 1,365,050 shares, Asahi Mutual Life Insurance Company holds additional 1,050,000 shares in its retirement benefits trust.

(3) Shares granted to the Company's officers in compensation for execution of duties in the current year

In accordance with the resolution of the 194th Annual Shareholders Meeting held on June 27, 2016, the Company introduced the performance-linked stock remuneration system for Directors (except Outside Directors), Corporate Vice Presidents (except Directors), and Senior Fellows (partly revised at the 197th Annual Shareholders Meeting held on June 27, 2019 for the purpose of strengthening the incentive function; hereinafter, "the System"). Under the System, the Company granted 7,144 shares of common stocks to one Director (other than Outside Director) in the current year.

(Note) For more details of the System, please refer to "(3) Remunerations of the Company's officers" under Section 3 "The Company's officers".

3. Corporate Officers (as of March 31, 2023)

(1) Directors and Audit & Supervisory Board Members

Name	Position/responsibilities	Other significant positions
Mitsuyoshi Shibata	Chairman and Director	Outside Director of Isuzu Motors Limited Outside Director of TOBU RAILWAY CO., LTD. Outside Statutory Auditor of Asahi Mutual Life Insurance Company
Keiichi Kobayashi	President and Representative Director	
Osamu Tsukamoto	Outside Director (part-time)	President, JAPAN COAL FRONTIER ORGANIZATION
Takashi	Outside Director (part-time)	Honorary Advisor, Mizuho Financial Group

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Tsukamoto		Outside Director, Asahi Mutual Life Insurance Company Outside Director, Aeon Co., Ltd. Outside Director, Internet Initiative Japan Inc.
Yoshiro Miyokawa	Outside Director (part-time)	
Yukiko Yabu	Outside Director (part-time)	Outside Director, DAIWA HOUSE INDUSTRY CO., LTD. Outside Director (Audit and Supervisory Committee Member), IBIDEN Co., Ltd.
Tamotsu Saito	Outside Director (part-time)	Senior Counselor of IHI Corporation Director (Outside) of JAPAN POST INSURANCE Co., Ltd. Director (Outside) of Oki Electric Industry Co., Ltd. Director (Outside) of KAJIMA CORPORATION
Satoshi Miyamoto	Director and Corporate Senior Vice President (General Manager of Business Basis Transformation Division)	
Akihiro Fukunaga	Director and Corporate Vice President (General Manager of Finance & Global Management Division)	
Hideya Moridaira	Director and Corporate Senior Vice President (General Manager of Communications Solutions Division)	
Yoshio Masutani	Director and Corporate Senior Vice President (General Manager of Global Marketing Sales Division)	
Nozomu Amano	Audit & Supervisory Board Member (full-time)	
Yoshiaki Mizota	Audit & Supervisory Board Member (full-time)	Outside Director, Asahi- Seiki Manufacturing Co., Ltd.

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Masao Terauchi	Audit & Supervisory Board Member (full-time)	
Kunihiko Sakai	Audit & Supervisory Board Member (outside, part-time)	Advisor (Attorney), TMI Associates Outside Director , Honda Motor Co., Ltd.
Sayaka Sumida	Audit & Supervisory Board Member (outside, part-time)	Outside Director (Audit and Supervisory Committee Member), ADVANTEST CORPORATION Outside Audit & Supervisory Board Member, The Nisshin Oillio Group, Ltd
Takao Shiomi	Audit & Supervisory Board Member (outside, part-time)	

[Notes]1. Five (5) Directors, namely Mr. Osamu Tsukamoto, Mr. Takashi Tsukamoto, Mr. Yoshiro Miyokawa, Ms. Yukiko Yabu and Mr. Tamotsu Saito as well as three (3) Audit & Supervisory Board Members, namely Mr. Kunihiko Sakai, Ms. Sayaka Sumida and Mr. Takao Shiomi are registered with the Tokyo Stock Exchange as independent officers.

2. Each Audit & Supervisory Board Member has the following expertise in finance and accounting:

- Mr. Nozomu Amano, Audit & Supervisory Board Member, held managerial positions in the legal, human resources, and finance and accounting divisions of the Company, and has considerable expertise in finance and accounting.
- Ms. Sayaka Sumida, Audit & Supervisory Board Member, has a licensed CPA, she has considerable expertise in finance and accounting.
- Mr. Takao Shiomi, Audit & Supervisory Board Member, has experience in assuming key senior positions at Finance Division of a large trading company, and has significant expertise in finance and accounting.

3. Mr. Hideya Moridaira (Director), Mr. Yoshio Masutani (Director) and Mr. Masao Terauchi (Audit & Supervisory Board Member) were newly elected as the position at the 200th Annual Shareholders Meeting held on June 23, 2022.

4. The Company is a supporting member of the JAPAN COAL FRONTIER ORGANIZATION (the name changed to JAPAN CARBON FRONTIER ORGANIZATION on April 1, 2023), where Mr. Osamu Tsukamoto serves as President, and pays an annual membership fee.

5. The Company contributed to the amount equivalent to 2.20% of total funds to Asahi Mutual Life Insurance Company, for which Mr. Takashi Tsukamoto is the Outside Director, which in turn holds 3.42% (including shares placed by Asahi Mutual Life in a retirement benefit trust) of the Company's outstanding shares.

There is a transaction between the Company and Oki Electric Industry Co., Ltd., for which Mr. Tamotsu Saito serves as Outside Director, where the Company purchases communication-related components from Oki Electric. There also is a transaction between the Company and Kajima Corporation, for which he serves as Outside Director, with regard to the construction of the Company's plant.

There is a one-time transaction related to legal consultation between the Company and TMI Associates where Mr. Kunihiko Sakai serves as an advisor attorney. This transaction is not a continuing transaction such as an advisory contract, and he is not involved in this transaction at all. There is a transaction between the company and Honda Motor Co., Ltd., where he is Outside Director, in which the Company sells automobile parts to Honda Motor Co., Ltd.

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There is a transaction between the Company and ADVANTEST CORPORATION, for which Ms. Sayaka Sumida is the Outside Director (Audit and Supervisory Committee Member), in which the Company sells communication related products to ADVANTEST CORPORATION.

6. Outline of the limited liability agreements

The Company has agreements to limit liabilities under Paragraph 1, Article 423 of the Companies Act with outside Directors and outside Audit & Supervisory Board Members. The upper limit of liabilities under this agreement is the statutory lower limit.

7. Overview of Indemnity Agreement

The Company has concluded an indemnity agreement set forth in Article 430-2, Paragraph 1 with Directors (Mr. Mitsuyoshi Shibata, Mr. Keiichi Kobayashi, Mr. Osamu Tsukamoto, Mr. Takashi Tsukamoto, Mr. Yoshiro Miyokawa, Ms. Yukiko Yabu, Mr. Tamotsu Saito, Mr. Satoshi Miyamoto, Mr. Akihiro Fukunaga, Mr. Hideya Moridaira, and Mr. Yoshio Masutani) and Audit & Supervisory Board Members (Mr. Nozomu Amano, Mr. Yoshiaki Mizota, Mr. Masao Terauchi, Mr. Kunihiro Sakai, Ms. Sayaka Sumida, and Mr. Takao Shiomi).

The indemnity agreement specifies that the Company shall compensate for expenses set forth in Item 1 and losses set forth in Item 2 of Paragraph 1 of the above-mentioned Article to the extent prescribed by laws and regulations. However, in the indemnity agreement, if bad faith or gross negligence on the part of Directors and other officers was found in relation to their execution of duties, the Company may claim refund of compensation; as such, the Company has taken measures for maintaining the adequacy of the execution of duties of Directors and other officers.

8. Overview of Directors and Officers Liability Insurance agreement

The Company purchased a Directors and Officers Liability Insurance (D&O Insurance) policy, which covers Directors, Audit & Supervisory Board Members, and Corporate Vice Presidents, etc. (including those who retired on March 31, 1994 and thereafter) and their successors, in order to bring in competent people who fulfill expected roles in performing their duties. Among the candidates for Directors, those who are reappointed are already insured under the D&O insurance policy. In case they are re-elected and assume the position, they will continue to be insured. As for newly-appointed candidates, once they assume the position, they will be insured.

This insurance policy covers claims against insured directors/officers on the basis of their legal liability for damages caused by their actions (including failure to act) relating to their execution of duties, and litigation expenses that are incurred due to the liability claims against the directors/officers. However, there are some exclusions, for example, a case where the insured knowingly committed an illegal act. The Company bears all of the insurance premium.

(2) Information related to Outside Directors and Outside Audit & Supervisory Board Members

1) Principal activities of outside directors

① Outside Directors

Name	Attendance to Board of Directors Meeting	Comments and Remarks/ Outline of duties performed in light of expected roles
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	(Attendance rate)	
Osamu Tsukamoto	17 out of 17 (100%)	Based on his extensive knowledge/experience in industrial policy at the Ministry of Economy, Trade and Industry, following economic policies and market trends, Mr. Osamu Tsukamoto appropriately oversees the management, actively speaks mainly on R&D, business strategy, and product quality and he fulfils expected role. Moreover, he is also active as a member of the Nomination/Compensation Committee.
Takashi Tsukamoto	17 out of 17 (100%)	Based on his extensive knowledge/experience as a business manager of a financial institution, Mr. Takashi Tsukamoto appropriately oversees the management, actively speaks mainly on business strategy, Group company management, financial policy, and investor relations from the Group's global management perspective, and fulfills the expected role. He serves as Chairman of the Outside Officer's Meeting ^(Note) as a lead outside director. Moreover, he is also active as Chairman of the Nomination/Compensation Committee.
Yoshiro Miyokawa	17 out of 17 (100%)	Based on his extensive knowledge/experience as a manager of a major pharmaceutical company, Mr. Miyokawa appropriately oversees the management, actively speaks mainly on topics such as corporate governance, business strategy, and human resource development, with a view to improving the governance of the Group as a whole and he fulfils expected role. Moreover, he is also active as a member of the Nomination/Compensation Committee.
Yukiko Yabu	16 out of 17 (94.1%)	Based on her extensive knowledge/experience in marketing and product development at a major electronics manufacturer, Ms. Yabu appropriately oversees the management, actively speaks mainly on topics such as business strategy, marketing and diversity from a wide range of perspectives and he fulfils expected role. Moreover, she is also active as a member of the Nomination/Compensation Committee.
Tamotsu Saito	17 out of 17 (100%)	Based on his extensive knowledge/experience as a business manager of a leading heavy manufacturer, Mr. Saito appropriately oversees the management, actively speaks mainly on business strategy, manufacturing, economic policies from a perspective of

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		Group's global management, and fulfills the expected role. Moreover, he is also active as a member of the Nomination/Compensation Committee.
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[Note] The Company holds regular Outside Officers' Meetings in order to give opportunities to Outside Officers to exchange opinions and establish a shared understanding of the Company from an objective viewpoint, and to enable the resulting opinions to be reported to the Board of Directors if necessary. The Company held four (4) Outside Officers' Meetings during the year under review.

② Outside Audit & Supervisory Board Members

Name	Attendance		Comments and Remarks
	Board of Directors Meeting (Attendance rate)	Audit & Supervisory Board Meeting (Attendance rate)	
Kunihiko Sakai	17 out of 17 (100.0%)	9 out of 9 (100%)	Based on his extensive knowledge and expertise through long years of experience in the judicial field, Mr. Sakai has actively shared his views mainly on the legal restrictions and corporate governance from the perspective of risk management at the Board of Directors meetings as well as the Audit & Supervisory Board meetings. In addition, he actively speaks on such topics as confirmation/recommendations from the perspective of compliance, and questions/confirmation about plans and results of auditing and quarterly reviews by an accounting auditor at the Audit & Supervisory Board.
Sayaka Sumida	17 out of 17 (100.0%)	9 out of 9 (100%)	Based on her extensive knowledge and expertise through long years of experience as a CPA holder, Ms. Sumida has actively shared her views mainly on the Group's corporate management and finance and accounting from the perspective of risk management at the Board of Directors meetings as well as the Audit & Supervisory Board meetings.

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			In addition, she actively speaks on such topics as recommendations related to enhancement/promotion of disclosures, and questions/confirmation about plans and results of auditing and quarterly reviews by an accounting auditor at the Audit & Supervisory Board.
Takao Shiomi	17 out of 17 (100.0%)	9 out of 9 (100%)	Based on his extensive knowledge and experience as top management of a large general trade company, a financial institution, and a manufacturer, Mr. Shiomi actively speaks mainly on corporate management from a risk management perspective at the Board of Directors meetings and the Audit & Supervisory Board meetings. In addition, he actively speaks on such topics as recommendations about strengthening Group governance, and questions/confirmation about plans and results of auditing and quarterly reviews by an accounting auditor at the Audit & Supervisory Board.

2) Action in response to improper or unlawful business conduct during the fiscal year under review

There has been no specific fact of such conduct.

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(3) Remuneration of the Company's officers

① Policies for determining officers' remuneration, etc.

The Company's policies for determining officers' remuneration are as stated below:

☒ Policy for determining remuneration for officers

The remuneration for Directors and other officers shall be determined in a way that encourages each officer to exert his/her abilities to the maximum level and proactively fulfill his/her duties so that the Group will increase its corporate value and achieve sustainable growth while contributing to the society through its business activities.

☒ Policy for determining remuneration for individual officer by element

In accordance with the above-mentioned policy, the Board of Directors resolved to approve the policy for determining remuneration for individual directors and officers (hereinafter, "Individual Remuneration Policy"). The Nominating/Compensation Committee confirms adequacy, effectiveness and appropriateness of plan design and level of remuneration every year, by means of outside survey that is comparing the Company's remuneration level with those of other similar size 30 manufacturing companies.

The Company's remuneration for officers consists of base salary, short-term performance-linked remuneration (on an individual level), short-term performance-linked remuneration (on the company level) and Mid-to-long-term performance-linked remuneration; and the Individual Remuneration Policy for determining an amount of each remuneration element is as follows:

Element of remuneration	Overview	Recipient			
		Director except Outside Director	Outside Director	Corporate Vice President and Senior Fellow, except Director	Audit & Supervisory Board Member
Base salary	This element is paid in cash in a fixed amount every month, and the amount is determined depending on his/her role (e.g. management oversight or business execution) and official position.	●	●	●	●
Short-term performance-linked remuneration (individual)	This element is paid in cash every month, and the amount paid to each officer is determined by the Nominating/Compensation Committee upon comprehensively evaluating achievements*1 of the relevant business plan in the previous fiscal year, such as operating income and inventory balance in the division(s) he/she is in charge of, and the status of relevant measures.	●	—	●	—

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Short-term performance-linked remuneration (company level)	This element is paid in cash once a year, and the amount is fixed according to the evaluation criterion* ² based on consolidated operating income, as defined by the Nominating/Compensation Committee.	●	—	●	—
Mid-to-long-term performance-linked remuneration	This is the stock remuneration program* ³ , under which directors and officers are paid with the Company's stocks acquired by the Trust that was funded by the Company.	●	—	●	—

Notes: 1. Short-term performance-linked remuneration (on an individual level) is designed for comprehensively evaluating achievements of individual business(es). For the evaluation, score is used for measuring achievements versus planned operating income and inventory reduction, achievements versus safety and quality targets, etc., and risk readiness, and an evaluation is made based on a total score.

2. For short-term performance-linked remuneration (on the company level), we adopted consolidated operating income as an indicator for ensuring the Company's performance in a relevant fiscal year is appropriately and clearly reflected to the remuneration. The following table shows remuneration amount corresponding to consolidated operating income, which is the evaluation criterion here, and official position. The Nominating/Compensation Committee regularly checks and reviews this table to ensure the remuneration levels are adequate, taking into account consolidated operating income in the past several years.

- Short-term performance-linked remuneration table corresponding to consolidated operating income and official position (on the company level)

(Unit: JPY thousand)

Officer classification	Operating Profit						
	650~ (JPY 100 million)	550~ 650 (JPY 100 million)	450~550 (JPY 100 million)	350~450 (JPY 100 million)	250~350 (JPY 100 million)	150~250 (JPY 100 million)	~150 (JPY 100 million)
Chairman of the Board	19,500	16,088	12,675	9,750	7,800	4,875	-
President (Representative)	34,000	28,050	22,100	17,000	13,600	8,500	-
Corporate Senior Executive Vice President	20,800	17,160	13,520	10,400	8,320	5,200	-

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Corporate Executive Vice President	16,500	13,613	10,725	8,250	6,600	4,125	-
Corporate Senior Vice President	10,000	8,250	6,500	5,000	4,000	2,500	-
Corporate Vice Presidents / Senior Fellows	5,400	4,455	3,510	2,700	2,160	1,350	-

3. For Mid-to-long-term performance-linked remuneration, we adopted the Company's stock price as an indicator, in order to appropriately reflect increased corporate value to remuneration amounts, and to share incentives for increasing corporate value with shareholders. In this stock remuneration program, three fiscal years constitute a performance period and the Company contributes funds up to the maximum amount of 450 million yen per performance period to the Trust as remuneration for Directors and other officers. Directors and officers are granted a pre-determined number of points depending on their titles/positions every year as the basis of their rights to receive the Company's stocks. After the end of each performance period, the number of points qualifying Directors and officers for receiving the Company's stocks are finalized after an adjustment for certain cases, according to the criteria for comparing changes in the Company's stock prices with those of TOPIX during the period. (The actual points to be granted are calculated by multiplying the payout ratio, which is determined by multiplying the degree of divergence of the volatility of the Company's stock price and volatility of TOPIX by the cumulative total points granted during the evaluation period.) In case any of Directors and officers retire from the position during the period, in principle, an adjustment is to be made in a similar manner.

■ Mid-to-long-term performance-linked remuneration: point table by official position (from April 1, 2022 to March 31, 2025)

The maximum total number of points granted to Directors and officers in a performance period is 180,000, and 1 point is convertible into 1 share unit of the Company's common stock.

Officer classification	Number of Point Granted	Number of Stock Granted per period
Chairman of the Board	7,640	29,796
President (Representative)	9,340	36,426

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Corporate Senior Executive Vice President(Director)	4,800	18,720
Corporate Senior Executive Vice President	3,930	15,327
Corporate Executive Vice President (Director)	3,930	15,327
Corporate Executive Vice President	3,060	11,934
Corporate Senior Vice President(Director)	2,190	8,541
Corporate Senior Vice President	1,310	5,109
Corporate Vice Presidents (Director)	1,310	5,109
Corporate Vice Presidents / Senior Fellows	660	2,574

[Mid-to-long-term performance-linked remuneration:Formula for calculating the degree of divergence]

Degree of divergence = Volatility of the Company's stock price / Volatility of TOPIX

Volatility of the Company's stock price = average stock price of the Company in the final year of the evaluation period / average stock price of the Company in the year prior to the start of the evaluation period

Volatility of TOPIX = average TOPIX in the final year of the evaluation period / average TOPIX in the year prior to the start of the evaluation period

[Mid-to-long-term performance-linked remuneration Rate correspondence table for each degree of deviation]

Deviation (Scope)	Rate (%)
$X \geq 1.3$	130
$1.2 \leq X < 1.3$	120
$1.1 \leq X < 1.2$	110
$0.95 \leq X < 1.1$	100
$0.85 \leq X < 0.95$	90
$0.75 \leq X < 0.85$	80
$0.65 \leq X < 0.75$	70
$0.55 \leq X < 0.65$	60

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$0.2 \leq X < 0.55$	50
$0.2 > X$	0

■ Mid-to-long-term performance-linked remuneration: formula for determining the number of points granted to individuals during a performance period

[Formula for calculating each officer's points during the evaluation period]

Finalized points = (cumulative total points granted to each officer during the evaluation period) x (payout ratio for the evaluation period)

“Payout ratio” represents the percentage of change in the actual remuneration amount as a result of performance evaluation, where the standard amount of the mid- to long-term performance-linked remuneration is 100%. At the time of their retirement, Directors and Officers receive the Company's stocks and money calculated by the following formula as the mid- to long-term performance-linked remuneration from the Trust.

☒ Number of the Company's shares to be granted = (cumulative total points as of the vesting date x payout ratio – number of points corresponding to a fraction of shares) x 0.7

- If there is a fraction of shares of the Company upon calculation by the above formula, such shares will be disregarded.

☒ Amount of money to be paid = (Number of points convertible into share units x 0.3 + number of points corresponding to a fraction of shares) x market value of the Company's stock as of the vesting date

- “The number of points convertible into share units” is defined as (cumulative total points as of the vesting date x payout ratio – the number of points corresponding to a fraction of shares).

- If there are any points corresponding to a fraction of shares upon calculation by the formula “the number of points convertible into share units x 0.3”, such a fraction will be rounded up to a share unit and added to the number of share units.

- The vesting date is defined as the first end date of June after the retirement of Director or Officer, and after the closing of the last fiscal year, in which he/she is eligible for receiving points.

☒ Policy of Determining the Percentage of Remuneration Paid to Each Individual for Each Remuneration System

In terms of a percentage of each component of remuneration, it is designed as follows: the higher the officer's rank, the larger the percentage of performance-linked remuneration. When the aggregate total of the standard percentage of each component is 100%, the percentage of each component is shown below:

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Officer classification	Base salary	Short-term performance-linked remuneration		Mid-to-long-term performance-linked remuneration	Total
		(individual divisions)	(the entire Company)		
Chairman of the Board	55%	12%	12%	21%	100%
President (Representative)	51%	15%	15%	19%	100%
Director and Corporate Senior Executive Vice President	55%	15%	15%	15%	100%
Director and Corporate Executive Vice President	58%	14%	14%	14%	100%
Director and Corporate Senior Vice President	68%	11%	11%	11%	100%
Corporate Senior Executive Vice President	54%	16%	16%	14%	100%
Corporate Executive Vice President	56%	15%	15%	14%	100%
Corporate Senior Vice Presidents	67%	13%	13%	8%	100%
Corporate Vice Presidents / Senior Fellows	71%	16%	8%	5%	100%

② Matters concerning the delegation of the determination of remuneration by resolution of the Board of Directors

At the Company, the Board of Directors determines the Individual Remuneration Policy for determining remuneration for individual directors and officers. From the perspective of ensuring the objectivity, fairness and transparency, the Board of Directors delegated the authorities related to items under (2) of the following matters for deliberation, including the determination of remuneration for individual directors and officers, to the Nominating/Compensation Committee comprising a majority of Outside Directors.

【Matters to be deliberated by Nominating/Compensation Committee】

- (1) Nominating/Compensation Committee deliberates the following matters in response to inquiries from the Board of Directors, and reports the results to the Board:
- ① Proposal for shareholders' meeting concerning election/removal of Directors and

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	Audit & Supervisory Board Members
②	Appointment/dismissal of Representative Director, Chairman of the Board, and President
③	Appointment/removal of Corporate Vice Presidents
④	Appointment/dismissal of senior Corporate Vice Presidents (Corporate Senior Executive Vice President, Corporate Executive Vice President, and Corporate Senior Vice President)
⑤	Policy about Remuneration of Directors and Corporate Vice Presidents
(2)	Nominating/Compensation Committee deliberates and determines the following matters delegated by the Board of Directors:
①	Evaluation of Directors and Corporate Vice Presidents
②	System concerning remuneration, etc. for Directors and Corporate Vice Presidents based on the policy decided by the Board of Directors following the report set forth in item ⑤ of the above section (1)
③	Details of remuneration, etc. for individual Directors and Corporate Vice Presidents based on the policy decided by the Board of Directors following the report set forth in item ⑤ of the above section (1)
④	Proposal for shareholders' meeting concerning remuneration, etc. for Directors and Audit & Supervisory Board Members
⑤	Guidelines on remuneration, etc. for representatives of affiliated companies
⑥	Policy on the term of office for Directors and Corporate Vice Presidents and the treatment after they leave office
⑦	Content of draft proposal on appointment/removal of Special Advisers/Honorary Advisers and their remuneration
⑧	Content of succession plans for the management
(3)	Nominating/Compensation Committee deliberates and determines program details and policies on training for Directors, Audit & Supervisory Board Members, and Corporate Vice Presidents, taking into account opinions of Audit & Supervisory Board.

The Committee comprises 7 members, and 5 members, including the chairperson, are Outside Directors.

The following table shows the Committee composition as of the date when remuneration for individual Directors and Corporate Vice Presidents was determined for the current fiscal year (June 23, 2022).

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name	position
Osamu Tsukamoto	Outside Director
Takashi Tsukamoto	Outside Director (Chairman of Nominating/Compensation Committee)
Yoshiro Miyokawa	Outside Director
Yukiko Yabu	Outside Director
Tamotsu Saito	Outside Director
Mitsuyoshi Shibata	Chairman of the Board and Director
Keiichi Kobayashi	President and Representative Director

The activities of the Board of Directors and the Nomination and Compensation Committee in the process of determining the amount of remuneration of Directors and Audit & Supervisory Board Members during the fiscal year under review are as follows

Meeting Date / Body	Overview
June 9, 2022 Nominating/Compensation Committee	• Discussed/evaluated performance of officers during the fiscal year ended March 2022
June 23, 2022 Board of Directors	• Resolved on delegating the decision on a remuneration amount for each Director and Corporate Vice President to Nominating/ Compensation Committee
June 23, 2022 Nominating/Compensation Committee	• Determined the remuneration amount for each Director and Corporate Vice President for the fiscal year ending March 2023

The Board of Directors has received a report from the Nomination and Compensation Committee that the content and method of determining individual director remuneration, etc. determined by the committee are in line with the decision policy. We have determined that the content of remuneration for each individual is in line with the decision policy.

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③Remuneration for Directors and Audit & Supervisory Board Members in the fiscal year under review

The total amount of remuneration for Directors and Audit & Supervisory Board Members for the fiscal year under review is as follows.

Officer classification	Total remuneration (JPY millions)	Base salary	Total remuneration by type(JPY millions)			Number of subject officers (persons)
			Short-term performance-linked remuneration (individual divisions)	Short-term performance-linked remuneration (the entire Company)	Mid-to-long-term performance-linked remuneration	
Directors (excluding outside directors)	362	234	25	25	77	8
Audit & Supervisory Board Members (excluding outside Audit & Supervisory Board Members)	92	92	-	-	-	4
Outside Officers	110	110	-	-	-	8
Outside directors	74	74	-	-	-	5
Outside Audit & Supervisory Board Members	36	36	-	-	-	3

Notes:1. The amounts and numbers of officers in the above table include two Directors and one Audit & Supervisory Board Member who retired from the positions due to the expiry of their terms at the end of the 200th Annual Shareholders Meeting held on June 23, 2022 as well as amounts of their remuneration.

2. Short-term performance linked remuneration (on the company level) amounting to 25 million yen will be paid to eight Directors (excluding Outside Directors) in July 2023.

3.The amount of mid-to-long-term performance-linked remuneration in the above table is calculated by deeming the number of shares corresponding to the number of points granted for the current fiscal year under the stock remuneration program as the remuneration for the year.

4. Short-term performance-linked remuneration (on the company level) falls under the category of performance-linked remuneration. For this remuneration, the Company adopted consolidated operating income as an indicator to appropriately and clearly reflect the Company's business performance during a relevant fiscal year to the remuneration. The Company's consolidated operating income in the current year was 15,441 million yen.

5. Mid-to-long-term performance-linked remuneration falls under the categories of performance-linked remuneration as well as non-monetary remuneration. For this remuneration,

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the Company adopted its stock price, in order to appropriately reflect increased corporate value to remuneration amounts, and to share incentives for increasing corporate value with shareholders. Actual deviation was 0.93 (a reference value calculated by using numerical value in FY2022).

④ Matters concerning the determination of remuneration of directors and Audit & Supervisory Board Members at annual meeting

determination of remuneration of directors at annual meeting is below.

[Directors and Officers]

Date of resolution of shareholders meeting	Detail of resolution	Resolution about Directors numbers	Remuneration type under the current system
184 th Annual Shareholders Meeting (held on June 29, 2006)	Directors' remuneration shall not exceed 600 million yen per year. The above-mentioned maximum amount does not include salaries for employees who serve as Director.	11	Base salary Short-term performance-linked remuneration (individual) Short-term performance-linked remuneration (entire company)
197 th Annual Shareholders Meeting (held on June 27, 2019)	The maximum amount, which the Company can additionally contribute to the Trust established under the performance-linked stock remuneration program for Directors (excluding Outside Directors) as well as Corporate Vice Presidents and Senior Fellows who are not directors, shall be 450 million yen in every 3 fiscal years. During the current year,	26 (7 Directors, 17 Corporate Vice Presidents, and 2 Senior Fellows)	Mid- to long-term performance-linked remuneration

[Note]1. The determination on the amount of remuneration for each director is delegated by the Board of Directors to the Nominating/Compensation Committee.

2. the number of eligible directors about each Remuneration type at the end of 201st Annual Shareholders Meeting is blow.

Remuneration type under the current system	the number of eligible directors about each Remuneration type at the end of 199th Annual Shareholders Meeting
Base salary Short-term performance-linked remuneration (individual) Short-term performance-linked remuneration (entire company)	11
Mid- to long-term performance-linked remuneration	29 (6 Directors, 20 Corporate Vice Presidents, and 3 Senior Fellows)

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[Audit & Supervisory Board Member]

Date of resolution of shareholders meeting	Detail of resolution	Resolution about Audit & Supervisory Board Members numbers
192 th Annual Shareholders Meeting (held on June 25, 2014)	Directors' remuneration shall not exceed 130 million yen per year, and an amount of remuneration for each Audit & Supervisory Board Member is determined by mutual agreement of the Board of Audit & Supervisory Board Members.	6

[Note] the number of eligible Audit & Supervisory Board Members about Remuneration at the end of 201st Annual Shareholders Meeting is 6.

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4. Accounting Auditor

(1) Name of accounting auditors

Deloitte Touche Tohmatsu LLC

(2) Remuneration of accounting auditors to be paid

(i) Total amount of monetary and other property benefits to be paid by Furukawa Electric and its subsidiaries	JPY 265million
(ii) Of the amount stated in (i) above, remuneration for auditing services stipulated in Paragraph 1, Article 2 of the Certified Public Accountant Act	JPY 265 million
(iii) Of the amount stated in (ii) above, remuneration to be paid by Furukawa Electric to the accounting auditor	JPY 129 million

[Note] In the auditing agreement between the Company or the Company's subsidiaries and the accounting auditors, no distinctions are made between the amount of remuneration paid to accounting auditors for their auditing service under the Company Act and the amount of remuneration paid to accounting auditors for their auditing service under the Financial Instruments and Exchange Act. For this reason, the amounts of (ii) and (iii) above include the amount of remuneration to accounting auditors for their auditing service under the Financial Instruments and Exchange Act.

Among the key subsidiaries of the Company, Furukawa Electric LatAm S.A. and seven (7) others are subject to auditing (limited to that which is conducted under the Company Act, the Financial Instruments and Exchange Act or any overseas law or regulation equivalent to any of these Japanese laws) performed by certified public accountants or auditing companies other than the accounting auditor of Furukawa Electric (including those with an overseas qualification equivalent to any of these Japanese qualifications).

(3) Reason for Audit & Supervisory Board to have agreed to remuneration of the accounting auditors

Audit & Supervisory Board received explanations from accounting auditors regarding the overview of their audit plan, including estimated audit time and audit fees, and checked the adequacy and appropriateness of the estimated audit time. The estimated audit time increased as a result of considering continuously increasing number of additional man-hours because audit is increasingly becoming complicated due to the changing business environment and responses to regulations. Consequently, the Board judged that sufficient audit time is secured for high-quality auditing services, and the unit price of audit fees is appropriate in light of the fees paid in the previous fiscal year, and therefore, expressed agreement as set forth in Article 399, Paragraph 1 of the Companies Act.

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(4) Contents of non-audit services

The Company has not engaged the accounting auditor for any services other than audit certification work under the scope of Article 2, Paragraph 1 of the Certified Public Accountants Act.

(5) Policies on making decisions on dismissing or not reappointing accounting auditor

The Audit & Supervisory Board has determined the following policies on making decisions on dismissing or not reappointing accounting auditors.

The Audit & Supervisory Board shall, based on the consent of all Audit & Supervisory Board Members, dismiss the Accounting Auditors after reviewing a case if it determines that the circumstance falls under any of the items set forth in Article 340, Paragraph 1 of the Companies Act. In this case, an Audit & Supervisory Board Member designated by the Audit & Supervisory Board shall report the dismissal of the Accounting Auditor and the reasoning at the first General Meeting of Shareholders convenes following the dismissal.

In the event that the Audit & Supervisory Board determines that the execution of duties by the Accounting Auditor has been disrupted due to incomplete independence, audit structure and quality control structure, etc., or it is appropriate to further enhance the reliability/appropriateness of an audit, the Board shall consider the dismissal or non-reappointment of the Accounting Auditor and determine proposals related to the dismissal and non-reappointment of the Accounting Auditor to be submitted to the General Meeting of Shareholders if determined necessary.

5. The Company's Systems and Policies

(1) Systems for ensuring sound operations

The Company has set out the following basic policy on the *establishment of systems necessary to ensure soundness of operations of stock companies*, as stipulated in Item 6, Paragraph 4, Article 362 of the Companies Act and in Paragraphs 1 and 3, Article 100 of the Ordinance for Enforcement of the Companies Act.

<Basic Policy>

The Company and its Group will operate its businesses in a manner that flexibly responds to changes in the operating environment and in the market in pursuit of quicker decision making and greater management efficiency. The Group will also adopt the following policies and systems to maintain and improve the soundness of management and to increase corporate value.

(2) Systems for ensuring compliance of the execution of duties by directors and employees with laws, regulations and the Articles of Incorporation

- ① Upholding the basic philosophy of compliance with ethics and prevailing laws as laid out in "Furukawa Electric Group Philosophy" and "Furukawa Electric Group CSR Code of Conduct", the

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Company, with the President assuming the highest responsibility, promotes compliance activities including in-house education and efforts to prevent and detect legal violations through the Risk Management Committee and the Risk Management Division.

- ② To ensure ongoing compliance activities throughout the Group, General Manager of each division has overall responsibility for compliance for that division and in some main divisions, Compliance management officers will be appointed to effectively promote compliance activities.
- ③ To prevent any future involvement in cartels, the Company will ensure thorough monitoring functions through ongoing educational and enlightening activities relating to the Antimonopoly Act of Japan and competition laws of various countries, strengthening of controls on contacts with industry peers and pricing processes, and advice from external professionals to be received on a regular basis.
- ④ To enable early discovery of and correction to compliance infringements, active use shall be made of the whistle blowing system. In response to any notice of suspected violation, Risk Management Department in the Risk Management Division and related divisions shall promptly take the appropriate action consistent with the protection of the whistle blower and submit a report to the Board of Directors as appropriate.
- ⑤ Serving as the section for internal auditing, the Auditing Division shall monitor the execution of duties in individual segments, verify whether the international control framework including the internal control system is operating properly and report the findings to the management team.
- ⑥ With a basic philosophy of adopting a resolute approach and cutting out all relations with antisocial individuals or groups as stated in Item 7-4 of "Furukawa Electric Group CSR Code of Conduct", comprehensive compliance with the provisions is ensured under the supervision of Administration Department in the Risk Management Division.

(2) Systems for storage and control of information on directors' execution of duties

- ① Records and documents relating to critical decisions made by the Board of Directors, management committee and under the *ringi* decision-making system shall be stored in accordance with "Regulations on Document Storage" and other internal regulations.
- ② Information relating to directors' execution of duties shall be controlled in accordance with the Basic Regulations on Information Security and other internal regulations and appropriately treated from the perspective of its importance as information assets and necessity of protection.

(3) Regulations and other systems relating to control of possibilities of making losses (hereinafter referred to as "risks")

- ① When any critical decision is made by the Board of Directors, management committee or under the *ringi* system, any risk that may be expected to be associated with the matter with which the decision is concerned shall be stated in materials and the decision shall be made after developing awareness of the risk. If any risk is recognized that may have a serious impact on the Company, a

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system shall be established to ensure that its details and countermeasures against it are reported to the Board of Directors as needed.

- ② Risk control conducted by individual divisions that perform business operations shall be subject to internal audit performed by the Auditing Division. The findings thereof shall be periodically reported to the Board of Directors.
- ③ The Company's risk management system and management method will be established in "Basic Regulations on Risk Management and Internal Controls". In addition, to build more systematic and comprehensive risk management system, a Risk Management Committee chaired by the President, and consisting of the Advisors of business, General Manager of Sales and Marketing Division, General Managers of Corporate Divisions, and General Managers of some Business Divisions shall be established to grasp the Group's risks in general operations, and verify the appropriateness of its evaluation and management methods.
- ④ The Risk Management Committee shall establish special committees such as quality management, safety, environment, disaster prevention, business continuity management among the risks to strengthen the risk management system.

(4) The system for securing appropriateness of financial reporting

Based on the Basic Regulations on Risk Management and Internal Control, the Company's Group will establish a basic policy for the development and evaluation of an internal control system, to ensure the appropriateness of financial reporting (J-SOX Core Policies). At the same time, the system and responsibilities shall be clarified for the system's construction, development, operation, and monitoring.

(5) Systems for ensuring effectiveness of directors' execution of duties

- ① The mid-term management plan and the single-year budget shall set specific targets. General Managers of Business Divisions etc. shall execute their duties to attain the target and report the progress to the Board of Directors on a regular basis. The evaluation for remuneration and other purposes shall appropriately reflect the result.
- ② The standards for referring matters to the Board of Directors and the ringi system for making decisions shall be established in detail and specifically. The "Regulations on Duties, Powers and the Like of Operating Officers" shall ensure a clear allocation of duties and powers to General Managers of Business Divisions etc.
- ③ With respect to the division of duties for division heads, a system to constantly review the division with organizational changes will be established based on "Basic Regulations on Segregation of Duties and the Regulations Regarding Positional Responsibilities and Authority".

(6) Systems for ensuring the soundness of operations of the Group, consisting of the Company and its subsidiaries

- ① In accordance with "Regulations on Group Management Control", administrative managers of

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individual subsidiaries shall be appointed, and they shall require own subsidiaries reporting subsidiaries' business conditions on a regular basis, and offer management guidance to subsidiaries. Predetermined matters shall require approval of the Company.

- ② Concrete management goals that subsidiary companies should achieve shall be set out in mid-term management plans as well as budgets for single fiscal years, and administrative representatives shall report on the progress toward such goals at Board of Directors' meetings on a regular basis.
- ③ A risk management system and method shall be provided for in the "Rule of Risk Management and Basic Rule of Internal Control." In addition, the CSR and Risk Management Committee will assess the risk for the Group in operating businesses and verify the reasonableness of the management method.
- ④ According to "Furukawa Electric Group Philosophy" and "Furukawa Electric Group CSR Code of Conduct", the placement of representatives for administering compliance will be made obligatory for subsidiary companies in "Compliance Manual". In addition, under the leadership of the Risk Management Division, education, advice and guidance on risk management, internal control and compliance will be provided to subsidiary companies.
- ⑤ Part-time officers shall be dispatched to major subsidiaries to monitor their overall management status, including compliance and risk control. The Auditing Division shall perform an audit of subsidiaries from the standpoint of the auditing section of their parent company.
- (7) Provisions concerning assistant employees requested by the Audit & Supervisory Board Members for assistance in their duties
At the request of Audit & Supervisory Board Member for any assistant employee, appropriate personnel shall be appointed after consultation with the Audit & Supervisory Board Member.
- (8) Provisions concerning independence of the employees stipulated in the preceding item from Directors, and secureness of effective instructions for them
 - ① The assistant employee shall be appointed as assistant to the Audit & Supervisory Board Member by an order of appointment and shall assist the Audit & Supervisory Board Member in fulfilling his or her duties and in operating the Audit & Supervisory Board.
 - ② Pursuant to the Internal Regulations on Assistant Employees to Audit & Supervisory Board Members, assistant employees shall be guaranteed independence from Directors. Transfer, appraisal, disciplinary action and other matters involving assistant employees shall require the approval of the Audit & Supervisory Board Member.
- (9) Systems for reporting from directors and employees to Audit & Supervisory Board Members and other systems relating to notification to Audit & Supervisory Board Members
 - ① It shall be ensured that Audit & Supervisory Board Members have constant access to any meeting or any material they deem necessary for auditing purposes.

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- ② Directors or division managers shall report to Audit & Supervisory Board Members the Group's status of development and operation of internal control, compliance and risk control as appropriate.
- ③ Directors or division managers shall provide swift notification to Audit & Supervisory Board Members should they discover any fact with the potential to severely damage the Company or any critical fact that constitutes a breach of laws, regulations or the Articles of Incorporation committed by a director or a division manager among the Group, should they conduct an investigation into the notification under the whistle blowing system or should government authorities issue any caution or take disciplinary action against the Company.
- ④ Audit & Supervisory Board Members may request that the directors and employees of the Company, as well as its subsidiaries, report on matters concerning the execution of their duties.

(10) Systems for securing the person from treating unfavorably because of the reporting stipulated in the preceding item

"Furukawa Electric Group CSR Code of Conduct" and "the Compliance Manual" have a provision stating that officers or staff members of the Company or its subsidiaries shall not be treated unfavorably because they have undertaken reporting pursuant to the preceding item.

(11) Matters concerning the policy on procedures for prepayment and repayment for expenses arising in relation to the fulfillment of duties, as well as expenses arising in relation to the fulfillment of other relevant duties, by the Company's Audit & Supervisory Board Members or the handling of obligations thereof.

If Audit & Supervisory Board Members make a request to the Company such as the prepayment of expenses for the execution of their duties pursuant to Article 388 of the Corporation Act, the Company will deal with the relevant expenses or obligations promptly, except when expenses or obligations pertaining to such request are not deemed necessary for the relevant auditors to fulfill their duties.

(12) Other systems for ensuring effectiveness of auditing performed by Audit & Supervisory Board Members

- ① The Audit & Supervisory Board shall report its auditing policy and plan to the Board of Directors.

They shall be made known throughout the entire Company. The status of auditing shall also be reported to the president and the Board of Directors on a regular basis.

- ② The standards for audits performed by Audit & Supervisory Board Members shall be made known to Directors and employees to deepen internal awareness and understanding of the importance of auditing performed by Audit & Supervisory Board Members.
- ③ The division responsible for internal audits shall be strengthened and it shall have closer ties with Audit & Supervisory Board Members.
- ④ When Audit & Supervisory Board Members make any request for ensuring effectiveness of their

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audit, Directors and employees shall respond sincerely.

(2) Overview of operation status related to the system to ensure appropriate business operations

1) Matters concerning compliance and risk management

- ① The Risk Management Committee, chaired by the President, met two times in the current fiscal year. Its deliberation and decisions include the following matters: the Committee recognized risks of the Group on the management level, and addressed the need for expanding and deepening the relevant control by monitoring the action plan for each risk and the implementation of the plan; and the Committee recommended that compliance should be maintained by sharing problematic cases (examples), operating a whistleblowing system, and providing training. The Committee's activities are reported to the Board of Directors.
- ② The Quality Control Committee of Furukawa Electric Group, a special committee under the Risk Management Committee, was held four times during the current fiscal year. The special committee collects information on the occurrence of serious quality issues and claims from clients and provides guidance on improvement measures for a quality control system for business divisions and subsidiaries/affiliated companies as necessary. It also conducted a study on product inspections and public standards.
- ③ During the current fiscal year, each Group company implemented E-learning on compliance with the competition law, prohibition of bribes, and prevention of discrimination and harassment. In addition, matters informed by whistleblowers were dealt with appropriately upon consultation with outside experts where necessary.
- ④ The results of operational audits of operating departments by the Internal Audit Department were reported to the managers of the audited departments, and a summary of the results was also reported to the management, including the President, and Audit & Supervisory Board members.

2) Matters concerning ensuring the efficient performance of duties by directors

- ① During the current fiscal year, the Board of Directors met 17 times. At the meetings, Directors made decisions on the execution of important operations, checked the progress of the Medium-term Management Plan, assessed the level of achievements of management targets, including annual budget. The Board also deliberated on corporate governance and other basic management matters.
- ② A director remuneration system is in place and in operation so the ratio of performance-linked compensation to total remuneration, including the stock compensation system, will increase to more appropriately reflect the performance of the execution of duties compensated for executive directors and executive officers, based on the decisions of the Nomination/Compensation Committee, the majority of whose members are outside directors.

3) Matters concerning the appropriateness of financial reporting

The results of evaluation of the development of internal control conducted in accordance with the

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“Furukawa Electric Group Basic Policy for the Development and Evaluation of Internal Control Over Financial Reporting” (J-SOX Core Policies) were reported to the Board of Directors, and the Board’s approval was also obtained upon submission of the Internal Control Report.

4) Matters concerning the soundness of operations of the Group

- ① Budgets for single fiscal years were set out and managed for each subsidiary company, and matters specified in the Standards for referral/ reporting to the Company as important matters relating to the management of subsidiary companies were deliberated by the Board of Directors and the Management Committee. The Company also provided support to help overseas subsidiaries in particular to improve their management foundations in relation to personnel/labor, accounting and IT.
- ② The Group Compliance Committee met to share information on activities relating to important aspects of internal control in Japan. The Company has worked on strengthening the internal control within the Group by distributing the casebook of compliance issues to Group companies in Japan and overseas and holding compliance seminars on compliance with the competition law and prohibition of bribery in Mexico.
- ③ Installment and enhancement of an internal reporting system at the Company Group is advancing.
- ④ In light of the scale and importance of some subsidiaries, officers and employees of the Company were sent to such subsidiaries as Directors and Audit & Supervisory Board Members to supervise the execution of their operations.

5) Matters concerning the effectiveness of auditing

- ① Audit & Supervisory Board Members attended meetings of the Board of Directors as well as meetings of the Management Committee, the Risk Management Committee, the Sustainability Committee and other important meetings to assess the status of development and operation of internal control systems.
- ② Audit & Supervisory Board Members reported the audit policies and audit plans established by the Audit & Supervisory Board as well as their audit results to the Board of Directors. Audit & Supervisory Board Members work on improving the effectiveness and efficiency of audits through close cooperation with the Company’s audit department, etc. as well as audit & supervisory board members and the internal audit departments of affiliated companies in Japan. In addition, they conducted on-site audits (including remote auditing by using Web meeting system) of affiliated companies in Japan and abroad.
- ③ In the fiscal year under review, the Audit & Supervisory Board met nine (9) times and exchanged opinions and shared information.
- ④ The Audit & Supervisory Board received reports about the audit plan by the Accounting Auditor and discussed important audit items and key audit matters (KAMs), etc. Furthermore, with respect

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to quarterly and annual financial results, the Audit & Supervisory Board received a report from Account Auditor on quarterly review results and audit results for the fiscal year as well as the audit quality management, and exchanged opinions..

- ⑤ At the request of Audit & Supervisory Board members, two (2) employees were appointed as assistants to Audit & Supervisory Board Members.

End

[Translation for Reference Purpose Only]
Consolidated Financial Statements for the 201st Fiscal Year
Consolidated Balance Sheet
(As of March 31, 2023)

(Unit: JPY millions)

Account title	Amount	Account title	Amount
(Assets)		(Liabilities)	
Current assets	486,821	Current liabilities	381,025
Cash and deposits	47,432	Notes and accounts payable	125,409
Notes, accounts receivable – trade and contract assets	229,550	Short-term loans payable	141,281
Securities	5,127	Commercial paper	28,000
Merchandise and finished goods	65,755	Income taxes payable	4,730
Work in process	38,556	Provision for product defect compensation	2,238
Raw materials and supplies	67,985	Other	79,365
Other	33,803	Long-term liabilities	222,821
Allowance for doubtful accounts	(1,389)	Straight bonds	40,000
Fixed assets	448,015	Long-term debt	114,547
Property, plant and equipment	269,288	Provision for environmental measures	9,284
Buildings and structures	247,121	Net defined benefit liability	38,239
Machinery, equipment and delivery equipment	491,387	Asset retirement obligations	1,588
Tools, furniture and fixtures	76,458	Other	19,161
Land	33,473	Total liabilities	603,846
Lease assets	1,169		
Right-of-use asset	23,099	(Net assets)	
Construction in progress	23,069	Shareholders' equity	280,550
Accumulated depreciation	(626,488)	Capital stock	69,395
Intangible assets	20,236	Capital surplus	23,179
Goodwill	211	Retained earnings	188,847
Other	20,024	Treasury stock	(871)
Investments and other assets	158,490	Valuation and translation adjustments	22,996
Investment securities	120,920	Valuation difference on available-for-sale securities	10,546
Investments	4,262	Deferred gains or losses on hedges	204
Deferred tax assets	9,428	Foreign currency translation adjustment	14,541
Net defined benefit asset	8,900	Re-measurements of defined benefit plans	(2,296)
Others	15,894	Minority interests	27,442
Allowance for doubtful accounts	(915)	Total net assets	330,990
Total assets	934,837	Total liabilities and net assets	934,837

[Note] Figures above are rounded off to the nearest JPY millions.

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Consolidated Statement of Operation
(From April 1, 2022 to March 31, 2023)

(Unit: JPY millions)

Account title	Amount
Net sales	1,066,326
Cost of sales	909,622
Gross profit	156,703
Selling, general and administrative expenses	141,262
Operating profit	15,441
Non-operating income	13,447
Interest income and dividends income	2,519
Share of profit of entities accounted for using equity method	5,991
Foreign exchange gains	1,668
Other	3,267
Non-operating expenses	9,248
Interest expenses	6,334
Other	2,914
Ordinary income	19,639
Extraordinary income	17,642
Gain on disposal of noncurrent assets	1,158
Gain on sales of investment securities	15,279
Settlement income	800
Other	404
Extraordinary loss	6,979
Loss on disposal of noncurrent assets	1,187
Impairment loss	402
Loss on business of subsidiaries and associates	2,322
Business restructuring expenses	1,307
Other	1,758
Profit before income taxes	30,302
Total income taxes	10,654
Income taxes-current	9,455
Income taxes-deferred	1,198
Profit before minority interests	19,648
Minority interests	1,737
Profit attributable to owners of parent	17,911

[Note] Figures above are rounded off to the nearest JPY millions.

[Translation for Reference Purpose Only]
Non-Consolidated Financial Statements for the 201st Fiscal Year

Non-Consolidated Balance Sheet

(As of March 31, 2023)

(Unit: JPY millions)

Account title	Amount	Account title	Amount
(Assets)		(Liabilities)	
Current assets	269,540	Current liabilities	215,041
Cash and deposits	6,850	Notes payable - trade	941
Notes receivable-trade	922	Accounts payable - trade	76,939
Electronically recorded monetary claims	9,433	Short-term loans payable	71,307
Accounts receivable - trade	96,514	Commercial paper	28,000
Contract assets	4,294	Accounts payable-other	11,487
Merchandise and finished goods	10,265	Accrued expenses	17,167
Work in process	17,205	Contract liabilities	1,747
Raw materials and supplies	14,759	Provision for product defect compensation	387
		Provision for environmental measures	6
Prepaid expenses	1,612	Provision for loss on construction contract	397
		Income taxes payable	2,539
Short-term loans receivable	84,562	Other	4,118
Accounts receivable-other	21,831	Long-term liabilities	176,881
Other	1,302	Straight bonds	40,000
Allowance for doubtful accounts	(17)	Long-term debt	107,000
Fixed assets	324,228	Provision for retirement benefits	18,494
Property, plant and equipment	85,544	Provision for environmental measures	9,280
Buildings	32,384	Provision for loss on business of subsidiaries and affiliates	492
Structures	3,763	Allowance for stock benefit for directors	452
Machinery and equipment	22,048	Asset retirement obligations	500
Vehicles and delivery equipment	149	Other	662
Tools, furniture and fixtures	3,181	Total liabilities	391,922
Land	12,013	(Net assets)	
Lease assets	57	Shareholders' equity	192,715
Construction in progress	11,945	Capital stock	69,395
Intangible assets	12,681	Capital surplus	21,466
Software	12,438	Other capital surplus	21,466
Other	243	Retained earnings	102,682
Investments and other assets	226,003	Legal retained earnings	3,919
Investment securities	24,804	Other retained earnings	98,763
Stock of subsidiaries and affiliates	95,318	Retained earnings carried forward	98,763
Investments in capital of subsidiaries and affiliates	44,899	Treasury stock	(829)
Long-term loans receivable from Subsidiaries and affiliates	68,728	Valuation and translation adjustments	9,130
Prepaid pension cost	6,245	Valuation difference on available-for-sale securities	9,179
Deferred tax assets	5,081	Deferred gains or losses on hedges	(48)
Other	5,184	Total net assets	201,845
Allowance for doubtful accounts	(24,259)		
Total assets	593,768	Total liabilities and net assets	593,768

[Note] Figures above are rounded off to the nearest JPY millions.

[Translation for Reference Purpose Only]
Non-Consolidated Statement on Operation
(From April 1, 2022 to March 31, 2023)

(Unit: JPY millions)

Account title	Amount
Net sales	305,835
Cost of sales	264,176
Gross profit	41,658
Selling, general and administrative expenses	43,420
Operating loss	(1,761)
Non-operating income	15,108
Interest income and dividends income	14,142
Foreign exchange gains	608
Other	357
Non-operating expenses	4,660
Interest expenses	1,868
Reversal of allowance for doubtful accounts	2,003
Other	789
Ordinary income	8,686
Extraordinary income	23,065
Gain on disposal of noncurrent assets	432
Gain on sales of subsidiaries and affiliates' stocks	17,854
Gain on sales of investment securities	3,958
Other	820
Extraordinary loss	925
Loss on disposal of noncurrent assets	524
Loss on valuation of stocks of subsidiaries and affiliates	327
Other	73
Profit before income taxes	30,826
Income taxes-current	5,351
Income taxes-deferred	239
Net income	25,235

[Note] Figures above are rounded off to the nearest JPY millions.