

FURUKAWA ELECTRIC CO., LTD.

<https://www.furukawa.co.jp/en/>

FURUKAWA ELECTRIC GROUP
INTEGRATED REPORT

2024

The Founder's Thoughts

Mr. Ichibei Furukawa, the founder of Furukawa Group, said, based on his wish to “brighten Japan,” that we must

“value employees,
value customers,
value new technology, and
contribute to society.”

Since its foundation in 1884, Furukawa Electric has inherited these words in its DNA and has grown.

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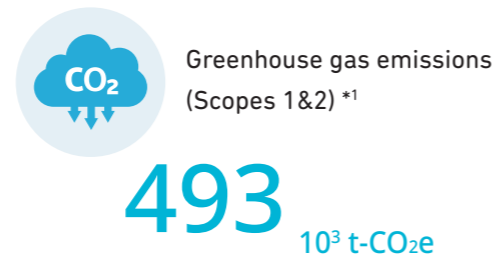
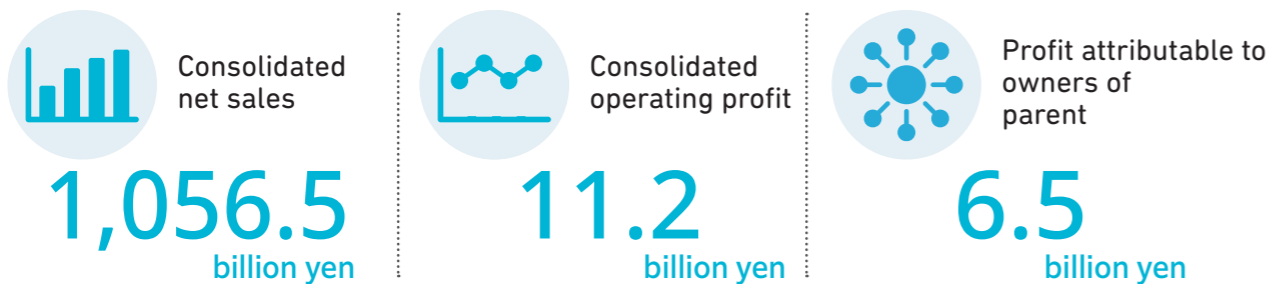
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At a Glance



*1. Combined total amount for Furukawa Electric, 31 domestic and 60 overseas group companies



*2. Combined total for Furukawa Electric, 109 consolidated subsidiaries and 14 equity-method affiliates

External Evaluation

Furukawa Electric is included in the following ESG indices used by the Government Pension Investment Fund (GPIF) for ESG investment.

FTSE Blossom Japan Index / FTSE Blossom Japan Sector Relative Index (As of June 2024)

FTSE Blossom Japan Index Series
<https://www.ftserussell.com/products/indices/blossom-japan>



MSCI Nihonkabu ESG Select Leaders Index (As of June 2024)

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2024 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX

Morningstar Japan ex-REIT Gender Diversity Tilt Index (GenDi J) (As of December 2023)

S&P/JPX Carbon Efficient Index (As of June 2024)



Please visit our website “External Evaluation and Certification” for details.
<https://furukawaelectric.disclosure.site/en/themes/109>

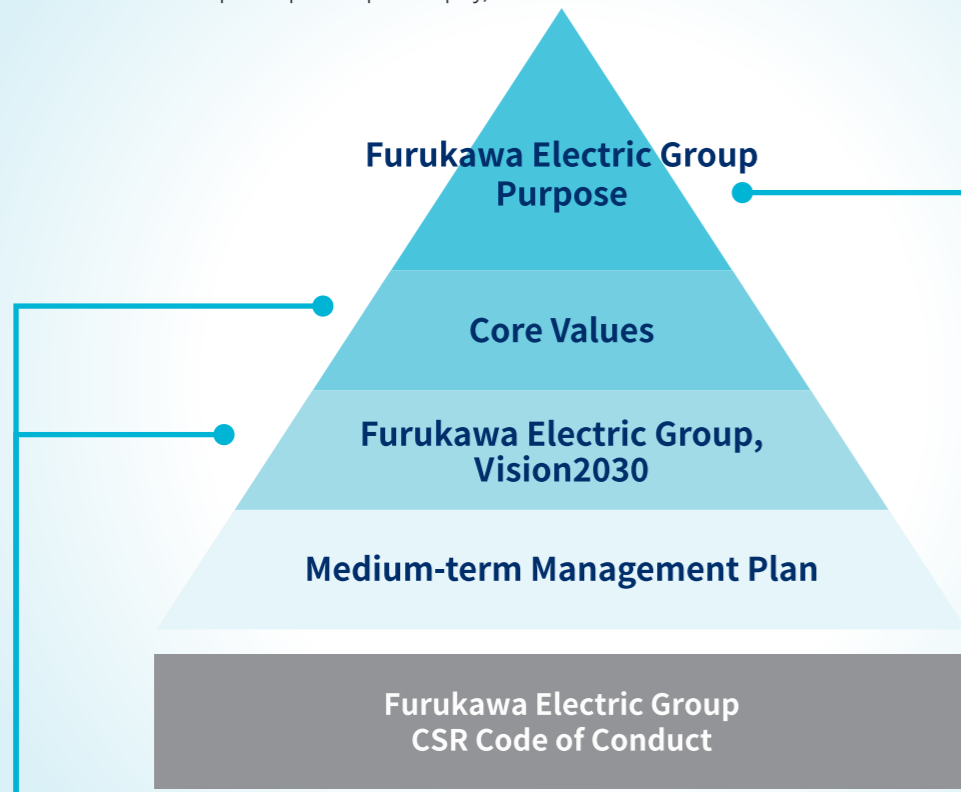
Furukawa Electric Group/Philosophy System

Furukawa Electric Group established the Furukawa Electric Group Purpose in March 2024 and reviewed the structure of the Group's Corporate Philosophy.

The Furukawa Electric Group Purpose (hereinafter, the "Purpose") is a statement of the Group's raison d'être, which has been established to ensure that the Group is recognized by its diverse stakeholders as a corporate group that contributes to creating a truly prosperous and sustainable society, to serve as the basis for management decisions and to ensure that its employees continue to take on challenges with pride. With the Purpose at the top of structure of the Group's corporate philosophy, it is

composed of as follows: "Core Values," a set of values that each and every employee should value; "the Furukawa Electric Group Vision 2030," our ideal state in 2030; "the Medium-term Management Plan 2022-2025 (2025 Medium-term Plan)," a milestone for achieving the Vision 2030; and "the Furukawa Electric Group CSR Code of Conduct," which defines the basic code of conduct we should follow.

Under this new philosophy structure, our Group will contribute to the realization of a sustainable society as a member of society that creates the future.



Core Values



Furukawa Electric Group Vision 2030

In order to build a sustainable world and make people's life safe, peaceful and rewarding, Furukawa Electric Group will create solutions for the new generation of global infrastructure combining information, energy and mobility.



Please refer to these pages for details.

Furukawa Electric Group Purpose/Core Values: <https://www.furukawa.co.jp/en/purpose/>
 Furukawa Electric Group Vision 2030: <https://www.furukawa.co.jp/en/vision2030/>
 Medium-term Management Plan: pages 26-29 "Furukawa Electric Group/Medium-term Management Plan 2022-2025"
 Furukawa Electric Group CSR Code of Conduct: <https://furukawaelectric.disclosure.site/en/themes/123>

Furukawa Electric Group Purpose

FURUKAWA ELECTRIC GROUP PURPOSE

Composing the core of a brighter world.

Maintaining reliability and comfort in our daily lives.
 Facilitating social progress and development as a path toward a prosperous future.
 Ensuring the happy coexistence of people and the Earth, today and tomorrow.

Creating and delivering these "indispensables" as the core of a better future.
 That is our reason for being.

That is what drives us to approach various social issues with new ideas and take on a wide range of challenges in infrastructure and beyond.
 We have diligently honed our technological and problem-solving capabilities since our foundation in 1884.

Through continuous innovation, we are uniquely positioned to achieve even more.
 All to brighten the world.

TOPICS

Purpose Dissemination Activities to Enhance Corporate Value "My Purpose Workshop"

Our Group aims to improve employee engagement and organizational execution abilities through activities to disseminate the "Furukawa Electric Group Purpose" by helping each employee understand its nature and significance and by fostering empathy for our Purpose across the Group. In our dissemination activities, we consider and implement measures based on four steps: "awareness," "understanding," "empathy," and "action."

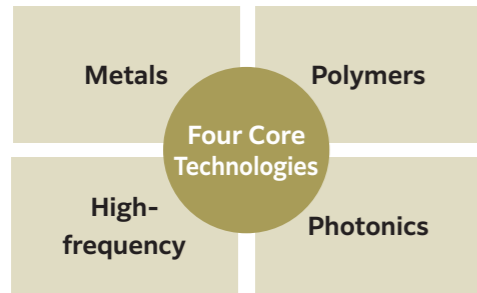
In FY2024, we announced our Purpose in May and have promoted its awareness both internally and externally through videos, posters and other media. We also launched "My Purpose Workshop" for our employees. This workshop is a program that helps each employee learn about and understand "Furukawa Electric Group Purpose" as well as to delve into their own values, while reflecting on their life and career to date, and verbalize "My Purpose." As of the end of September 2024, the workshop was held nine times for our corporate departments, research laboratories, and business sites, with a total of approximately 150 participants.

Going forward, we plan to broaden the scope of participants in this workshop and proactively consider new measures, such as communication from management and creation of opportunities for dialogue, in order to make the Group's Purpose more personal to employees and to foster empathy for it.



Furukawa Electric Group/History of Innovation

Four Core Technologies



Four technologies with superiority of metals, polymers, photonics and high-frequency that our Group has cultivated since its establishment in 1884, while expanding its business from copper smelting and electric wire manufacturing to a wide range of other fields



Started Japan's first electrodeposit copper trial operations

1884

1897

Opened Honjo Copper Smeltery and Yamada Cable Works



Installed an antenna and feed line on Tokyo Tower

1958

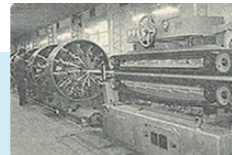
1964



Installed a communications network in Bangkok, Thailand

1971

1974



World's first successful commercialization of an optical fiber composite Oil Filled (OF) cable

1983

2001

Acquired Lucent Technologies' optical fiber division (US)



Developed a fully automatic high-precision six-high rolling mill



World's first successful field trial of optical fiber cable



Established company in Brazil manufacturing and selling aluminum power cables

Laid the world's first nonloaded carrier submarine cable in the Tsushima Strait



Started manufacturing electric copper wires



1960~

Expanding Overseas

From this period, Furukawa Electric launched its full-scale efforts to enter the global market with the hope of spreading its technical strength around the world. While building up a track record in the Middle East, Southeast Asia, and elsewhere, it established manufacturing plants from Southeast Asia all the way to Brazil, laying the foundations for today's globalization. In 1987, additionally, a new R&D laboratory was established at Yokohama, which is one of the funding places of Furukawa Electric. Since then, Yokohama R&D laboratory has created various new technologies and new products that lead the world.

2000~

Continuing to support people and society by our Group's versatile technologies

For the advancement of technology and the global environment changes such as climate change, Furukawa Electric Group have continued to support people and society by our Group's versatile technologies centered on four core technologies — metals, polymers, photonics, and high-frequency.

2016~

Strengthening the development of new technologies and new services that solve the social issues

Toward solving various social issues, based on Furukawa Electric Group Vision 2030, "In order to build a sustainable world and make people's life safe, peaceful and rewarding, Furukawa Electric Group will create solutions for the new generation of global infrastructure combining information, energy and mobility.", Furukawa Electric Group have carried out research and development through collaboration with various partners.



Newly established an open lab "Fun Lab" within Yokohama Works

2016



Acquired SuperPower Inc., a high-temperature superconducting materials manufacturer in the US

Received the Golden Hadron Award from CERN for superconducting wire materials

2003

2011



Changes in the external environments concerning sustainability and the social issues surrounding Furukawa Electric Group

We consider that the business environment surrounding Furukawa Electric Group, which is a premise of the 2025 Medium-term Plan, will be changing in a discontinuous and irreversible manner. For example, expected changes include the following: ESG/SDGs will become a management challenge which is critical for the survival of companies; in the era of the 100-year life, a new lifestyle will emerge and become common; the domestic market will shrink due to a declining and aging population; and we will see the rapid progress of digital transformation (DX).

In such an environment, there will be growing expectations for addressing social issues, including the realization of B5G*; realization of carbon neutrality; realization of the next-generation infrastructure enabling free flow of people and goods in a safe, secure and comfortable manner; an increase in healthy life span; and the realization of the circular economy.

*B5G (Beyond 5G) is the next generation of 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).

The external environment is rapidly changing on many fronts, and although there is increasing risk that responding incorrectly may be fatal, the range of social issues Furukawa Electric Group can contribute to is growing

<p>Politics</p> <ul style="list-style-type: none"> ▶ Increased awareness of ESG/SDGs as a core pillar of corporate management Accelerated initiatives for realizing a carbon neutral society ▶ Globally increased political divisions A growing impact of further confrontation between nations on global landscape Each country pursuing industrial policies that prioritize its own interests 	<p>Economy</p> <ul style="list-style-type: none"> ▶ Shrinking markets in Japan Zero growth and shrinking labor market due to the aging and declining population ▶ Growth in emerging markets such as Asia Emerging countries will continue rapid growth, and the global south will rise ▶ Rapid and substantial interest hikes in the U.S. Stubbornly high inflation, high labor market, and destabilized financial system 	<p>Social Issues</p> <ul style="list-style-type: none"> Realize a B5G society Become carbon neutral Realize next generation infrastructure that enjoys universal mobility Realize longer healthy life expectancy <p>Realize a circular economy</p>
<p>Society</p> <ul style="list-style-type: none"> ▶ New lifestyles Work style reforms and 100-year life expectancy ▶ More frequent natural disasters and increased damage More severe natural disasters, and increased demand for renewing social capital ▶ Changing concept of "mobility" Changing concept of mobility for people, goods and information by evolution of digital technology 	<p>Technology</p> <ul style="list-style-type: none"> ▶ Rapid advances in DX Level of engagement in DX will influence the competitive position of companies ▶ Widespread implementation of 5G, and advances in CASE based on that foundation Ultra-high speed telecommunications enabled by 5G, multiple simultaneous connections and ultra-low latency ▶ Increased demand for electric power, and expansion of operations beyond traditional industry borders 	

At a Glance, Furukawa Electric Group

Consolidated net sales	Greenhouse gas emissions *1 (Scopes 1&2)
1,056.5 billion yen	493 10 ³ t-CO ₂ e
Consolidated operating profit	Number of Group employees
11.2 billion yen	52,757
Profit attributable to owners of parent	Number of Group companies *2
6.5 billion yen	124

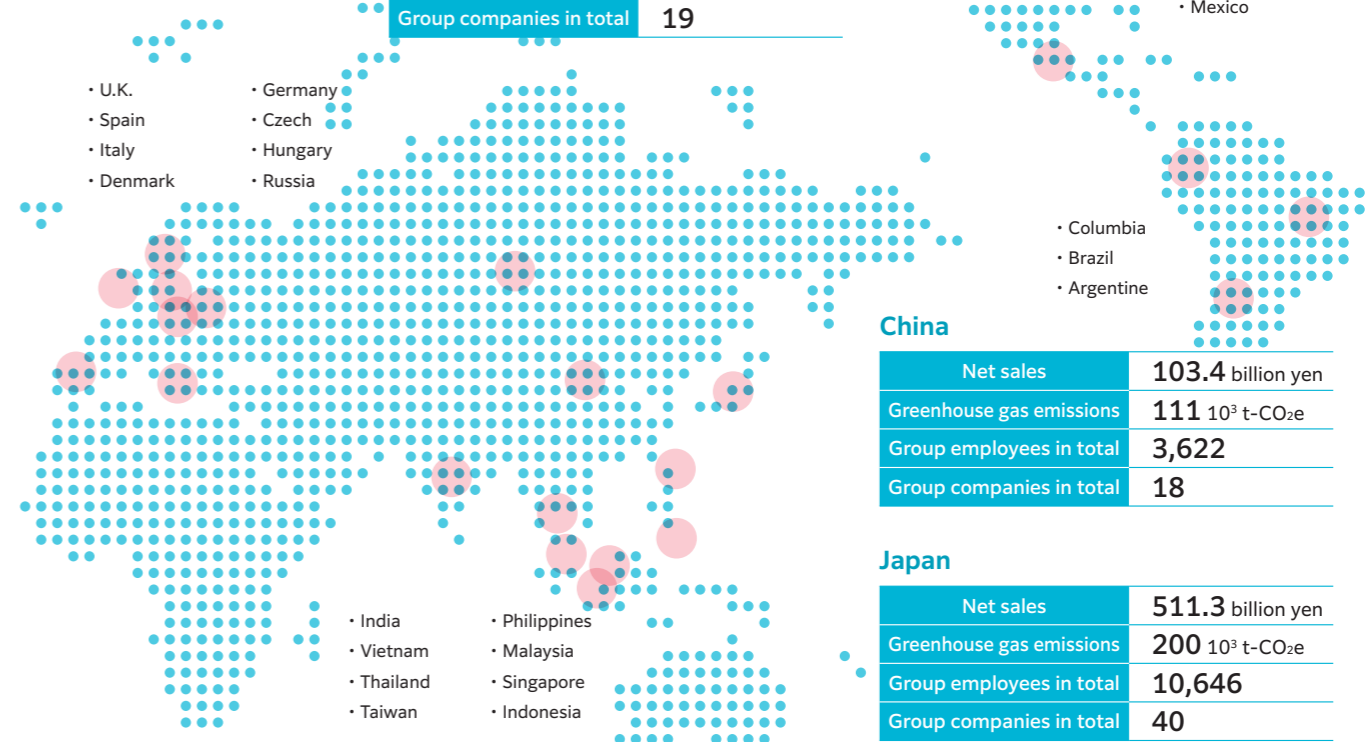
*1. Combined total amount for Furukawa Electric, 31 domestic and 60 overseas group companies
*2. Combined total for Furukawa Electric, 109 consolidated subsidiaries and 14 equity-method affiliates

North and Central America

Net sales	120.6 billion yen
Greenhouse gas emissions	54 10 ³ t-CO ₂ e
Group employees in total	5,294
Group companies in total	13

South America, Europe, and others

Net sales	78.4 billion yen
Greenhouse gas emissions	14 10 ³ t-CO ₂ e
Group employees in total	2,800
Group companies in total	19



China

Net sales	103.4 billion yen
Greenhouse gas emissions	111 10 ³ t-CO ₂ e
Group employees in total	3,622
Group companies in total	18

Japan

Net sales	511.3 billion yen
Greenhouse gas emissions	200 10 ³ t-CO ₂ e
Group employees in total	10,646
Group companies in total	40

Asia (ex. Japan and China)

Net sales	242.8 billion yen
Greenhouse gas emissions	114 10 ³ t-CO ₂ e
Group employees in total	30,395
Group companies in total	34

* The number of group companies in Japan includes Furukawa Electric.
* Net sales by region are based on the location of customers and are classified by country or region.
* Greenhouse gas emissions by region are based on the location of the companies and are classified and calculated by country or region.



"Composing the core of a brighter world." This is our purpose, and we will transform into a corporate group that achieves it.

H. Murodaise

President
Furukawa Electric Co., Ltd.

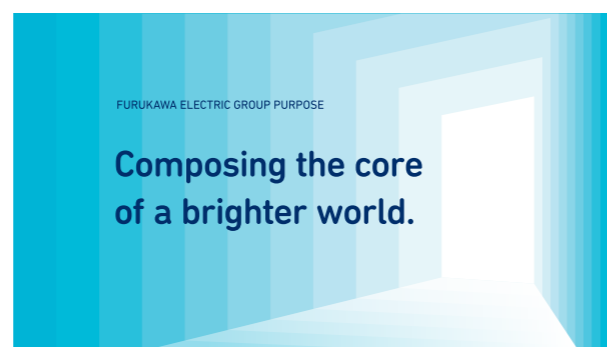
Establishment of the Furukawa Electric Group Purpose and Our Determination to Achieve It

In FY2024, Furukawa Electric Co., Ltd. celebrates 140 years in business. As the future becomes increasingly difficult to predict, it is important to make management decisions faster and increase employee engagement with the organization. In addition, in order for the Furukawa Electric Group to be widely recognized by stakeholders as a corporate group that contributes to the realization of a truly prosperous and sustainable society, and for our employees to feel pride and job satisfaction, we felt that it was necessary to articulate and disseminate our purpose, so in March 2024 we reviewed our philosophy system and newly formulated the Furukawa Electric Group Purpose.

Initially, we thought that establishing a purpose would be a very difficult undertaking. This is because for our purpose to serve as a reference point for our employees and to be instilled within our organization, it would be necessary to make it simple yet unique to our Group. We also thought that a purpose created with our Corporate Philosophy and Management Philosophy already in existence would be meaningless unless it resonated even better and was even easier to remember than those philosophies. Otherwise, there would be no need to establish it.

To establish a purpose, we launched a project centered on young employees who will lead the next generation, and after a year and a half of twists and turns, we were able to establish one. And when I spoke directly with each of the members of the project team, they told me that this purpose was the "answer" that had emerged after immense effort, with the opinions of the members having been divided. I was also able to share in the understanding and rationale of the members, which convinced me that this purpose was a good one.

I think that the phrase "composing the core" gives people an opportunity to think about the meanings of words by feeling captivated by them, and provides a good mechanism for encouraging dialogue. Meanwhile, "a brighter world" also reflects the wish of our founder,



Mr. Ichibei Furukawa, to "make Japan brighter." So while this purpose offers freedom and depth of interpretation, the choice of words is suited to the Furukawa Electric Group, and I believe that it strikes at the essence that we must avoid being swept away by current trends.

The purpose stands at the pinnacle of our philosophy system, and based on the values it embodies, we will be enhancing our human capital and organizational execution abilities. The purpose will provide the axis for decision-making toward the achievement of the goals of the Medium-term Management Plan 2022- 2025 (hereinafter, 2025 Mid-term Plan) and the Furukawa Electric Group Vision 2030. The first step is to instill the purpose within the organization, and I believe that by making the purpose the axis for our decision-making and composing the "core" that will take us into the future, and by approaching management with the determination to continue to grow by providing value to all stakeholders through constant innovation, the results we are aiming for will naturally follow.

Results and Progress in the Second Year of the 2025 Mid-term Plan and My First Year as President

FY2023 was the second year, so the halfway mark, of the four-year 2025 Mid-term Plan, and also my first year

as President. Unfortunately, our business performance left a lot to be desired, but it was also a year in which we made steady progress toward achieving Vision 2030, the visionary outlook for our Group in 2030, and the goals of the 2025 Mid-term Plan, a milestone for achieving Vision 2030. Below I will discuss the progress we have made with the priority measures of the 2025 Mid-term Plan, which is aimed at achieving a Price Book-value Ratio of more than one at an early stage. These priority measures are (1) maximizing revenues in existing businesses through a focus on capital efficiency, (2) building a foundation for creating new businesses by strengthening development and proposal capabilities, and (3) strengthening the foundation for ESG management.

Maximizing Revenues in Existing Businesses through a Focus on Capital Efficiency

With regard to maximizing revenues in existing businesses, there are still issues to be addressed in each area, but I believe that the direction and action we should take has become clearer.

In businesses related to automotive and functional products, in particular, we are beginning to see results from our activities. For example, in the AI and data center markets, our business related to heat radiation and cooling systems is performing well, and we will further

expand it by capturing additional demand, as demand is expected to increase in the future. In addition, our new factory in Mie, which produces tape for semiconductor process, an area in which we have already made investments to boost production, is on schedule with preparations for the start of mass production in FY2025, and we are anticipating growth in the semiconductor market, where a recovery is expected.

However, in the Communications Solutions business, we have been slow to respond to growing demand in the AI and data center markets, resulting in a gap in performance with other companies in our industry. We will continue to respond to the recovery in demand in the telecommunications carrier market, where we have been strong for many years, but we will also focus on the AI and data center domains to expand revenues by increasing sales of optical fiber and cable, optical components, and so on. Notably, for optical fiber and cable, we are going to launch a new global structure in FY2025 to accelerate growth.

On the other hand, although there is still a large gap between our current performance and the operating income target in the 2025 Mid-term Plan, we intend to achieve the 2025 Mid-term Plan target by further expanding businesses related to automotive and functional products, which have been performing well, and by improving profitability in communications-related businesses in line with expectations.

Building a Foundation for Creating New Businesses by Strengthening Development and Proposal Capabilities

As for building a foundation for creating new businesses, several shoots that should lead to the achievement of Vision 2030 and sustainable growth thereafter have begun to emerge. We are seeing results from building a foundation for the future, such as technology for producing green LP gas and infrastructure-related digital transformation services (Michiten®, Tetsuten®), which have not been among our Group's core businesses until now, Infrastructure Laser™, as a means of expanding into different markets, and high-temperature superconducting wires with attractive applications such

as nuclear fusion power generation. In all these cases, we are proceeding with a market-in mindset rather than a product-out one, and I am delighted about that. Furthermore, to advance these new businesses, external partnerships are absolutely necessary. For example, high-temperature superconducting wires are essential for nuclear fusion reactors, and we have been collaborating with Tokamak Energy in the United Kingdom on their development, which I view as a major achievement.

Progress in Reviewing Our Business Portfolio

Under the 2025 Mid-term Plan, we have been pursuing management with an emphasis on capital efficiency, and so far have completed several rounds of business restructuring, with increasing the value we add to invested capital (FVA or Furukawa Value Added) and ROIC as one of our axes for decision-making.

On the other hand, by being conscious of the large granules that are "business" divisions, we tended to lack the essential perspective of whether or not a product group had strengths. Therefore, after carefully examining the individual product groups in each business, we decided to reorganize our global optical fiber and cable business and metal-type wire business with a greater focus on the perspective of "leveraging our own strengths." The decision to acquire shares of MFOPTEX Co., Ltd. and make it a consolidated subsidiary was also made from the perspective of "leveraging strengths," as it reflected potential technological synergies throughout our Group that could accelerate the development of new businesses such as industrial lasers and life science. Going forward, we will maintain the question of whether we can leverage our strengths at the product group level as one of the axes for deciding whether to move forward or withdraw. We will be pushing further ahead in shifting to product groups and business models that can deliver added value, or put another way, generate profits.

I believe that continuing to generate profits while continuously reviewing our business and product portfolios also means ensuring that our businesses are required by society and customers over the medium to long term, and that this is fundamentally in line with our purpose of "composing the core."

Strengthening the Foundation for ESG Management and Reducing Cost of Capital

We view non-financial elements as a business fundamental that has the potential to generate future financial value, and we are pursuing ESG management under the 2025 Mid-term Plan. In FY2023, we unfortunately missed our targets for some of our sustainability indicators (sales ratio of environment-friendly products, R&D expense growth rate for new businesses, and employee engagement scores), but we achieved the other targets and are moving forward as planned. As such, we have been steadily developing the

foundation for ESG management.

Environment: Initiatives to Achieve Carbon Neutrality

As we move toward our goal of achieving carbon neutrality by 2050, we are beating our targets for the sustainability indicators "GHG emissions reduction rate in business activities" and "ratio of renewable energy use to total consumption." Recently, business divisions responsible for reducing emissions have begun actively moving to respond to customer demands, and headquarters, as the administrator, coordinates and visualizes their initiatives. This has helped get the reducer and the administrator on the same page, with both sides starting to work together effectively. In accordance with the revision of the Environmental Targets 2030, from FY2024 we have changed the base year for GHG emissions to FY2021, and will be embracing the challenge of achieving even tougher reduction targets.

And in FY2023, we began putting together a climate transition plan, and as part of this plan, we produced a roadmap for reducing GHG emissions. In addition to breaking the roadmap down into concrete measures and implementing them, we will also be reviewing the plan as necessary in light of social conditions, and steadily taking action to cut GHG emissions and achieve carbon neutrality by 2050.

Social: Initiatives to Strengthen Human Capital and Organizational Execution Abilities

I believe that what makes a company is its people. To realize our purpose and be sustainable as a company, it is important that the right employees are assigned to the right places, that individuals are motivated and fulfilled at work, and that their own value is recognized and they feel satisfied as a result. "Employee engagement scores" are the visualization of this. In FY2024, we expanded the scope of the survey from the parent company only to include employees of Group companies in Japan and overseas, and set a higher target.

And to enable our employees to play active roles for a long time, I want to increase the number who feel that our Group is a place where they are able to do what they want to do. From this point of view, I think that excessive selection and concentration is not good, so in the area of R&D, in particular, we are selecting themes in a balanced manner, also considering future potential and the degree of freedom for researchers.

Governance: Initiatives to Ensure Respect for Human Rights

With regard to human rights due diligence, which we have been implementing since FY2022, we have set the "implementation rate of human rights risk training for managerial positions," which is for employees, and "ratio of SAQ implementation based on the CSR Procurement Guidelines for major suppliers," which is for partners, as sustainability indicators, and in FY2023 we proceeded



with implementation in line with the plans for each. To ensure respect for human rights along the value chain, in addition to providing education and conducting surveys in a one-way fashion, we also emphasize two-way dialogue. And in our dialogue with the labor unions that represent employees and during our meetings with partners, we also engage in communication on respect for human rights.

Approach to Shareholder Returns

In line with our emphasis on capital efficiency, our basic capital policies are designed to deliver balance between investing strategically for growth, nurturing new businesses for the next generation, improving our financial position, and returning profits to shareholders. Based on these policies, and in order to increase corporate value through profit growth in line with the 2025 Mid-term Plan, we are committed to making focused investments in growth domains and providing stable and ongoing shareholder returns. Specifically, we will link dividends to business performance and maintain a payout ratio of around 30%. Therefore, in FY2023 we paid dividends of 60 yen per share.

We regard this balance between stable dividends and a payout ratio of 30% as based on the assumption that we will continue to grow steadily as an enterprise. To that end, it will be vital for us to avoid the pursuit of short-term profits, and instead to grow while maintaining a certain level of profitability through continuous transformation of our business and product portfolios. We will therefore always consider how we should distribute profits in an appropriate manner.

Future Aspirations

We will be advancing various measures to achieve the targets of the 2025 Mid-term Plan which has less than two years to run. Based on the Furukawa Electric Group Purpose, I want to make the Furukawa Electric Group a corporate group in which we all work together to pursue businesses that create "a brighter world" and to achieve sustainable growth by "composing the core" with dreams. I look forward to your continued support.





With a sense of urgency, we will be carrying out reforms such as reviewing our business portfolio and re-examining personnel measures, to achieve Vision 2030.

Satoshi Miyamoto
 Director and Corporate Executive Vice President
 General Manager, Strategy Division

Business Portfolio Optimization

Strengthening Existing Businesses and Creating New Businesses with an Awareness of Capital Efficiency

Under the 2025 Mid-term Plan, which we are currently implementing, we have established the Business Portfolio Review Committee, which has been working on the optimization of our business portfolio since FY2022. Specifically, the committee has defined criteria such as investment efficiency, and based on these criteria, has been objectively discussing business positioning, investment allocation, restructuring, withdrawal, and other decisions from a Group-wide perspective. Given the fact that in the past our Group lacked sufficient discipline and crisis awareness regarding its business portfolio review policy, in the two years following the establishment of the committee, there were times when its discussions were about applying the criteria for portfolio review in a formulaic manner, as it sought to transform attitudes. However, over the past two years, the discussions have matured, and I feel that the business managers have come to think more fundamentally about measures based on the situations with their respective businesses, making it easier to make decisions from the top down, and enabling the implementation and acceleration of concrete actions that will produce results in the future.

As a result of discussions by the Business Portfolio Review Committee, we have decided to reorganize multiple businesses to strengthen our existing businesses. To give a concrete example, we have decided to consolidate our

Group's entire metal wire business into an integrated company that will be launched in April 2025, and to ensure that manufacturing and human resources are shared and streamlined, and that resources are concentrated on competitive product groups. With this business, the Company and multiple Group companies are involved in a variety of businesses and products, including ones that are by no means highly profitable or offer strong growth potential. Individual organizations have tried to make improvements in the past, but now, with the Business Portfolio Review Committee, we are able to engage in discussions with an awareness of synergy creation and business and competitive environment for our Group as a whole. In addition, in the copper and high-performance materials products business, we have decided to withdraw from the reflow tin plating business and focus more on products where we can demonstrate strengths, such as oxygen-free copper for power semiconductors, and we are reviewing our business portfolio and taking action with an awareness of FVA at the level of each business division. Furthermore, in the optical fiber and cable products business, we have decided to establish a new holding company that combines the business units of a new company (Japan), OFS Fitel, LLC (U.S.), and Furukawa Electric LatAm S.A. (Brazil) in April 2025. Under this new holding company, we will enhance efficiency and deepen synergies in business operations by leveraging the business characteristics and strengths of each region, and pursue business growth with an emphasis on overall optimization on a global scale. In this way, we were

able to accelerate the optimization of our business portfolio by establishing a committee structure for intensively discussing what to do about low-profitability businesses and considering steps in a Group-wide, cross-departmental fashion.

To create new growth businesses, we have systematically listed up multiple M&A candidates and ranked them in order of priority, and have now begun to actively consider and execute transactions. Regarding the development and supply of high-temperature superconducting wire materials, which can help with the realization of fusion reactors in the future, we have taken an equity stake in Tokamak Energy to deepen collaboration. In addition, by making MFOPTEX Co., Ltd., a joint venture with MITSUBISHI CABLE INDUSTRIES, LTD., a subsidiary, we plan to accelerate the development of new businesses such as industrial lasers and life sciences. With the aim of improving capital efficiency and securing the resources necessary for these new businesses, we decided to sell some of our shares in UACJ Corporation. We also decided to sell our shares in Furukawa Battery Co., Ltd. after considering synergies with existing businesses, and also to resolve the corporate governance issue of both the parent company and its subsidiary being listed on the stock exchange. I believe that we should always think about who would be the best owner for this or that business, and then decide whether to continue owning the business concerned.

Growth Strategy for Achieving Vision 2030

I feel that we have achieved a certain level of success so far in terms of optimizing our business portfolio. As for the next phase, with 2030 approaching, we will clarify growth areas, and growth strategies for them, in order to achieve Vision 2030, and will be deploying resources more intensively in investment, research, and human resources. When narrowing down our target growth areas, I think that it is important to consider growth areas and product groups based on factors such as the external environment and the actual state of the business, rather than starting with discussions at the business level, as we did in the past. At the moment, we envisage our main targets as being areas such as data centers, generative AI, and renewable energy. To continue expanding in growth areas, we believe it essential to make ourselves an organization that continuously reviews its business portfolio.

Capital and R&D Investment for Growth

We have determined and are implementing basic policies and resource allocations for capital investment (mainly from 2025 to 2030) and R&D investment (for 2030 and beyond).

Business portfolio review including main business reorganizations during period of the 2025 Mid-term Plan

	Timing (including plans)	Main objectives
Reorganization of global optical fiber and cable products business	April 2025	Growth strategy and profitability improvement
Reorganization of metal wire business	April and October 2025	Profitability improvement
Sale of shares of Furukawa Battery Co., Ltd.	April 2025 (expected)	Corporate governance reform
Conversion of MFOPTEX Co., Ltd. to consolidated subsidiary	October 2024	Growth strategy
Partial sale of shares of UACJ Corporation	June 2024	Capital efficiency improvement
Transfer of interest in Essex Furukawa Magnet Wire LLC	April 2024	Capital efficiency improvement
Investment in Tokamak Energy	January 2024	Growth strategy
Sale of shares of TOTOKU ELECTRIC CO., LTD.	December 2022	Corporate governance reform
Integration of manufacturing of general-purpose electric wires for the construction and electric sales markets into Showa Furukawa Cable Co., Ltd.	July 2022	Profitability improvement



Regarding capital investments, with investment control to maintain balance and reflect the position of each business as a premise, we will ensure we make the investments we need for the future, including in DX and environmental measures. As for current priority investment areas, we are eyeing revenue growth opportunities in data centers and generative AI, and are therefore stepping up our investments in optical devices such as ultra-multi-core rollable ribbon cables and DFBs, thermal products, and tape for semiconductor processes. In addition, we continue to invest in power cables such as Extra-high voltage underground cables, renewable energy-related submarine and underground cables, and automotive Wire Harnesses, for which we have already received orders. Meanwhile, in terms of R&D investment, we are focusing on next-generation photonics products in the information area, superconducting wire materials and green LP gas production technologies in the energy area, and infrastructure lasers and life science-related businesses in new areas. While also being conscious of the potential for the horizontal deployment of core technologies, we will make efficient and effective investments, and make sure to translate them into future profitable businesses.

Strengthening Human Capital and Organizational Execution Abilities to Reinforce Businesses and Lead to Growth

Our Group's strengths lie in our diverse technological capabilities, business domains, and customer base, and while the diversity of our human resources, which will support the achievement of Vision 2030, is our greatest strength, maintaining and securing talent can also be viewed as our greatest risk. From the perspective of organizational management, it is necessary to assign employees to optimal positions where they can demonstrate their abilities in order to successfully execute management and business strategies, but it is also crucial to respect individual values, such as whether employees themselves feel that they are

growing personally and can gain a sense of fulfillment. We have squarely addressed the importance of respecting both organizations and individuals, and have implemented various personnel system reforms and measures to that end.

First, in the area of recruitment, we focus on acquiring talent with diverse abilities and personalities. For this reason, we have been working to strengthen our ability to recruit personnel mid-career, as such individuals possess especially high levels of expertise, and in the past few years, almost half the people we have recruited who have a university degree or higher (Furukawa Electric) have been mid-career hires. And with the hiring of new graduates, too, we have introduced “course-based hiring,” which puts a limit to some extent on the jobs they are allocated at the time of their initial assignment. The aim is to respect the career aspirations of individuals and to equip them with expertise that can contribute to the organization.

In terms of training and assignment, departments still retain a silo mentality to some degree, and shifting to a Group-wide perspective, particularly when it comes to management personnel, will be critical. Therefore, in FY2023, we formulated succession plans and development plans for general managers and above for the entire organization, and redesigned the process for developing management personnel in order to systematically develop and assign future organizational managers and management personnel.

And as mechanisms for enabling individuals to choose their own careers, we have added to the in-house secondary job system introduced in FY2021, by also introducing an in-house open recruitment system in FY2024 to accelerate the realization of more self-directed careers for our employees. We believe that these systems for in-house secondary jobs and open recruitment systems as well as cross-organizational projects are useful for the development of future management personnel as they provide young employees with opportunities to view the Company and the business as a whole, and sometimes as a chance for personal growth by going through “rough patches.” Furthermore, as a reskilling measure, in FY2024 we introduced an e-learning system that allows anyone to learn anytime and anywhere, providing opportunities for individuals to acquire a variety of skills independently.

In addition to what I have mentioned so far, we are also taking comprehensive action from the perspective of making work rewarding and pleasant. For example, we are promoting women's careers and the employment of people with disabilities with the aim of promoting diversity and

Key personnel measures introduced in recent years for human resource development and career development

	FY2021	FY2022	FY2023	FY2024
Target management system and development of successors	Review of operation of target management system	Formulation of succession plans and development plans (general managers and above) (section managers and above)		
Career development support	In-house secondary job system		In-house open recruitment system (trial introduction)	In-house open recruitment system (full introduction)
Reskilling measures				New e-learning system



inclusion, and also implementing work style reform and practicing health and productivity management. I therefore feel that we have taken certain steps to strengthen human capital and organizational execution abilities.

On top of that, we have been conducting employee engagement surveys since FY2022 for Furukawa Electric and since FY2023 for the entire Group, with the objective of raising levels of engagement among employees. Although the results for FY2023 (Furukawa Electric) had not changed significantly overall compared to the previous year, our analysis of them revealed issues such as a lack of connection between organizational goals and individual goals, and a failure to get employees to align organizational goals with their own. We are determined to confront these issues by instilling the “Furukawa Electric Group Purpose,” which we established in March 2024, among individuals, and encouraging them to put it into practice. We will continue to improve our personnel measures based on our analysis of the survey results for each organization/class and our identification of issues, and we will strive to improve engagement by disseminating messages from top management and strengthening dialogue within each organization.

Looking to the Future

Lastly, I am conscious that our Group lacks a sufficient “marketing” perspective, i.e., the ability to view our own businesses from a market standpoint. Although the situation has been gradually improving, it is still critical to look at one's own company objectively, and with a certain sense of crisis. To instill this perspective, in FY2024, the marketing function under the Global Marketing Sales Division was transferred to the Strategy Division and integrated with the corporate planning function. With this reorganization, we will be incorporating a marketing perspective into our ongoing consideration of the desired business portfolio as we move toward Vision 2030. In addition, although our Group possesses excellent resources in terms of talent, technology, and global network, I feel that there is still plenty of room

for utilization of these resources for business growth and expansion. We have begun to take steps such as reviewing personnel measures and restructuring our global organization, but by enacting reforms with a sense of urgency, we intend to give concrete shape to our aspirations for what the Furukawa Electric Group should look like when Vision 2030 is achieved.

Message from the General Manager of the Finance & Accounting Division



Striving to balance growth investment with financial soundness to increase corporate value over the medium to long term.

Koji Aoshima

Director and Corporate Vice President
General Manager, Finance & Accounting Division

Since Becoming CFO

I took up the post of CFO in April 2024. For the Furukawa Electric Group, my appointment comes at the beginning of the second half of the 2025 Mid-term Plan implementation period, and I believe that my role as CFO should be to provide support from the financial side to growth businesses to successfully execute the rest of the 2025 Mid-term Plan as we look ahead to achieving Vision 2030 beyond, and to be even more aggressive in maintaining and improving our financial soundness.

Review of FY2023 Financial Results and Perception of Issues

Our financial results for FY2023 made for incredibly painful reading. Although net sales exceeded one trillion yen, operating profit was 11.2 billion yen, a decrease of 4.3 billion yen from the previous fiscal year. Compared to the 40+ billion yen operating profit we earned in FY2018 and FY2019, the figure has shrunk considerably. Ordinary profit was 10.3 billion yen, and profit attributable to owners of parent was 6.5 billion yen, recording a surplus but marking a decrease of 9.4 billion yen from the previous year.

In the Communications Solutions business, we recorded an operating loss of 13.0 billion yen (a 19.5 billion yen decrease from the previous year) due to being significantly affected by a decline in sales resulting from sluggish demand as customers of products such as

optical fiber and optical-related components curtailed investment and continued to trim inventory. Although the Automotive Products & Batteries business registered an increase in profit of 14.2 billion yen thanks to the stabilization of customers' production plans, and the Functional Products business booked a profit rise of 3.7 billion yen on the back of booming demand for heat radiation and cooling products for data centers, these increases were not enough to offset the loss in the Communications Solutions business.

Our biggest challenge to achieving the financial targets of the 2025 Mid-term Plan is restoring the profitability of the Communications Solutions business. Acquiring new customers related the data center is an especially urgent task, and I think support from the financial side will also be necessary for this. And as we announced recently, we are reorganizing the Group's optical fiber and cable products business and the metal wire business to maximize profits, and we will be providing solid support for the preparations and with business operations after the reorganization.

Challenges and Action Toward Improving Our Price Book-value Ratio (PBR)

The Tokyo Stock Exchange has demanded that we improve our PBR, and while we will need to approach

this challenge from various angles, I believe that what is particularly important is to practice management with a focus on capital efficiency, which we have already been doing for a long time, and think about how to maximize profits, which are the foundation for our business. I am of the view that continuing and redoubling our efforts to improve capital efficiency and increase ROIC for our Group as a whole by employing ROIC and FVA trees to evaluate various businesses will ultimately lead to improvements in our ROE and PBR.

And in addition to expanding near-term earnings, we will also be concentrating on optimizing our capital structure to increase our corporate value over the medium to long term. Our net interest-bearing debt, which had dropped to a little over 200 billion yen at one point, began to increase again in 2020 and reached over 280 billion yen by the end of FY2023. To reduce our liabilities and maintain/improve financial soundness, we will be trimming policy-holding shares and non-business assets that are unlikely to deliver synergies within our Group, and invest in growth businesses for the future while maintaining balance with financial soundness.

Business Portfolio Optimization to Improve Capital Efficiency

Controlling Capital and R&D Investment

As a key measure to improve capital efficiency, the Business Portfolio Review Committee discusses the optimization of our business portfolio from the point of view of creating synergies for the entire Group and with an awareness of the business and competitive environment, and examines which areas to invest in and how to invest in them. I am also involved as vice chair of the committee, and I feel that the discussions have matured over the past two years, and that we are making steady progress with our efforts.

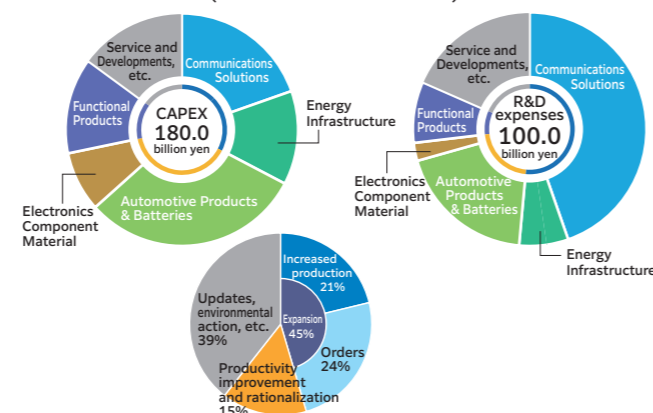
In addition, I serve as chair of the Investment Committee, which discusses the feasibility and strategic rationale of each potential investment. During these discussions, we look at the internal rate of return (IRR) from the perspective of how many years it will take to recoup the investment, but more than that, we talk about capital efficiency, using ROIC and FVA as indicators for



determining whether the investment will lead to an increase in our corporate value. Specifically, we use ROIC and the growth rate to confirm the degree of priority of investments, and make investment decisions such that FVA will be maximized as a result of our investments.

When a department wishes to propose an investment, it will be aware that the Investment Committee is going to thoroughly discuss it using ROIC and FVA, so before drafting its proposal, the department will first ask itself, "Given that the WACC is X%, and how much of a return will be required?" I think that the fact that we are now able to have this kind of discussion is a positive development.

Capital expenditures (CAPEX) and R&D investment (FY2022-2025 cumulative)



Business Administration Using Management Indicators

In addition to using them for investment control, we also employ management indicators such as ROIC and FVA in our day-to-day business operations. We have been doing this in earnest since FY2022. Dividing our businesses into 27 categories, we focus on how to generate an ROIC that exceeds the WACC set for each business, i.e., an ROIC spread, which leads to action for each business.

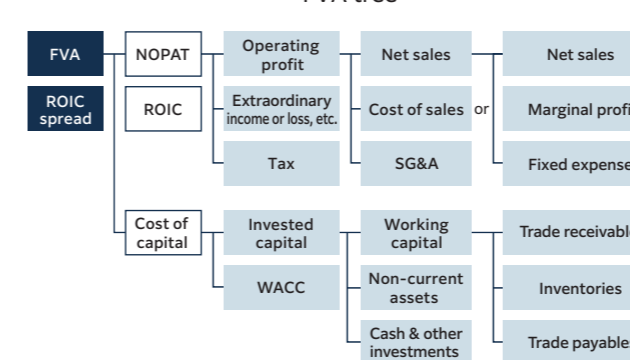
Specifically, we use FVA trees to break down the elements of each business category, and taking into account the characteristics of each business category, we identify indicators and numerical targets to address and define them as KPIs. It tends to be problematic businesses that require rigorous management with an FVA tree. If characteristics such as technological superiority mean that the business model is competitive in relation to other companies, we do not demand that the business concerned uses FVA, but we do encourage attention to be paid to ROIC in the management of the business.

To utilize ROIC and FVA trees in daily business administration, it is essential for those on the frontline, such as production line workers and salespeople, to have an understanding of them. For this reason, during the two years since we introduced FVA, we have focused on instilling the concept of FVA internally. In the first year, we concentrated on senior management, business managers, and planning departments, and in the second

year, we expanded the targets to include frontline employees. To make the complex logic comprehensible and familiar, we have produced an animated in-house training video. We have posted it on the intranet and been encouraging personnel to view it. The video features explanations that are connected to frontline operations. One such explanation is that "cost improvement, which is set as a KPI in the management accounting of manufacturing plants, has a positive impact on FVA." To enable each individual to understand which elements of the FVA tree are connected to their own work and how they are connected, and then link them to operations, we are working with a long-term perspective, aiming to steadily produce results as the concept takes hold.



FVA tree



Approach to Business Portfolio Optimization

We regard maximizing the value of each business as an essential precursor to restructuring our business portfolio. To that end, after determining the viability and profitability of the product groups and business models of each business, which are divided into 27 categories, we first review them at the product group level and see if we can maximize the value of the business to the point where no further improvement could be expected. Then, if further improvement is deemed difficult, we make a decision to sell or withdraw from the business. Following this process, we recently decided to withdraw from the reflow tin plating business.

When reviewing the portfolio at the unit of the business, if we are the best owner of a business, we continue to own it, and if not, we consider who would be the best owner, and think about what would be right for the business. Even when divesting a business, it is important for it to be in a state where it can generate solid returns, so to that end, too, we think it is vital to increase the value of our businesses. In this way, we believe that making decisions on restructuring our business portfolio following a review at the product group level and after maximizing the value of existing businesses will ultimately contribute to the enhancement of corporate value.

Cash Allocation and Financial Soundness

When we announced the 2025 Mid-term Plan, we also described how we would allocate cash during the period

of the plan. Compared to our initial projections, operating cash flow has decreased due to changes in the demand environment, but we will generate cash by reviewing the details and timing of capital expenditures and by selling assets, including policy-holding shares, and intend to maintain the strategic investment limit for growth as planned.

In addition, from the perspective of financial soundness, we would like to quickly enter a phase in which interest-bearing debt is reduced using operating cash flow earned from our business, rather than through asset sales.

Among our customers, global technology companies, especially those in the data center and generative AI spaces, have strict credit management policies. We are acutely aware that to keep our position as a business partner for advanced technologies into the future, maintaining financial soundness is critical.

As for shareholder returns, they will be based on our policy of stable and continuous dividends and a dividend payout ratio of 30%.

Balancing growth investment, shareholder returns, and the improvement of financial position in this way will not be easy, but for the Furukawa Electric Group to grow, I believe that pursuing improved financial soundness will also be necessary. I think that striving for the long-term growth of our Group while maintaining this balance is one of my key roles as CFO.

Looking to the Future

Alongside management with a focus on capital efficiency and efforts to maximize earnings, I also regard dialogue with shareholders and investors as crucial. I intend to emphasize to the outside world, in quantitative terms, the appeal of our business strategies, including from an ESG perspective, to the best of my ability, and to act personally as a bridge for disseminating within the Company the opinions I receive through dialogue to promote internal understanding of market expectations and assessments. By getting our Group working together to meet these expectations, we will deliver an increase in corporate value over the medium to long term.

Furukawa Electric Group's Sustainability

Basic Approach to Sustainability

Our Group has established Furukawa Electric Group Vision 2030 ("Vision 2030") as what we want to achieve in 2030. Aiming to realize Vision 2030, we promote ESG management to ensure the sustainable growth of our group and to enhance our corporate value over the medium to long term.

In FY2023, in order for each and every employee to continue to work with pride and take on challenges, we reviewed the Group's philosophy system. We also established the Furukawa Electric Group Purpose, which indicates the Group's raison d'être and went into effect on April 19, 2024. Going forward, we aim to improve employee engagement and organizational execution abilities, through activities to disseminate the Purpose, by helping each employee understand its content and significance and by fostering empathy for the Purpose across the Group. In addition, we revised part of the Furukawa Electric Group Basic Policy on Sustainability in April 2024, in conjunction with the establishment of the Furukawa Electric Group Purpose in 2024.

Furukawa Electric Group Basic Policy on Sustainability (Revised in April 2024)

Furukawa Electric Group will:

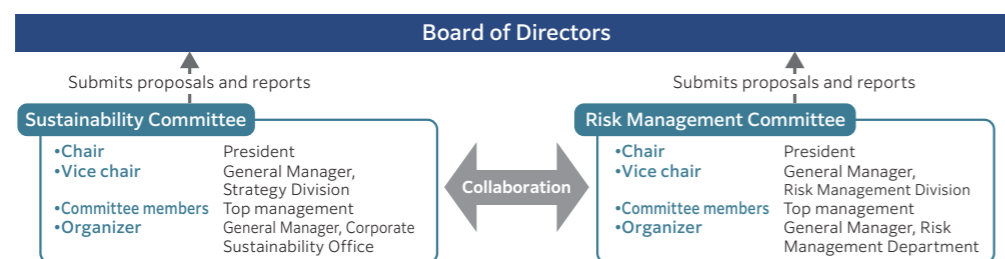
- tackle important management issues, or material issues, from the perspectives of both revenue opportunities and risks based on the Furukawa Electric Group Purpose, thereby aiming for sustainable growth and contributing to the achievement of the SDGs (Sustainable Development Goals).
- continue to transform its business through constant innovation based on our technological prowess and proposal capability as well as co-creation with diverse stakeholders, while focusing on capital efficiency, in order to strengthen and create businesses that solve social issues.
- contribute to the sustainable development of society by maintaining and improving sound and positive relationships with all stakeholders through appropriate information disclosure and active communication, while complying with laws, regulations, social norms and ethics in Japan and overseas.

Governance

The "Sustainability Committee" has been established to consolidate discussions on sustainability within Furukawa Electric Group and further enhance the quality and speed of implementation thereof. The committee is chaired by the President, vice-chaired by the General Manager of the Strategy Division, and composed of members of top management, deliberates on issues on sustainability within Furukawa Electric Group, including sustainability-related basic policy, basic matters on material issues related to revenue opportunities and risks, and disclosure of basic information related to sustainability; checks on progress on such matters; and submits proposals and reports to the Board of Directors. The Corporate Sustainability Office serves as the organizer, and the

committee will generally meet twice a year. As matters regarding material issues of risks are closely related to management perspective risks of the Group, they are therefore handled in collaboration with the Risk Management Committee.

The committee also submits proposals and shares the status of the execution of our sustainability-related operations, including climate change, human capital, and intellectual property, with the Board of Directors every quarter. The agendas of the Sustainability Committee and the Management Committee are also set based on the results of the Board of Directors' effectiveness evaluation and feedback from shareholders and institutional investors.



The Sustainability Committee focuses on discussing the items listed on the right.

The Group has accelerated its ESG management since FY2018 and has expanded discussions on sustainability including climate change and human capital at the Board of Directors, the Management Committee, and the Sustainability Committee. The Sustainability

- Sustainability-related basic policy
- Basic matters and current progress on material issues related to revenue opportunities and risks
- Disclosure of basic information related to sustainability
- SDGs activities and community/social activities
- Other important sustainability issues

Committee submits proposals and share the progress on sustainability including climate change and human capital with the Board of Directors every quarter.

The Board of Directors and the Management Committee have conducted the following discussions since FY2018.

Furukawa Electric Group's Key Sustainability Discussions

Board of Directors	November 2018	Formulating the Furukawa Electric Group (FEG) Vision 2030
	November 2018	Formulating the FEG People Vision; medium-term measures of HR Management Dept.
	November 2018–December 2019	Identifying material issues
	April 2019	Revising the FEG CSR Code of Conduct
	February 2021	Formulating the FEG Environmental Vision 2050
	July–August 2021	Formulating the FEG Basic Policy on Sustainability
	May 2022	Setting sustainability indicators and targets; adding "human rights and labor practices" to the material issues
	December 2022	Status and direction of personnel measures in the 2025 Medium-term Management Plan
	March 2023–March 2024	Establishing the "Furukawa Electric Group Purpose"
	Management Committee	October 2018
November 2018–May 2019		Formulating the Furukawa Electric Group (FEG) Vision 2030
November 2018–September 2020		Identifying and disclosing material issues
January 2019		Setting the Environmental Targets 2030; applying for an SBT (2°C Targets) initiative certification
April 2019		Revising the FEG CSR Code of Conduct
January 2020		Signing the United Nations Global Compact; formulating the FEG Human Rights Policy; expressing support for the recommendations of TCFD
December 2020–February 2021		Formulating the FEG Environmental Vision 2050
July–August 2021		Formulating the FEG Basic Policy on Sustainability
November 2021–February 2022		Revising the Environmental Targets 2030; applying for an SBT (WB2°C Targets) initiative certification
November 2022		Direction of personnel measures based on the approach to human capital management
November–December 2022		Revising the Environmental Targets 2030; applying for an SBT (1.5°C Targets) initiative certification; purchasing renewable energy certificates
February 2023		Activities to reinforce human capital and organizational execution abilities; disclosing human capital indicators
Sustainability Committee		March 2022
	September 2022	Establishing the Furukawa Electric Group Responsible Minerals Sourcing Policy
	September 2022–March 2024	Establishing the Furukawa Electric Group Purpose

In FY2023, the Sustainability Committee met three times to discuss and report to the Board of Directors on the establishment of the Purpose and activities to inform and disseminate the Purpose to employees as well as

the status of initiatives related to material issues, based on the results of the Board of Directors' evaluation of the effectiveness and other factors. The main agendas are as follows.

4th Sustainability Committee Meeting (held on September 12, 2023)

- Status of efforts to establish our purpose
- Review of material issues
- Finalization of FY2022 results for sustainability indicators and partial revision of FY2023 and FY2024 targets
- Creation and publication of Integrated Report 2023
- Carbon neutral strategy

5th Sustainability Committee Meeting (held on March 5, 2024)

- Establishing the "Furukawa Electric Group Purpose" and its philosophy system

6th Sustainability Committee Meeting (held on March 26, 2024)

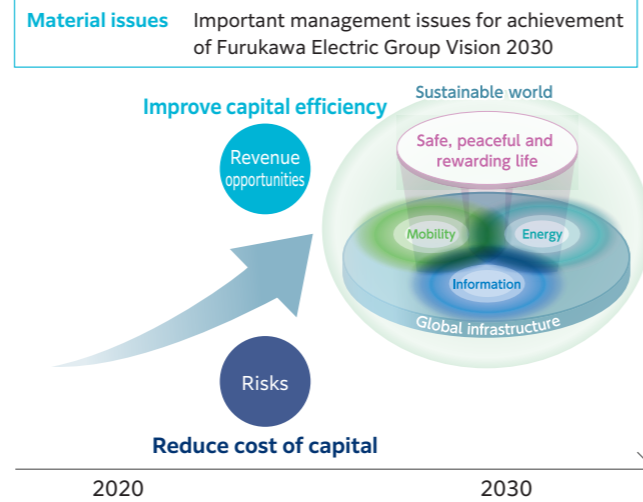
- Activities to inform and disseminate the Purpose to employees
- Reporting and disclosure of FY2023 results for sustainability indicators
- Risk assessment of human rights
- Feedback from shareholders and institutional investors

7th Sustainability Committee Meeting (held on September 3, 2024)

- Activities to inform and disseminate the Purpose to employees
- Finalization of FY2023 results for sustainability indicators
- Stakeholder engagement
- Creation and publication of Integrated Report 2024

Furukawa Electric Group's ESG Management and Material Issues

In order to achieve Furukawa Electric Group Vision 2030, we are promoting ESG management, which aims sustainable growth of the Group and medium- to long-term growth of corporate value. We have defined material issues (*) as important management issues that the Group should address in order to achieve the Vision 2030, and we defined material issues in terms of both revenue opportunities and risks, in accordance with the process of identifying material issues as mentioned below. We aim to achieve the Vision 2030 by working on the material issues we have identified, considering that addressing the material issues in terms of revenue opportunities help improve capital efficiency whereas addressing the material issues on risks help reduce the cost of capital. We will also contribute to the achievement of the SDGs, which are closely related to the material issues.

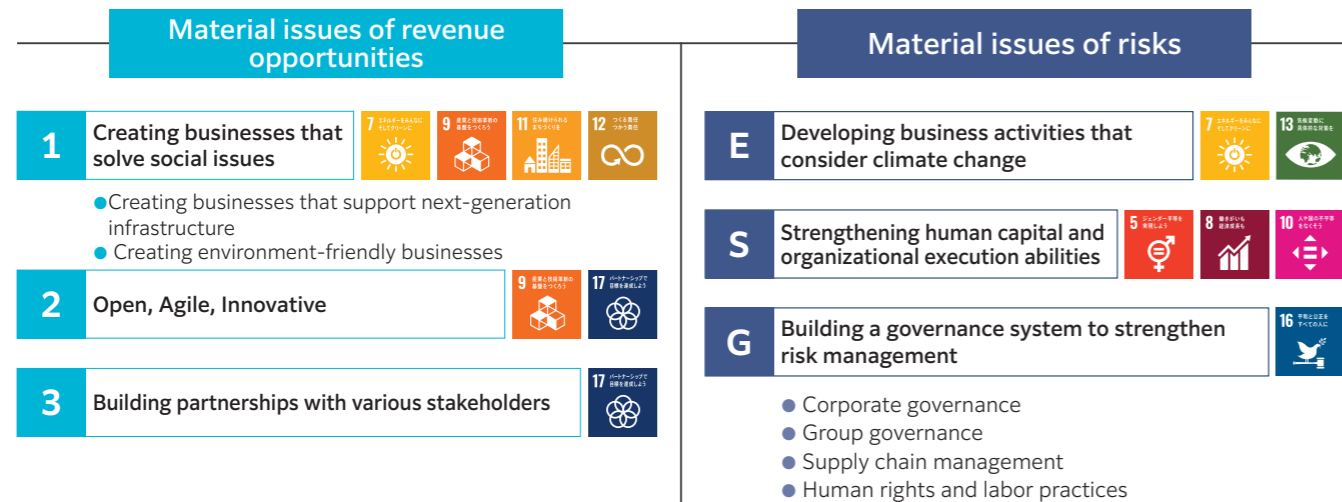


* In Furukawa Electric Group's ESG management, "material issues" are defined as important management issues that Furukawa Electric Group must address in order to achieve the Vision 2030, and are used as a term with a meaning different from those used in the finance and accounting context, which are issues that may have an impact on business performance, financial position, etc.

Identifying Material Issues

From the perspective of revenue opportunities, in order to help solve various social issues through the business activities of Furukawa Electric Group, we found it indispensable to devise a transformation from the emphasis on "product-out" to the "market-in" and further to the "outside-in" approach, and identified the "creation of businesses that solve social issues" as a material issue. Examples of these include the "creation of businesses that support the next generation infrastructure," which will serve as the foundation of the society anticipated in the Vision 2030, and the "creation of environment-friendly businesses," which contribute to the realization of a carbonfree society and a recycling-based society. We are focusing on the two kinds of examples as sub-material issues of the material issues on revenue opportunities. In addition, we have identified as material issues the slogan "Open, Agile, Innovative," which reflects the desire to become a company that actively transforms

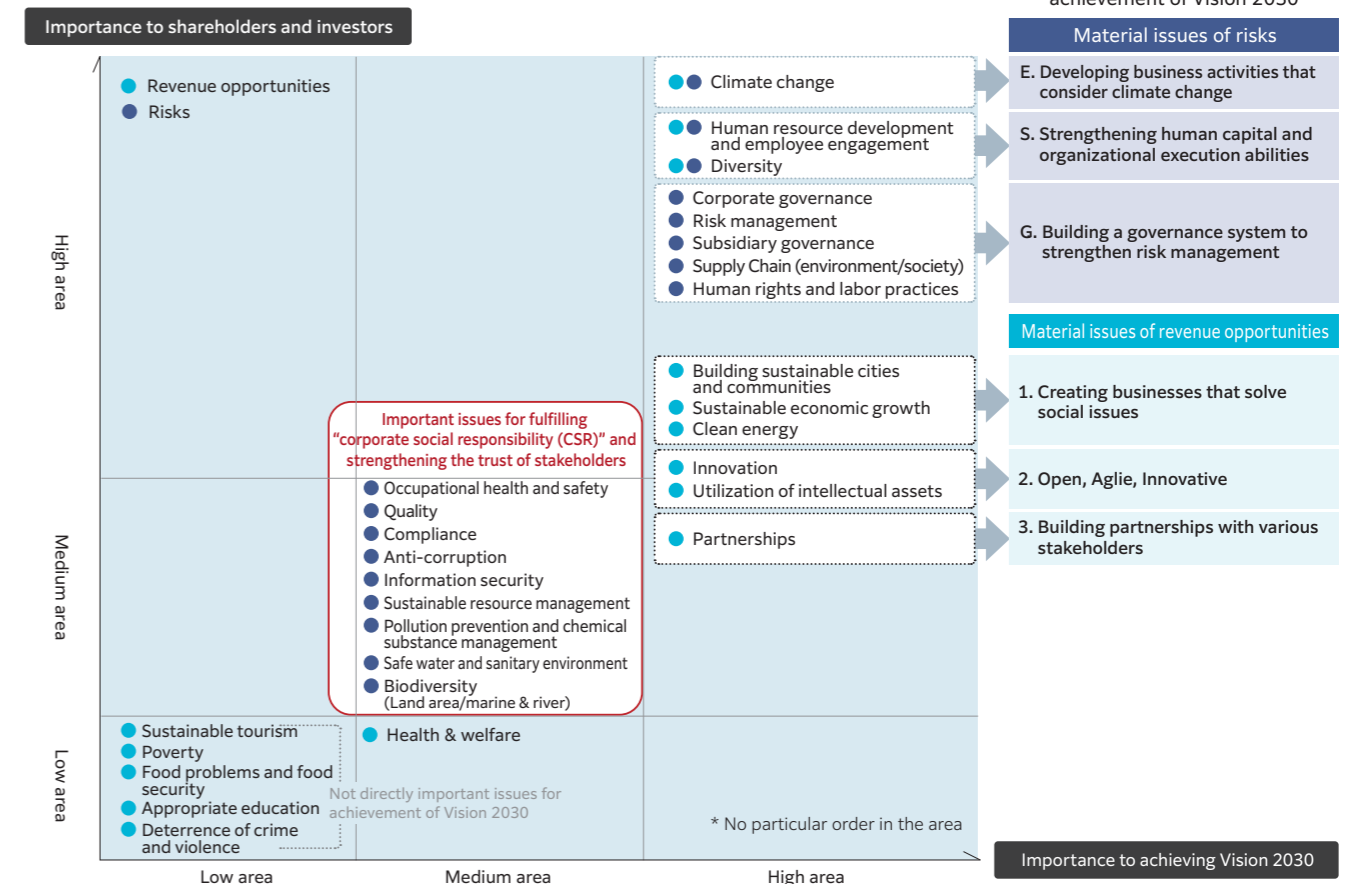
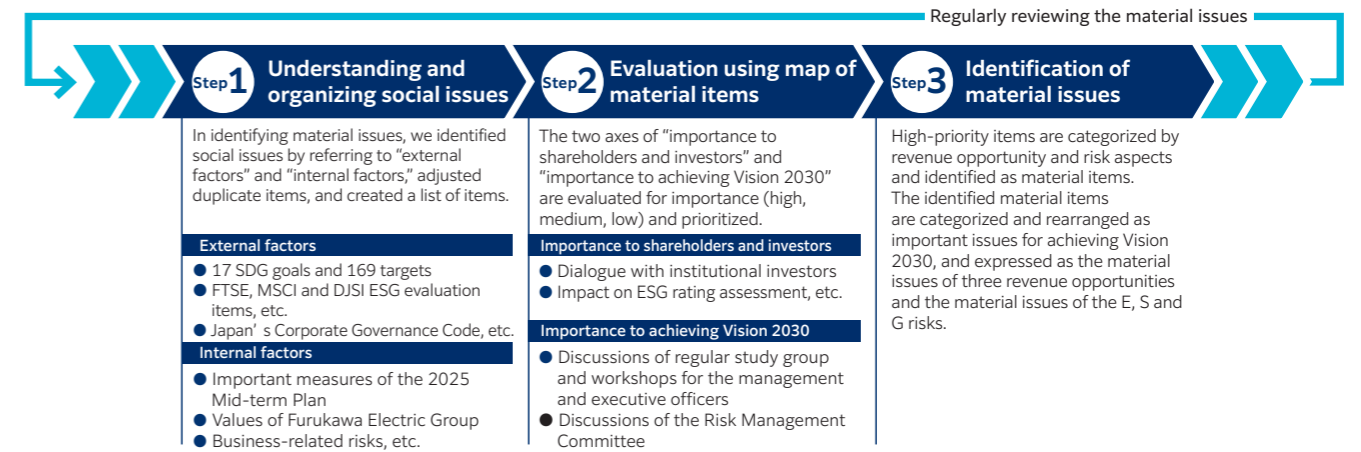
itself and the creation of continuous innovation through utilizing intellectual property and other measures, and the "Building partnerships with various stakeholders," focusing on co-creation with others, as key management issues toward creating businesses that solve social issues. On the other hand, from a risk perspective, in order to achieve sustainable growth, it is essential that companies develop business activities that take into account climate change, and we see this as a material issue for environment (E) risks. In addition, in order to become a company that actively transforms itself, we set the "strengthening of human capital and organizational execution abilities" as a material issue for social (S) risks. As for material issues of governance (G) risks, we focus on "building a governance system for strengthening risk management" including corporate governance, group governance, supply chain management as well as human rights and labor practices as sub-material issues.



Process of Identifying Material Issues

Identification and review of material issues was conducted through a process of Step 1 through Step 3. First, in Step 1, we identified social issues by referring to "external factors" and "internal factors," adjusted duplicate items, and created a list of items (currently organized into 29 items). In Step 2, the two axes of "importance to shareholders and investors" and "importance to achieving the Vision 2030" are evaluated

for importance (high, medium, low) and prioritized. In Step 3, high-priority items are identified as material issues. The identified material issues are categorized by revenue opportunity and risk aspects and rearranged as important issues for achieving the Vision 2030, and expressed as the material issues in terms of revenue opportunities and the material issues in terms of the E (Environmental), S (Social) and G (Governance) risks.



* With regard to material issues, we distinguish between important issues for achieving Vision 2030 and important issues for fulfilling corporate social responsibility and strengthening the trust of stakeholders.

Value Creation Process Directed at Achieving the Vision 2030

Furukawa Electric Group conducts corporate activities based on the Furukawa Electric Group Purpose, the Core Values, and Furukawa Electric Group CSR Code of Conduct. We will surely execute the Medium-term Management Plan 2022–2025 (hereinafter, the “2025 Mid-term Plan”), which is formulated by the dual approach of backcasting from Furukawa Electric Group Vision that defines the ideal state of the Group in 2030 (hereinafter, the “Vision 2030”) and forward-looking from the present. In the 2025 Medium-term Plan, we defined the ideal state in FY2025 for each identified material issue, formulated measures to realize them, and set sustainability indicators/targets to measure the progress.

For realizing sustainable growth of Furukawa Electric Group and medium- to long-term growth of corporate value, we will strengthen and create businesses mindful of capital efficiency and strengthen the management foundation directed at reducing capital costs. Furukawa Electric Group has enhanced capabilities for development and making proposals, without being limited to specific markets and with its four core technologies—metals, polymers, photonics and high-frequency—centered

on capabilities to handle materials. Through these capabilities, we have gained the trust of customers. In an “Open, Agile, Innovative” manner, we will promote to build a new business model by enhancing our strengths, including utilization of intellectual property, and cocreating with our partners.

Toward 2025, we will stabilize earnings in information, energy and mobility sectors, and realize growth through the strengthening of businesses that solve the social issues, whereby contributing to building a society with infrastructure integrating information, energy and mobility. Specifically, to achieve the targets specified in the 2025 Mid-term Plan, and to expand profits in each business, while focusing on Communications Solutions business in particular, we will continue to optimize allocation of investments from the perspective of profitability and growth potential, and accelerate business management and decision-making, including the review of our business portfolio, with a further focus on the cost of capital.

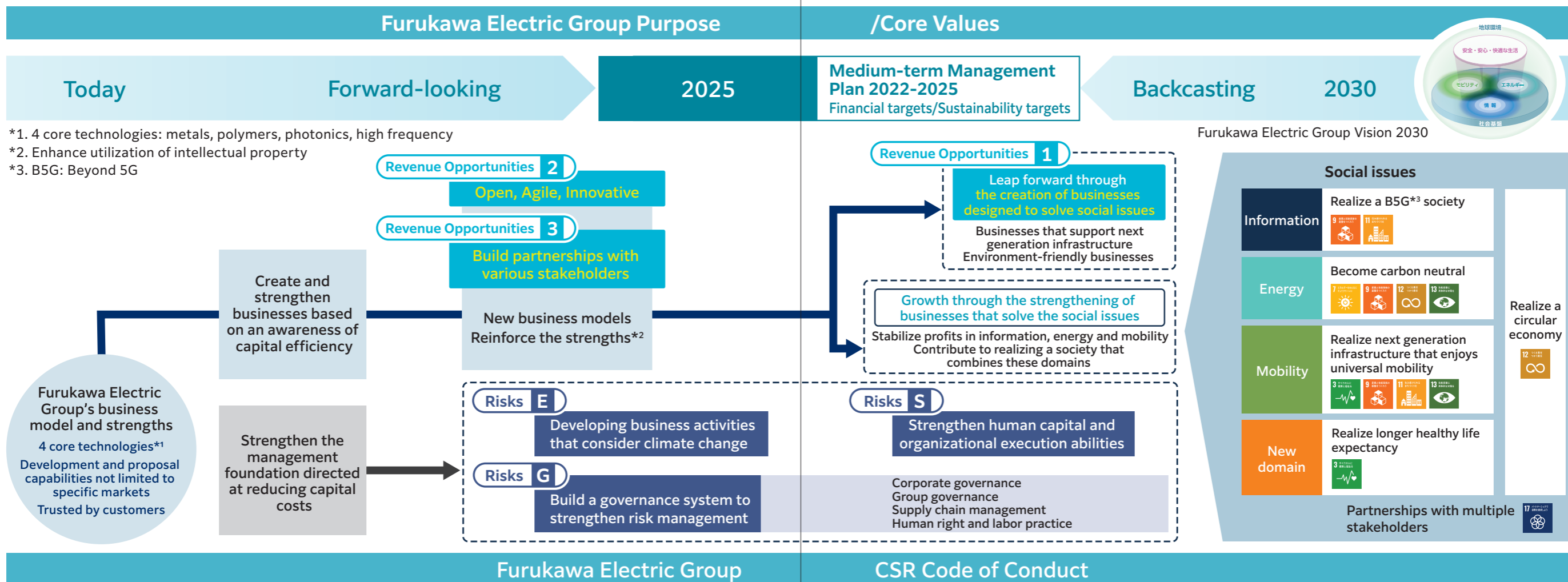
In addition, toward 2030, we realize a leap through the creation of businesses that solve the social issues

including the “creation of businesses that support the next generation infrastructure,” which would serve as the foundation of the integrated society of the Vision 2030, and the “creation of environment-friendly businesses,” which contributes to the realization of carbon neutrality and a circular economy. Specifically, to address the needs of the Beyond 5G society, we will take advantage of our photonics and high-frequency technologies to develop optical semi-conductor devices towards the realization of photoelectric fusion which is essential in the next generation information communication environment, thus contributing to realizing the all-optical network and a society with highly efficient energy. We will also proceed with joint R&D of products for nuclear fusion power generation, which contributes to the safe and sustainable energy supply. Furthermore, to contribute to realizing the carbon neutrality, we will continue our R&D activities concerning Green LP gas* which does not use fossil resources. In addition, we will suggest the adoption of our digital solutions for operating/maintaining social

* 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).

infrastructure to our customers, and work on the sophistication of such solutions.

On the other hand, as for “developing business activities that consider climate change,” we formulate a climate-related transition plan which is a series of targets and actions to support the transition to a low-carbon economy. Based on the plan, we will implement initiatives toward the carbon neutrality. In addition, as for “strengthening human capital and organizational execution abilities, we conduct a survey on human capital and 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 based on “Furukawa Electric Group People Vision” which is shared beliefs on human capital at both Group and global levels. As for “Building a governance system to strengthen risk management,” we will strengthen the initiatives related to not only the Furukawa Electric Group’s overall risk management, but also supply chain management and human rights management.



Risk management

Sustainability-related Opportunities and Risk Management

In the 2025 Medium-term Plan, we have set sustainability indicators (KPIs) and sustainability targets for FY2025 to realize our ideal state in FY2025 in each material issue.

The handling status of material issues on revenue opportunities and risks and the progress on sustainability indicators are reported and shared to the Board of Directors and Sustainability Committee semiannually. In addition, the General Manager of Corporate Sustainability

●Material issues of revenue opportunities:

We have set the "R&D expense growth rate for new businesses" and "implementation rate of IP landscaping for strengthening businesses and themes" as sustainability indicators to measure the progress

●Material issues of risks (governance):

We have set "the ratio of follow-up on risk management activities for all risk domains" that contains items of the business-related risk as a sustainability indicator to measure the progress toward "Building a governance system to strengthen risk management" to promote the improvement through the control activity. In addition, as for supply chain management and human rights

Please refer to these pages for details: pages 67-71 "Risk Management", "Supply Chain" and "Human Resources Management"

●Material issues of risks (environment):

Please refer to these pages for details: pages 72-77 "Developing business activities that consider climate change"

●Material issues of risks (society):

Please refer to these pages for details: pages 78-83 "Strengthening Human Capital and Organizational Execution Abilities"

Integration into company-wide management strategy and company-wide risk management

To strengthen and create businesses through a focus on capital efficiency, we have established the Business Portfolio Review Committee since FY2022 with the aim of promoting business portfolio transformation with an emphasis on capital efficiency. The Business Portfolio Review Committee, composed of the General Manager of the Strategy Division as chair, the General Manager of the Finance & Accounting Division as vice chair and the General Manager of Global Marketing Sales Division, deliberates on important matters related to business portfolio transformation, such as the positioning of each business in the Medium-term Management Plan, makes proposals and reports to the Management Committee. The General Manager of the Corporate Planning Department is in charge of the secretariat, and it is held three times a year in principle. In FY2023, we started examining our desired business portfolio to achieve the Vision 2030, and we continue to work to materialize the Vision 2030.

In order to promote management that emphasizes

Office regularly (twice a year in principle) holds a dialogue on the progress of material issues and sustainability indicators, the validity of sustainability indicators and targets, and other issues with each division in charge, and encourages a division that is not expected to meet the target to set and implement handling measures and improvement measures.

of the slogan "Open, Agile, Innovative" and "Building partnerships with various stakeholders" to promote building a foundation for creating new businesses.

management identified as sub-material issues to be specially strengthened, we set the "ratio of SAQ Self-Assessment Questionnaire implementation based on the CSR Procurement Guidelines for major suppliers" and the "implementation rate of human rights training for managerial positions" respectively as a sustainability indicator, to follow up the progress and responses.

capital efficiency, we have introduced return on invested capital (ROIC) and Furukawa Value Added (FVA)^{*1} as management indicators to evaluate each business. Toward optimizing the business portfolio, taking into account our current position made visible from the viewpoint of growth (average sales growth rate) and profitability (ROIC spread), our potential for future growth, our competitive status among competitors, and our carbon efficiency (GHG^{*2} emissions per unit of sales), we will swiftly take necessary actions, such as exploring growth opportunities (including M&A) and determining whether or not to withdraw from certain businesses. Furthermore, to calculate the cost of capital in FVA for each business, we have also incorporated ESG factors such as "Climate change"^{*3} and "Human rights and Labor practice" in addition to financial factors. FVA of each business are reflected and reviewed every year and reported to the Management Committee, where it is utilized for business portfolio optimization and allocation of management resources.

*1. Furukawa Value Added (FVA): EVA was customized for our company and introduced as an internal management indicator in FY2022.

*2. GHG (Greenhouse Gas)

*3. Specifically, we take into account GHG emissions and GHG emissions per unit of sales for each business.

As for the Group-wide risk management, we have established the Risk Management Committee, which comprises management as members, with the President as chair and the General Manager of the Risk Management Division as vice chair. The committee is structured to supervise and promote risk management, internal control and compliance. The Committee conducts regular risk

Please refer to the page for details: page 67 "Risk Management"

assessment to determine what risks exist, and define important risks that require a companywide response. We recognize "climate change," "human resources and organizations" and "human rights and labor practices" related to material issues of risks as key risks from the management perspective and counter these risks.

Indicators and targets

Sustainability Indicators and Targets

As for our sustainability indicators for FY2023, we achieved the targets, except for sales ratio of environment-friendly products, R&D expense growth rate for new businesses, and employee engagement scores (Furukawa Electric).

The result of sales ratio of environment-friendly products in FY2023 was 65.9%. The total sales of environment-friendly products, mainly the products related with automotive parts increased compared with the result of the previous year. However, the 66% target for this year was slightly missed due to a sales decline resulted from the reduced demand of communication related products mainly in the North American market. We will continue to expand the sales of environment-friendly products that contribute to reducing environmental impacts or which have positive effects on the environment from FY2024 onward.

The FY2023 result of R&D expense growth rate for

new businesses (compared to FY2021) was 121%, up from 116% in the previous fiscal year, but short of the 125% target for the current fiscal year. This was due to the concentration of demonstration and verification processes for new businesses and the launch of projects through co-creation, which we decided to prioritize. In FY2024 and beyond, we will continue to promote R&D activities necessary to establish a foundation for the creation of new businesses.

The FY2023 result of employee engagement scores (Furukawa Electric) was 63, which did not meet this fiscal year's target of 65. Having employee engagement scores of the entire Group enabled to monitor since FY2023, we have expanded all of the targets in and after FY2024 which used to be set only for Furukawa Electric to the entire Group. With the target to be reached in FY2025 set to be 80, we will aim to keep high employee engagement not only in Furukawa Electric but also throughout the Group.

	Material issue	Sustainability indicator	Scope	Result			Target (Reference value)			
				FY2021	FY2022	FY2023	FY2023	FY2024	FY2025	FY2030
Revenue opportunity	Creating businesses that solve the social issues	Sales ratio of environment-friendly products	Group	61.9%	65.0%	65.9%	66%	68%	70%	-
	Open, Agile, Innovative/Building partnerships with various stakeholders	R&D expense growth rate for new businesses (compared to FY2021)	Group	(100%)	116%	121%	125%	125%	125%	-
		Implementation rate of IP landscaping for strengthening the businesses and themes for creating new businesses	Group	17%	40%	77%	45%	100%*1,2	- *3	-
Risk	Developing business activities that consider climate change	GHG emissions reduction rate (Scopes 1&2) (Compared to FY2017) (Compared to FY2021)	Group	-29.0%	-36.8%	-45.4%	-21.2%	(-39%)*4	(-42%)*4	(-59%)*4
		Ratio of renewable energy use to total consumption	Group	10.9%	20.2%	31.6%	12%	25%	30%	-
	Strengthening human capital and organizational execution abilities	Employee engagement scores*5	Furukawa Electric	-	65	63	65	-	-	-
			Group	-	-	76	-	77	80	85
		Ratio of female managers	Furukawa Electric	3.8%	4.8%	5.4%	5%	6%	7%	15%
	Building a governance system to strengthen risk management	Ratio of mid-career hires in total new hires*6	Furukawa Electric	36%	45.7%	48.8%	30%*7	30%*7	30%*7	-
		Ratio of follow-up on risk management activities for all risk domains	Group	88%	100%	100%	100%	100%	100%	-
		Ratio of SAQ implementation based on the CSR Procurement Guidelines for major suppliers	Group	Furukawa Electric 20%	Global 34%	Global 65%	Global 40%	Global 70%	Global 100%	-
		Implementation rate of human rights training for managerial positions	Group	-	100%	100%	100%*8	100%*8	100%*8	-

*1. This means that all projects have been implemented with respect to the business enhancement and new business creation themes set as of 2022.

*2. Target value for 2025 has been brought forward.

*3. In FY2025, we plan to add and implement an important theme for strengthening business and creating new businesses.

*4. Base year in and after FY2024 was updated to FY2021; the reduction target value when applied to the former base year of FY2017 is also shown for reference purposes.

*5. The scope was expanded to cover all group companies in Japan and abroad in FY2023, and the target was changed from the Company's target to the Group's target.

*6. New hires represent new graduates and mid-career hires, covering management, career-track, and clerical positions.

*7. This means that about 30% will be maintained in each fiscal year.

*8. This means that 100% globally for each fiscal year will be continued.

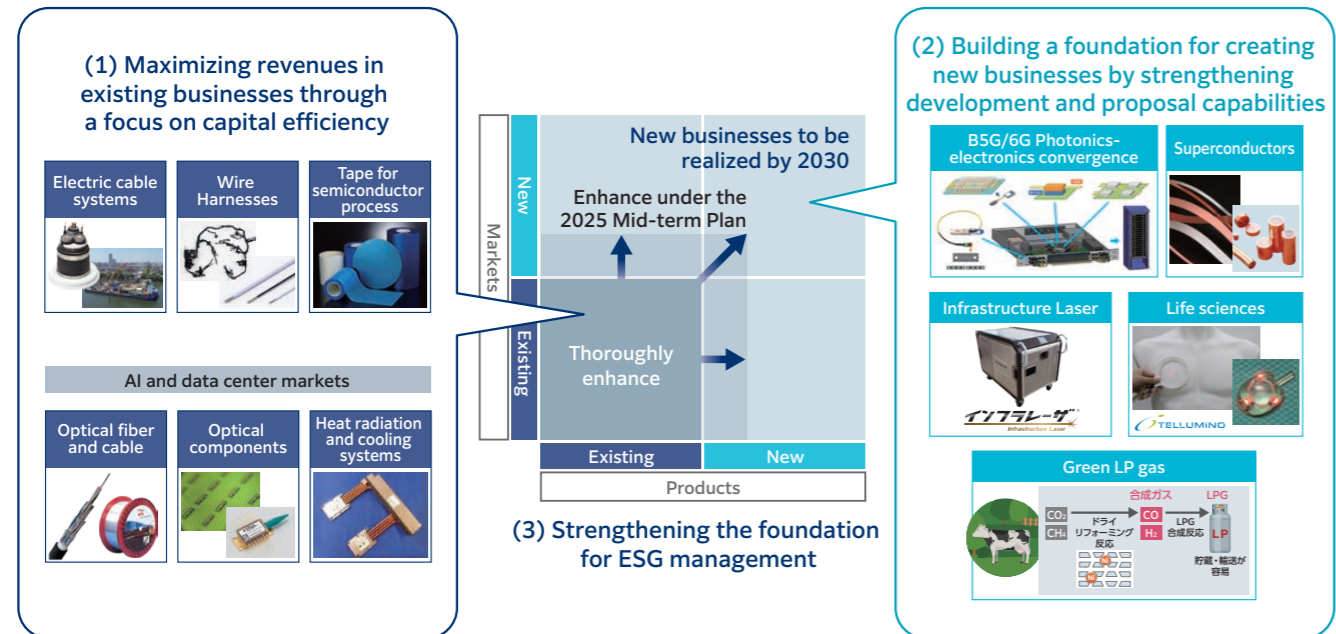
Furukawa Electric Group Medium-term Management Plan 2022–2025 (2025 Mid-term Plan)

Basic Approach, Priority Measures, and Progress

Backcasting from the ideal state articulated in Vision 2030, we defined the target state in 2025 as a milestone. To achieve it, we are promoting our Medium-term Management Plan “Road to Vision 2030 –Transform and Challenge–” (hereinafter, 2025 Mid-term Plan) for four years ending in FY2025.

Under the 2025 Mid-term Plan, we place an emphasis on enhancing/creating businesses that solve social issues in each or combination of Information, Energy, and Mobility areas; and, as measures to increase revenue,

we are working on “Maximizing revenues in existing businesses through a focus on capital efficiency” and “Building a foundation for creating new businesses by strengthening development and proposal capabilities.” We are also working on “Strengthening the foundation for ESG management” to support the above-mentioned priority measures. Although the results for FY2023 reflected difficult business conditions, we have made steady progress on these three priority measures to achieve a PBR of over 1x at the earliest possible stage.



Numerical Management Targets

In order to strengthen and create businesses with greater emphasis on capital efficiency, we have introduced ROIC*1 and FVA*2 as management indicators and set financial targets for FY2025. In addition, we have set targets while establishing sustainability indicators to

achieve the ideal state in FY2025 for each material issue, and we are implementing initiatives to enhance corporate value from both a revenue opportunity and risk perspective.

*1. ROIC: Return on invested capital
*2. Furukawa Value Added (FVA): Furukawa value added to invested capital. EVA was customized for our company and introduced as an internal management indicator in FY2022.

(Progress in FY2023)

Regarding financial targets, many items fell short of the FY2023 forecast in line with the downward revision of full-year forecasts during the period. The net D/E ratio and equity capital ratio, however, exceeded the FY2023 forecast due to our efforts to optimize the capital structure. As the business environment has generally turned toward recovery after bottoming out in the third quarter of FY2023, we have left our FY2025 targets

unchanged. In terms of sustainability indicators, we achieved our FY2023 target values for eight out of 11 indicators*3. Meanwhile, we have revised the target values for three indicators including environment-related indicators and employee engagement scores for FY2024 and beyond.

*3. Please refer to page 25 for sustainability indicators and targets.

Management Numerical Targets (Financial Targets)

	FY2022 results	FY2023 results	FY2024 forecast	FY2025 targets
ROIC (after tax)	3.7%	2.3%	3%	6% or more
ROE	5.5%*	2.1%	4%	11% or more
Net D/E ratio	0.9	0.9	0.8	0.8 or less
Equity capital ratio	32.3%*	33.3%	34%	35% or more
Net sales	1,066.3 billion yen	1,056.5 billion yen	1,080.0 billion yen	1,100 billion yen or more
Operating profit	15.4 billion yen	11.2 billion yen	25.0 billion yen	58.0 billion yen or more
Profit attributable to owners of parent	15.9 billion yen*	6.5 billion yen	13.0 billion yen	37.0 billion yen or more
Average copper price (JPY/Kg)	1,209	1,262	1,155	1,085
Average exchange rate (JPY/USD)	135	145	140	110

* The results figures of FY2022 were restated following the start of voluntary application of the International Financial Reporting Standards (IFRS) to the equity-method associate UACJ Corporation

Sustainability Indicators and Targets

	Original baseline and targets		Revised baseline and targets	
	FY2024	FY2025	FY2024	FY2025
GHG emissions reduction rate (Scopes 1&2)	Compared to FY2017		Compared to FY2021	
	-24.8%	-28.3%	-14.0%	-18.7%
Ratio of renewable energy use to total electricity consumption	12.5%	13%	25%	30%
Employee engagement scores	Furukawa Electric		Group	
	70	75	77	80

Business Portfolio Optimization and Allocation of Management Resources

We steadily optimize the business portfolio and aim to achieve ROIC of at least 6% by FY2025.

To optimize the business portfolio, we visualize the current position of each of our businesses by categorizing them into the following six groups in terms of growth (average sales growth rate) and profitability (ROIC spread): Next generation, Growing, Issues exist, Strategic restructuring, Strengthen earnings and Profit base. Based on that, we decide the allocation of investment.

Taking into account our current position, our potential for future growth, our competitive status among (Progress in FY2023)

Since we established the Business Portfolio Review Committee consisting of management members in FY2022, we have deepened relevant discussions and made steady progress of the business portfolio transformation. Specifically, based on the essential measures examined by the business managers, top-down decision-making and concrete actions were accelerated, which led to the decision to restructure several businesses to strengthen existing businesses.

In addition, the use of management indicators in reporting the progress of activities and evaluating divisional performance in each business has taken root. Portfolio reviews at the product group level are also

competitors, and our carbon efficiency, we will take the necessary actions, such as exploring growth opportunities (including M&A) and determining whether or not to withdraw from certain businesses.

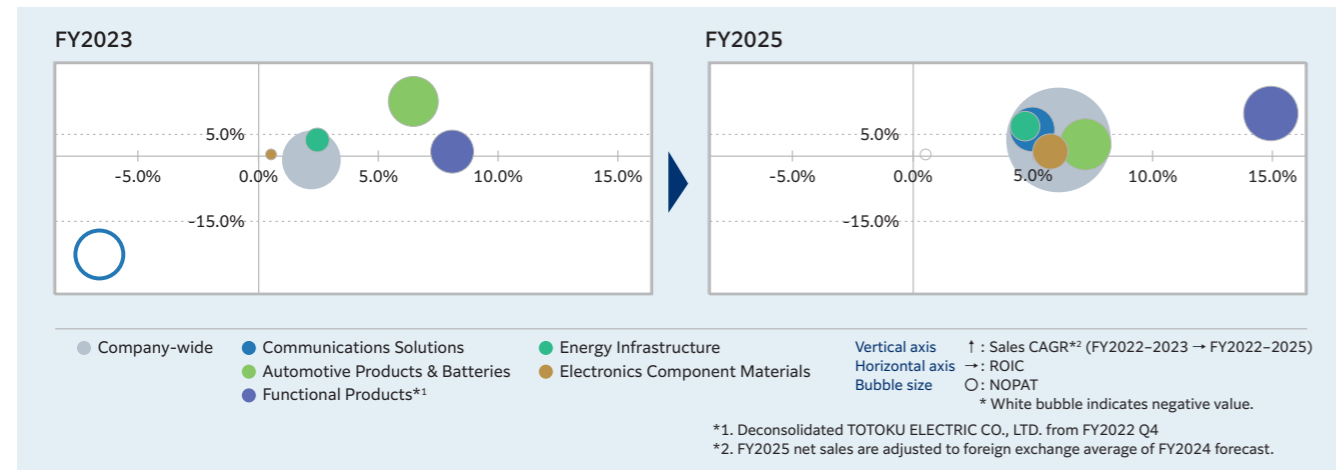
In parallel, we are also working to establish business operations based on management indicators. Specifically, we have formulated an FVA/ROIC trees that subdivide items and numerical targets that will lead to ROIC and FVA improvements in each business, set KPIs to visualize improvement targets, and implement the PDS cycle.

underway, including the downsizing or withdrawal of low-margin or unprofitable products and focusing on highly profitable products based on these indicators.

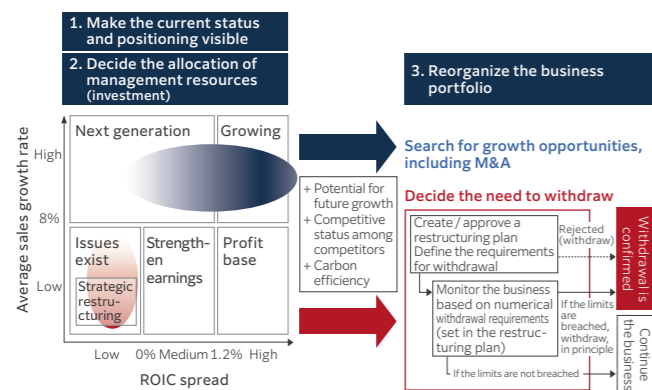
In order to firmly establish business operations based on the management indicators, we have also started training for general employees to help them realize the linkage between FVA/ROIC and their own work, in order to spread awareness and improve understanding at business sites.

Going forward, we will continue to transform our business portfolio into an ideal form to achieve our Vision 2030. We also aim to create an organization in which our efforts to improve FVA/ROIC take root and the business portfolio metabolism is carried out in a multi-layered and sustained manner.

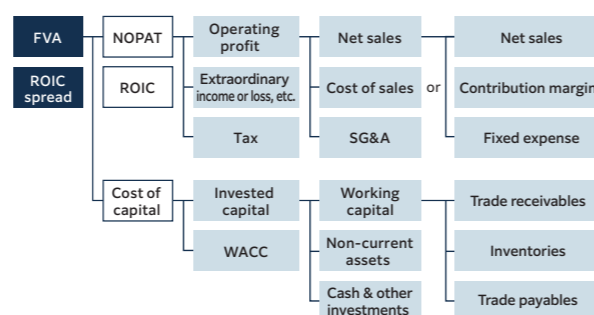
Company-Wide and Subsegment-Specific Mid-term Plan Targets (ROIC) (FY2023 results → FY2025 targets)



Business portfolio optimization and allocation of management resources



FVA/ROIC tree



Capital Policy and Cash Allocation Policy

In the 2025 Mid-term Plan, our basic capital policies are to implement well-defined investment control, ensure the soundness of our financial base, and clarify our shareholder return policy (ensuring a payout ratio of 30%). We aim to increase our corporate value in a

sustainable manner by investing in growth areas and securing a financial base that enables growth. To do so, we will determine cash allocation while balancing investment in our businesses, shareholder returns, and our financial structure.

Management Resource Allocation (CAPEX, R&D Investment, and Strategic Investment)

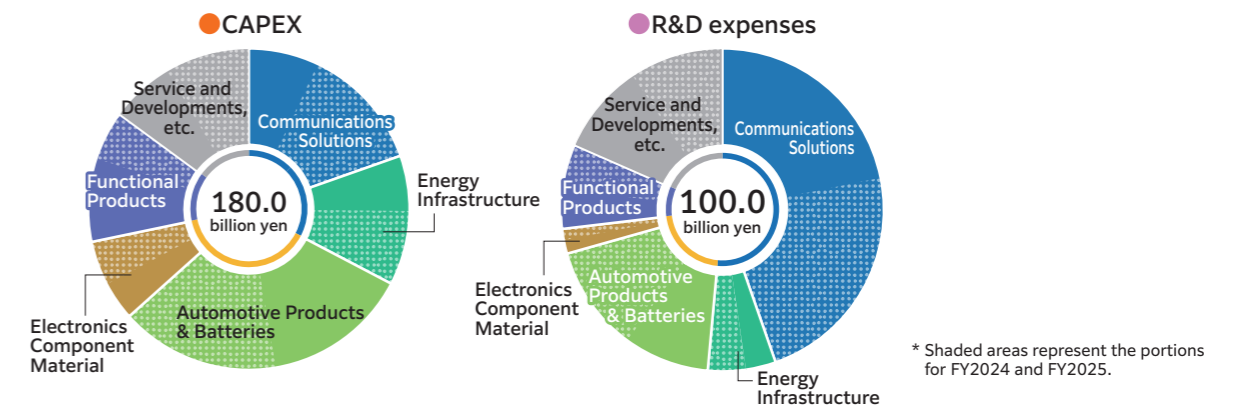
Based on the above policy, we will make capital expenditures by allocating investments based on the current position of our businesses, and also poised for flexible investments, including M&A investments, by establishing a strategic investment limit for group-wide growth. In R&D investment, we will prioritize profit generation during the 2025 Mid-term Plan period and (Progress in FY2023)

Capital expenditures (CAPEX) in FY2023 was 39.0 billion yen and depreciation expenses were 39.0 billion yen. We reduced spending by making investments at appropriate times in line

set main areas of focus in Communications Solutions, Automotive Products, and Functional Products, which will lead to profit expansion in new businesses that are expected to grow as we look to 2030. We will also allocate development investment to new businesses, including new domains such as life sciences and social infrastructure DX, and areas that integrate information, energy, and mobility.

with market trends and by reviewing design specifications. R&D expenses were 24.5 billion yen as the company continued to invest for future growth.

Capital expenditures (CAPEX) and R&D expenses (FY2022–FY2025 Cumulative Total)



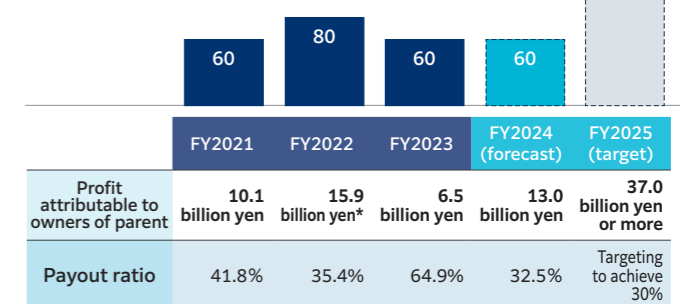
Main areas of focus	Existing businesses	New businesses
Communications Solutions	<ul style="list-style-type: none"> Optical fiber and cable (rollable ribbon (RR) cable, etc.), optical devices Networking systems 	<ul style="list-style-type: none"> Photonics-electronics convergence, hybrid lasers
Energy Infrastructure	<ul style="list-style-type: none"> Longer cable lengths 	
Automotive Products & Batteries	<ul style="list-style-type: none"> Wire Harnesses (including BCP related responses) Steering roll connectors (SRC), peripheral monitoring radar 	
Functional Products	<ul style="list-style-type: none"> Tape for semiconductor process, data center products 	<ul style="list-style-type: none"> Data center related products
Service and Developments, etc.	<ul style="list-style-type: none"> Renewal of Group core business systems and shared facilities 	<ul style="list-style-type: none"> Life science and social infrastructure DX

Shareholder Return

During the 2025 Mid-term Plan period (fiscal year ended March 2023–fiscal year ending March 2026), along with working to increase corporate value through profit growth and focused investments in growth domains, we have designated stable and ongoing shareholder returns as a basic policy and will issue a performance-linked dividend based on a payout ratio of about 30% of profit attributable to owners of parent.

The annual dividend per share in FY2023 was 60 yen, with a payout ratio of 64.9%.

Annual dividend per share (yen)



* The result figure for FY2022 was restated following the start of voluntary application of the International Financial Reporting Standards (IFRS) to the equity-method associate UACJ Corporation

Business Overview/Review of Fiscal 2023

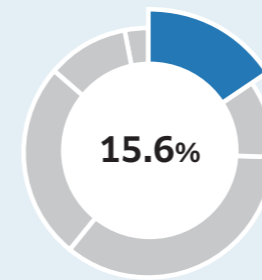


Infrastructure

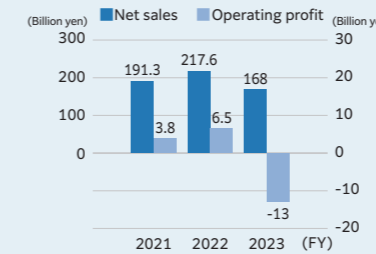
Communications Solutions

With respect to Communications Solutions business, while demand for optical fibers and optical components declined due to customer's reduction in investments and prolonged inventory adjustments, and sales in Latin America declined due to the slowing networking market, the Company has worked on increasing the profit margin through the improvement of the product mix and optimizing selling prices in response to the hike of raw material and fuel prices. However, affected by the sales decrease, it recorded declines in both net sales and profit.

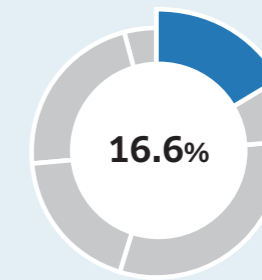
Percentage of total sales



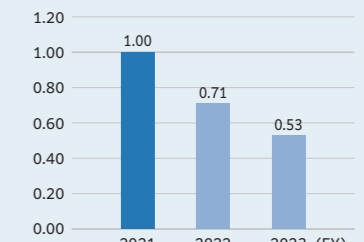
Net sales/Operating profit



Percentage of CO₂ emissions (SF₆ is excluded.)



Changes in carbon efficiency (Compared to FY2021)

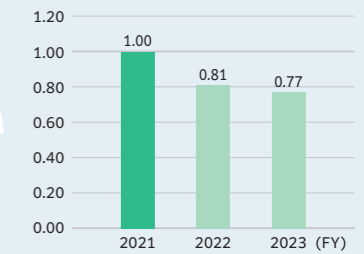
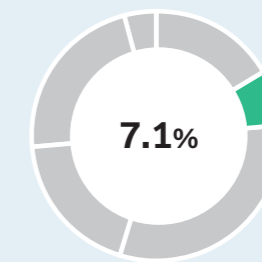
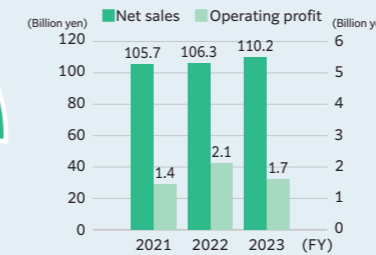
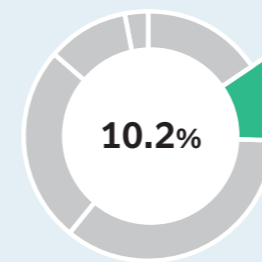


Infrastructure

Energy Infrastructure

With respect to Energy Infrastructure business, industrial cables & power cable accessories division fared well due to the sales expansion of functional cables, such as light-weight and flexible aluminum CV cables that contribute to power-saving and increased efficiency at construction sites. Power cable division saw strong demand for extra-high voltage underground cables in Japan, and steady growth of submarine and underground cables for renewable energy. However, affected by the postponement of largescale projects to FY2024 and beyond, Energy Infrastructure business as a whole recorded an increase in net sales and a decline in profit.

Percentage of total sales

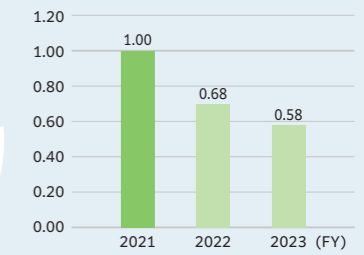
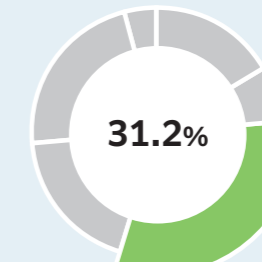
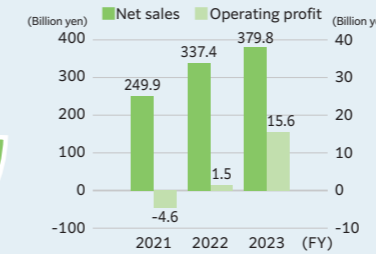
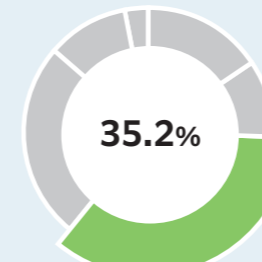


Electronics & Automotive Systems

Automotive Products & Batteries

Automotive Products business has focused on expanding sales of lightweight aluminum Wire Harnesses which contribute to promoting carbon neutrality, and Wire Harnesses which can carry high voltage, for which demand is expected to grow due to the expansion of the electric vehicles market. It has also strived to improve productivity while focusing on preparing a system that can flexibly respond to any sudden change in automotive production plan. Furthermore, it has worked on optimizing selling prices in response to the hike of raw material and fuel prices. Accordingly, both net sales and profit increased.

Percentage of total sales

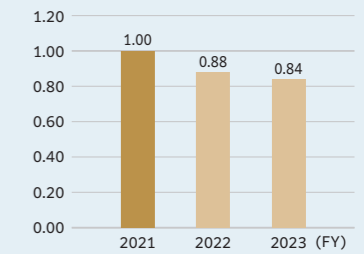
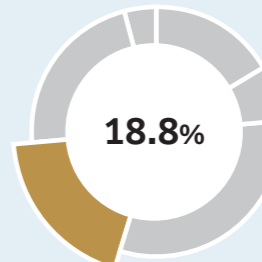
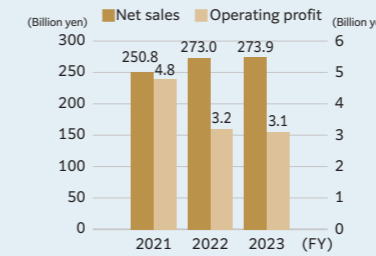
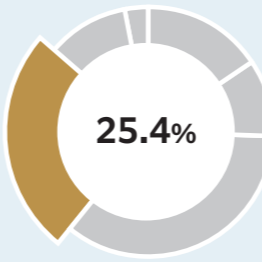


Electronics & Automotive Systems

Electronics Component Material

With respect to Electronics Component Material business, while auto components have been on the recovery track, demand for electronics-related products has remained sluggish. Despite the efforts for improving the product mix through the sales expansion of high-value-added products and optimizing selling prices in response to the hike of raw material and fuel prices, profit decreased while net sales increased.

Percentage of total sales

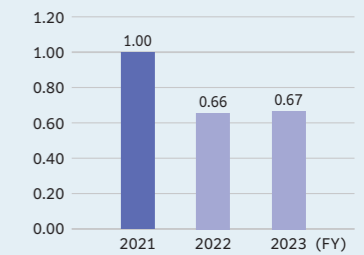
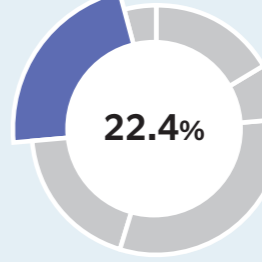
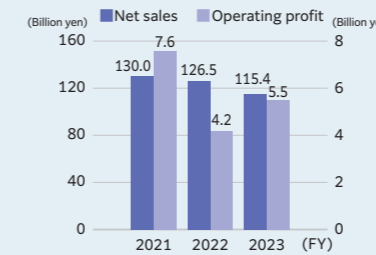
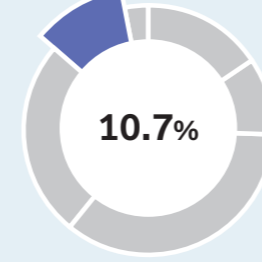


Functional Products

Functional Products

With respect to Functional Products business, net sales from broad-ranging products declined, because of the downturn in global demand for products for smartphones, personal computers, and hard disk drives since the second half of FY2022, along with the associated adverse effect of prolonged inventory adjustments in the supply chain. However, due to strong sales of high-value-added products backed by the rapid growth of generative AI-related demand, profit increased, while net sales decreased.

Percentage of total sales



Communications Solutions

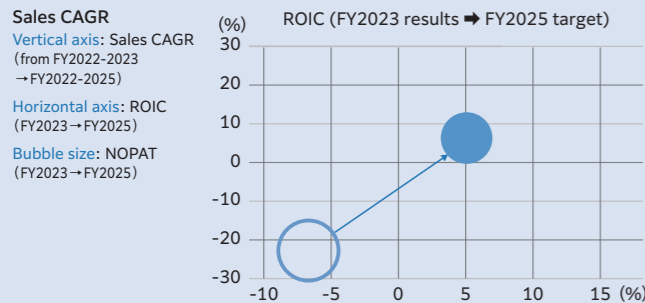
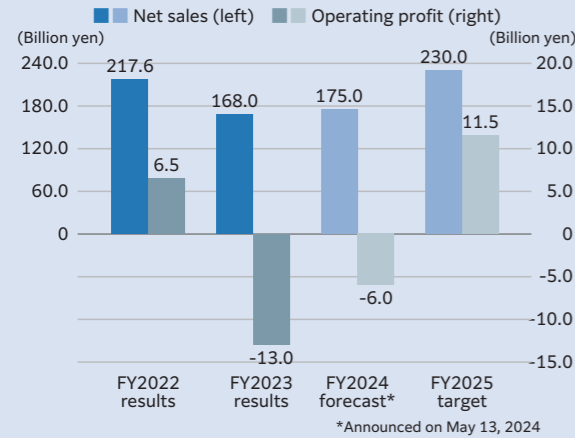
Infrastructure



Toshihiko Ota

Corporate Senior Vice President and General Manager of Communications Solutions Division

2025 Mid-term Plan Targets (Net sales, Operating profit, ROIC)



* FY2025 net sales used for sales CAGR are adjusted to foreign exchange average of FY2024 forecast.
 * CAGR: Compound annual growth rate
 ROIC: Return on invested capital (after tax)
 NOPAT: Calculated as profit plus interest expenses net of tax in accordance with IFRS

Business Environment Analysis

- Business environment**
- Key revenue opportunities**
- Increase in global communications traffic (High speed, large capacity, low latency, low power consumption)
 - Expansion of data centers, spread of AI technology, and progress of B5G, cloud services, and IoT
- Major risks and threats**
- Russia-Ukraine situation, US-China relations, and Middle East unrest
 - Global supply chain issues
 - Soaring labor, energy and raw material costs due to inflation

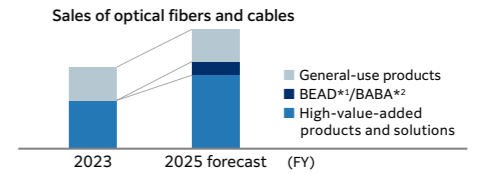
- Strengths and challenges**
- Strengths of the Division**
- Global production bases that extend into the growing markets
 - Differentiation by utilizing high-performance products and technologies (optical fiber and cable, digital coherent related, IP networking technologies, etc.)
- Challenges of the Division**
- Provision of optimal solutions to the market by making the most effective use of our global production bases while taking into consideration the business environment shown on the above

Priority Measures in the 2025 Mid-term Plan: Maximize Profits in Existing Businesses through a Focus on Capital Efficiency Directed at 2025

Optical fiber and cable

	FY2023	FY2024	Toward FY2025
Business environment	<ul style="list-style-type: none"> ● Rapid decline in demand in the Americas (Customer inventory overload, construction delays, and curbing of investments by customers) 	<ul style="list-style-type: none"> ● Telecommunication market in North America <ul style="list-style-type: none"> ■ Recovery in demand for carriers from the second half of FY2024 ■ BEAD*1 demand is rising, and will reach full swing from FY2025 ● AI, data center, and enterprise markets <ul style="list-style-type: none"> ■ Firm demand to further growth 	<ul style="list-style-type: none"> ● Medium- to long-term expansion of demand for optical fibers <ul style="list-style-type: none"> ■ CAGR of 5%: Estimate by our company ■ Continued global expansion of FTTH/5G ■ Continued infrastructure investment in North America ■ Improvement of balance in terms of supply and demand ● Diversifying customer requirements <ul style="list-style-type: none"> ■ Low cost, energy saving ■ Multi-core, high density ■ Easy installation and design flexibility ■ Short turnaround time and improved service ● Low unemployment rate and rising wages (North America)
Efforts	<ul style="list-style-type: none"> ● Reduction of fixed expenses ● Deployment of personnel in line with operations ● Development of a system for prompt responses when demand recovers ● Enhancing the lineup of high value-added products and expanding our customer base ● Optimization of inventory levels and sale prices 	<ul style="list-style-type: none"> ● Securely capturing data center demand and carrier demand ● Enhancement of the manufacturing system and portfolio for key products ● Strengthening of the cable manufacturing system in North America ● Partner collaboration for BEAD projects 	<ul style="list-style-type: none"> ● Continued improvement of productivity (DX utilization, etc.) ● Continued expansion of lineups of high value-added products ● Progress in terms of the global expansion of networking systems (full-scale expansion in the U.S., Europe, and Asia with a focus on Central/South America)

※ 1 BEAD : Broadband Equity Access and Deployment Program
 ※ 2 BABA : Build America Buy America Act



Business Overview/Products and Services

The Communications Solutions business is made up of the Optical Fiber and Cable products, FITEL products and Broadband Solutions businesses, and it is involved in the manufacture and sale of products for telecommunications infrastructure and the design, installation and service of telecommunications networks.

	5G/B5G	Resilient infrastructure	Carbon neutral	Main products	Main applications	Main customers
Optical Fiber and Cable	★	★	★	● Low loss fibers ● Low bending loss fibers for building/residential applications ● Special fibers	● Telecommunications ● Video broadcasts ● Data centers	● Telecommunications providers ● OTT ● Telecom construction companies
	★	★	★	● Optical cables in general (including rollable ribbon cables) ● Optical connection products	● Communications infrastructure and networks ● Video broadcasts ● Data centers	● Telecom construction companies
FITEL Products	★	★	★	● DFB ● Variable wavelength laser modules ● Laser module for excitation	● Inside data centers/signal light sources for short distances ● Between data centers/signal light sources for long distances ● Excitation light sources for signal optical amplification	● System vendors ● Transmission device manufacturers
			★	● Industrial fiber lasers	● Metal cutting, welding, etc.	● Manufacturers of processing machines, etc.
Broadband Solutions	★	★		● FTTH system devices ● Radio system	● Telecommunication and broadcast services ● Video broadcasts ● Wireless infrastructure	● Telecommunications providers (CATV providers) ● Municipalities
	★	★		● Network routers	● High speed, high capacity telecommunications service ● VPN construction	● Telecommunication providers ● General companies

DFB: Distributed Feedback Laser, OTT: Over The Top

Basic Policy in the 2025 Mid-term Plan "Road to Vision 2030-Transform and Challenge"

The Communications Solutions Division will further evolve its long-cultivated communication element technology and create solutions to contribute to "creating solutions for the new generation of global infrastructure combining information, energy and mobility," as set forth in Vision 2030.

Main Strategies to Achieve the 2025 Mid-term Plan

Communications

Provide high-value-added product solutions that contribute to "power saving" of information transmission by standing in a key position in the supply chain

Non communications

Provide high-value-added products and services that contribute to the generation, transmission, and detection of information and energy that lead to the improvement of safety and affluence in daily life.

- Increase sales of optical fibers and cables (high-value-added products) and accelerate expansion of the networking system business
- Contribute to the evolution of broadband networks and the building of integrated information infrastructure mainly through semiconductor lasers, optical fibers, and IP network devices and systems

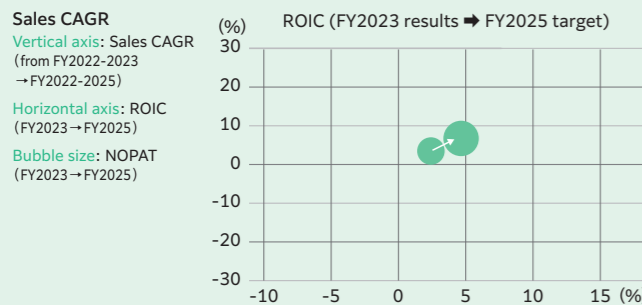
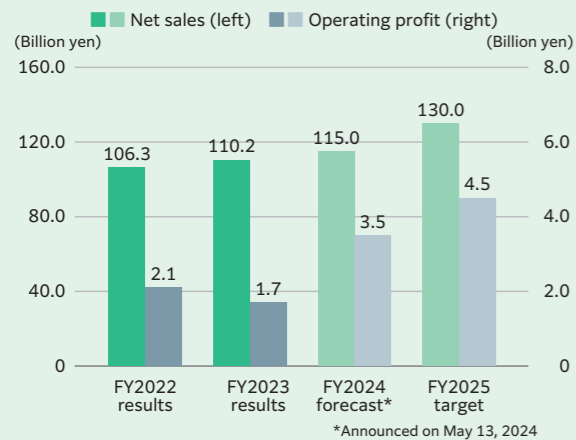
Energy Infrastructure

Infrastructure



Eiichi Nishimura
Corporate Senior Vice President
and General Manager of Energy
Infrastructure Division

2025 Mid-term Plan Targets (Net sales, Operating profit, ROIC)



* FY2025 net sales used for sales CAGR are adjusted to foreign exchange average of FY2024 forecast.
* CAGR: Compound annual growth rate
ROIC: Return on invested capital (after tax)
NOPAT: Calculated as profit plus interest expenses net of tax in accordance with IFRS

Business Environment Analysis

- Business environment**
- Key revenue opportunities**
- Rapid expansion in demand, particularly for renewable energy projects
 - Increase in demand for products that are easy to install due to labor shortage
- Major risks and threats**
- Delay in securing personnel necessary for business expansion
 - Change in customers' timing of implementation of largescale projects
 - Soaring prices of raw materials and other items

- Strengths and challenges**
- Strengths of the Division**
- An abundant track record of Extra-high-voltage lines and submarine cables in Japan and overseas
 - Technology development centered on the submarine cables
 - High-value-added products utilizing development technology of polymer and metal materials
- Challenges of the Division**
- Steady order receipt for renewable energy projects, and securing of manufacturing capacity
 - Improvement of operation efficiency of the integrated metal wire business
 - Materialization of plans for the development of DC (submarine cables for wide area interconnection) business

Basic Policy in the 2025 Mid-term Plan "Road to Vision 2030-Transform and Challenge"

Expand business by contributing to the construction of secure, safe, and comfortable social infrastructure with unique technologies and products

- Security**: Carbon neutrality by 2050
- Safety**: Disaster prevention and mitigation (disaster-resilient community development)
- Comfort**: Building next-generation infrastructure to cope with declining birthrate and aging population (comfortable community development)

Main Strategies to Achieve the 2025 Mid-term Plan

Strategic investments for growth in target segments to achieve both business expansion and capital efficiency management

Power Cable business: Target segments

Extra-high voltage underground cables in Japan/Renewable energy in Japan (submarine and underground cables)/Overseas submarine cables (Asia)

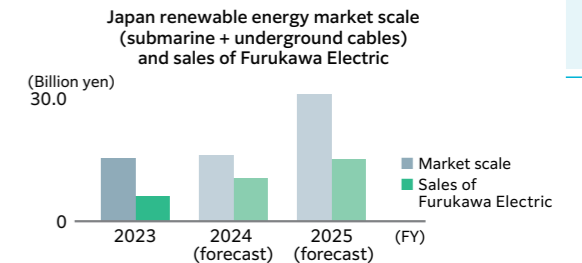
Industrial Cable & Power Cable Accessories business: Target segments

Social infrastructure/Renewable energy in Japan/Disaster prevention and mitigation/Next-generation infrastructure

Priority Measures in the 2025 Mid-term Plan: Maximize Profits in Existing Businesses through a Focus on Capital Efficiency Directed at 2025

Power cable systems

	FY2023	FY2024	Toward FY2025
Business environment	<ul style="list-style-type: none"> Strong demand for Extra-high-voltage underground cables in Japan Full-fledged start of offshore wind projects Postponement of large-scale projects to FY2024 or later 	<ul style="list-style-type: none"> Extra-high-voltage underground cables in Japan Continued market growth resulting from increased demand for power cable replacement (OF replacement) Submarine cables for renewable energy in Japan Start of large-scale offshore wind projects Underground cables for renewable energy in Japan Continued growth of onshore wind and solar power generation projects 	<ul style="list-style-type: none"> Accelerated expansion of domestic carbon neutral-related markets (Increase in offshore wind projects and Start of wide-area DC interconnection projects) Progress when it comes to insufficient
Efforts	<ul style="list-style-type: none"> Received order for large-scale Extra-high-voltage underground cable projects in Japan Delivered submarine cable systems for offshore wind power projects (Ishikari Bay New Port Offshore Wind Power Generation and Nyuzen Offshore Wind Power Generation projects) Continued to strengthen manufacturing facilities and construction capabilities for business expansion Increased manufacturing capacity for submarine cables Developed element technology for a submarine power transmission system for floating offshore wind power and long-distance submarine direct current power transmission 	<ul style="list-style-type: none"> Increasing the ratio of target segments* (to 70% of the total in FY2024) * Extra-high voltage underground cables in Japan/Renewable energy in Japan (submarine and underground cables)/Submarine cables in Asia Continue to strengthen project management Ensuring the implementation of large-scale projects already on order Advance to the demonstration phase of technology development (The elemental technology development phase has largely been completed) 	<ul style="list-style-type: none"> Continue to secure orders and revenue in target segments Make concrete plans for further capacity expansion (establishment of new production lines) Continue with the enhancement of construction work capacities



Business Overview/Products and Services

Energy Infrastructure business consists of Power Cable business and Industrial Cable & Power Cable Accessories business. These are engaged in the manufacture, sale and installation of Extra-high voltage, high-voltage, medium-voltage and low-voltage cables and equipment.

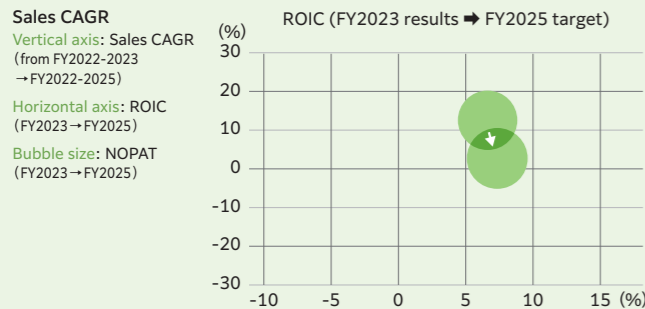
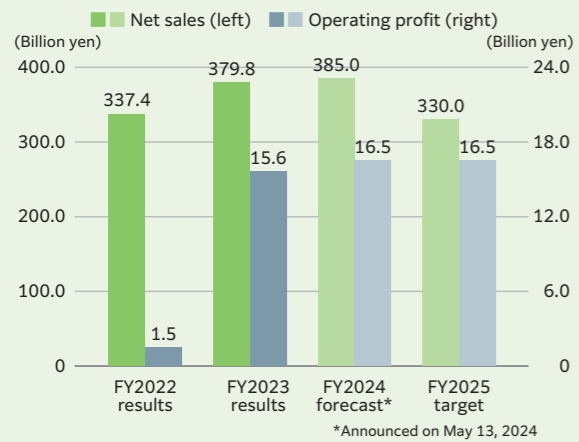
	Social infrastructure	Renewable energy	Disaster prevention and mitigation	Next-generation infrastructure	Main products	Main applications	Main customers
Power Cable	★	★	★ (Water pipes)		<ul style="list-style-type: none"> Extra-high-voltage/high-voltage underground lines (cables, parts, installation work) Submarine cables (cables, parts, and installation work) Water pipes (including installation work) 	<ul style="list-style-type: none"> Development of backbone electric power networks Large plants Renewable energy (onshore wind, solar, offshore wind private cables) Offshore wind submarine cables Water pipes for remote islands 	<ul style="list-style-type: none"> Power (transmission) companies Renewable energy power generation SPCs and EPCs Renewable power generation SPCs and EPCs Local governments
Industrial Cable & Power Cable Accessories	★	★		★	<ul style="list-style-type: none"> Industrial wires Overhead power transmission parts Power distribution parts Other functional products 	<ul style="list-style-type: none"> Solar power generation systems Indoor wiring for factories, buildings, etc. Wiring of factory equipment/switchboards/control panels Wiring of moving machines Wiring for onboard electrical equipment Electrical materials for transmission/distribution lines Direct and branch cable connections Insulation and protection for connectors Heat dissipation for industrial equipment and information equipment Welding for automobile bodies, railway tracks, etc. 	<ul style="list-style-type: none"> Construction contractors Electronic appliance manufacturers Railroad companies Shipbuilding companies Electric power companies Railroad companies Construction contractors

EPC: E=Engineering, P=Procurement, C=Construction

Automotive Products & Batteries

Electronics & Automotive Systems

2025 Mid-term Plan Targets (Net sales, Operating profit, ROIC)



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Teruyoshi Uchida

Corporate Senior Vice President and General Manager of Automotive Products Division



Business Environment Analysis

Business environment

Key revenue opportunities

- New opportunities to respond to requests for multifunctionality and modularization of vehicles for CASE promotion such as xEV and MaaS
- Expand products for eco-friendly future wiring systems for safe vehicles as electrification accelerates toward carbon neutrality

Major risks and threats

- Growing geopolitical risks
- Sharp fluctuations in customer prices
- Continuing high raw material prices

Strengths and challenges

Strengths of the Division

- Technological capabilities for commercialization by integrating the Group's accumulated core technologies and in-vehicle technologies
- Eco-friendly product capabilities to contribute to vehicle weight reduction with aluminum harnesses (α terminals®) that utilize green energy and to power source management, for the expansion of electrification for carbon neutrality

Challenges of the Division

- Create next-generation products in the convergence of information, energy, and mobility through co-creation and development with partners
- Promote automation to strengthen BCM compliance and ensure stable supply of high quality products

Basic Policy in the 2025 Mid-term Plan "Road to Vision 2030-Transform and Challenge"

As decarbonization accelerates toward carbon neutrality, we will evolve existing products and create new businesses in response to demands for global environmental consideration and safety, and contribute to power management, vehicle weight reduction, safety, and electrification.

Main Strategies to Achieve the 2025 Mid-term Plan

WH (Wire Harnesses)

Increase adoption of aluminum Wire Harnesses with superiority and reliability of α terminal® to promote weight reduction, contributing to carbon neutrality

SRC (Steering roll connector)

Respond to the evolution of cars through technologies including high-speed communication and Steer-by-Wire

BSS® (Lead battery state detection sensor)

Provide basic power supply reliability for electric vehicles

Radar

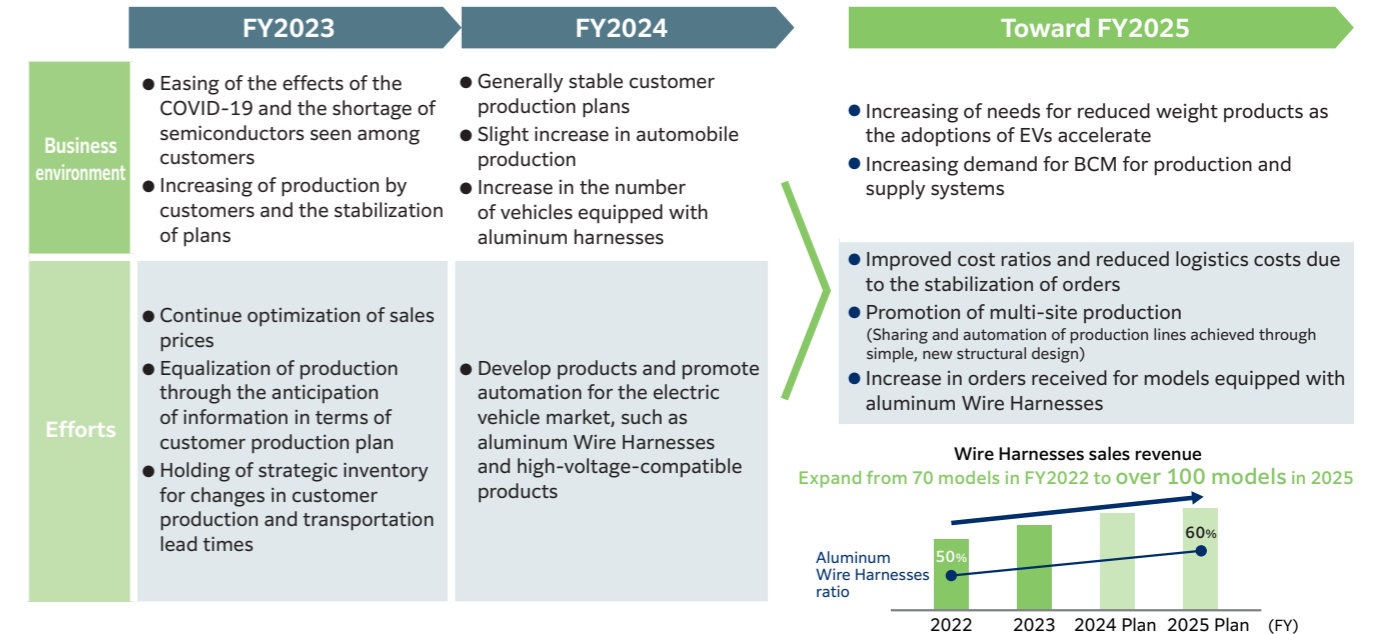
Expansion of high-performance, next-generation products (also addressing cybersecurity) for vehicles and entry into new markets, such as those involving construction equipment, industrial vehicles, and transportation infrastructure

High voltage products

Leveraging our strengths and techniques (processing techniques and material-related prowess), we will respond to the increasing number of high voltage products emerging due to changes in vehicle systems resulting from the move to higher voltages, larger amounts of currents, and the move to EVs

Priority Measures in the 2025 Mid-term Plan: Maximize Profits in Existing Businesses through a Focus on Capital Efficiency Directed at 2025

Wire Harnesses



Business Overview/Products and Services

The Automotive Products & Batteries business is comprised of the automotive products business (e.g., the Wire Harnesses, steering roll connectors, lead battery state detection sensors), and the battery business conducted by the listed subsidiary The Furukawa Battery Co., Ltd.

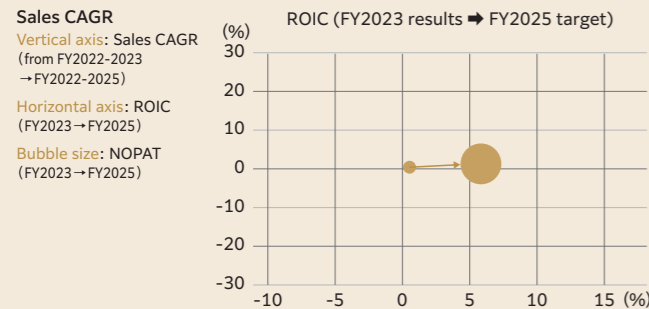
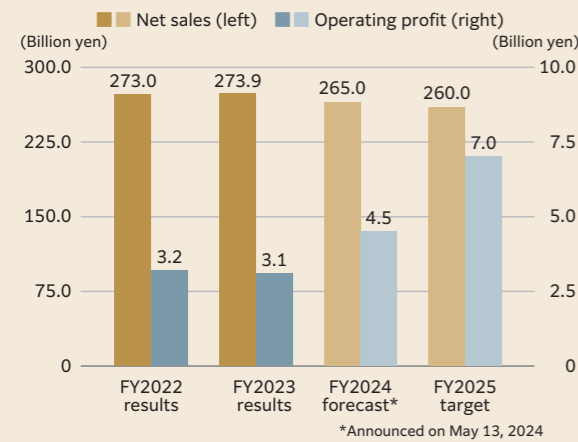
		Safety	Light weight	Electrification	Carbon neutral	Main products	Main applications	Main customers	
Automotive Products	Wire Harnesses	★	★	★	★	<ul style="list-style-type: none"> ● Aluminum Wire Harnesses ● Corrosion-proof terminal (α terminal®) ● Products using flat cables 	<ul style="list-style-type: none"> ● Wiring for vehicles ● Power supply and signal transmission to sliding doors and long slide seats 	<ul style="list-style-type: none"> ● Japanese OEMs 	
	High-voltage Products	★	★	★	★	<ul style="list-style-type: none"> ● High-voltage Wire Harnesses ● High-voltage junction boxes ● High-voltage busbar products ● Large current, high voltage connectors ● Wire harness inside the battery pack 	<ul style="list-style-type: none"> ● Distribution of high-voltage circuits for xEVs ● Power supply wiring of high-voltage circuits for xEVs 	<ul style="list-style-type: none"> ● Japanese OEMs 	
	Functional Products	SRC (Steering roll connector)	★			★	<ul style="list-style-type: none"> ● SRC (Steering roll connector) 	<ul style="list-style-type: none"> ● Air bags ● Audio and cruise control operation 	<ul style="list-style-type: none"> ● Japanese OEMs/Tier1 ● Overseas OEMs/Tier1
		BSS® (Lead battery state detection sensor)	★	★	★	★	<ul style="list-style-type: none"> ● BSS® (Lead battery state detection sensor) 	<ul style="list-style-type: none"> ● Vehicle power source management 	<ul style="list-style-type: none"> ● Japanese OEMs
	Peripheral monitoring radar	★			★	<ul style="list-style-type: none"> ● Peripheral monitoring radar 	<ul style="list-style-type: none"> ● Advanced driver assistance systems (ADAS) 	<ul style="list-style-type: none"> ● Japanese OEMs ● Construction equipment manufacturers, etc. 	

OEM: car manufacturer, Tier 1: primary supplier

Electronics Component Material

Electronics & Automotive Systems

2025 Mid-term Plan Targets (Net sales, Operating profit, ROIC)



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Takashi Yamamoto

Corporate Senior Vice President and General Manager of Electronics Component Material Division



Business Environment Analysis

- Business environment**
- Key revenue opportunities**
- Increase in demand that stems from vehicle electrification and automatic driving
 - Increased requirement for non-magnetic and heat dissipation characteristics to satisfy increased data traffic
 - Increased needs in minimally invasive medical treatment
- Major risks and threats**
- Needs for alternative materials due to soaring prices of raw materials
 - Supply chain disruption due to geopolitical risks and natural disasters

- Strengths and challenges**
- Strengths of the Division**
- Material development and proposal capabilities tailored to customer needs
 - Provision of high-performance, high-quality, oxygen-free copper and copper alloy products
 - Production system using renewable energy from hydroelectric power generation
- Challenges of the Division**
- Raise presence in key markets by strengthening marketing capabilities
 - Shift to low environmental impact manufacturing processes and contribute to carbon neutrality in the value chain

Basic Policy in the 2025 Mid-term Plan “Road to Vision 2030-Transform and Challenge”

We will contribute to solving social issues by developing and providing products that meet customer needs in the automotive and communications/electronics markets while simultaneously engaging in clean manufacturing.

Main Strategies to Achieve the 2025 Mid-term Plan

Contributing to the realization of a sustainable society through the development of highly functional materials and clean manufacturing

- Contribute to vehicle electrification by expanding sales of oxygen-free copper and copper alloy products
- Contribute to the growing electronic component market by increasing production capacity of enamel wires
- Increase added value by expanding copper alloys and plating products and improving product mix
- Contribute to advanced medical care by increasing production capacity of NT* alloy products and developing new products

* NT: Nickel-titanium alloy

Priority Measures in the 2025 Mid-term Plan: Maximize Profits in Existing Businesses through a Focus on Capital Efficiency Directed at 2025

Copper strip and high-performance materials

	FY2023	FY2024	Toward FY2025
Business environment	<ul style="list-style-type: none"> ● Continued consideration and adoption of materials and devices responding to vehicle “electrification” and “automatic driving.” Demand for automotive products did not fully recover ● Delays in the recovery of demand for electronics-related products ● Continuing high prices when it comes to power costs, auxiliary materials 	<ul style="list-style-type: none"> ● Continued consideration and adoption of materials and devices responding to vehicle “electrification” and “automatic driving.” Demand for automotive products has been recovering moderately ● Increase in demand for generative AI and data center-related products ● Recovery of demand for electronics-related products starting in the second half of the year 	<ul style="list-style-type: none"> ● Growing demand for materials and devices responding to vehicle “electrification” and “automatic driving” ● Shift to highly reliable and functional products by increasing data traffic ● Growing demand by society when it comes to the environment (Reduction of CO₂ emissions, recycling of copper and precious metals, etc.) ● Development and stable supply of highly functional materials featuring characteristics that are tailored to customer needs <ul style="list-style-type: none"> ■ Realization of advanced thermal management ■ Ensure the curbing of electronic component malfunctions ● Clean manufacturing <ul style="list-style-type: none"> ■ Contribution to a decarbonized society through hydroelectric power ■ Move toward the saving of resources through improved copper and precious metal recycling technologies
Efforts	<ul style="list-style-type: none"> ● Continue to improve our product mix through new development and the expansion of sales when it comes to high value-added products (meaning the expanding sales of heat-resistant, oxygen-free copper strips for power semiconductors and the development of products serving to support advanced functionality of electronic equipment) ● Continue to optimize sales prices ● Development of copper and precious metal recycling technologies 	<ul style="list-style-type: none"> ● Continue to improve our product mix through new development and the expansion of sales when it comes to high value-added products (meaning the expanding sales of heat-resistant, oxygen-free copper strips for power semiconductors and the development and market launch of products serving to support advanced functionality of electronic equipment) ● Optimization of sales prices and withdrawal from low-profitability product lines ● Development of copper and precious metal recycling technologies 	<p>GOFC volumes</p> <p>*Progress above the target</p>

Business Overview/Products and Services

The Electronics Component Material business handles electric conductors, and copper & high performance material products and is mainly engaged in the manufacture and sale of wires, automotive parts, and copper products for electronics device materials.

	Electrification (CASE)	Carbon neutral	5G/B5G	Healthcare	Main products	Main applications	Main customers
Electric Conductors	★	★			● Copper wires, aluminum wires	● Various cables ● Wire Harnesses	● Electronics component manufactures
	★	★			● Oxygen-free copper wires	● Magnet wires for alternators ● Magnet wires for EV motors	● Magnet wire manufactures ● Motor manufactures
	★		★		● Fine magnet wires	● Mobile phone inductors ● Relays (for general use, automobiles)	● Electronics component manufactures
Copper & High Performance Material	★	★	★		● Copper alloy strips and thin plates	● Mobile phone terminals ● Anti-corrosion terminals for automobiles ● Semiconductor lead frames	● Terminal manufactures ● Semiconductor component manufactures
	★	★	★		● Oxygen-free copper ● GOFC	● Shielding strips ● Substrates for heat dissipation	● Electrical cable manufactures ● Power semiconductor manufactures
				★	● Ni-Ti alloy (wire and tube)	● Stent guide wires	● Medical product manufactures

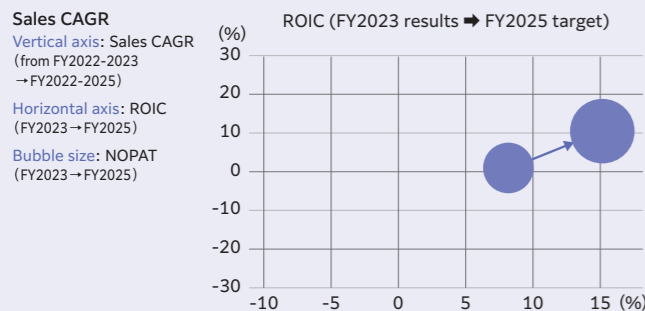
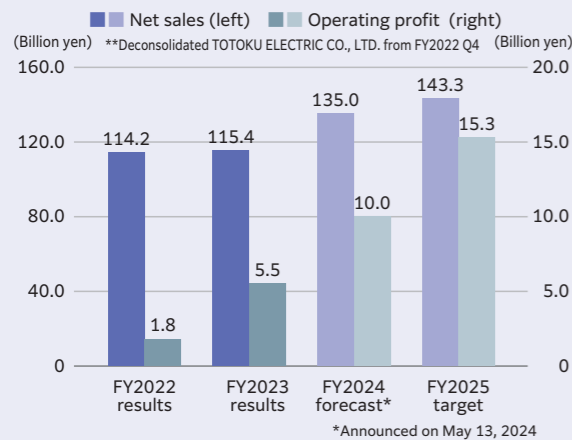
Functional Products



Ryoji Ono

Corporate Senior Vice President and General Manager of Functional Products Division

2025 Mid-term Plan Targets (Net sales, Operating profit, ROIC)



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Business Environment Analysis

Business environment

Key revenue opportunities

- Further increase in demand for communications and social infrastructure, driven by growth in data traffic and the proliferation of 5G
- Solving SDGs, carbon neutrality and other social issues

Major risks and threats

- Supply chain disruption due to geopolitical risks and natural disasters
- Raw material and transportation price hikes, etc.

Strengths and challenges

Strengths of the Division

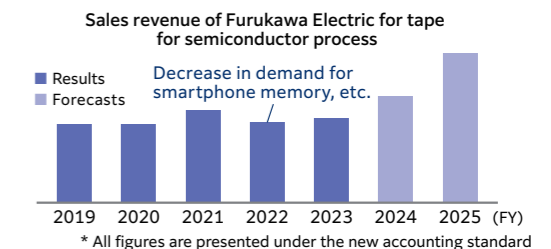
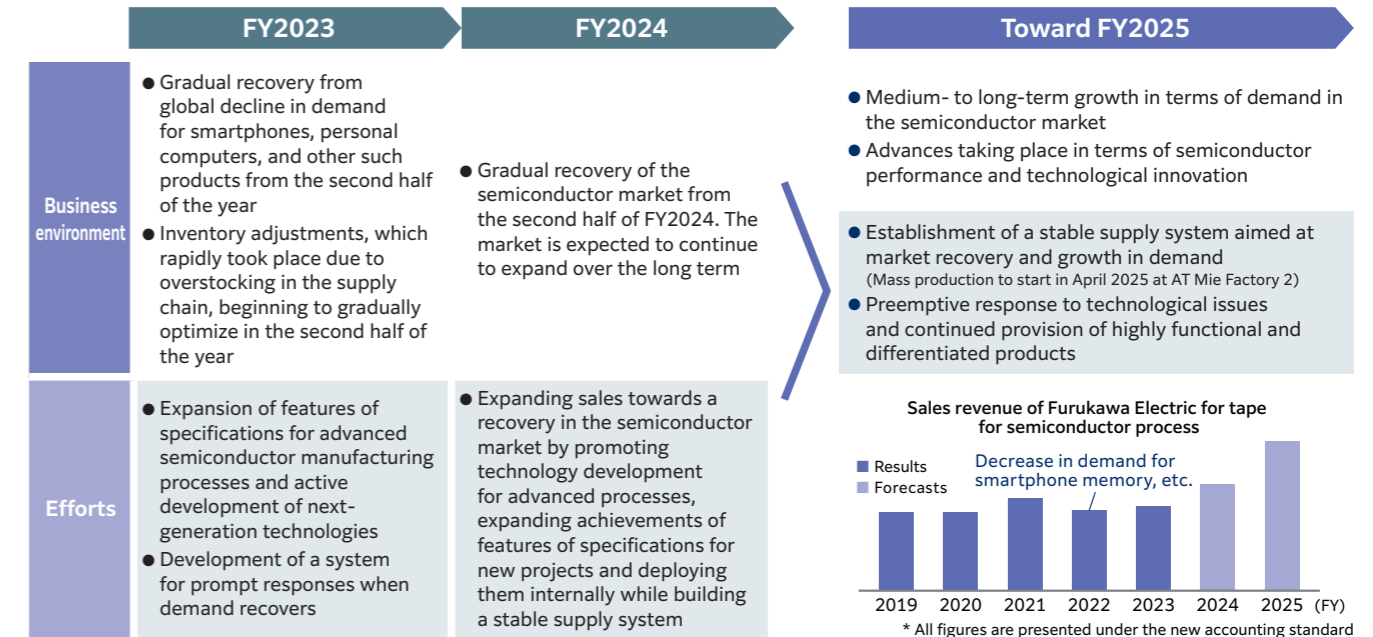
- Differentiated, advanced technology development capability and patents
- Fast, detailed, integrated services of technology and sales

Challenges of the Division

- To sustain and improve design and development capabilities that continue to create technological differentiation
- Further promote advanced BCP through optimization of bases, etc., and initiatives to reduce environmental impact such as carbon neutrality

Priority Measures in the 2025 Mid-term Plan: Maximize Profits in Existing Businesses through a Focus on Capital Efficiency Directed at 2025

Tape for semiconductor process



Business Overview/Products and Services

The Functional Products business is made up of the AT (Advanced Technology Tape) & Functional Plastics, Thermal Management Solution & Products, Memory Disk and Copper Foil businesses, and it is involved in the manufacture and sale of functional products made from plastics and nonferrous.

		Renewable energy	Communication infrastructure	Mobility	Main products	Main applications	Main customers
AT & Functional Plastics			★		<ul style="list-style-type: none"> Tape for semiconductor process 	<ul style="list-style-type: none"> Surface protection, immobilizing, etc. during semiconductor wafer processing 	<ul style="list-style-type: none"> Semiconductor manufacturers Foundry manufacturers
Thermal Management Solution & Products		★	★	★	<ul style="list-style-type: none"> Cable protective pipes Troughs made from recycled materials Insulation materials 	<ul style="list-style-type: none"> Protective pipes for underground cable Troughs for holding cables Insulation for air conditioning ducts 	<ul style="list-style-type: none"> General construction companies and subcontractors Railroad companies Highway public corporations and road subcontractors Air conditioning duct manufacturers
Memory Disk			★		<ul style="list-style-type: none"> Aluminum blanks for HDD 	<ul style="list-style-type: none"> HDD for use in data centers, desktop PCs and monitoring cameras 	<ul style="list-style-type: none"> HDD substrate manufacturers
Copper Foil			★	★	<ul style="list-style-type: none"> Electrolytic copper foil for circuit boards Electrolytic copper foil for batteries 	<ul style="list-style-type: none"> Circuit boards for electronic devices including high-end servers such as AI servers and communications servers as well as smartphones and personal computers Negative electrode materials for lithium ion batteries used for EVs, mobile phones, power tools, etc. 	<ul style="list-style-type: none"> Circuit board material manufacturers Lithium ion battery manufacturers

Basic Policy in the 2025 Mid-term Plan "Road to Vision 2030-Transform and Challenge"

Provide solutions through co-creation with customers:
 To support the expanding telecommunications and social infrastructure market, based on our strengths in proposing and developing new products that meet customer needs

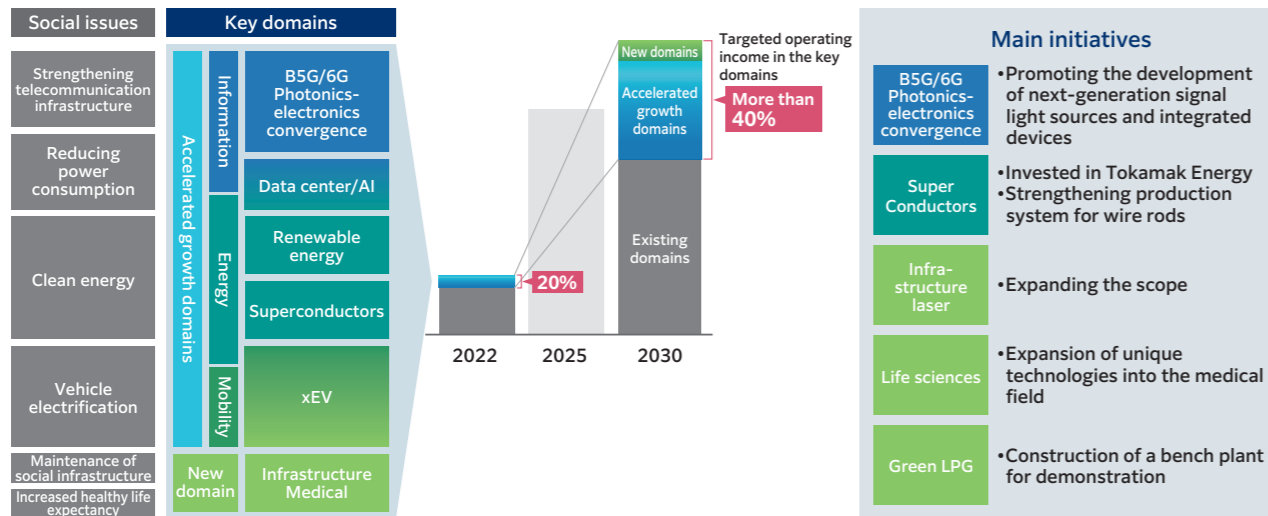
Main Strategies to Achieve the 2025 Mid-term Plan

Continue to develop products that respond swiftly to changes in customer needs, and to provide electronics products with high-functionality or differentiation in the expanding market to support the telecommunications and social infrastructure markets

Contribute to the realization of a sustainable society and establish a next-generation profit base with our products for Society 5.0 for SDGs and differentiating strength to solve social issues to create a mechanism for carbon neutrality

Creating businesses that solve social issues

Furukawa Electric Group will leverage its four core technologies of metals, polymers, photonics and high-frequency, which have been cultivated over many years with a focus on materials capabilities, to create businesses that solve social issues through open innovation and co-creation with diverse stakeholders.



TOPICS

Entered Into a 10 Million Pound Investment Agreement in Tokamak Energy
 - Strengthening partnership to progress commercial fusion energy -
https://www.furukawa.co.jp/en/release/2024/kenkai_20240118.html

MFOPTEx Co., Ltd. to become our consolidated subsidiary
 - Accelerating development of new businesses in the life science domain and for the use of industrial equipment -
https://www.furukawa.co.jp/en/release/2024/kei_20240426.html

B5G/6G Photonics-electronics convergence Creation of photonics products to solve social issues in 2030

Based on its core technologies, the Group has the important task of contributing to the realization of next generation networks as a partner in the IOWN concept*. Toward the year 2030, we aim to create photonics

products that will play a role in supporting and which will be utilized in a society in which various things are "simultaneously realized" through the use of photonics and wireless technologies.



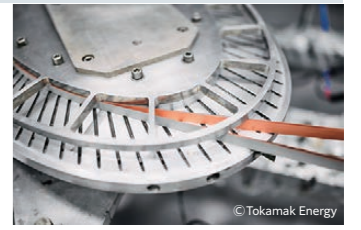
* IOWN concept: An abbreviation for "Innovative Optical and Wireless Network." The concept of a network and information processing infrastructure including terminals that can provide high-speed, large-capacity communications and vast computing resources beyond the limits of conventional infrastructure by utilizing innovative technologies centered on optics.

Superconducting

High-temperature superconducting wire material for advanced fusion prototype reactors

Against the backdrop of climate change, the efficient use of energy has been an issue across all fields. In response, the Group has been conducting research and development aimed at the practical application of superconducting high-efficiency power transmission, which greatly reduces transmission loss. This technology is also expected to be applied in a wide range of fields, including MRI (magnetic resonance imaging for medical use), linear motor cars, and nuclear fusion technology. With regard to nuclear fusion, which is expected to be a stable and sustainable new energy source to replace fossil fuels, we have continued to develop technology

and provide products for superconducting wires for the generation of plasma required for fusion reactors. In FY2022, we signed a contract with Tokamak Energy in the United Kingdom for the supply of superconducting wires, and in FY2023, we concluded an agreement to make equity investment in the said company, strengthening our partnership with them to progress commercial fusion energy.



Manufacture of ST-80 magnet coils

Infrastructure Laser

Infrastructure Laser™, a surface treatment solution for infrastructure structures

Infrastructure Laser™ is a surface treatment solution for infrastructure structures that combines digital technology with laser technology cultivated in the area of industrial lasers. In contrast to conventional methods, the use of lasers means that grinding materials and other materials are not discharged. With this, our aim is to reduce environmental impacts and improve occupational health, thereby improving the efficiency of infrastructure maintenance work.



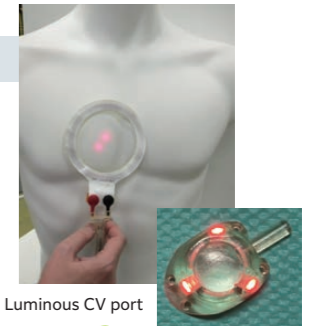
Infrastructure Laser™

For details, please refer to our company website "Surface Treatment Solutions for Infrastructure Structures." <https://www.furukawa.co.jp/infra-laser/> (Available in Japanese only)

Life Science

Tellumino, a detection solutions for internal medical devices

In the life sciences field, our company is developing new solutions using optical (Photonics) technology based on the key phrase "find with light, measure with light, and heat with light." For example, "Tellumino" is a new technology that enables users to visually confirm the location of implantable medical devices from outside the body. Combined with existing medical device manufacturers' CV ports, usage is safer than ever with safety and security provided for both patients and healthcare professionals by "Luminous CV ports."



Luminous CV port



For details, please refer to our website page "Detection solutions for internal medical devices." <https://www.furukawa.co.jp/en/product/development/lifescience/tellumino.html>

Green LP Gas

Technology for Producing Green LP Gas with Ramune Catalyst

In addition to contributing to going carbon neutral by 2050, the company aims to contribute to the establishment of global infrastructure that enables the local production and local consumption of energy along with the succession of local resources and local culture for the future. In FY2022, we established the "Sustainable Energy Succession Project Team" under the direct control of the President to develop new technologies based on the concept of Succession Booster to solve local social issues. One example of this, is our current development of a technology serving to create green LP gas from biogas-derived carbon dioxide and methane using Ramune Catalytic technology (with a focus on livestock manure). In addition to reducing greenhouse gases through the recycling of greenhouse gases, we will create new vitality

within local communities by facilitating the achievement of local production and local consumption of energy, thereby contributing to the succession of local resources and local culture for the future.

Going forward, the company will continue to contribute to the realization of carbon neutrality and the building of new social infrastructure in local communities through co-creation initiatives undertaken with a wide range of stakeholders, including local governments, which will involve marketing, sales, research and development, and manufacturing all working together as one.

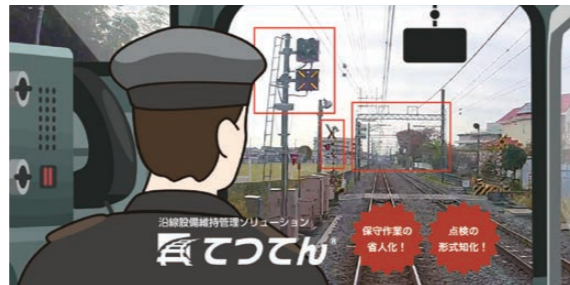


Maintenance/Inspection Support Solution for Roadside Equipment and Maintenance/Inspection Support Solution for Railway-side Equipment

Furukawa Electric developed the “Michi-ten” series of the maintenance/inspection support solution for roadside equipment for roadside fixtures to facilitate the realization of new maintenance cycles using its own DX technology. This makes it possible to carry out the inspection and maintenance of roadside fixtures with high accuracy and efficiency, something which has been traditionally handled only by personnel. Many municipalities and road administrators have already adopted the “Michi-ten” series. We have been working on demonstration experiments in cooperation with municipalities and road administrators with the aim of

facilitating further sophistication.

By applying this technology, we have developed the “Tetsu-ten” maintenance/inspection support solution for railway-side equipment for railway operators. It is a new digital solution that solves the problems associated with the maintenance of railway-side equipment, and contributes to the maintenance and management of such equipment. In the future, “Tetsu-ten” is expected to be used to add new information such as location data to the ledgers managed by railway operators, thereby improving the efficiency of on-site inspection work, maintenance and repair work on fixtures, and asset management.



For details, please see our website pages “Maintenance/Inspection Support Solution for Roadside Equipment” <https://www.furukawa.co.jp/en/product/development/infra/maintenance.html> and “Maintenance/Inspection Support Solution for Railway-side Equipment” <https://www.furukawa.co.jp/tetsuten/> (Available in Japanese only)

Digital Transformation (DX) of Furukawa Electric Group

We will use digital to create transformation for improving our MONOZUKURI capabilities, as well as increase competitiveness through transformation of the organization and technological innovation that will support our businesses in the future.

DX Vision of Furukawa Electric Group

In anticipation of the societal changes leading up to 2030, we are committed to enhancing our corporate value by leveraging digital technologies to revolutionize our business operations and work practices.

For details, please see our website page “DX Vision.” <https://www.furukawa.co.jp/en/company/dxic/dx-vision.html>

Furukawa Electric DX Strategy

Focusing on MONOZUKURI DX, we are drafting and planning highly effective measures and working to establish AI/IoT solutions.

For details, please see our website page “Digital transformation at Furukawa Electric/Furukawa Electric DX Strategy.” <https://www.furukawa.co.jp/en/company/dxic/strategy.html>

Digital Personnel

We have a wide range of digital talent working in various fields.

For details, please see our website page “Digital transformation at Furukawa Electric/Human Resources and Hiring.” <https://www.furukawa.co.jp/en/company/dxic/recruit.html>

TOPICS

We have been recognized as a DX-certified operator by the Ministry of Economy, Trade and Industry

- Received positive assessment for the development of a system based on a DX Vision, the leveraging of digital technologies, and other elements -

https://www.furukawa.co.jp/release/2023/kei_20230613.html (Available in Japanese only)



Intellectual Property

Basic Approach to Intellectual Property

Intellectual property such as patents and know-how, together with human assets, organizational capabilities, and customer network, constitute our Group's intellectual assets, which are our sources of strength. In order to create value rather than merely build competitive advantage, the Group positions and utilizes intellectual

assets as important management resources. To this end, we have formulated a basic policy with the following three pillars to promote group-wide and global intellectual property activities by integrating business, R&D, and intellectual property.

Intellectual Property Strategy of Furukawa Electric Group

Three basic policies:

1	Reinforcing management and business strategy planning capabilities by IP landscaping	Reinforce management and business strategy planning capabilities by IP landscaping that incorporates, analyzes and utilizes intellectual property information into strategy planning processes.
2	Utilizing intellectual assets with Open & Closed strategies	Strengthen business competitiveness by using Open and Closed strategy to utilize intellectual assets; and then, running an activity cycle of creating and accumulating intellectual assets and protecting business and core technology, while using IP landscaping to analyze environments for change.
3	Stabilizing business by reducing intellectual property risks	Identify four categories of risks, which are infringement risk, technology outflow risk, contract risk, and technology counterfeit risk, as frequent risks with a significant impact, and continuously reduce such risks to stabilize business.

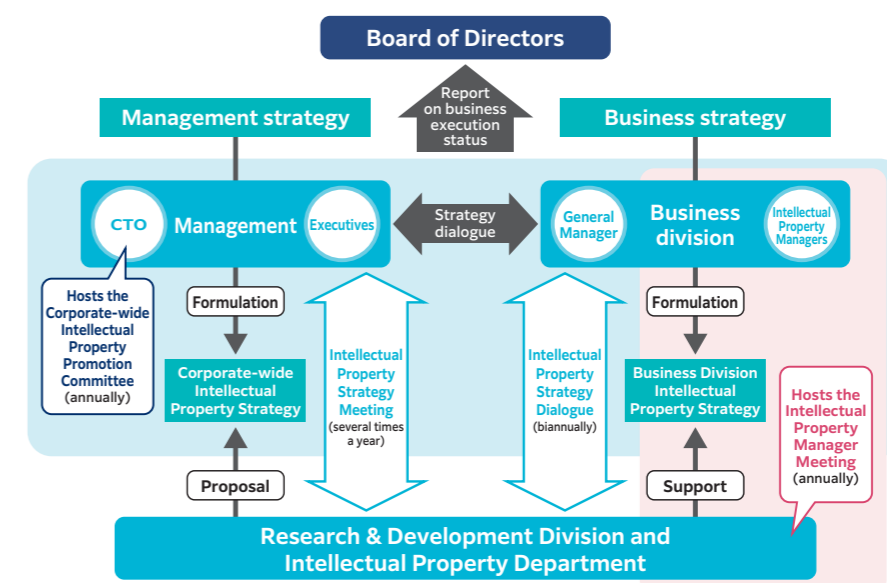
Intellectual Property Promotion System

Our Group has established the Corporate-wide Intellectual Property Promotion Committee (in principle, held once a year), which is chaired by the General Manager of the Research & Development Division. This committee determines corporate-wide intellectual property activity policies and promotes activities led by intellectual property managers who are assigned to each business and research division.

Corporate-wide intellectual property strategies are proposed and reported to executives who supervise business execution at an Intellectual Property Strategy Meeting (in principle, held at least twice a year) hosted by the General Manager of the Research & Development

Division. Activities aligned with the corporate-wide intellectual property strategies are determined at an Intellectual Property Manager Meeting (in principle, held once a year) hosted by the Intellectual Property General Manager. Intellectual property strategies of individual business divisions are subject to co-creation and shared with business division general managers through Intellectual Property Strategy Dialogues (in principle, held twice a year) hosted by the Intellectual Property General Manager.

Such business execution statuses are reported quarterly to and shared with the Board of Directors.



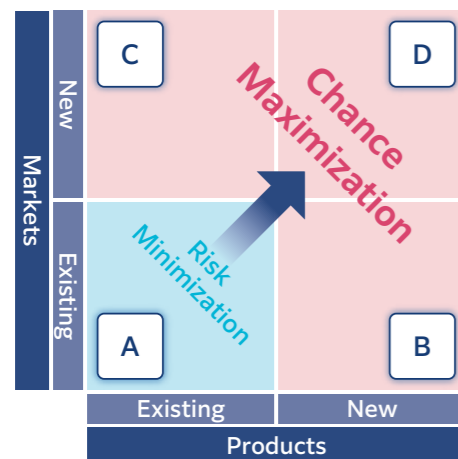
Key Points of the initiatives

Based on the three basic policies of our Intellectual Property Strategy, the Furukawa Electric Group is promoting intellectual property activities from the two perspectives of Chance Maximization (expansion of

Chance Maximization: IP Landscaping*

The Furukawa Electric Group lists “Reinforcing management and business strategy planning capabilities using IP landscaping” as the first pillar of its intellectual property strategy. To promote activities to seek new business fields and business models, we analyze the competitive environment and market environment using the intellectual property information of our own and other companies.

As shown in the figure below, in the domain of existing markets and products (Domain A), we aim to maximize



Domain A:
Maximize profits in existing businesses through a focus on capital efficiency
⇒ Determine the soundness of our strategies in IP landscaping

Domains B, C, and D:
Build a foundation for creating new businesses by strengthening development and proposal capabilities
⇒ Reinforce our ability to formulate strategies by IP landscaping

* IP landscaping: When formulating management or business strategies, (1) conduct an analysis that incorporates IP information into management and business information, and (2) share the results (including a broad view of the current status and future perspectives) with management and business managers (quoted from the Japan Patent Office “Survey Research Report on Analysis and Utilization of Intellectual Property Information that Contributes to Management Strategies”)

business opportunities) and Risk Minimization (business stabilization) in order to achieve the Furukawa Electric Group Vision 2030.

profits in existing businesses through a focus on capital efficiency, and we are determining the soundness of our strategies in IP landscaping. On the other hand, in the domains related to new markets and products (Domains B, C, and D), we aim to build a foundation for creating new businesses by strengthening development and proposal capabilities, and we use IP landscaping to reinforce our ability to formulate strategies. In this way, we are utilizing IP landscaping from the perspective of Chance Maximization in addition to the perspective of Risk Minimization.

Risk minimization: Intellectual property portfolio

We minimize business risks by protecting our unique technologies that differentiate our products from others with intellectual property rights and technical know-how.

In the domains of information, energy, and mobility, we develop and thoroughly use the intellectual property portfolio on the basis of detailed competitor analysis in order to grow by enhancing businesses that solve social issues. We also support maximizing the revenue of existing businesses with a focus on capital efficiency toward 2025.

Approximately half of the intellectual property rights Intellectual property risk management system

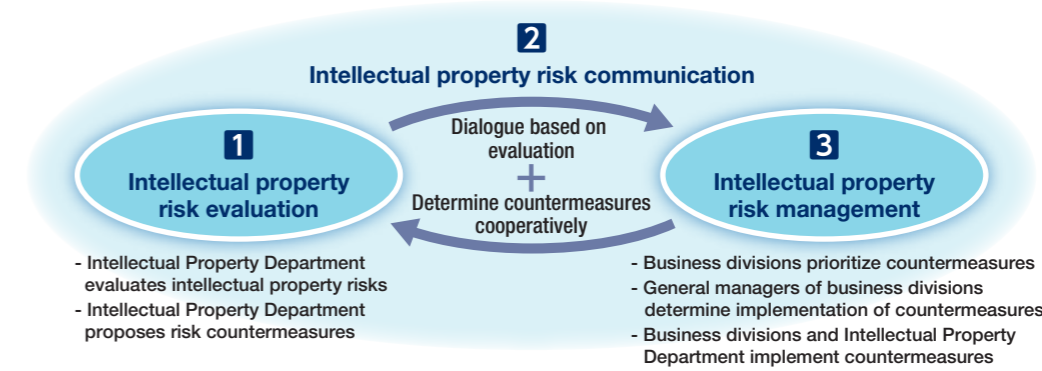
We develop and thoroughly use the intellectual property portfolio (see above) based on detailed competitor analysis while promoting global intellectual property risk reduction activities such as the prevention of technical information leakage. As a risk minimization mechanism, we have introduced an intellectual property risk management system with three steps: (1) IP risk assessment, (2) IP risk communication, and (3) IP risk management.

We conduct the intellectual property risk assessment by reviewing the key IP activity products of each business

(patent rights, utility model rights, design rights, and trademark rights) held by the Company are related to optical fiber cables (Optical Fiber and Cable Products Division), power cable systems (Power Cable Division), Wire Harnesses (Automotive Products Division), and tape for semiconductor manufacturing (AT & Functional Plastics Division) portfolio. In these businesses, we will utilize intellectual property through the Open and Close strategy and stabilize business execution by reducing intellectual property risks.

unit mainly from the viewpoints of whether there is an IP network to prevent interference with business, whether other companies’ rights are not being used, and whether measures to prevent leakage of technological know-how are in place. In principle, we review these issues annually and report them to the Risk Management Committee as part of our risk management activity plan.

Intellectual property risks are classified into the following four categories. We stabilize our business execution by continuously stimulating risk responses.



Infringement risk	Conduct periodic and continuous reviews of other companies’ rights information to ensure that our products do not infringe on their intellectual property rights.	Avoid the risk of direct damage or lost opportunities in the business.
Technology outflow risk	Strengthen information preservation through technical secrecy at development and production sites and introduce a time stamping system. Check news releases and other external announcements on a daily basis.	Avoid risks such as inadvertent disclosure of confidential information.
Contract risk	In technology contracts with other companies, the Intellectual Property Department checks the contract before conclusion.	Avoid the risk of disputes regarding the terms of agreements, such as non-disclosure agreements, joint research agreements, and purchase agreements.
Technology counterfeit risk	Obtain patent rights, utility model rights, design rights, and trademark rights to protect our products. Demand an injunction and compensation for damages in the event of imitation by other companies.	Avoid the risk of losses, such as a decline in market share.

Indicators and targets

Chance maximization: IP landscaping

To ensure that the perspective of chance maximization to utilize intellectual assets is implemented at the management level, we have set the “IP landscape implementation rate for business enhancement and new business creation themes” as a sustainability indicator for the material issues of revenue opportunity, aiming for implementation in all cases (100%).

The IP landscape implementation rate has reached 77%

as of the end of FY2023. Specifically, we conducted the following themes, which were judged to have high priority in terms of confirming business strategies, developing commercialization concepts, and gaining a foothold in customer access: “maximizing the profitability of existing business (e.g., optical fiber cables, power cable systems) with a focus on capital efficiency toward 2025” and “establishing a foundation for creating new business (e.g., green LP gas) by 2030.

Indicator	Scope	Result			Target		
		FY2021	FY2022	FY2023	FY2023	FY2024	FY2025
★ : Sustainability Indicator							
★ IP landscape implementation rate for business enhancement and new business creation themes	Group	17%	40%	77%	45%	100%*1.2	— *3

*1. This means that all projects with respect to the business reinforcing and/or new business creating themes set as of 2022 have been implemented.

*2. The FY2025 target has been moved forward.

*3. In FY2025, we plan to add and implement an important theme for strengthening business and creating new businesses.

Risk minimization: Intellectual property portfolio

Number of intellectual property rights held	Scope	Result				
		FY2019	FY2020	FY2021	FY2022	FY2023
Number of rights held in Japan		5,288	5,107	5,175	5,106	5,205
Research	Furukawa Electric	—	—	475	509	553
4 business units *4		—	—	2,964	2,864	3,188
Number of foreign rights held		3,625	3,725	3,869	3,893	3,954
Research	Furukawa Electric	—	—	327	400	436
4 business units *4		—	—	1,995	1,998	2,124

*4. Total of Optical Fiber and Cable Products Division, Power Cable Division, Automotive Products Division, and AT & Functional Plastics Division, including optical fiber cables, power cable systems, wire harnesses, and tape for semiconductor manufacturing



Please visit our website “Intellectual Property Report” for details.
<https://www.furukawa.co.jp/en/rd/ip-report/>

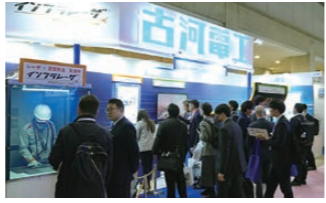
Stakeholders and Material Issues

Furukawa Electric Group aims at sustainable growth and increase in corporate value over the medium to long term through co-creation with diverse stakeholders. The Group will contribute to the sustainable development of society by maintaining and improving sound and positive relationships with all stakeholders through appropriate information disclosure and active communication.

Customers

We contribute to solving customers' issues by developing business activities that leverage the Group's strengths, let alone maintaining and improving the quality of products, operations and services we provide.


Relevant material issues
 Revenue opportunities Risks
 Creating businesses that solve social issues
 Building partnerships with diverse stakeholders

Main issues to be resolved through our business	Main methods of communication	Specific example of communication
<ul style="list-style-type: none"> Solving customers' issues by leveraging the Group's strengths Realizing a circular economy 	<ul style="list-style-type: none"> Dialogue in everyday business Dialogue at technology and other exhibitions Dissemination of information through the website, the Sustainability Book, and other means CSR survey from customers Customer factory audit 	 <p>Exhibited at Sea Japan 2024</p>

Partners

In addition to building a sound supply chain in compliance with laws and regulations, we promote businesses that realize the sustainability of the entire supply chain through co-creation with partners.

Relevant material issues
 Revenue opportunities Risks
 Building partnerships with diverse stakeholders
 Building a governance system to strengthen risk management/supply chain management, human rights and labor practices


Main issues to be resolved through our business	Main methods of communication	Specific example of communication
<ul style="list-style-type: none"> Reducing greenhouse gas emissions throughout the supply chain Respecting human rights in the supply chain Pursuing responsible minerals sourcing Realizing a circular economy 	<ul style="list-style-type: none"> Dialogue in everyday business Partners Meeting Self-Assessment Questionnaire (SAQ) based on the CSR Procurement Guidelines Announcement of the Partnership Building Declaration 	 <p>Partners Meeting</p>

* Furukawa Electric Group refers to our suppliers as "partners" with whom we co-create value.

Shareholders and Investors

We appropriately return profits to shareholders, disclose information to shareholders and investors, seek to achieve sustainable growth, and seek to increase corporate value over the medium to long term through our business.


Relevant material issues
 Revenue opportunities Risks
 Building a governance system to strengthen risk management/corporate governance

Main issues to be resolved through our business	Main methods of communication	Specific example of communication
<ul style="list-style-type: none"> Achieving sustainable growth and improvement of corporate value over the medium to long term 	<ul style="list-style-type: none"> General meeting of shareholders Investor briefings One-on-one meetings Dissemination of information through the website, shareholder correspondence, and integrated report 	 <p>Financial Results and Progress of the 2025 Mid term Plan Briefing</p>

Employees

We endeavor to fulfill our social responsibilities, such as respect for human rights, occupational health and safety, and compliance, and through employee engagement, we endeavor to strengthen human capital and organizational execution abilities that lead to increased corporate value.

Relevant material issues
 Revenue opportunities Risks
 Open, Agile, Innovative
 Strengthening human capital and organizational execution abilities

Main issues to be resolved through our business	Main methods of communication	Specific example of communication
<ul style="list-style-type: none"> Enhancing employee engagement Developing human capital and ensuring fair evaluation and treatment Pursing diversity & inclusion 	<ul style="list-style-type: none"> Company newsletters, Intranet Management briefing by labor and management; human rights due diligence dialogues "Dialogue with the President" at each business site "Furukawa E-Survey" on human capital and organizational execution abilities Dissemination activities for the Purpose 	 <p>Dialogue with overseas corporate vice presidents</p>

Central Government, Local Governments, and Local Communities

In addition to fulfilling our social responsibilities such as compliance with laws and regulations and tax obligations, we contribute to solving issues facing international and local communities by developing business activities that leverage the strengths of the Group.


Relevant material issues
 Revenue opportunities Risks
 Creating businesses that solve social issues
 Open, Agile, Innovative
 Building partnerships with diverse stakeholders

Main issues to be resolved through our business	Main methods of communication	Specific example of communication
<ul style="list-style-type: none"> Solving issues facing international and local communities by leveraging the Group's strengths Achieving carbon neutrality Building a new social infrastructure in community Realizing a circular economy 	<ul style="list-style-type: none"> Dialogue through economic and industry organizations Cooperation regarding surveys and questionnaires of the government and local governments Participating in government-related projects Partnership agreements with local governments 	 <p>Groundbreaking ceremony for green LP gas demonstration plant in the town of Shikaoui, Hokkaido</p>

Global Environment

We are pledged to fulfill our social responsibilities such as environmental conservation and compliance with environmental laws and regulations. We also promote business activities that recognize environmental issues including climate change, as revenue opportunities, and contribute to a sustainable global environment.

Relevant material issues
 Revenue opportunities Risks
 Creating businesses that solve social issues/creating environment-friendly businesses
 Developing business activities that consider climate change

Main issues to be resolved through our business	Main methods of communication	Specific example of communication
<ul style="list-style-type: none"> Mitigating and adapting to climate change Achieving carbon neutrality Realizing a circular economy 	<ul style="list-style-type: none"> Environmental protection activities and climate change response throughout the value chain Participation in activities such as environmental NGOs, NPOs, and initiatives Cooperating with ESG activities, including the environment of our customers Use of renewable energy 	 <p>SCIENCE BASED TARGETS DRIVING AMBITIOUS CORPORATE CLIMATE ACTION Obtained 1.5°C certification from SBTi</p>

Furukawa Electric's Directors and other officers

Directors (As of June 26, 2024)

 <p>Keiichi Kobayashi Chairperson of the Board Director •Tenure as Director: 9 years •Meeting attendance (FY2023) Board of Directors: 100% (16/16) Nominating/Compensation Committee: 100% (5/5)</p>	<p>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</p>	<p>April 2017 President and Representative Director April 2023 Chairperson and Director (present post)</p> <p>Important Concurrent Posts Director (Outside) of NTT DATA Japan Corporation Director (Outside) of JFE Holdings, Inc.</p>
 <p>Hideya Moridaira President Representative Director •Tenure as Director: 2 years •Meeting attendance (FY2023) Board of Directors: 100% (16/16) Nominating/Compensation Committee: 100% (5/5)</p>	<p>April 1990 Joined Furukawa Electric Co., Ltd. April 2014 Section Chief of Corporate Planning Section, Strategy Division April 2016 General Manager of 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</p>	<p>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)</p>
 <p>Takashi Tsukamoto Director (Outside, part-time) •Tenure as Director: 3 years •Meeting attendance (FY2023) Board of Directors: 100% (16/16) Nominating/Compensation Committee: 100% (5/5)</p>	<p>April 1974 Joined The Dai-ichi Kangyo Bank., Ltd. (currently Mizuho Bank, Ltd.) April 2002 Executive Officer/General Manager of Human Resources Division of Mizuho Corporate Bank, Ltd. (currently 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 Chairperson of Mizuho Financial Group, Inc. and President & CEO of Mizuho Bank, Ltd.</p>	<p>July 2013 Chairperson of Mizuho Financial Group, Inc. and Chairperson of Mizuho Bank, Ltd. Nov. 2013 Chairperson of Mizuho Financial Group, Inc. April 2014 Senior Advisor of Mizuho Financial Group April 2017 Honorary Advisor of Mizuho Financial Group June 2017 Outside Audit & Supervisory Board Member of Furukawa Electric Co., Ltd. June 2021 Director (Outside) of Furukawa Electric Co., Ltd. (present post) July 2023 Senior Advisor of Mizuho Financial Group, Inc. (present post)</p> <p>Important Concurrent Posts Senior Advisor of Mizuho Financial Group, Inc. Director (Outside) of Asahi Mutual Life Director (Outside) of AEON CO., LTD. Director (Outside) of Internet Initiative Japan Inc.</p>
 <p>Yoshiro Miyokawa Director (Outside, part-time) •Tenure as Director: 5 years •Meeting attendance (FY2023) Board of Directors: 100% (16/16) Nominating/Compensation Committee: 100% (5/5)</p>	<p>April 1975 Joined Yamanouchi Pharmaceutical Co., Ltd. (currently 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.</p>	<p>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, Executive Officer and Chief Administrative 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)</p>
 <p>Yukiko Yabu Director (Outside, part-time) •Tenure as Director: 5 years •Meeting attendance (FY2023) Board of Directors: 100% (16/16) Nominating/Compensation Committee: 100% (5/5)</p>	<p>April 1981 Joined Matsushita Electric Industrial Co., Ltd. (currently Panasonic Holdings 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 Holdings Corporation April 2012 Director of Consumer Research Center, Global Consumer Marketing Sector, Panasonic Holdings Corporation April 2013 Director and Group Manager responsible for consumer research at the Global Marketing Planning Center, Appliances Company, Panasonic Holdings Corporation Mar. 2014 Retired from Panasonic Holdings Corporation June 2014 Director (Outside) of DUSKIN CO., LTD. June 2015 Director (Outside) of TAKARA HOLDINGS INC.</p>	<p>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 & Supervisory Committee Member of IBIDEN CO., LTD. (present post)</p> <p>Important Concurrent Posts Director (Outside) of DAIWA HOUSE INDUSTRY CO., LTD. Director (Outside), Audit and Supervisory Committee Member of IBIDEN CO., LTD.</p>
 <p>Tamotsu Saito Director (Outside, part-time) •Tenure as Director: 3 years •Meeting attendance (FY2023) Board of Directors: 100% (16/16) Nominating/Compensation Committee: 100% (5/5)</p>	<p>April 1975 Joined Ishikawajima-Harima Heavy Industries Co., Ltd (currently 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 Chairperson of the Board, Chief Executive Officer of IHI Corporation April 2017 Chairperson of the Board of IHI Corporation</p>	<p>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) April 2024 Senior Advisor of IHI Corporation (present post)</p> <p>Important Concurrent Posts Senior Advisor of IHI Corporation Director (Outside) of Oki Electric Industry Co., Ltd. Director (Outside) of KAJIMA CORPORATION Chairperson of New Energy and Industrial Technology Development Organization (NEDO)</p>

 <p>Takeo Hoshino Director (Outside, part-time) •Tenure as Director: — •Meeting attendance (FY2023) Board of Directors: — Nominating/Compensation Committee: —</p>	<p>April 1987 Joined Ministry of International Trade and Industry (Presently Ministry of Economy, Trade and Industry) June 2003 Officer, Policy Planning and Research Office, Personnel Division, Ministry of International Trade and Industry July 2004 Assistant Manager of the San Francisco Office and Manager of the Business Innovation Center, Japan External Trade Organization July 2007 Director for Electronic Devices, Commerce and Information Policy Bureau, Ministry of Economy, Trade and Industry July 2009 Director, Technology Cooperation Division, Trade and Economic Cooperation Bureau, Ministry of Economy, Trade and Industry July 2011 Director, Nonferrous Metals Division, Manufacturing Industries Bureau, Ministry of Economy, Trade and Industry July 2012 Commissioner and Director-General for Information, National Institute of Technology and Evaluation Feb. 2013 Director for Nuclear Incident Recovery, Reconstruction Agency June 2014 Director, Regional Economic and Industrial Policy Division, Regional Economic and Industrial Group, Ministry of Economy, Trade and Industry</p>	<p>April 2015 Deputy Director-General for Industrial Technology and Standards Certification, Ministry of Economy, Trade and Industry July 2016 Deputy Director-General for Regional Economic and Industrial Policy, Ministry of Economy, Trade and Industry July 2016 Deputy Director-General, Town/ People/ Work Revitalization Headquarters, Cabinet Secretariat Deputy Secretary General, Office for the Promotion of Regional Revitalization Cabinet Secretariat July 2017 Deputy Director-General, Nuclear Incident Disaster Response, Ministry of Economy, Trade and Industry July 2018 Retired from the Ministry of Economy, Trade and Industry Nov. 2018 Research Fellow, Department of Materials Engineering, Graduate School of Engineering, The University of Tokyo April 2019 Project Professor, Department of Materials Engineering, Graduate School of Engineering, The University of Tokyo (present post) Sept. 2019 Deputy General Manager, Division of University Corporate Relations, The University of Tokyo June 2024 Director (Outside) of Furukawa Electric Co., Ltd. (present post)</p>
 <p>Satoshi Miyamoto Director Corporate Executive Vice President, General Manager, Strategy Division •Tenure as Director: 5 years •Meeting attendance (FY2023) Board of Directors: 100% (16/16)</p>	<p>April 1984 Joined Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry) July 1999 Director, Information Disclosure Promotion Office, Public Relations Office, Minister's Secretariat, Ministry of International 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 Counselor for Policy Evaluation, Minister's Secretariat, Ministry of Economy, Trade and Industry Feb. 2012 Counselor, Minister's Secretariat, Ministry of Economy, Trade and Industry (Manufacturing Industries Bureau)</p>	<p>June 2013 Deputy Chairperson, 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 Ministry of Economy, Trade and Industry Nov. 2017 Advisor (full-time), Furukawa Electric Co., Ltd. April 2018 Corporate Vice President, and General Manager of Administration & CSR Division April 2019 Corporate Senior Vice President, and General Manager of Administration & CSR Division June 2019 Director and Corporate Senior Vice President, and General Manager of Administration & CSR Division April 2021 Director and Corporate Senior Vice President, and General Manager of Business Basis Transformation Division April 2022 Director and Corporate Executive Vice President, and General Manager of Strategy Division (present post)</p>
 <p>Yoshio Masutani Director Corporate Senior Vice President, General Manager, Global Marketing Sales Division •Tenure as Director: 2 years •Meeting attendance (FY2023) Board of Directors: 100% (16/16)</p>	<p>April 1989 Joined Okura & Co., Ltd. July 1993 Okura & Co. UK Ltd. Oct. 1998 Joined Furukawa Electric Co., Ltd. April 2011 General Manager 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</p>	<p>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)</p>
 <p>Toshio Yanagi Director Corporate Vice President, General Manager, Risk Management Division •Tenure as Director: 1 year •Meeting attendance (FY2023) Board of Directors: 100% (12/12)</p>	<p>April 1988 Joined Furukawa Electric Co., Ltd. April 2013 Senior Manager of Planning Unit, Copper Foil Division April 2016 General Manager of Corporate Planning Department, Strategy Division April 2018 General Manager of Corporate Planning Department, Strategy Division April 2020 Corporate Vice President, General Manager of Copper Foil Division, Functional Products Division April 2021 Corporate Vice President, General Manager of Risk Management Division June 2023 Director and Corporate Vice President, General Manager of Risk Management Division (present post)</p>	
 <p>Koji Aoshima Director Corporate Vice President, General Manager, Finance & Accounting Division •Tenure as Director: — •Meeting attendance (FY2023) Board of Directors: —</p>	<p>April 1992 Joined Furukawa Electric Co., Ltd. Mar. 2011 Manager, Accounting Group, Copper Foil Business Department, Metals Company June 2013 Manager, Accounting Section 2, Corporate Accounting Department, Finance & Procurement Division Nov. 2013 Manager, Accounting Section, Corporate Accounting Department, Finance & Procurement Division April 2018 General Manager, Corporate Accounting Department, Business Management Division, Furukawa Automotive Systems Inc. April 2021 General Manager, Finance & Accounting Department, Finance and Global Management Division, Furukawa Electric Co., Ltd.</p>	<p>April 2022 General Manager, Finance & Accounting Department, Finance & Accounting Division April 2024 Corporate Vice President, General Manager, Finance & Accounting Division June 2024 Director and Corporate Vice President, General Manager of Finance & Accounting Division (present post)</p>

(Note) 1. Attendance rate for FY2023
 • In FY2023, the Board of Directors met 16 times. The Company has established the Nominating/Compensation Committee, which is a voluntary committee with a majority of the members and the chair being Outside Directors, for the purposes of appointing/removing and evaluating Directors as well as deliberating remuneration for the management. The Committee met five times in FY2023.
 • Because Mr. Toshio Yanagi was newly elected as Director at the 201st Annual Shareholder Meeting held on June 23, 2023, the number of attendance at the Board of Directors meeting he is eligible to attend differs from that for other Directors.
 2. Important Concurrent Posts
 • Ms. Yukiko Yabu retired as outside director of DAIWA HOUSE INDUSTRY CO., LTD. at the close of the general shareholders' meeting of the company held on June 27, 2024.

Audit & Supervisory Board Members (As of June 26, 2024)

 Nozomu Amano Audit & Supervisory Board Member (Full-time) •Tenure as Audit & Supervisory Board Member: 6 years •Meeting attendance (FY2023) Board of Directors: 100% (16/16) Audit & Supervisory Board Meeting: 100% (9/9)	April 1980 June 2004 June 2008 Mar. 2009	Joined Furukawa Electric Co., Ltd. General Manager of Legal Department General Manager of HR & Administration Department General Manager of HR & Administration Department and General Manager of Corporate Business Research Department	June 2018	Audit & Supervisory Board Member (present post)
	June 2010 April 2012 April 2013 April 2014 April 2018	Director and Corporate Vice President, CSO Director and Corporate Vice President, CSRO Director and Corporate Vice President, General Manager of Administration & CSR Division Director and Corporate Senior Vice President, General Manager of Administration & CSR Division Director		
 Masao Terauchi Audit & Supervisory Board Member (Full-time) •Tenure as Audit & Supervisory Board Member: 2 years •Meeting attendance (FY2023) Board of Directors: 100% (16/16) Audit & Supervisory Board Meeting: 100% (9/9)	April 1984 Oct. 2006 May 2009 June 2009 April 2013 June 2013 April 2017	Joined Furukawa Electric Co., Ltd. Production Control Group Manager of Semiconductor Devices Department, FITEL Products Division, Communications Company Assistant Manager of Procurement Department General Manager of Procurement Department Assistant Manager of Planning Unit, Electric Conductor Division President of PT Tembaga Mulia Semanan Tbk Corporate Vice President, President of PT Tembaga Mulia Semanan Tbk	June 2017 April 2018 April 2020 April 2022 June 2022	Corporate Vice President, General Manager of Electric Conductor Division, Electronics Component Materials Division Corporate Vice President, General Manager of Electric Conductor Division, Electronics Component Division Corporate Vice President, General Manager of Electronics Component Materials Division Advisor of Electronics Component Materials Division Audit & Supervisory Board Member (full-time) (present post)
 Hiroyuki Ogiwara Audit & Supervisory Board Member (Full-time) •Tenure as Audit & Supervisory Board Member: 1 year •Meeting attendance (FY2023) Board of Directors: 100% (12/12) Audit & Supervisory Board Meeting: 100% (7/7)	April 1983 Dec. 2003 Nov. 2005 June 2009 April 2013 April 2014 June 2014 April 2016 April 2017	Joined Furukawa Electric Co., Ltd. Vice President and Chief Financial Officer of OFS Fitel, LLC Manager of Tax & Accounting Department General Manager of Finance & Accounting Department General Manager of Finance & Accounting Department, Finance & Procurement Division Corporate Vice President, General Manager of Finance & Procurement Division Director and Corporate Vice President, General Manager of Finance & Procurement Division Director and Corporate Senior Vice President, General Manager of Finance & Procurement Division and General Manager of Global Group Management Division Director and Corporate Executive Vice President, General Manager of Finance & Procurement Division and General Manager of Global Group Management Division	April 2018 April 2019 April 2021 April 2022 June 2022 April 2023 June 2023	Director and Corporate Executive Vice President, General Manager of Finance & Procurement Division Representative Director and Corporate Senior Executive Vice President, Chief of Transformation Division Representative Director and Corporate Senior Executive Vice President, General Manager of Corporate Strategy & Direction Division Director and Corporate Senior Executive Vice President Corporate Senior Executive Vice President Advisor Audit & Supervisory Board Member (full-time) (present post)
 Kunihiko Sakai Audit & Supervisory Board Member (Outside, part-time) •Tenure as Audit & Supervisory Board Member: 6 years •Meeting attendance (FY2023) Board of Directors: 100% (16/16) Audit & Supervisory Board Meeting: 100% (9/9)	April 1979 July 1998 April 2000 April 2002 July 2005 July 2006 June 2007 July 2008 June 2010	Public Prosecutor, Tokyo District Public Prosecutors Office Senior Counsel, Minister's Secretariat of Ministry of Justice Public Prosecutor of Tokyo High Public Prosecutors Office and Assistant Director, Public Security Department of Tokyo District Public Prosecutors Office Director, the United Nations Asia and Far East Institute for the Prevention of Crime and the Treatment of Offenders Director, Trial Department of Tokyo High Public Prosecutors Office Public Prosecutor, Supreme Public Prosecutors Office Chief Public Prosecutor, Nara District Public Prosecutors Office Director of General Affairs Department, Supreme Public Prosecutors Office Director, Lay Judge Trial Department of Supreme Public Prosecutors Office	Oct. 2010 June 2012 July 2014 Sept. 2016 Mar. 2017 April 2017 June 2018	Chief Public Prosecutor of Nagoya District Public Prosecutors Office President, Research and Training Institute, Ministry of Justice Superintending Prosecutor, Takamatsu District Public Prosecutors Office Superintending Prosecutor, Hiroshima District Public Prosecutors Office Resigned Above Advisor Attorney, TMI Associates (present post) Audit & Supervisory Board Member (Outside) of Furukawa Electric Co., Ltd. (present post)
 Sayaka Sumida Audit & Supervisory Board Member (Outside, part-time) •Tenure as Audit & Supervisory Board Member: 4 years •Meeting attendance (FY2023) Board of Directors: 100% (16/16) Audit & Supervisory Board Meeting: 100% (9/9)	Oct. 1984 May 1988 May 2006 Aug. 2007 July 2010 Jan. 2015	Joined Asahi Accounting Company (currently, KPMG AZSA LLC) Registered as Certified Public Accountant Partner, KPMG AZSA LLC Chairperson of Audit Standards Committee, The Japanese Institute of Certified Public Accountants Executive Board Member (in charge of Quality Control Standards and Audit Standards), The Japanese Institute of Certified Public Accountants Board Member, International Auditing and Assurance Standards Board (IAASB), International Federation of Accountants (IFAC)	Feb. 2017 Mar. 2020 June 2020	Member of the Business Accounting Council in the Financial Services Agency Resigned from KPMG AZSA LLC Audit & Supervisory Board Member (Outside) of Furukawa Electric Co., Ltd. (present post)
				Important Concurrent Post Audit & Supervisory Board Member (Outside) of The Nisshin Oillio Group, Ltd. Director (Outside) of Audit & Supervisory Committee Member of ADVANTEST CORPORATION Director (Outside) of Japan Exchange Group, Inc.
 Takao Shiomi Audit & Supervisory Board Member (Outside, part-time) •Tenure as Audit & Supervisory Board Member: 3 years •Meeting attendance (FY2023) Board of Directors: 100% (16/16) Audit & Supervisory Board Meeting: 100% (9/9)	April 1975 April 2000 Feb. 2001 June 2004 April 2005 June 2006 June 2008 June 2008 Mar. 2012	Joined ITOCHU Corporation General Manager of Automotive Business Strategy Office of ITOCHU Corporation General Manager of Corporate Planning Department, Finance/Real Estate/Insurance/Logistics Company of ITOCHU Corporation Executive Officer and General Manager of Logistics Division of ITOCHU Corporation Executive Officer and General Manager of Finance Division of ITOCHU Corporation Managing Director, and President, Finance/Real Estate/Insurance/Logistics Company of ITOCHU Corporation Retired from ITOCHU Corporation Executive Vice President and Representative Director of Orient Corporation Retired from Orient Corporation	April 2012 June 2012 April 2014 Mar. 2016 April 2016 June 2016 June 2018 Aug. 2018 June 2021 Aug. 2021	Managing Executive Officer and President, Machinery Company of ITOCHU Corporation Representative Director, Managing Executive Officer and President, Machinery Company of ITOCHU Corporation Representative Director, Senior Managing Executive Officer and President, Machinery Company of ITOCHU Corporation Retired from ITOCHU Corporation Managing Executive Officer of ISUZU MOTORS LIMITED Executive Vice President of ISUZU MOTORS LIMITED Retired from ISUZU MOTORS LIMITED President, ITOCHU Corporate Pension Fund Audit & Supervisory Board Member (Outside) of Furukawa Electric Co., Ltd. (present post) Retired from President, ITOCHU Corporate Pension Fund

(Note) 1. Attendance rate for FY2023

- In FY2023, the Board of Directors met 16 times and the Audit & Supervisory Board met 9 times.
- Because Mr. Hiroyuki Ogiwara was newly elected as Audit & Supervisory Board Member at the 201st Annual Shareholder Meeting held on June 23, 2023, the numbers of attendance at the Audit & Supervisory Board meeting and the Board of Directors meeting that he is eligible to attend differs from those for other Audit & Supervisory Board Members.
- Important Concurrent Posts
 - Ms. Sayaka Sumida retired as outside Audit & Supervisory Board Member of the Nisshin Oillio Group, Ltd. at the close of the general shareholders' meeting of the company held on June 27, 2024.

Corporate Vice Presidents and Senior Fellows, except Director

(As of June 26, 2024)

Corporate Senior Vice Presidents	Foad Shaikhzadeh	President, Furukawa Electric LatAm S.A (Brazil)
	Ryoji Ono	General Manager, Functional Products Division
	Toshihiko Ota	General Manager, Communications Solutions Division and General Manager, Next Generation Photonics Business Innovation Project
	Takashi Yamamoto	General Manager, Electronics Component Material Division
	Teruyoshi Uchida	General Manager, Automotive Products Division
	Eiichi Nishimura	General Manager, Energy Infrastructure Division
Corporate Vice Presidents	Gyula Besztercey	Director, Furukawa Electric Institute of Technology Ltd. (Hungary) and Deputy General Manager, Research & Development Division
	Toru Fukushima	General Manager, Deputy General Manager, Research & Development Division
	Keiichiro Urakami	General Manager, Chubu Branch, Global Marketing Sales Division
	Mami Masuda	General Manager, Corporate Sustainability Office and General Manager, Public Relations Department, Strategy Division
	Kazunori Saka	General Manager, Kansai Branch, Global Marketing Sales Division
	Akira Fujisaki	General Manager, Research & Development Division
	Katashi Hanaya	President, Furukawa Techno Material Co., Ltd.
	Shozo Yano	General Manager, AT & Functional Plastics Division, Functional Products Division
	Takaaki Sugii	Deputy General Manager, Strategy Division
	Koji Kawano	General Manager, Sales Department, Global Marketing Sales Division
	Yukitoshi Sawamoto	Managing Director, Furukawa (Thailand) Co., Ltd.
	Shinji Asao	Deputy General Manager, Communications Solutions Division
Senior Fellows	Takeshi Ogamino	General Manager, Communications Solutions, FITEL Products Division
	Akifumi Nakajima	General Manager, MONOZUKURI Innovation Division
	Keiichi Nishimura	Deputy General Manager, Automotive Products Division
	Hiroko Takita	General Manager, Investor Relations Department, Finance & Accounting Division
	Kentaro Sakamoto	President, Furukawa Automotive Systems Inc.
	Michio Okubo	General Manager, Intellectual Property Department, Research & Development Division
	Hiroshi Ohashi	Deputy General Manager, Next Generation Photonics Business Innovation Project

(Note) Senior Fellows are professionals who are treated in the same manner as Corporate Vice Presidents. They are recognized as talents who propose creative and innovative visions and medium- to long-term directions in their respective fields of expertise based on globally applicable advanced expertise, as well as pass on their expertise to and foster the next generation.

Executives data

	Unit	2019	2020	2021	2022	2023	2024 (FY)
Directors	Persons	12	12	11	11	11	11
Outside Directors	Persons	5	5	5	5	5	5
Independent Directors	Persons	5	5	5	5	5	5
Female Directors	Persons	1	1	1	1	1	1
Audit & Supervisory Board Members	Persons	6	6	6	6	6	6
Outside Audit & Supervisory Board Members	Persons	3	3	3	3	3	3
Independent Audit & Supervisory Board Members	Persons	3	3	3	3	3	3
Female Audit & Supervisory Board Members	Persons	0	1	1	1	1	1
Corporate Vice Presidents	Persons	25	27	27	25	23	27
Female Corporate Vice Presidents	Persons	1	1	2	1	1	2
Non-Japanese Corporate Vice Presidents	Persons	3	3	3	2	2	2
Senior Fellows	Persons	2	1	1	3	3	2

Numbers of Directors and Audit & Supervisory Board Members are as of the end of fiscal year, but are as of June 26 for fiscal 2024. Numbers of Corporate Vice Presidents and Senior Fellows are as of April 1.



The Furukawa Electric Group Purpose constitutes a bold declaration of commitment to providing timeless value and solving issues in a world with fundamental questions about sustainability.

Takashi Tsukamoto
Outside Director

The Company's Medium-term Management Plan will enter its final year next fiscal year. Regarding business performance so far, financial results left much to be desired, as the Group missed targets in areas such as communications. Nevertheless, it made some progress in its efforts to achieve the visionary outlook described in Vision 2030, which looks ahead beyond the period of 2025 Mid-term Plan. The 2025 Mid-term Plan sets out a goal of growth by strengthening and creating businesses that solve social issues in each or combination of the information, energy, and mobility

domains, and in the communications field, the Group is steadily building up its ability to tap into the upcoming full-fledged recovery in demand. Furthermore, in the automotive products business, the Group is working to solve issues faced by customers in connection with high-speed communication, high output, and so on, while in the Functional Products business, it is leveraging highly functional and differentiated products to capture new domains and customers.

To stabilize and expand the Group's growth and earnings, the Company's Board of Directors increasingly

formulates key strategies for each business axis, and discusses the identification of growth areas and business reorganization in order to build its desired business portfolio, while also taking into account regional axes. I feel that positive momentum is being generated at the corporate level and at the level of each business division toward achieving the objectives of the 2025 Mid-term Plan and Vision 2030. At actual meetings of the Board of Directors, we Outside Directors, having made use of pre-briefing sessions, engage in lively yet serious discussions while endeavoring to present new perspectives that reflect their diverse backgrounds to the executives.

With regard to human capital, under the 2025 Mid-term Plan, the Group is striving to have individuals and organizations grow together and improve their execution ability, and also developing successors with the aim of acquiring and retaining personnel who can implement

the management and business strategies necessary to achieve Vision 2030. Last fiscal year saw the completion of the finalization of succession and development plans for all general managers, and this fiscal year the plans will be expanded to encompass section managers.

The accompanying text to the Furukawa Electric Group Purpose, which was established in March this year includes this statement: "Creating and delivering these 'indispensables' as the core of a better future." For us, this purpose constitutes a bold declaration of the Group's commitment to providing timeless value and solving issues in a world that has begun to ask fundamental questions about sustainability. Creating "indispensables" as the core of the future will only be possible if the Group continues to transform itself ahead of the times, and each of us is ready to move forward with a strong sense of ownership and determination.



Building compliance and risk management systems is fundamental for management. Without an attitude of always seeking to do the right thing, a company cannot prosper.

Yoshiro Miyokawa
Outside Director

Last fiscal year, there was a change of president, with President Moridaira coming in. Succession planning is the most important task for the Nominating/Compensation Committee, of which I am a member, so we took the time to carefully carry out the nomination process with sufficient fairness and transparency. Through serious exchanges of opinions, the members of the Nominating/Compensation Committee were able to deepen their understanding of the candidates, including the new president, and I suspect that the new president was mentally prepared when he got started.

Next, I would like to touch on the progress with and the outlook for the 2025 Mid-term Plan. The Company operates numerous businesses, and all of them are important, as new technologies discovered by existing businesses can be applied to new fields to create new businesses. However, from a capital efficiency point of view, it is impossible to retain every business, and so the business portfolio strategy will determine which businesses to select and focus on. The Communications Solutions business is in a domain that allows it to provide value to the AI and data center markets, so the Group is refining its strategy to attack this high-growth market. In the energy and mobility fields, too, the Group is stabilizing earnings to facilitate growth as businesses that solve social issues, which will contribute to society.

The Company is an enterprise with a history of more

than 100 years. Through the efforts of the founder and so many of its employees, it has managed to overcome tough situations in the past. The Furukawa Electric Group Purpose also states that the Company has diligently honed its technological and problem-solving capabilities since its foundation (in 1884). On the other hand, there have been many cases in recent years where the uncovering of wrongdoings by companies has thwarted all the efforts they have made over many years and harmed the trust that society places in them. At the Company, building compliance and risk management systems is fundamental for management, and is also an important matter for deliberation by the Board of Directors. Governance of the Company and Group companies is handled mainly by the Risk Management Division, which also works with other organizations such as the Quality Promotion Department, and governance issues are reported to the Board of Directors, which favors a "bad news first" approach. Pursuing an open organizational culture through efforts like this, and instilling a mindset of integrity among employees is also important for developing organizational strength. Without an attitude of always seeking to do the right thing, I do not think a company can prosper. And as an Outside Director, in order to fulfill my duty of care as a prudent manager, I am always mindful of that.



I expect to see sustainable business growth centered on the Furukawa Electric Group Purpose and improvements in the motivation of individuals. I will continue to promote not just women's empowerment but also awareness of the importance of DE&I.

Yukiko Yabu
Outside Director

Over the past year, under the leadership of new President Moridaira, the Group has been taking action to improve the profitability of businesses, and is also making steady progress with optimizing its business portfolio. For example, it has been restructuring the communications business in North America, which is one of its core businesses, and strengthening marketing activities to capture new customers in the growing AI and data center markets. In this way, the Group is narrowing down its list of growth opportunity targets and gradually shifting to a bold and aggressive stance.

The Board of Directors discusses these medium- to long-term management issues and risks in a frank and lively manner, with the outside officers also leveraging their diverse expertise to share their insights. I also feel that the scheduling of meetings where the outside officers can exchange views freely with the executives is a useful initiative for enabling the former to fully understand and discuss the issues. In addition, at meetings of the Nominating/Compensation Committee, Outside Directors have firmly committed to the CEO Succession Plan, and ensured transparency by disclosing a clear policy for determining officer compensation. With both bodies, action is only taken after the Outside Directors and executives have engaged in constructive discussions with a healthy dose of tension, and I believe that the Company's governance is functioning effectively.

Another recent development has been the establishment of the Furukawa Electric Group Purpose. Numerous employees from overseas and Group companies took part in the process that led to its establishment, and there was adequate debate on the Group's reason for being, i.e., its role in supporting

society. Going forward, I hope that the purpose will inspire communication in various forms, and that when personnel feel unsure about what to do, they will return to the purpose and think about it once again, as I expect this will lead to sustainable business growth and improvements in the motivation of individuals.

Furthermore, as a female director, I am actively providing support for the promotion and development of women for management positions. Through lectures and discussions, I would like to encourage a change in mindset by talking about my own experiences and situations outside the Group, and I intend to continue to promote not just women's empowerment but also awareness of the importance of DE&I.

To achieve the goals of the 2025 Mid-term Plan and Vision 2030, I believe that the Company's various technologies will be able to make a significant contribution to the resolution of conflicting social issues such as how to respond to climate change and what to do about rising levels of energy consumption. The Company has a fantastic culture of dependability and integrity that has been cultivated over its long history. However, urgent tasks for the Company are to foster a corporate climate of proactively proposing ways of meeting the needs of society and customers and embracing challenge to create new markets by itself, to develop diverse human resources, and to strengthen the organizational foundation for business creation, so I want everyone to work speedily to tackle these tasks.

And personally, I will continue to meet the expectations of stakeholders by appropriately monitoring and actively supporting management.



In a climate in which "manufacturing" companies tend to be undervalued, I hope that the Company will lead a revival in the valuation of the manufacturing sector.

Tamotsu Saito
Outside Director

Until recently, it had been unclear when the optimization of the business portfolio would be completed, but now, under the 2025 Mid-term Plan, a specific time

frame is being considered, and I expect to see business reorganization aimed at maximizing profitability accelerating in the future. On the other hand, since

it is becoming difficult to increase sales and profits just with standalone technologies or products, it is necessary to create new business models that are aligned with market and technological trends. I hope that the Company will establish new business models in the areas of information, energy, and mobility, which it is targeting for accelerated growth, and also in new areas, by leveraging its four core technologies and MONOZUKURI (manufacturing) capabilities that enable it to translate them into commercial products, as well as equipment it has developed in-house and its production transformation activities. The Company's Board of Directors is composed of directors who each have different skills, and we have been deepening our discussions with corporate vice presidents and the general managers of responsible divisions on a daily basis not only through meetings of the Board of Directors and opinion exchange meetings, but also through internal events such as research presentations and factory tours. In addition, succession plans and the compensation

system are designed and modified through various discussions, and I feel that a high level of transparency has been established.

I am also immensely impressed with the newly established Furukawa Electric Group Purpose. I hear it was decided on with input from numerous employees, and I believe that as a company that supports societal and industrial infrastructure, focusing on composing the core and contributing to the sustainability of the world will lead to increased motivation among employees. And in a climate in which "manufacturing" companies tend to be undervalued, I hope that the Company will lead a revival in the valuation of the manufacturing sector.

Alongside the purpose, the Company is also permeated by its founder's "three valuable things (value employees, value customers, and value new technology)." Emphasizing these "three valuable things" and composing the core of a brighter world will also lead to improved business performance. I would like shareholders and investors to pay attention to the Company's efforts and the information it puts out as it strives to realize the purpose going forward.



I hope the Company will take on the challenge of being a one-of-a-kind for advanced technology. I would also like to see it strengthen its cooperation with the government and work to flesh out its core technologies.

Takeo Hoshino
Outside Director

I became an Outside Director in June 2024. Right now, I am deepening my understanding of the Furukawa Electric Group's management policies and business activities on a daily basis, and I will continue engaging in discussions with corporate vice presidents, exchanging opinions and information during visits to business sites and research laboratories, and making use of my background as a public servant and my position and experience as a researcher at a university to offer opinions on management strategy.

From my experience of being deeply involved in the environment and energy fields, I believe that the realization of carbon neutrality, moves toward which are continuing to accelerate internationally, and the realization of a "circular economy," which are two sides of the same coin, are becoming increasingly important. The achievement of both is necessary for making societies around the world sustainable for the future. The key to realizing a circular economy is traceability for materials via an information network, and I hope that the Company will be able to contribute to the international community by bringing together all the information and communication-related technologies it has built up over the years.

In March 2024, the Furukawa Electric Group Purpose, "Composing the core of a brighter world," was established.

Hearing it, I felt that this succinct expression reflected the steadfast commitment of the Company's leadership to combining the Group's cutting-edge technologies and products, which span a wide range of fields, to bring about innovation and achieve sustainable growth for the future.

To that end, the Company must constantly be endeavoring to select technologies where it has a competitive edge. It needs to have a system in place for gathering detailed information on the various trends shaping the world, swiftly adapting to changes in the supply situation for natural resources, and averting supply chain crises.

The Company's business performance has been recovering in recent years as a result of various reforms, but I have seen that this transformation has required tremendous effort internally. Even so, I hope that the Company will steel itself once again, and take on the challenge of being a one-of-a-kind for advanced technology. It possesses various core technologies in each business area, but I am particularly impressed by its efforts to deploy cutting-edge technology in fields that offer promise in the near term, such as high-temperature superconducting wire materials for fusion reactors. I would also like to see it strengthen its cooperation with the government and work to flesh out its core technologies.

Corporate Governance

Basic views on corporate governance

Based on the “Furukawa Electric Group Purpose” and the “Core Values,” Furukawa Electric and Furukawa Electric Group enhance our management performance responding appropriately to changes in the business and market environment by prompt business decision making as well as with transparency and fairness. At the same time, we ensure sound management by developing and establishing an effective internal control system. With these, we will expand and develop our business on a sustainable basis and increase our corporate value. Furthermore, we seek to strengthen and enhance our corporate governance, in accordance with the followings:

- 1 We secure the rights and equal treatment of shareholders;
- 2 We consider interests of stakeholders including shareholders, and cooperate appropriately with them;
- 3 We ensure appropriate information disclosure and transparency;
- 4 Given its fiduciary responsibility and accountability to shareholders, Board of Directors carries out effective oversight of management from objective standpoint, respecting the independent Directors’ role for the oversight;
- 5 We engage in constructive dialogue with shareholders who have investment policies in accordance with interests of medium to long-term shareholders.

Guidelines on Corporate Governance

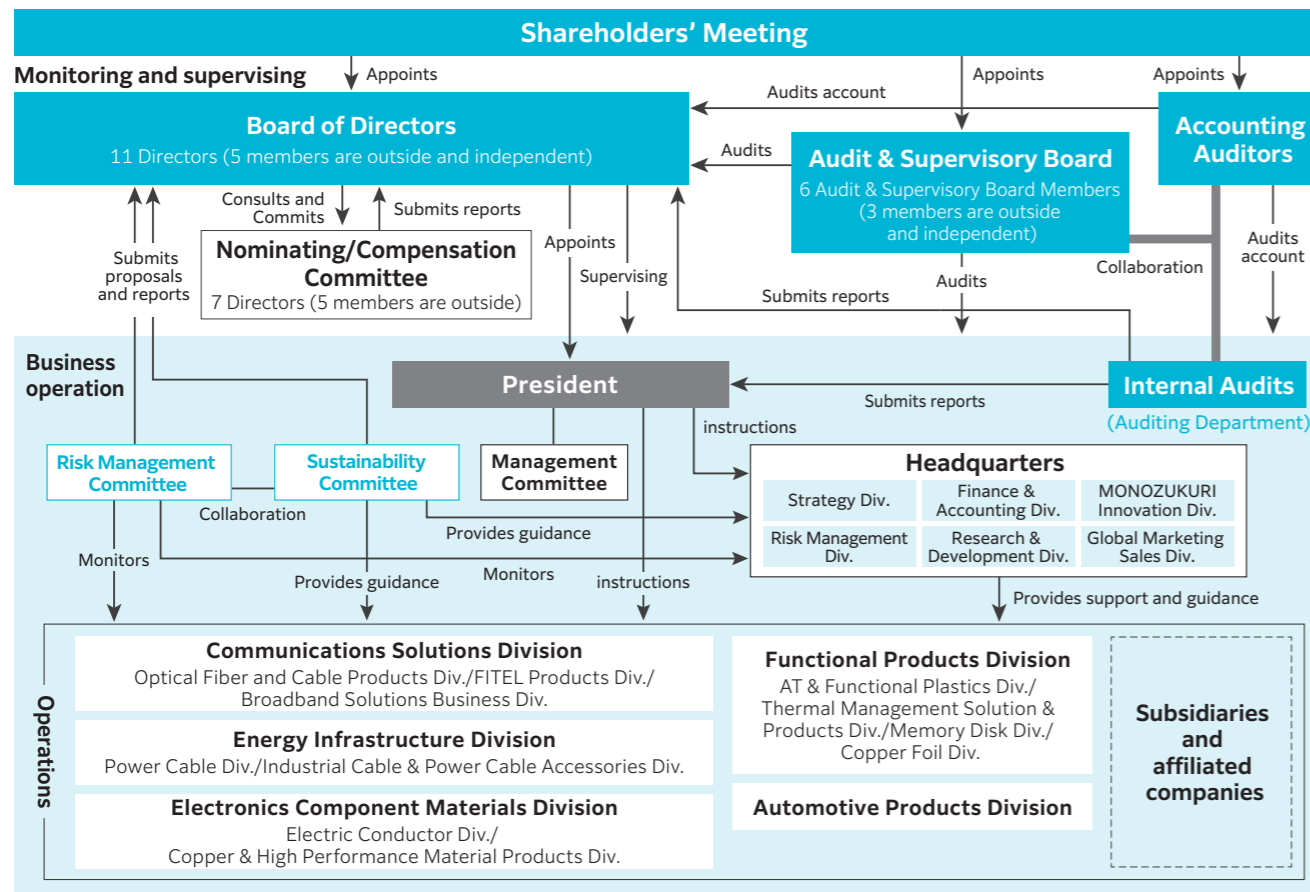
Based on the “Basic Views on Corporate Governance,” we adopted the “Guidelines on Corporate Governance” as a policy to enhance corporate governance.

 For further details, please see our corporate website. <https://www.furukawa.co.jp/en/company/pdf/guideline.pdf>

Corporate Governance System

The Company adopted the current corporate governance system (in the organizational form of Company with the Audit & Supervisory Board), believing that the effectiveness of auditing Directors’ execution of duties is secured by institutionally maintaining the independence of the Audit & Supervisory Board and its Members from the Board of Directors, while ensuring their cooperation with Accounting Auditor and internal audit division. Furthermore, to complement the supervisory function of the Board of Directors, the Company established Nominating/Compensation Committee.

Corporate governance organization chart (As of June 26, 2024)

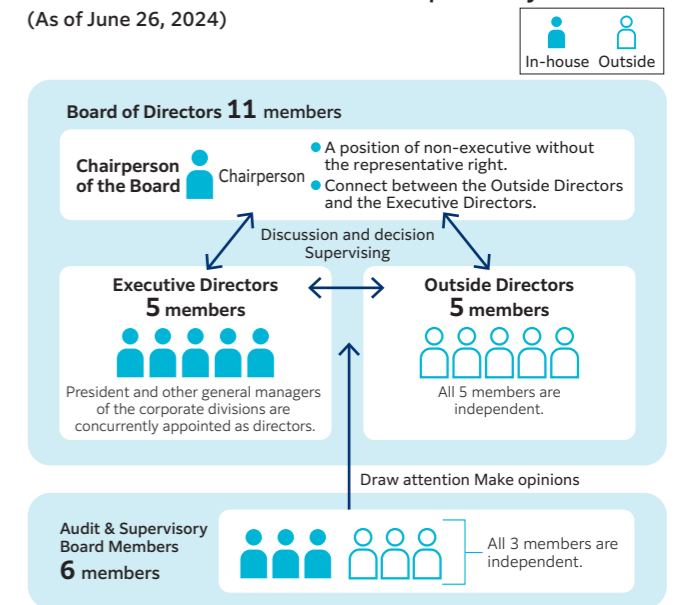


Board of Directors

In light of its fiduciary responsibility and accountability to shareholders, the Board of Directors of the Company fulfills its responsibilities to promote sustainable corporate growth and the increase of corporate value over the medium-to-long-term, and enhance earnings power and capital efficiency; and therefore, do the following:

- 1 Determination of corporate governance-related matters;
- 2 Establishment and amendment of business strategies and oversight of execution of such strategies and plans;
- 3 Setting capital allocation policy;
- 4 Appointment and removal of the Management including Representative Director and Corporate Vice Presidents, and determination of the remuneration of them (including delegating these to Nominating/Compensation Committee);
- 5 Establishment of an internal control system relating to compliance and financial reporting and risk management systems, and oversight of them;
- 6 Decision on important business matters;
- 7 Others prescribed by the applicable laws and regulations, etc.

Board of Directors and Audit & Supervisory Board (As of June 26, 2024)



At present, the Board of Directors of the Company consists of 11 Directors, five of whom are Outside Directors (all independent officers). The Board of Directors is chaired by non-executive Chairperson of the Board who does not have representative rights.

In fiscal 2023, 16 Board of Directors meetings were held and the Directors made important decisions on the execution of operations, checked the progress of the management goals, such as important business decisions and the annual budget, and deliberated corporate governance and other basic management matters.

Audit & Supervisory Board

Audit & Supervisory Board and each its member auditor collect information about management under statutory investigation authority and report and express their views to the board meetings and the management from an independent and objective standpoint as a fiduciary to shareholders. Auditors ensure coordination with internal audit department through regular meetings, and report the policy, plan and result of auditing to the board regularly.

Full-time auditors attend the meetings such as Management Committee which decides major business matters, and they report information obtained from these audit activities to the part-time and outside auditors. We strengthen our audit function by appointing an assistant staff to the auditors who is dependent of management.

At present, the Audit & Supervisory Board consists of 6 members (3 members are outside and independent).

In fiscal 2023, nine Audit & Supervisory Board meetings were held.

Outside Officers' Meeting

The Outside Officers' meetings are regularly conducted so that Outside Officers can exchange opinions while establishing a shared understanding of the Company from an objective viewpoint and submit the resulting opinions to the Board of Directors if necessary. The Outside Officers' meeting consists of Outside Directors and Outside Audit & Supervisory Board Members and the chair of the meeting* is selected from among Independent Outside Directors.

In FY2023, the Outside Officers' meetings are held four times.

* Secretary of the Outside Officers serves as chairperson of the Outside Officers Meeting, reports what was discussed at the Outside Officers Meeting to the Board of Directors and management as needed, and acts as a liaison of outside directors to cooperate with the management team or the Audit & Supervisory Board (meeting).

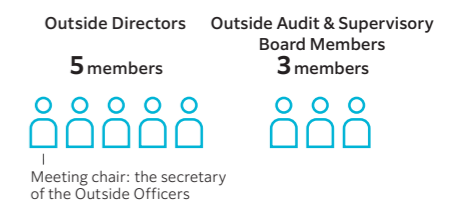
Nominating/Compensation Committee

The Nominating/Compensation Committee consists of five or more members selected from among the Directors by the Board of Directors, with a majority of the members being Outside Directors. The committee deliberates succession plans for officers and the president/CEO, officer compensation and other matters, aiming to ensure objectivity and transparency regarding these matters and to enhance corporate governance.

At present, the Nominating/Compensation Committee consists of seven members, five of whom, including the Committee Chair, are Outside Directors.

During fiscal 2023, Nominating/Compensation Committee met 5 times. The primary matters deliberated at the Committee meetings were the management execution system from April 2024 for Nomination and the executive compensation system for Compensation.

Outside Officers' Meeting (As of June 26, 2024)



View Concerning Candidates for Members of the Board of Directors

Policy on Nominating Candidates for Directors

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:

Revision of skillset and clarification of reasons for selecting each skill

In the Group, "material issues" is defined as key issues to be addressed for realizing "Furukawa Electric Group Vision 2030". The Group identified the following material issues from the perspective of revenue opportunities and risks.

Recently, the Company reviewed key areas (skillset) of experience and expertise the Company expects from Directors and Audit & Supervisory Board Members to solve the material issues, and selected the following 8 items and clarified the reasons for selecting them: Corporate management, Finance/Accounting, Legal affairs/Risk

Candidates for Outside Director:

The Group should select a well-balanced mix of people with various skills and backgrounds, such as persons with experience in corporate management and public policy, engineers with technological expertise, and experts in law, accounting, or other areas.

Candidates for inside Director:

In light of the consideration of the Furukawa Electric Group's business of having many affiliates around the globe and various business lines, the Group should select persons who have a sufficient skill set, knowledge and experience so that they will contribute to improving the Furukawa Electric Group's corporate value.

management, Environment/Energy, Technology/IT, Sales/Marketing, International experience/knowledge, and Personnel policy/Organizational development.

Details of skillset were determined upon deliberation at the Nominating/Compensation Committee, and will be updated, as necessary, considering the external environment as well as the Company's management plan/business characteristics, among others.

Material issues		Skillsets	
Revenue opportunities	Creating businesses that solve social issues	➔	Finance/Accounting Technology/IT Sales/Marketing
	Open, Agile, Innovative	➔	Corporate management Technology/IT Sales/Marketing
	Building partnerships with various stakeholders	➔	Technology/IT International experience/knowledge
Risks	E Developing business activities that consider climate change	➔	Environment/Energy
	S Strengthening human capital and organizational execution abilities	➔	Personnel policy/Organizational development
	G Building a governance system to strengthen risk management	➔	Legal affairs/Risk management

Details of skillsets

Skillsets	Reason for selection	Definition
Corporate management	To promote ESG management aiming at the Group's sustainable growth and increase in corporate value over the mid- to long-term, and proactively work on self-transformation, skills in formulating mid- to long-term sustainable growth strategy and high level of skills in corporate management are required.	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	To strengthen/create capital efficient businesses of the Group, and optimize its business portfolio, high level of skills in accurately identifying the financial situation and formulating financial/capital strategy toward establishing the solid financial base are required.	Have experience/expertise in finance/accounting; have significant experience as the person in charge of finance/accounting division
Legal affairs/Risk management	Establishing a governance structure for strengthening risk management and ensuring a corporate culture of compliance are the foundation of continued increase in corporate value. To improve the Board's effectiveness in terms of overseeing the management as well, high level of skills in legal affairs, risk management and compliance are required.	Have experience/expertise in establishing legal/risk management/ compliance system, etc.; have significant experience as the person in charge of legal affairs/risk management/compliance division
Environment/Energy	Since it is essential for the Group's sustainable growth to promote climate-conscious business activities and have high level of skills in environment/energy area.	Have extensive experience, expertise and/or network in the area of environment/energy; or have significant experience as the person in charge of environment/energy division
Technology/IT	To enhance the Group's strengths, including open innovation, co-creation with external partners, and the use of intellectual properties, and develop a new business model, 4 core technologies* which the Group has developed, or high level of skills in the digital area are required.	Have experience/expertise in R&D, IT, DX, etc.; have significant experience as the person in charge of technology/IT division
Sales/Marketing	To move away from the product-out mindset, adopt market-in and even outside-in approaches, and provide customers with solutions by taking advantage of the Group's strengths, high level of skills in forecasting market trends and formulating sales strategy are required.	Have experience/expertise in sales/marketing; have significant experience as the person in charge of sales/marketing division
International experience/knowledge	To strengthen the Group's businesses, high level of skills in formulating growth strategy from the global viewpoint as well as managing overseas businesses are required.	Have experience in running a company abroad or have international knowledge of international trade or a relevant specialized area
NEW Personnel policy/Organizational Development	To strengthen human capital management and organizational execution abilities, and thus strengthen the foundation for corporate management, high level of skills in formulating measures to ensure that employees demonstrate their abilities to the maximum extent and to strengthen team capability through leadership development and reform of organizational culture are required.	Have experience/expertise in personnel policy/organizational development; or have significant experience as the person in charge of personnel policy/organizational development division

* The four core technologies: refers to the technologies in "Metals," "Polymers," "Photonics," and "Highfrequency," in which our Group holds a competitive advantage.

Skill matrix for Directors and Audit & Supervisory Board Members

	Name	Gender	Independent Officer	Company Management	Finance/Accounting	Legal Affairs/Compliance	Environment/Energy	Technology/IT	Sales/Marketing	International Experiences and Knowledge	Personnel Policy/Organizational Development
Directors	Keiichi Kobayashi	M		●				●	●		
	Hideya Moridaira	M		●				●		●	
	Takashi Tsukamoto	M	★	●	●					●	
	Yoshiro Miyokawa	M	★	●		●					●
	Yukiko Yabu	F	★					●	●		●
	Tamotsu Saito	M	★	●				●			
	Takeo Hoshino	M	★				●	●		●	
	Satoshi Miyamoto	M				●				●	●
	Yoshio Masutani	M							●	●	
	Toshio Yanagi	M				●	●				
Audit & Supervisory Board Members	Koji Aoshima	M			●	●					
	Nozomu Amano	M			●	●					●
	Masao Terauchi	M		●						●	
	Hiroyuki Ogiwara	M		●	●					●	
	Kunihiko Sakai	M	★			●				●	
	Sayaka Sumida	F	★		●					●	
	Takao Shiomi	M	★	●	●					●	

* The above tables do not cover all experience/knowledge of each person. A check-mark is placed only in case where the Company expects that a person's significant experience/knowledge in each item will particularly contribute to solving key issues.

Overview of Evaluation Results on the Effectiveness of the Board of Directors

Our Company has conducted an annual analysis and evaluation on the effectiveness of the Board of Directors since FY2015, aiming at improving the Board's functions through a continuous process where we verify whether

the Board is functioning adequately, and based on the results, we take necessary measures to remedy issues and reinforce its strengths.

Method of analysis and evaluation

Upon conducting a questionnaire survey targeting all Directors and Audit & Supervisory Board Members, the effectiveness of the Board of Directors was discussed based on aggregated results at meetings of outside officers and the Board of Directors.

For the purpose of obtaining deeper understanding of

the aggregated results, the Chairperson of the Board had interviews with all Directors and Audit & Supervisory Board Members on an individual basis (while the lead outside officer interviewed with the Chairperson), and shared the results at the above-mentioned Board of Directors meeting.

Category of survey questions

- I. Roles and responsibilities of the Board of Directors (general matters, mid- to long-term management plan, business execution, risk management and compliance, sustainability, and Nominating/Compensation Committee)
- II. Operation of the Board of Directors
- III. System to support and cooperate with outside officers
- IV. Roles of and expectations for Audit & Supervisory Board Members
- V. Relationships with shareholders and other stakeholders
- VI. Others (Board of Directors overall, individual evaluations)

Overview of analysis and evaluation results

As a result of the analysis and evaluation, we reconfirmed that our Board of Directors has worked on initiatives to enhance its effectiveness in consideration of the results of the last fiscal year's (FY2022) evaluation; the Board of Directors as a whole has had positive and active discussions and carried out adequate oversight the business execution from the perspective of achieving sustainable growth of the entire Group and increasing corporate value over mid- to long-term; and useful recommendations/inputs based on a wealth of experience and advanced knowledge of outside officers were reflected on business execution. Consequently, we analyzed/evaluated that the Board of Directors maintained its effectiveness this fiscal year (FY2023) as well.

Policy for Initiatives and Evaluation Results for FY2022 and Policy for Initiatives for FY2023

	FY2022		FY2023
	Policy for Initiatives	Evaluation Results	Policy for Initiatives
1. Significant issues and priority initiatives for FY2023			
(1) Medium-term Management Plan (MTMP) and review of business portfolio policy for Initiatives	<ul style="list-style-type: none"> Promote progress checking of business portfolio and MTMP as well as consideration of relevant issues, and have discussion at the Board of Directors (BOD) meetings. Regularly conduct tours of our works/business facilities in order to provide outside officers with an opportunity to further deepen their understanding of our businesses. 	<ul style="list-style-type: none"> The BOD has reviewed the business portfolio and had fulfilling discussions on MTMP. In the future, it is necessary to implement valid initiatives in a speedy manner. Tour of our works/business facilities were conducted twice, which provided excellent opportunities for outside officers to understand our production sites. 	<ul style="list-style-type: none"> With respect to the business portfolio reform, we will ensure that the BOD will continue to receive regular reports on the implementation status as well as reports on initiatives for crystalizing portfolios of businesses/product families which the Company aims at realizing over mid- to long-term; and the BOD will have discussion for supporting the implementation of such initiatives. In accordance with the progress of MTMP, the BOD will receive reports on specific initiatives towards achieving financial targets, and have discussion for supporting the implementation of such initiatives.
(2) Operation of the Board of Directors	<ul style="list-style-type: none"> Increase opportunities to enhance communications between inside and outside officers, as well as among outside officers. 	<ul style="list-style-type: none"> Opportunities were provided for inside/outside officers to share information, so communications were enhanced. It is needed to further enhance opportunities for exchanging opinions. 	<ul style="list-style-type: none"> The BOD will reinforce discussions on fundamental management issues, and create a venue where the members can freely and frankly discuss/exchange opinions on significant management matters.
2. Other issues/initiatives to be continuously addressed			
(1) Board composition, and Nominating/Compensation Committee	<ul style="list-style-type: none"> Nominating/Compensation Committee discusses issues including the board composition and skills matrix, and reports the results or status to the Board of Directors (BOD). 	<ul style="list-style-type: none"> Nominating/Compensation Committee has been discussing various issues including the skills matrix. With respect to the board composition, continuous discussion is needed. 	<ul style="list-style-type: none"> The board composition, and skills matrix, etc. will be incorporated into agenda of Nominating/Compensation Committee as mid- to long-term issues so that the Committee will discuss such matters.
(2) Risk management	<ul style="list-style-type: none"> Continue to promote greater enterprise risk awareness. Encourage risk management activities at the Company and its affiliate companies in Japan and abroad. 	<ul style="list-style-type: none"> Greater enterprise risk awareness was developed; and risk control activities were expanded to affiliated companies in Japan and abroad and deepened. In this way, the system for risk management and compliance has been improved. It is necessary to constantly update our assumption of risks and preparation for such risks. 	<ul style="list-style-type: none"> Continue to update our risk recognition in order to address changes in the external environment. To prepare for any occurrence of risks in our priority areas, proactively formulate countermeasures.
(3) Sustainability (including ESG/SDGs)	<ul style="list-style-type: none"> Encourage discussions on risks and opportunities related to sustainability as well as the progress on each sustainability indicator, and ensure that outcomes are reported to the BOD. 	<ul style="list-style-type: none"> With respect to risks and opportunities, establishment of the Purpose, progress against the target for each sustainability indicator, content of integrated report, and other matters, active discussion took place. Continued efforts are needed in terms of establishing our Purpose and familiarizing employees with the Purpose, and implementing measures to satisfy targets for sustainability indicators. 	<ul style="list-style-type: none"> Drive forward establishment of the Purpose and activities to familiarize employees with our Purpose and to ensure the penetration; and encourage discussions on other important sustainability issues. Ensure outcomes or status are reported to the BOD, which in turn discusses such matters.



Please visit our website "Corporate Governance" for details.
<https://www.furukawa.co.jp/en/company/governance.html>

Remuneration for Directors, etc

Policies for determining remuneration, etc. for Directors, etc.

Policy for determining remuneration for Directors, etc.

The remuneration for Directors, etc. shall be determined in a way that encourages individual Directors, etc. to exert their abilities to the maximum level and proactively fulfill

their duties so that Furukawa Electric 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, etc. (hereinafter, "Individual Remuneration Policy"). 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 Directors, etc. consists of base salary, Short-term performance-linked remuneration (on an individual level), Short-term performance-linked remuneration (on the company level), ESG-linked remuneration, and Medium-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 their 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 individual Directors, etc. is determined by Nominating/Compensation Committee upon comprehensively evaluating the degree of achievement of the relevant business plan in the previous fiscal year, such as Furukawa Value Added (FVA) and other performance measures that contribute to its improvement (strategic KPIs) in the division(s) they are in charge of, and the status of relevant measures.	●	—	●	—
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 based on consolidated operating profit, as defined by Nominating/Compensation Committee. (Note 1)	●	—	●	—
ESG-linked remuneration	This element is to be paid in cash every month. The amount is to be determined upon evaluating the progress toward achieving the sustainability targets of key management issues (material issues) to be addressed by the Group. (Note 2)	●	—	●	—
Medium-to-long-term performance-linked remuneration	This is the stock remuneration program, under which Directors, etc. are paid with the Company's stocks acquired by the Trust that was funded by the Company. (Note 3)	●	—	●	—

(Notes): 1. For Short-term performance-linked remuneration (on the company level), we adopted consolidated operating profit 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 profit, which is the evaluation criterion here, and official position. Nominating/Compensation Committee regularly checks and reviews this table to ensure the remuneration levels are adequate, taking into account consolidated operating profit in the past several years.

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

Classification of Director, etc.	Consolidated 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)	
Chairperson of the Board	15,100	12,458	9,815	7,550	6,040	3,775	—	
President (Representative)	29,600	24,420	19,240	14,800	11,840	7,400	—	
Corporate Senior Executive Vice President	18,000	14,850	11,700	9,000	7,200	4,500	—	
Corporate Executive Vice President	14,100	11,633	9,165	7,050	5,640	3,525	—	
Corporate Senior Vice President	8,200	6,765	5,330	4,100	3,280	2,050	—	
Corporate Vice Presidents / Senior Fellows	4,200	3,465	2,730	2,100	1,680	1,050	—	

2. For ESG-linked remuneration, we adopted sustainability indicators (whether or not achieved) in order to ensure that it functions as an appropriate incentive toward achieving sustainability targets. In the current fiscal year, we adopted GHG emissions reduction rate, where the target reduction rate is 21.2% compared to the emissions in FY2017. An indicator to be adopted as an evaluation indicator for ESG-linked remuneration is regularly checked/reviewed by the Nominating/Compensation Committee.

3. For Medium-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 per performance period to the Trust as remuneration for Directors, etc. Directors, etc. 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, etc. 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, etc. retire from the position during the period, in principle, an adjustment is to be made in a similar manner.

Medium-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, etc. in a performance period is 180,000, and 1 point is convertible into 1 share unit of the Company's common stock.

Classification of Directors, etc.	Number of Point Granted	Number of Stock Granted per period
Chairperson of the Board	7,640	29,796
President (Representative)	9,340	36,426
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 President (Director)	1,310	5,109
Corporate Vice President/Senior Fellow	660	2,574

Medium-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

Medium-to-long-term performance-linked remuneration: Rate correspondence table for each degree of deviation

Deviation (Scope)	X ≥ 1.3	1.3>X ≥ 1.2	1.2>X ≥ 1.1	1.1>X ≥ 0.95	0.95>X ≥ 0.85	0.85>X ≥ 0.75	0.75>X ≥ 0.65	0.65>X ≥ 0.55	0.55>X ≥ 0.2	0.2>X
Rate (%)	130	120	110	100	90	80	70	60	50	0

Medium-to-long-term performance-linked remuneration: Formula for determining the number of points granted to individuals during a performance period

Finalized points = (cumulative total points granted to each Director, etc. 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 Medium-to-long-term performance-linked remuneration is 100%.
 At the time of their retirement, Directors, etc. receive the Company's stocks and money calculated by the following formula as the Medium-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 Directors, etc., 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 rank of Directors, etc., 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:

Classification of Directors, etc.	Base salary	Short-term performance-linked remuneration (Individual level)	Short-term performance-linked remuneration (the Company level)	ESG-linked remuneration	Medium-to-long-term performance-linked remuneration	Total
Chairperson of the Board	55%	12%	9%	3%	21%	100%
President (Representative)	51%	15%	13%	2%	19%	100%
Director and Corporate Senior Executive Vice President	55%	15%	13%	2%	15%	100%
Director and Corporate Executive Vice President	58%	14%	12%	2%	14%	100%
Director and Corporate Senior Vice President	68%	11%	9%	2%	11%	100%
Director and Corporate Vice President	72%	13%	5%	2%	8%	100%
Corporate Senior Executive Vice President	54%	16%	14%	2%	14%	100%
Corporate Executive Vice President	56%	15%	13%	2%	14%	100%
Corporate Senior Vice President	67%	13%	11%	2%	8%	100%
Corporate Vice President/Senior Fellow	71%	16%	6%	2%	5%	100%

Remuneration for Directors and Audit & Supervisory Board Members in FY2023 under review

The total amount of remuneration for Directors and Audit & Supervisory Board Members for FY2023 under review is as follows.

Officer classification	Total remuneration (JPY millions)	Total remuneration by type (JPY millions)				Number of subject officers (persons)
		Base salary	Short-term performance-linked remuneration (individual)	Short-term performance-linked remuneration (company level)	Medium-to-long-term performance-linked remuneration	
Directors(excluding outside directors)	340	229	11	24	74	7
Audit & Supervisory Board Members (excluding outside Audit & Supervisory Board Members)	92	92	—	—	—	4
Outside Officers	110	110	—	—	—	8
Of which Outside Directors	74	74	—	—	—	5
Of which Outside Audit & Supervisory Board Members	36	36	—	—	—	3

(Notes): 1. The amounts and numbers of officers in the above table include one Director and one Audit & Supervisory Board Member who retired from the positions due to the expiry of their terms at the end of the 201st Annual Shareholders Meeting held on June 23, 2023 as well as amounts of their remuneration.
 2. The column of Short-term performance-linked remuneration (company level) shows the payment amount which was determined in June 2023 as compensation for execution of duties in FY2022. The amount for the current fiscal year is not included in the above table.
 3. The amount of Medium-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 profit 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 profit in FY2022 was ¥15,441 million.
 5. Medium-to-long-term performance-linked remuneration falls under the categories of performance-linked remuneration as well as non-116 monetary remuneration. For this remuneration, 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 0.82 (a reference value calculated by using numerical value in FY2023).
 6. With respect to ESG-linked remuneration (introduced in July 2023), the compensation amount for the current fiscal year is not included in the above table.

Succession Plan

The Nominating/Compensation Committee checks an update of the succession plan for the CEO and the development of the next generation of managers, and deliberates such matters as the selection of candidates for the next generation of managers and the effectiveness of their development process.

Policy-holding Shares

Each year, the Board of Directors verifies the validity of all listed shares of the policy-holding shares, and decides to continue holding some of the shares from the viewpoint of their relationship with the Company and of the cooperative relationship. We intend to reduce the shares deemed unsuitable for holding.

Furukawa Electric Co., Ltd. Guideline on Corporate Governance (extract)

Chapter 3 Corporate Governance System Section 3 Nominating/Compensation Committee

3. Succession Plan

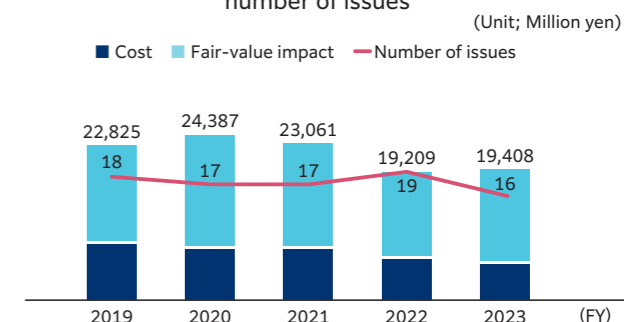
- (1) Based on the Furukawa Electric Group Purpose, Core Values, and a concrete management strategy, a succession plan for the President/CEO is deliberated and determined by the Nominating/Compensation Committee, are annually reviewed by the Committee.
- (2) Each Succession plan for Corporate Vice Presidents is annually reviewed and submitted to the Nominating/Compensation Committee, then the Committee checks an update of the succession plans for Corporate Vice Presidents.
- (3) The Company makes efforts to systematically develop the next generation of executives. Candidates of prospective president and corporate vice presidents selected by succession plans obtain advice from outside consultants, take training for the development of executives, and transfer to a different division to acquire necessary experience.

For fiscal 2023, the Board of Directors examined the appropriateness of the policy-holding shares at a meeting held in December 2023. As a result of the verification, we reduced some policy-holding shares, including eight listed stocks (3,916 million yen). Our policy-holding shares as of March 31, 2024 include 16 listed shares (19,408 million yen).

Policy on Policy-holding Shares

We will hold the shares if they are deemed to be significant from the viewpoint of improving capital efficiency or from need for the Company's business activities, and will reduce the shares if they are deemed to be unsuitable for holding. Each year, the Board of Directors shall conduct a verification of the validity of all listed shares of the policy-holding shares. The verification shall be conducted from a comprehensive perspective, including the creation of business opportunities, the maintenance and strengthening of business relationships and cooperative business relationships, as well as the comparison of quantitative benefits derived from the holdings of shares with the cost of ownership calculated by the market value and capital cost of the shares.

Balance sheet amounts of listed shares held for purposes other than pure investment purposes and number of issues



* Policy-holding shares are defined as the shares subject to "investment shares held for purposes other than pure investment purposes" in the Annual Securities Report.

Group Governance

While respecting the independence of each affiliated company's management, Furukawa Electric shall understand the overall status of its management, including compliance and risk management, and provide appropriate management guidance, including advice and

Status of development of internal control system

The Company believes that internal control is intended for maintaining/improving the efficiency of execution of duties, ensuring compliance, risk management, information management and group company management, and established and implements the internal control system as follows:

a. Efficient execution of duties

After management targets are set in budgets, each executive officer fulfills their duties to achieve such targets, and regularly reports the progress to the Board of Directors. Such achievements are adequately reflected in their remuneration. As for matters to be decided by the Board of Directors or Management Committee, or by means of requests for management approval, the Company established detailed and specific standards for deliberations. The Company has in place internal rules to clarify administrative authorities of executive officers and General Managers, as well as division of duties; and also has a mechanism to constantly review them upon an organizational change and the like.

b. Compliance system

The Company regards "Furukawa Electric Group Purpose", "Core Values", and "Furukawa Electric Group CSR Code of Conduct" as the basis for complying with ethical standards and according to the "Compliance Regulations", the Company promotes such compliance activities as internal education and programs to prevent/detect legal violations, while Risk Management Committee chaired by President and Risk Management Division play central roles. Each division appoints a risk management officer, who is responsible for effectively promoting risk management activities, including compliance, within the division. Especially, to prevent a recurrence of cartel behavior, the Company has reinforced the control over contacts with other companies in the same industry and the pricing procedures, and strengthened oversight by receiving advice from external experts from time to time. The Company also introduced a whistleblowing system, aiming at early detection and correction of compliance violations. Furthermore, Auditing Department, which is responsible for internal audits, monitors the execution of duties in each division, verifies whether the internal control system, including the compliance system, is working effectively, and reports the results to the management.

c. Risk management system

The Company stipulated its risk management system and management method in the "Basic Regulations on Risk Management and Internal Control", and Risk Management Committee identifies overall risks associated with Furukawa Electric Group's business operations, and verifies the adequacy

support on the establishment of each company's legal and internal control systems. That is how we ensure the soundness of each company's management, and we also strive to strengthen the entire Group's management structure and to increase corporate value.

of such risk assessment and risk management methods.

For more information, please refer to "Risk Management" on page 67 of this report.

d. Information management system

Records and documents related to important decisions by the Board of Directors, Management Committee, or via requests for management approval are properly managed/retained in accordance with laws and regulations as well as the Company's "Regulations on Retention of Documents". As for other information on the execution of duties, from the perspective of the importance as information assets and the necessity for protection, the Company established uniform standards and has implemented an information management system.

e. Group company management

In accordance with the "Regulations on Group Management Control", an administrative manager is appointed at each Group company; and the Company requests the Group companies to regularly report information necessary for grasping their business conditions, provides guidance on business management, and requires them to obtain the Company's approval before making decisions on certain matters. Budgets are prepared for the entire Group, setting specific management targets to be achieved by subsidiaries. As for the risk management at subsidiaries, Risk Management Division plays a central role to provide training, advice, and guidance on risk management, internal control, and compliance. Subsidiaries are required to appoint their own compliance officers. The Company sends part-time officers to key Group companies, and monitors overall management, including compliance and risk management, of the Group companies through audits by the Company's Audit & Supervisory Board Members and Auditing Department.

f. Securing appropriateness of financial reporting

In accordance with the "Basic Regulations on Risk Management and Internal Control", the Company established "Furukawa Electric Group Basic Policy for the development and evaluation of an internal control system, to ensure the appropriateness of financial reporting" (J-SOX Core Policy), and clarified the establishment, development, and operation of the internal control system, monitoring mechanism, and responsibilities. As for preparation and submission of the Internal Control Reports stipulated in the Financial Instruments and Exchange Act, the Company established J-SOX Council for deliberations of important matters, aiming at maintaining and improving the reliability of the Group's financial reporting.

Risk Management

Overview of Risk Management and System

Furukawa Electric Group has established the Risk Management Committee, which comprises management as members, with the President as chair and the General Manager of the Risk Management Division as vice chair. The committee is structured to supervise and promote risk management, internal control and compliance.

Furukawa Electric Group Risk Management Committee conducts regular risk assessment to determine what risks exist, define important risks that require a companywide response, and prioritize measures to counter these risks. Through specialized committee activities in segment specific areas — quality control, occupational health and safety, the environment, and disaster prevention and business continuity management — we are enhancing our system to manage risks related to our business activities. In addition to this system, important decision making is conducted by the Board of Directors and the Management Committee or through the approval processing system, after the expected risks based on each case have been clearly presented and acknowledged.

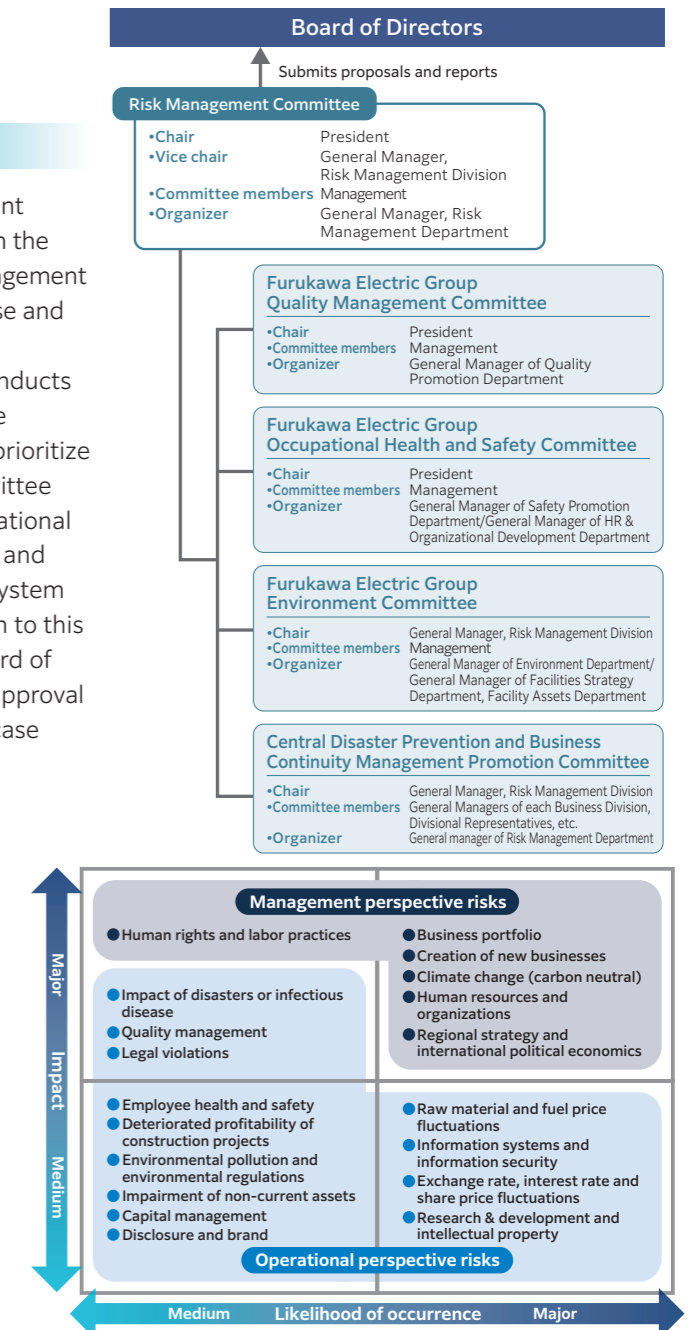
Business Risks

Furukawa Electric Group's financial results and financial situation are affected by the economic conditions in the various markets in which the Group sells its products and provides services.

The important risks that have the potential to affect the Group's financial results and financial situation are listed, as shown on the right. Risk items are defined as those with a medium or higher likelihood of occurrence and magnitude of impact, and, based on how the risks are perceived, they have been broadly categorized into "Management perspective risks" and "Operational perspective risks." When implementing responses to each risk, particularly for the management perspective risks, rather than being independent risks, they are recognized to be mutually related. The forward-looking statements contained in

Efforts to risk management activity

For the purpose of continually enhancing and deepening an activity on the risk control of Furukawa Electric Group, we have assessed the control activity on each item of the "business-related risks." Those results are totalized and summarized, and then the overall assessment of the risk control activity is annually and regularly reported to Risk



the descriptions are based on the Group's estimates and assumptions made as of March 31, 2024.

Please refer to our website "Business Risks" for details. <https://www.furukawa.co.jp/en/ir/management/risk.html>

Management Committee.

In addition, "the ratio of follow-up on risk management activities for all risk domains," that contains items of the business-related risk, has been assigned as a sustainability indicator. Then, the improvement of the control activity has been enhanced by monitoring its indicator.

Indicators and targets

Material issues "Building a governance system to strengthen risk management/Group Governance"

Indicator	Scope	Result			Target		
		FY2021	FY2022	FY2023	FY2023	FY2024	FY2025
★ : Sustainability Indicator							
★ Ratio of follow-up on risk management activities for all risk domains	Group	88%	100%	100%	100%	100%	100%

Supply Chain Management

Basic Approach to Procurement

Under the Furukawa Electric Group Procurement Policy, our Group will contribute to realize a sustainable society through co-creation with our partners*.

Furukawa Electric Group Procurement Policy

1	Fairness and Integrity	We are open to any and all partners in accordance with the principle of free competition and we all act with fairness and integrity.
2	Compliance with Laws and Regulations and CSR Procurement	Toward the realization of a sustainable society, we will conduct our procurement activities with due consideration for safety and the environment in compliance with all applicable laws and regulations and fulfill our corporate social responsibility.
3	Partnership	We always value relationships of mutual trust with our partners to create new values by collaboration. We pursue to optimize our procurement conditions from the viewpoint of quality, cost, delivery, technological capabilities and CSR activities.

* Furukawa Electric Group refers to our suppliers as "partners" who collaborate with us to create value.

Key Points of the initiatives

CSR Procurement Activities

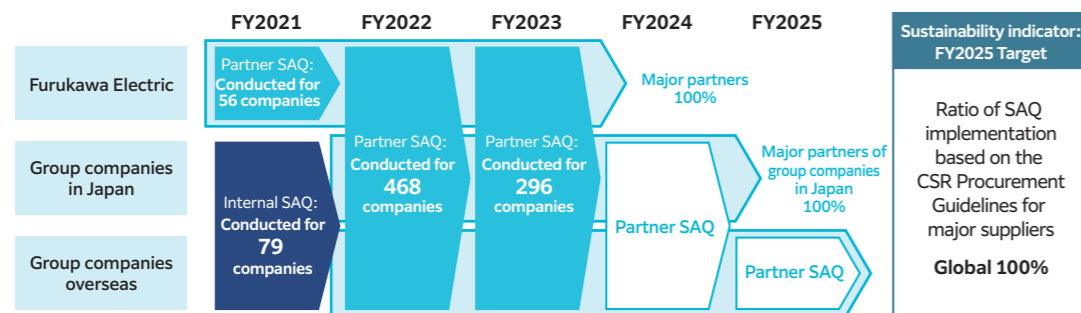
The Group promotes CSR procurement activities taking into account the environment and society, and published CSR Procurement Guidelines. In August 2024, we revised the Furukawa Electric Group CSR Procurement Guidelines to the 4th edition, with reference to the RBA Code of Conduct 8.0, etc. This was to promote CSR procurement activities in response to changes in social demands.

We ask new partners for agreement to comply with our CSR Procurement Guidelines as a prerequisite for starting business with us.

Based on our CSR Procurement Guidelines, we work together with existing partners to ensure strict compliance with laws and regulations and fair trade, consideration for human rights, safety, and the environment, reduction of environmental impact, and responsible minerals sourcing in our procurement activities. We also hold an annual Partners Meeting to directly explain our CSR procurement guidelines and our environmental and social policies, targets, and initiatives to our partners, and to provide ongoing encouragement to them.

As a risk survey for existing partners, in addition to the conventional questionnaire, we also issued a self-assessment questionnaire (SAQ) for major partners in accordance with the contents of the CSR Procurement Guidelines in FY2021. In FY2023, we expanded the scope of coverage to include partners of Group companies in Europe and the United States, in addition to Group companies in Japan and Asia. For partners falling under the categories of any of the survey items that we have identified as high-risk, we reconfirm the situation through interviews and other means, and encourage the partner(s) in question to correct the situation as necessary.

In addition, we have established contact points for inquiries about compliance and inquiries about human rights (JaCER's Grievance Form) on our website for the acceptance of reports on non-compliance and suspicious activities taking place within the context of our procurement activities. When a report has been received, we will check the described facts of that report, undertake a response such as an investigation, and provide feedback to whistleblower as deemed necessary.



For details, please see our website: CSR Procurement Guidelines, Green Procurement Guidelines, Quality Assurance Guidelines. <https://www.furukawa.co.jp/en/procure/guideline.html>

Co-creation with our partners

Partner Evaluation and Award System

We conduct evaluations of partners when it comes to partners selected based on purchase amounts and importance (80% of the material and equipment purchase amount). We evaluate our partners on the basis of quality, technology, price, delivery system, social and environmental contribution, creditworthiness, etc., and provide feedback on the results of the evaluation in interviews, while also exchanging opinions on the evaluation results and aligning our mind on procurement activities. In FY2023, we evaluated 230 partners and provided them with feedback on the results. Moreover, we are requesting continued cooperation in their efforts to ensure business continuity and a stable supply. In addition to the Outstanding Partner Award, Group Global Partner Award, Best Performance Award and Special Award, the Environmental Award is presented in recognition of achievements in the environment, and thus multifaceted efforts are evaluated.

Holding Partners Meeting

At the annual Partners Meeting, we explain our group procurement policy and our CSR Procurement Activities directly to our partners in order to deepen their understanding of our company. In FY2023, the event was held in June in a hybrid format combining online distribution and an in-person awards ceremony with 54 major partners attending at the event.

Greenhouse gas emission reduction initiatives

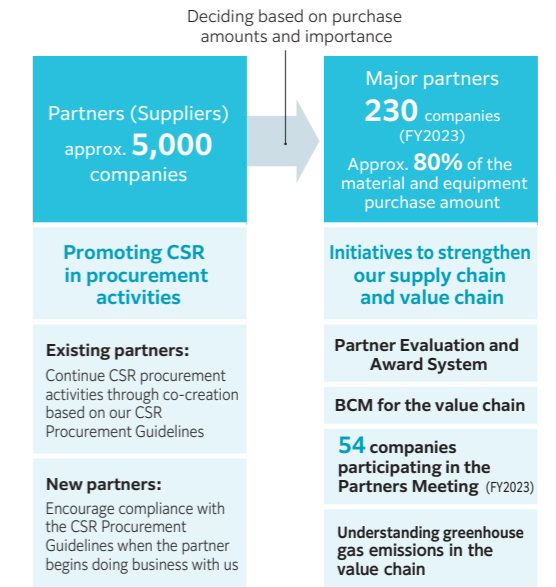
In order to work toward reducing greenhouse gas emissions throughout the value chain, we require our

Responsible Minerals Sourcing

The Group policy on responsible minerals sourcing is clearly stated in our CSR Procurement Guidelines and is made known by our Group companies and partners. In addition, in September, 2022, we established the Furukawa Electric Group Responsible Minerals Sourcing Policy to promote responsible minerals sourcing in the Group.

Collaboration with external organizations

In order to prevent or mitigate the adverse effects associated with mining of minerals in conflict- or high-risk areas, we have joined the Responsible Minerals TradeWorking Group of the Japan Electronics and



partners to strive to improve energy efficiency and continuously reduce energy consumption and greenhouse gas emissions based on our CSR Procurement Guidelines. At partner meetings, etc., we are encouraging the setting of targets for reducing greenhouse gas emissions. Furthermore, since FY2021, we have been conducting surveys on greenhouse gas emissions for some of our partners, and we have been working to understand the amount of greenhouse gas emissions in our value chain.

Procurement logistics activities

In order to reduce costs and CO₂ emissions during transportation, we are addressing the risks of soaring logistics costs and the inability to transport goods by selecting the most appropriate means of transportation within the value chain, such as making effective use of our return trip freights.

Furukawa Electric Group Responsible Minerals Sourcing Policy (Established on September 12, 2022)

Furukawa Electric Group shall not procure tantalum, tin, tungsten, gold, and other minerals associated with human rights violations, environmental degradation, corruption, conflicts, and other incidents in conflict-affected and high-risk areas. We will work to correct any concerns about risks that arise in our supply chain and engage in responsible minerals sourcing throughout the entire supply chain.

Information Technology Industries Association (JEITA) in addition to making our own efforts. Thus, we are working to resolve issues related to conflict minerals in the world, and through intra-industry collaboration, to improve supply chain research activities.

Indicators and targets

Material issues "Building a governance system to strengthen risk management/Group Governance"

Indicator	Scope	Result			Target		
		FY2021	FY2022	FY2023	FY2023	FY2024	FY2025
★ : Sustainability indicator							
★ Ratio of SAQ implementation based on the CSR Procurement Guidelines for major partners	Group	Furukawa Electric 20%	Global 34%	Global 65%	Global 40%	Global 70%	Global 100%

For details of Supply Chain Related Data, please see page 89.

Human Rights Management

Basic Approach to Human Rights

Based on the Furukawa Electric Group Purpose and Core Values, as we pursue global business development, we understand that the human rights of all people impacted by our business activities must be respected, and we respect human dignity and all internationally recognized human rights. We are also promoting initiatives to

respect human rights in line with the United Nations' Guiding Principles on Business and Human Rights, which call on companies to formulate human rights policies, implement human rights due diligence, and establish remedy mechanisms.

Furukawa Electric Group Human Rights Policy (Established on January 27, 2020, revised on March 21, 2024)

Based on the Furukawa Electric Group Purpose and Core Values, as we pursue global business development, we understand that the human rights of all people impacted by our business activities must be respected, and we respect human dignity and all internationally recognized human rights.

1	Positioning	6	Training
2	Scope	7	Complying with applicable laws
3	Responsibility to respect human rights	8	Dialogue and consultation
4	Human Rights Due Diligence	9	Information disclosure
5	Remedy		

For details, please see the Furukawa Electric Group Human Rights Policy on our website. <https://furukawaelectric.disclosure.site/en/themes/203>

Promotion Framework

The Group discusses issues related to sustainability, including human rights initiatives at the Sustainability Committee, and makes proposals and reports to the Board of Directors.

The Human Rights Working Group, which consists of Strategic HR Management Dept., Risk Management Dept., and Corporate Sustainability Office, regularly discusses human rights-related initiatives, and the results of these discussions are reported to the Sustainability

Committee and reflected in initiatives. At the Sustainability Committee meeting in March 2022, human rights and labor practices were added as a sub-material issue to the material issue "building a governance system to strengthen risk management" and this was reported to the Board of Directors' meeting in May 2022. At the Sustainability Committee meeting in March 2024, we exchanged opinions on human rights risk assessments.

Key points of the initiatives

Formulating Human Rights Policy

In accordance with the International Bill of Human Rights (the Universal Declaration of Human Rights and the International Covenant on Human Rights), the International Labour Organization (ILO)'s Declaration on Fundamental Principles and Rights at Work, and the United Nation's Guiding Principles on Business and

Human Rights, the Furukawa Electric Group formulated the Furukawa Electric Group Human Rights Policy on January 27, 2020. In addition, in March 2024, we revised part of the preamble of the Human Rights Policy in line with the establishment of the Furukawa Electric Group Purpose in 2024.

Implementing Human Rights Due Diligence

In response to changing social demands for human rights, such as in relation to forced labor, child labor, and discrimination, as well as in response to growing interest in human rights throughout the supply chain, our Group began human rights due diligence in FY2021. In this

context, we have set employees and partners* as the target stakeholders to be prioritized in terms of human rights issues tackled by our Group.

* Furukawa Electric Group refers to our suppliers as "partners" who collaborate with us to create value.

Initiatives to reduce negative impacts on human rights

For employees

With regard to employees, we have set harassment in the workplace as an issue to be tackled, analyze the results of instances of whistleblowing and compliance awareness surveys, and make necessary improvement measures. As one of these improvement measures, we have been implementing Discrimination and Harassment Education for individuals working in managerial positions at our Company and at Group companies in Japan and overseas since FY2022. Then, we have set the implementation rate of human rights risk training for managerial positions

as a sustainability indicator. In FY2023, we achieved our target of 100% implementation rate of human rights risk training for managerial positions globally, and we are aiming to maintain 100% through FY2025.

In FY2024, we will analyze the results of the compliance awareness survey conducted at the end of FY2023 and verify the effectiveness of the improvement measures. We also plan to hold discussions with the managers of each department about the results, and implement improvement measures, as necessary.

For partners

For our partners, we have set the implementation rate of SAQ (Self-Assessment Questionnaire) based on CSR Procurement Guidelines for major business partners as a sustainability indicator, and are working to understand human rights risks in the supply chain. We began surveying 56 of our main business partners in FY2021,

and as of the end of FY2023, the SAQ implementation rate was 65% against the target of 40%, and we are aiming for 100% by FY2025. As of the end of FY2023, the results of these surveys have not revealed any serious problems presenting adverse impacts on human rights.

Establishing a remedy mechanism

As a point of contact for reporting adverse impacts on human rights, we have established an internal whistleblowing system involving third parties for internal. Further, for external stakeholders, we use the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER), established mainly by the CSR Committee of the Japan Electronics and Information Technology Industries Association (JEITA).

In FY2023, there were 104 cases of whistleblowing taking place within our Group, around half of which were

related to human resources and labor. Only a limited number of cases, however, were found to involve facts that were exactly as indicated by the whistleblower. All cases, including those where some of the indications made were found to be factual, have been corrected by means of implementing measures serving to prevent recurrence. Moreover, in our Group, we do consider the existence of a certain number of reports to constitute an indication that our Internal Reporting System is functioning.

Stakeholder engagement

Furukawa Electric Group conducts dialogues with multiple investors every year. Through these dialogues, we receive valuable feedback on issues and expectations related to human rights, such as human rights due diligence and supply chain management.

In addition, we are working to resolve various issues, such as labor practices, through the Central Management Briefing held twice a year and daily dialogue with our labor union. In FY2024, we held the Central Labor-Management Committee on Human Rights Due Diligence with the labor union for the first time, and we plan to

continue holding regular dialogues in the future.

We will reflect the lessons learned through these dialogues in our future measures and further enhance our engagement with stakeholders.



Central Labor-Management Committee on Human Rights Due Diligence

Indicators and Targets

Material issues Building a governance system to strengthen risk management/Human rights and labor practices

Indicator	Scope	Result			Target		
		FY2021	FY2022	FY2023	FY2023	FY2024	FY2025
★ : Sustainability indicator							
★ Implementation rate of human rights risk training for managerial positions	Group	—	100%	100%	100%*	100%*	100%*

The asterisk (*) means that the rate will be maintained at 100% in each year.

Developing business activities that consider climate change

Furukawa Electric Group Basic Environmental Policy (Formulated in 2008, revised in April, 2011)

Basic Philosophy	We, the employees of the Furukawa Electric Group, recognize that conservation of the global environment is a serious issue confronting the international community, and we pledge to contribute to a sustainable future for the world through technological innovation that utilizes our strength in advanced materials.	
Action Guidelines	1	We shall comply with environmental laws and regulations as well as the demands of our customers and others, setting ever higher environmental targets as we continuously improve our global environmental conservation efforts.
	2	We shall strive to develop products that are friendly to the Earth, and create new environmental businesses.
	3	We shall strive to reduce environmental risk by incorporating anti-climate change and resource conservation/recycling considerations, as well as a reduction in the use of environmental impact causing substances, across the entire product lifecycle.
	4	We shall evaluate the ecological impact of all of our businesses, and strive for the conservation of biodiversity and sustainable use of resources.
	5	We will seek harmony with the natural environment and local communities through dialogue with our stakeholders.

Furukawa Electric Group Environmental Vision 2050 (Formulated in February, 2021)

Through the provision of environmentally friendly products and services and recycling-based production activities, contribute to the realization of a sustainable society throughout the value chain

1 Contribute to a carbon-free society

Aim to reduce greenhouse gas emissions throughout the value chain (Greenhouse gas emissions from business activities (Scope 1&2): Challenge target of zero emissions in 2050)

2 Contribute to realizing a recycling-based society for water & resources

Minimize water usage, and promote the use of recycled materials, including waste plastic, throughout the value chain

3 Contribute to society in harmony with nature

Minimize the impact on ecosystems through value chain management that includes raw materials



Scope 1: Direct emissions from the company's plants and offices
Scope 2: Indirect emissions from the electrical power and heat paid by the company

Environmental Targets 2030 (Revised in November, 2022)

Contribute to a carbon-free society	
1	(1) Greenhouse gas emissions from business activities (Scope 1 & Scope 2): Reduce by at least 42% compared to FY2021 (2) Greenhouse gas emissions in the value chain (Scope 3): Reduce by at least 25% compared to FY2021
Contribute to realizing a recycling-based society for water and resources/Contribute to society in harmony with nature	
2	(1) Efficient use of water resource • Water withdrawal: Reduce by at least 10% compared to FY2020 (per unit of net sales) (2) Efficient use of metals and plastics • New material*1 consumption: Reduce by at least 10% compared to FY2020 (per unit of net sales) • Single-use plastic*2 consumption: Reduce by at least 25% compared to FY2020 (total volume).

*1. New material: virgin materials for electrolytic copper, new aluminum ingots, and plastics, etc.
*2. Single-use plastic: disposable plastics used in containers, plastic bags, etc.

Furukawa Electric Group's GHG reduction targets of 2030 obtained SBT (Science Based Targets) below 1.5°C certification in July 2023. This certifies that our Group's targets are based on scientific evidence in achieving the "efforts to limit the temperature increase to 1.5°C above re-industrial level" aimed in the Paris Agreement*.



* Paris Agreement: An international agreement adopted at the Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC) in 2015 (COP21) to reduce greenhouse gas emissions and other emissions in and after 2020.

Information Disclosure Based on the TCFD Recommendations

In January 2020, recognizing that climate-related risks and opportunities are an important management issue, Furukawa Electric Group declared its endorsement of the Climate-related Financial Information Disclosure Task Force (TCFD). In addition, based on the "Guidance on Metrics, Targets, and Transition Plans" published



by TCFD in October 2021, we started formulating a climate-related transition plan which is a series of targets and actions to support the transition to a low-carbon economy in FY2023. We will promote disclosure in line with the TCFD recommendations to strengthen our relationships of trust with our stakeholders.

Please visit our website "Information Disclosure Based on the TCFD Recommendations" for details.
<https://furukawaelectric.disclosure.site/en/themes/199>

Governance

As issues on "Developing business activities that consider climate change," risk-related material issues, are closely related to management strategy risks of Furukawa Electric Group, they are handled in collaboration with Sustainability Committee, Risk Management Committee, and its special committee, Furukawa Electric Group Environmental Committee (hereinafter, "Environmental Committee") and Central Disaster Prevention and BCM Promotion Committee.

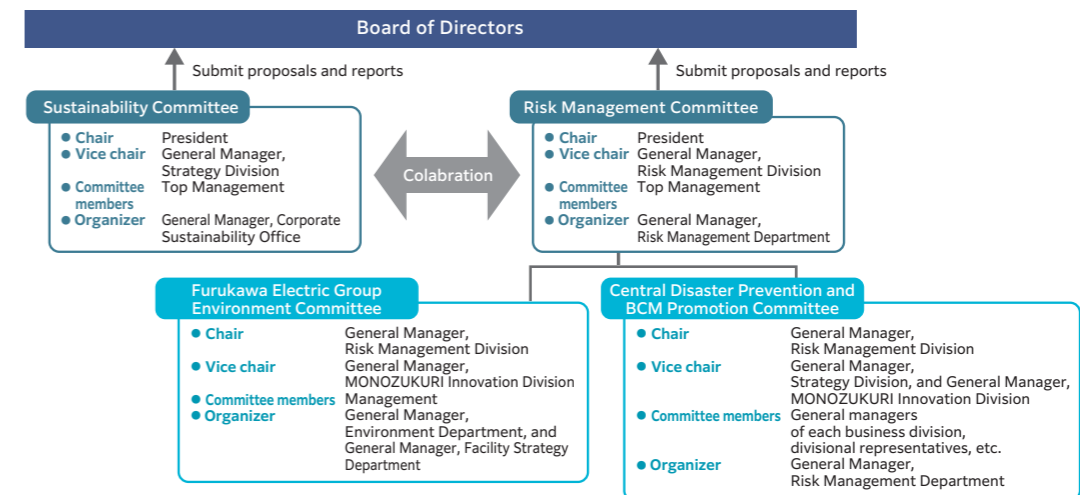
In considering climate-related risks such as those posed by climate change and natural disasters as the priority issue for environmental risk, we regularly discuss preliminary strategies for climate-related risks mainly at Environmental Committee and business continuity measures after the occurrence of risks are discussed mainly at Central Disaster Prevention and BCM Promotion Committee.

Environmental Committee, chaired by the General

Manager of Risk Management Division and composed of top management including general managers of each business division and corporate division, meets every three months to discuss issues related to climate change among others, and submits proposals and reports to Management Committee and the Board of Directors.

Central Disaster Prevention and BCM Promotion Committee, chaired by the General Manager of Risk Management Division and composed of general managers of each business division, divisional representatives, etc., meets every three months to establish Business Continuity Management (BCM), identify business continuity risks, including natural disasters, and promote and manage the identification process.

Furthermore, the status of business execution on climate change is reported to and shared with the Board of Directors on a quarterly basis.



Key Discussions on Sustainability within Furukawa Electric Group (FEG)

Board of Directors	Feb. 2021	Formulated the FEG Environmental Vision 2050
Management Committee	Jan. 2019	Set the Environmental Targets 2030; applied for an SBT (2°C Targets) initiative certification
	Jan. 2020	Expressed support for the recommendations of TCFD
	Dec. 2020 – Feb. 2021	Formulated the FEG Environmental Vision 2050
	Nov. 2021 – Feb. 2022	Revised the Environmental Targets 2030; applied for an SBT (WB 2°C Targets) initiative certification
	Nov. - Dec. 2022	Revised the Environmental Targets 2030; applied for an SBT (1.5°C Targets) initiative certification, and purchased a renewable energy certificate

Businesses for Analysis of Climate-related Risks and Opportunities

In order to show our “resilience of an organization’s strategy, taking into consideration of different climate-related scenarios, including a 2°C or lower scenario” provided by TCFD recommendation, Furukawa Electric Group has identified climate-related risks (transition risks and physical risks) and opportunities and conducted scenario analysis related to different climates, including a “2°C or lower scenario,” setting Medium-Term Management Plan as a baseline since FY2019. In FY2019, we participated in the Scenario Analysis Support Project for Climate-related risks and opportunities in line with the TCFD, conducted by the Ministry of the

Process of Identifying Climate-related Risks and Opportunities

Identification of climate-related risks and opportunities is conducted through a process of Step 1 through Step 3. First, in Step 1, we create a list of climate-related risks and opportunities, including not only in our Group but also in the upstream and downstream operations of supply chain by referring to “external information” and “internal information.” In Step 2, the identified

Selection of Scenario Group

Through FY2021, in examining the “different climate-related scenarios, including a 2°C or lower scenario” recommended by the TCFD, we examined a “2°C or lower scenario” and a “4°C scenario” step-by-step for each business field by referring to several existing scenarios published by the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC).

Environment. We conducted scenario analysis for the Infrastructure business (optical fiber and cable products of the Communications Solutions business and power cables of the Energy Infrastructure business). We then conducted a scenario analysis for the Automotive Products business in FY2020 and for the AT & Functional Plastics business and the Copper & High-performance Material Products business in FY2021, for the Fiber Cable business and the Electric Power business in FY2022, and the Copper Foil business, the Battery business, and FITEL Products in FY2023. We continue to expand the target business in each business field step-by-step.

items are evaluated with scores in terms of “impact on Furukawa Electric Group” and prioritized. In Step 3, high-priority items are identified as climate-related risks and opportunities. For the identified climate-related risks and opportunities, assessment of impact on business in FY2030 is conducted with impact parameters in a 1.5°C scenario and a 4°C scenario.

In FY2022, to accelerate our efforts toward achieving carbon neutrality by 2050, we revised the Environmental Targets 2030 and applied for an SBT (1.5°C Targets) initiative certification. Accordingly, the scenarios for the business fields, for which we had been conducting scenario analysis, were revised to the “1.5°C scenario” and the “4°C scenario.”

Furukawa Electric Group’s definition of the period to consider climate-related risks (transition and physical risks) and opportunities

Short-term	Up to FY2025	Period up to achieving the 2025 Mid-term Plan and sustainability targets
Medium-term	Up to FY2030	Period up to achieving the Vision 2030 and the Environmental Targets 2030
Long-term	Up to FY2050	Period up to achieving the Environmental Vision 2050

Overview of Scenario Analysis

Category		Identified climate related risks and opportunities	Period to manifest	Business impact		
				1.5°C	4°C	
Risks	Transition risks	Policies and regulations	• Carbon tax on GHG emissions	Medium to long term	Major	Minor
		Markets	• Increase in procurement costs of renewable energy • Increase in procurement costs of materials (copper, aluminum, plastics) due to carbon taxation	Medium to long term	Major	Minor
	Physical risks	Acute	• Damage to buildings due to large-scale disasters (large typhoons, heavy rains, heavy snow, lightning strikes) caused by abnormal weather • Supply chain disruption of customers or suppliers caused by weather disaster	Medium to long term	Minor	Minor
		Chronic	• Shut-down of coastal factories caused by flooding and drought • Increase in air conditioning costs due to a rise in average temperature	Medium to long term	Medium	Major
Opportunities	Markets	• Increase in revenue and profit from accelerating development of 5G/B5G along with the construction of smart cities and the surge of communications traffic • Increase in revenue and profit from demand growth for products related to telecommunications, semiconductor memory, 5G and smartphones • Increase in revenue and profit from demand growth for submarine cables and the enhanced core transmission network along with the increase in renewable energy generation	Short to medium term	Major	Medium	
	Products and services	• Increase in revenue and profit from demand growth for products along with automotive electrification and weight reduction • Increase in sales from demand growth for low-carbon and carbon-free products and recycled products in response to requests for carbon neutrality and circular economy • Technology development toward expanding introduction of next-generation energy	Medium to long term Long term	Major –	Medium –	

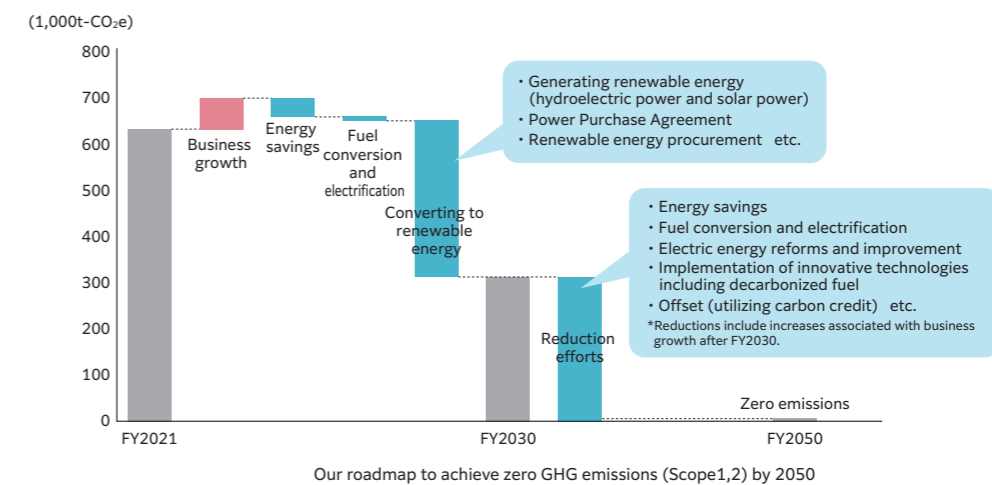
Furukawa Electric Group’s Efforts toward Achieving Carbon Neutrality and Formulation of a Climate-related Transition Plan

We identify climate-related opportunities and risks and work to achieve carbon neutrality by both capturing revenue opportunities and mitigating risks. Based on the “Guidance on Metrics, Targets, and Transition Plans” published by TCFD in October 2021, we started formulating a climate-related transition plan which is a series of targets and actions to support the transition to a low-carbon economy in FY2023.

As for the measures to deal with risks, we have established the Environmental Vision 2050 as our super-long-term goal, with the challenge target of reducing GHG emissions (Scopes 1&2) in our business activities to zero by 2050, as well as another target of reducing GHG emissions throughout the value chain. Backcasting from these targets, we have set targets for reducing GHG emissions in the Environmental Targets 2030 and the

sustainability targets in the 2025 Medium-term Plan to work toward achieving these reductions.

As part of our climate-related transition plan to achieve the Environmental Vision 2050 and the Environmental Target 2030, we have established a roadmap to achieve zero GHG emissions (Scope1,2) by 2050 and are promoting efforts to achieve these goals. In order to achieve our Scope 1&2 targets, it is essential not only to promote energy savings and fuel conversion at plants, but also to actively utilize renewable energy. Therefore, we have set the “Ratio of renewable energy use to total consumption” as a sustainability indicator to work toward improving the ratio of renewable energy use (usage of hydroelectric power, installation of solar power system, and introduction of electricity derived from renewable energy.)



As for the measures to deal with revenue opportunities, we will continue to stabilize revenue from existing businesses and develop a foundation for new business creation during the period of the 2025 Medium-term Plan. We will solve social issues in each business field and contribute to achieving carbon neutrality by 2030. For example, for accelerating development of 5G/B5G along with the surge of communications traffic, we will create new photonics products with strengths of development and proposal capabilities in the communications field and contribute to the simultaneous realization of a high-capacity information communications and a high-efficiency energy society. For technology development to

contribute to realizing carbon neutrality through supply and installation of submarine and underground cables indispensable toward expanding the use of renewable energy such as offshore wind power, and expanding the introduction of next-generation energy, we are working to achieve carbon neutrality, contribute to building a social infrastructure that enables “Succession of local resources and local culture for the future”^{*1} through the use of green LP gas, and promote nuclear fusion energy, which is expected to be a next energy source to take the place of fossil fuels, by developing high-temperature superconducting materials.

*1. Succession of local resources and local culture for the future: This expresses passing on regional resources and cultures to the next generation in addition to local production for local consumption.

Risk Management

Climate-related Risks and Opportunities

We have set “GHG emissions reduction rate (Scopes 1&2)”, “Ratio of renewable energy use to total consumption” and “Sales ratio of environment-friendly products” as sustainability indicators that measure the

progress of addressing material issues of “Developing business activities that consider climate change” and “Creating environment-friendly businesses.” Sustainability Committee follows up the progress of

these indicators semiannually.

We have also set the GHG emissions targets for each business division in accordance with the Targets 2030 since FY2020, and GHG emissions per unit of sales targets for each business division since FY2022. Management Committee follows up the progress of "GHG emissions" and "GHG emissions per unit of sales" quarterly. As for Internal carbon pricing (using a shadow price), setting GHG emissions of each business division calculated using carbon prices (applying 20,000 yen/

t-CO₂e in FY2023) since FY2019, we encourage each business division to be prepared to avoid climate change risks for decarbonization based on the quarterly evaluation and posting effects at the Environmental Committee. In addition, formulating of a renewable energy introduction plan is being promoted for any division that does not meet the target, having established a rule that each business division will bear the increase in procurement costs of renewable energy if the targets are not met since FY2023.

Integration into company-wide management strategy and company-wide risk management

In addition to financial factors, we utilize ESG factors, "GHG emissions" and "GHG emissions per unit of sales (carbon efficiency)," in the process of business portfolio

optimization and calculating the cost of capital in FVA for each business.

For more information, please refer to page 24 "Integration into company-wide management strategy and company-wide risk management" of this report.

In risk management of the entire Furukawa Electric Group, we identify "Climate Change (carbon neutral)" as a management perspective risk.

 For more information, please refer to page 67 "Risk Management" of this report and our website "Business risks." <https://www.furukawa.co.jp/en/ir/management/risk.html>

Metrics and Targets

In FY2023, we further promoted the introduction of renewable energy which we have been actively promoting since FY2022. The annual reduction of GHG emissions (Scope 2) from the use of electricity derived from substantial renewable energy introduced in our optical fiber and cable factory at the Mie Works was over 20,000 CO₂e. We also promoted to install solar power systems and switch to procuring renewable energy in other business sites of our company and production sites in Japan and overseas. As a result, we achieved

the FY2023 targets, "GHG emissions reduction rate (Scopes 1&2)" and "Ratio of renewable energy use to total consumption." We also achieved the FY2023 target for the "GHG emissions reduction rate (Scope 3)". The reason includes the following: the temporary decrease in production volume due to the impact of market conditions; the promotion of the use of recycled materials as raw materials for production; and the promotion of saving energy when using products.

Indicator	Scope	Base year	Result			Target (Reference value)				Challenge target
			FY2021	FY2022	FY2023	FY2023	FY2024	FY2025	FY2030	
★ : Sustainability indicator										
★ Sales ratio of environmentally friendly product	Group	—	61.9%	65.0%	65.9%	66%	68%	70%	—	—
★ Reduction rate for GHG emissions (Scope 1 and 2)*1	Group	2017	-29.0%	-36.8%	-45.4%	-21.2%	(-39%)*2	(-42%)*2	(-59%)*2	Zero emissions
		2021	—	—	—	—	-14.0%	-18.7%	-42%	
★ Ratio of renewable energy to total consumption	Group	—	10.9%	20.2%	31.6%	12%	25%	30%	—	—
Reduction rate for GHG emissions (Scope 3)	Group	2019	-1.0%	-6%	-11.3%	-6%	—	—	—	—
		2021	—	—	—	—	-8.3%	-11.1%	-25%	—

*1. The greenhouse gas emissions produced by our Group are mainly energy-derived carbon dioxide (CO₂) and sulfur hexafluoride (SF₆).
*2. Starting from FY2024, base year is updated to FY2021; the reduction target value when applied to the former base year of FY2017 is also shown for reference purposes.

 For further details of "Scope 1, 2, and 3 emissions by category", please refer to p88 "Climate change data" of this report and our corporate website "Information Disclosure Based on the TCFD Recommendations/ Metrics and Targets". <https://furukawaelectric.disclosure.site/en/themes/199>

Initiatives in line with the TNFD recommendations

Furukawa Electric Group has declared its endorsement of the Task Force on Nature-related Financial Disclosures (TNFD), and joined the TNFD Forum, which supports this activity in November 2023. We will continue to prepare for nature-related disclosures in line with the TNFD recommendations, and will work to strengthen our relationships of trust with all of our stakeholders.



 Please visit our website "Initiatives Based on the TNFD Recommendations" for details. <https://furukawaelectric.disclosure.site/en/themes/211>

Basic Approach

In our Environmental Vision 2050, we have set out to minimize the impact on the ecosystem through value chain management, including raw materials, as a contribution to society in harmony with nature. Recognizing the impacts of our business activities on biodiversity, we started initiatives not only on climate

change but also on biodiversity. The characteristics of biological resources and water vary depending on the region. Therefore, we conducted a trial in reference to the LEAP (Locate, Evaluate, Assess, Prepare) approach, etc., as shown in the TNFD Framework.

Evaluation in line with the TNFD

The "LEAP Approach" is an integrated approach to evaluate and manage nature-related issues developed by TNFD. There are four phases of evaluation as mentioned below. We used the recommended TNFD tools for the evaluation.

Locate your interface with nature

We confirmed the location information for major manufacturing bases in Japan and overseas, and conducted an evaluation based on the five criteria set by TNFD: importance of conservation, integrity of the ecosystem, rapid deterioration of ecosystem integrity, water stress, and magnitude of dependence. In addition, we conducted an evaluation of supply chains based on publicly available country, region and location information. As a result, we identified two priority regions (one district in Japan and a region upstream in the supply chain where raw materials are mined).

Evaluate your dependencies and impacts on nature

We used the recommended tool to conduct a trial assessment of the dependence and impact on nature. As a result, we found that the land use and water use in the upstream part of the supply chain had a very large impact. However, the assessment using the tool is only a tentative assessment based on information from relevant academic papers and research results in the field in which our Group's business belongs to, and it does not necessarily reflect the actual situation of our Group.

Future initiatives

At present, our assessment of nature-related risks is limited to a simple examination. Since the characteristics of each region differ, we will consider examining the actual conditions of each region and scenario analysis in the future. We will also proceed with the investigation

of the impact of our business activities on the natural environment. Alongside these detailed investigations, we will work to enhance the content of our disclosures of the 14 items based on the TNFD recommendations.

Strengthening Human Capital and Organizational Execution Abilities

Basic Policy in Human Capital and the Organization

We have positioned “Furukawa Electric Group People Vision” as our ideal state of people and organization toward achieving “Furukawa Electric Group Purpose”. The growth of each and every one of our diverse personnel is the driving force behind the success of our Group, and we aim for the growth of both individual and the organization through teamwork to produce results.



- Role of the Individual**
 - Each individual proactively and continuously develop and deliver the best of their skills and competencies through engagement and collaboration.
 - As a member of both Furukawa Electric Group and the global community, each individual must work with ethics and integrity in mind, and put their effort towards making the world a better place.
- Role of the Leader**
 - Leaders encourage the engagement of all people while supporting the growth of the individual.
 - Leaders facilitate the transformation of the individual's skills and competencies to deliver successful organizational accomplishments.
 - Leaders demonstrate behaviors that support a creative and positive organizational culture through teamwork and collaboration.
- Principles of Human Resources**
 - All human resource policies, procedures and systems will reflect fairness, support diversity and encourage all of our talent to proactively challenge and develop themselves.
 - By fostering an organizational culture which value people, Furukawa Electric Group will nurture each individual's confidence in the company.

Please see our website “Human Resources Management” for details.

<https://furukawaelectric.disclosure.site/en/themes/186>

Governance

As issues on “strengthening human capital and organizational execution ability,” risk-related material issues, are not only management risks for our Group, but also the most important key management issues directly related to management strategy, we have established a system for executing personnel strategies, headed by the General Manager of the Strategy Division (CSO). The issues are executed, discussed and resolved at the Management Committee.

For individual theme directly related to management issues, we establish committees chaired by the president or CSO to formulate strategies, determine activity plans, and promote implementation of measures—Professional Appointment Committee” to certify highly specialized personnel, “HK* and D&I Committees” to promote work-

style reform, diversity & inclusion and other measures, and “Furukawa Electric Group Occupational Health and Safety Committee” on occupational health and safety. The status of these operations is regularly reported to and shared with the Board of Directors.

In FY2023, the Management Committee reported and discussed 14 topics related to personnel policies including engagement, reskilling measures, introduction of internal recruitment from the viewpoint of self-directed career development, the ideal state of organizations, including a review of the standards for establishing organizations.

*HK : Hatarakikata Kaikaku, or work-style reform
For “Key Discussions on the Group’s Human Capital,” see page 19 of this report, “Key Discussions on Sustainability within Furukawa Electric Group.”

Strategy

Human resource management strategy

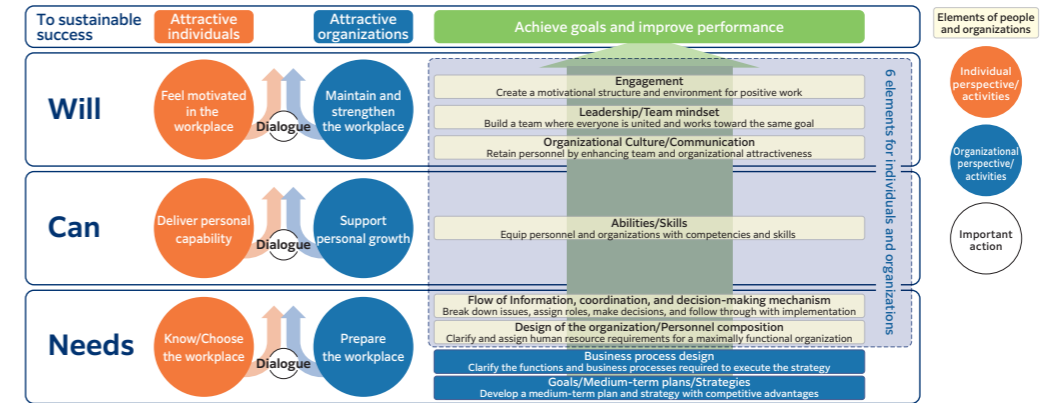
In the implementation of our management and business strategies, we will coordinate our growth vectors through dialogue so that both individuals and organizations can improve their performance, grow, solve social issues, and achieve the Vision 2030.

Framework of specific activities to develop people and organization

To develop individuals and organizations, being attractive individuals and organization are indispensable. An organization creates workplaces where individuals motivate their abilities and pass them on to others, and supports their development so that they can play active roles in the organization. We aim to make individuals feel attracted



to the place (organization and working environment) and continue to excel at work, leading to the sustainable growth and success of the organization. To achieve these goals, we will work on people and organization based on six perspectives, grasping the overall image of our activities and promoting conscious remedial measures in the course of our daily business activities.



For specific activities of six elements of people and organizations, please see pages 80-83 of this report.

Risk management

Since FY2022, the Group has conducted the Furukawa E-Survey, a survey on human capital and organizational execution abilities. We visualize human capital and organizational execution abilities, and the results are reported and discussed at the Management Committee's annual meetings. We then promote the reduction of risks and capturing of revenue opportunities through the PDS cycle*, in which we reflect improvement measures based

on the results in our business activities. In addition, “employee engagement score” in the Furukawa E-Survey is set as a sustainability indicator, and the Sustainability Committee follows up on progress and response measures. We appropriately execute such risk assessments on a regular basis and reflect the results in our initiatives for various measures while revising our risk perception each time. *PDS cycle : Plan Do See cycle

Indicators and targets

The overall employee engagement score for FY2023 was 76 for the entire Group and 63 on a non-consolidated basis. In addition to the impact of expanding the scope to include direct workers and overseas affiliates from FY2023, some divisions' scores rose and other divisions' scores fell depending on the business environment and the progress of improvement activities, so there was no significant change overall. In FY2024, we will prioritize improvement activities at the Company and group companies in Japan, and based on the analysis of the survey results, we will accelerate efforts at the Company, with the priority issue of ensuring that general managers and supervisors clearly communicate strategies and targets and that each and every employee is able to make his or her work a personal matter.

The scope of the employee engagement score has been expanded to grasp the status of the entire Group, so the target for FY2024 and beyond, which had been set only for the Company, has been expanded to include the Group. The FY2025 target for the Group is set at 80, with the aim of achieving a high level of engagement throughout the entire Group.

In 2023, the ratio of female workers in managerial positions was 5.4%, achieving the target of 5.0%. To maintain and strengthen the pipeline from recruitment to development and promotion, in FY2023 we engaged in dialogue with each division, compiled a list of candidate personnel, and began preparing individual development plans.

The ratio of mid-career hires in total new hires for FY2023 was 48.8%, exceeding the target of 30%.

Material issues “Strengthening human capital and organizational execution abilities”

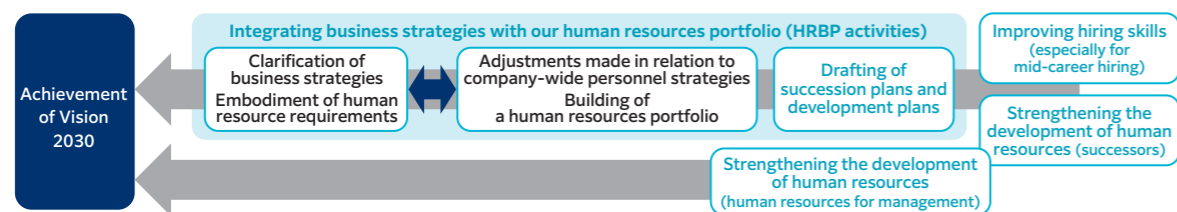
Indicator	Scope	Result			Target			
		FY2021	FY2022	FY2023	FY2023	FY2024	FY2025	FY2030
★ Sustainability indicator								
★ Employee engagement score*1	Furukawa Electric	—	65	63	65	—	—	—
	Group	—	—	76	—	77	80	85
★ Ratio of female managers	Furukawa Electric	3.8%	4.8%	5.4%	5%	6%	7%	15%
Share of women in manager candidates	Furukawa Electric	11%	12.0%	13.8%	—	—	15%	20%
Ratio of female workers in total new graduate hires (university graduates)	Furukawa Electric	20%	27%	26%	—	—	40%	40%
★ Ratio of mid-career hires in total new hires*2	Furukawa Electric	36%	45.7%	48.8%	30%*3	30%*3	30%*3	—

*1. The scope was expanded to cover all group companies in Japan and abroad in FY2023, and the target was changed from the Company's target to the Group's target in FY2024 or after.
*2. New hires represent new graduates and mid-career hires, covering management, career-track, and clerical positions.
*3. This means that about 30% will be maintained in each fiscal year.

Specific activities of six elements of people and organizations

Organizational structure, personnel composition, hiring, and assigning <ul style="list-style-type: none"> Formulating succession plans and development plans Improvement of hiring 	Flow of information, coordination, and decision-making mechanism <ul style="list-style-type: none"> Reviewing the operation of the target management system and following up "Human rights and labor practice" and responses to risks in the area of labor
Job skills and work performance <ul style="list-style-type: none"> Human development Support for career development 	Communication/organizational culture <ul style="list-style-type: none"> Promoting diversity & inclusion (D&I) Promoting health and safety and Health and Productivity Management Instilling our philosophy
Leadership and team mind <ul style="list-style-type: none"> Leadership transformation 	Engagement <ul style="list-style-type: none"> Measurement and utilization of employee engagement Overhaul of our compensation system and improvement of satisfaction with evaluations Strengthening feedback

Organizational structure, personnel composition, hiring, and staff assignments



Formulating succession plans and development plans

To develop management personnel and candidates for general manager positions in each organization, we formulate succession plans and development plans.

Regarding management personnel, we are building a pool of candidates by utilizing external assessments, providing external training programs, and promoting well-planned transfers, including tough assignments, based on development plans. In addition, the Nominating/Compensation Committee, in which outside directors hold a majority, monitors the appropriateness and operational status of the management personnel development system and works methodically over multiple years on the appointment of executive officers and succession plans for the CEO.

We also completed formulating succession plans and development plans for general manager level throughout

the organizations in FY2023. In FY2024, we will promote periodic discussions between each division and HR division on the formulation of succession plans and the development of manager levels, taking the human resource pipeline of general manager candidates into account.

	Development of candidates for the position of general manager in each organization	Development of personnel working in management (human resources working in management)
Deployment status	Current deployment taking place at Furukawa Electric (scheduled to be completed in FY2024)	Continuing of initiatives
Selection and picking out of talent	Drawing up of succession plans and candidate development plans within each department (completed in FY2023)	In addition to succession plans, external assessments are also utilized to form a talent pool
Development of talent	Systematic organizational transfers for employees and the issuance of missions are planned with regular reviews taking place	Tough assignments and dispatch to external training

Improvement of Hiring Capability

●Mid-career Hiring

We will continue to focus on mid-career recruitment activities from the perspective of securing a diverse range of human resources to implement management and business strategies. As a sustainability indicator in the 2025 Merium-term Plan, we have set a target of maintaining the ratio of mid-career hires to new hires (management, career-track, and clerical positions) at around 30%.

We are working to strengthen and improve our hiring ability to achieve our goals. Specifically, we are striving to strengthen our recruitment team, expand our recruitment channels (considering referral recruitment and alumni networking), review our recruitment process, improve and enhance our onboarding program, and build a flexible personnel treatment plan.

●New graduates hiring

In addition to changes in the hiring environment, students' attitudes toward employment are also changing. The talent competition is also becoming more intense. As part of our efforts to make our company more appealing to students, we have introduced a "course-based hiring" system which limits to some extent the jobs available



Please see our website "Organizational structure, personnel composition, hiring, and assigning" for details. <https://furukawaelectric.disclosure.site/en/themes/189>

at the time of initial assignment. Limiting the types of jobs to which we assign new hires serves to enhance the clarity of their career paths. We do this to make it easier for employees to have an image of their individual growth and promote the acquisition of talented individuals with diverse sets of ideas.

Flow of information, coordination, and decision-making mechanism

Reviewing the operation of the target management system and following up

We revised the personnel system in 2021 and reviewed the operation of the target management system. With the concepts of "promotion of a culture to take on challenge," "simplicity & openness," and "human resource development", aiming to align the achievement of individual goals with the achievement of higher-level policies and performance improvement, we reinforce the alignment between departmental and divisional policies and individual goal management.

Specifically, members attend meetings when setting organizational goals, "degree of importance" and

"qualification requirement levels" are set based on the expected roles for each qualification, and coordination meetings are held to calibrate criteria for goal ranking within departments. According to the survey conducted in FY2023 on the FY2022 initial target-setting meeting, more than 90% of employees responded positively, saying that they were able to "understand" or "almost understand" the goal levels required to achieve.



Please see our website "Flow of information, coordination, and decision-making mechanism" for details. <https://furukawaelectric.disclosure.site/en/themes/207>

"Human rights and labor practice" and responses to risks in the area of labor

Regarding risks associated with "human rights and labor practices," to fulfill the company's responsibility to respect human rights, we promote business activities that respect human rights based on FEG Human Rights Policy and conducts human rights due diligence. In addition, we analyze the results of whistleblowing and compliance awareness surveys to take remediation measures when necessary.

To reduce risks in the area of labor, we prepared checklists

to assess the labor compliance undertaken in accordance with the laws and regulations of the countries where our group operates, establishing a system to periodically check the labor risks across the Group. Also, individuals responsible for human resources at group companies in Japan meet twice a year to share information on policies and issues related to human resources and labor within our Group and strive to strengthen the Group's cooperation on various issues.

Job skills and work performance

Human development

We implement various measures in light of achievement management and business strategies as well as supporting diverse human resources that takes on challenges and is eager to grow.

●Reskilling

The managerial levels and each organization had discussions on visualizing the gap between the current status and the abilities and skills needed from the perspective of the growth of both the company and individual levels to achieve business strategies. As a result, we defined reskilling as "voluntary learning of knowledge and skills necessary for executing work, whether those are new or existing"

Specifically, to support the process of individual skill acquisition and development, we changed the learning environment in which "some individuals learn a uniform set of skills at a predetermined timing, frequency, and

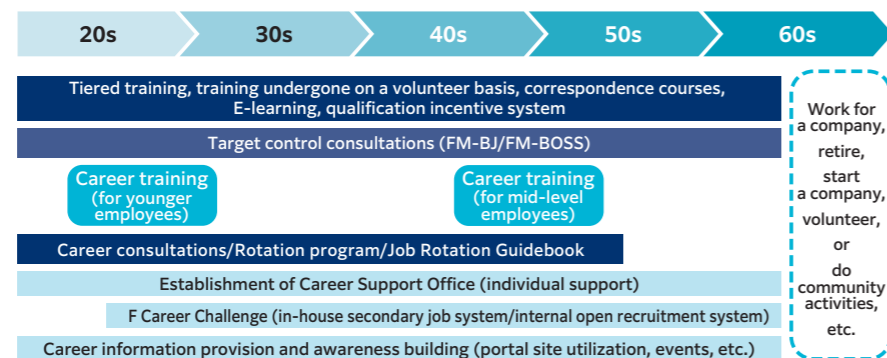
location" to "individuals can learn a wide variety of skills anytime, anywhere, and as often as they want. Based on the above, we decided to introduce a new e-learning system that will enable to offer such learning opportunities across the Company in FY2024. This system provides content that allows individuals to learn diverse skills at any time. We will also help individuals learn voluntarily by aligning various training curricula (by positions, by divisions, and by projects) and providing cross-sectional and cross-organizational learning opportunities.

Support for Career Development

●Career Support Office

The Career Support Office was established in FY2021. With this office, we are making efforts to support employees' self-directed career development in tandem with existing personnel systems, including career design

training provided for each age group and class, seminars to help employees develop their careers, and individual career-related consultation meetings.



●Mechanisms for Individuals to Choose Their Careers (F Career Challenge)

In-House Secondary Job System

Since FY2021, we have been operating an in-house secondary job system. This system allows employees to use up to 20% of their workload to volunteer for participation in projects that interest them and constitutes a mechanism serving to contribute to their own growth, fulfillment, and career development. Since the inception of the system, 112 employees have participated in 48 projects. This system serves as a positive stimulus and impact on both the departments taking on the volunteering employees and the departments sending volunteering employees, along with improving motivation of the volunteering employees themselves.

Internal Open Recruitment System

In FY2023, in order to accelerate the realization of more self-directed careers for our employees, we introduced an internal open recruitment system on a trial basis, which allows employees to volunteer for organizational transfers. There were 34 applicants and 10 matches for 57 internal job openings. Based on these results, we have decided to introduce this system officially in FY2024.

 Please see our website "Job skills and work performance" for details. <https://furukawaelectric.disclosure.site/en/themes/188>

Communication/organizational culture

Promoting Diversity & Inclusion

Positioning diversity & inclusion (D&I) as an important element in "strengthening human capital and organizational execution abilities," we have established

Promoting Health and Safety and Health and Productivity Management

With regard to employees' health and safety, recognizing the risks of an employee suffering death, inability to work, permanent disability, long-term leave of absence or health impairment primarily due to an occupational accident, traffic accident or illness, we are developing various measures based on the idea of "prioritizing safety and health over everything" as the basic premise for business continuity.

Instilling Our Philosophy

We have defined the value that we wish to particularly emphasize and enhance even more in order to achieve sustained growth as our "Core Values." We hold workshops on a regular basis to instill the "Core Values" as well as review them at routine meetings, thereby continuing our efforts toward achieving this goal.

In order for each and every employee to continually take

 Please see our website "Communication/organizational culture" for details. <https://furukawaelectric.disclosure.site/en/themes/208>

HK*/D&I Committee under the direct supervision of the President, and are developing proactive initiatives across the company.

We define "Health and Productivity Management" as the aim for each employee to achieve good physical, mental and social conditions (well-being). Based on the belief that improving the vitality and performance of employees will lead to the growth of organizations and companies, we are promoting various Health and Productivity Management measures as a unified organization.


on challenges with pride, the Furukawa Electric Group reviewed its Philosophy system and established the "Furukawa Electric Group Purpose," which expresses the Group's reason for being, in March 2024. Going forward, we will work on activities to promote the Purpose so that it resonates throughout the entire Group.

Leadership and Team Mind

Leadership Transformation

Aiming to become an organization that achieves results as a team, in 2020, we have established the Furukawa Electric way of Seven Principles for Leaders (Furukawa Seven), which consists of one basic mindset and six action principles for a leader to build a good working team.

To put these to work, officers and department and section managers declare that they are committed to follow these principles and act according to them

 Please see our website "Leadership and Team Mind" for details. <https://furukawaelectric.disclosure.site/en/themes/187>

every day. Furthermore, our efforts on leadership transformation include 360-degree feedback surveys of the target personnel with an aim to lead to further behavioral changes. After four years of the initiative, we have seen positive changes in the awareness and actions of leaders and improved relationships among team members. Going forward, we will accelerate our efforts to further strengthen team capabilities by focusing more on the link between team activities and results.

Engagement

Measurement and Utilization of Employee Engagement

In FY2022, we launched the Furukawa E-Survey as a survey for gauging employee engagement scores. We set targets based on the score of "sustainable engagement"

Overhaul of Our Compensation System and Improvement of Satisfaction with Evaluations


In December 2021, we revised our personnel treatment system based on the concepts of "promotion of the taking on of challenges," "simplicity and openness," and "human resource development," and we are working to overhaul the compensation system and strengthen its operation to increase job satisfaction for individuals.

(a) In order to provide a spark for the motivation of each employee when it comes to taking on challenges and healthy competition within the company, the salary system was revised from a seniority-based system

Strengthening feedback

In reviewing the operation of the target management system in conjunction with the revision of the human resources system in 2021, we were conscious of strengthening feedback to each employee. We have changed our system to have a positive impact on both human resource development and business performance by encouraging employees to set challenging targets at the beginning of the fiscal year and increasing the frequency of support and feedback from superiors during the fiscal year.

At fiscal-year-end, we hold interviews between

 For details, please see the Engagement on our website. <https://furukawaelectric.disclosure.site/en/themes/190>

in the Furukawa E-Survey as a sustainability indicator in the 2025 Medium-term Plan, and will steadily implement a variety of measures.

of gradual accumulation to a zone-based salary structure with salary increases and decreases based on evaluation of the abilities and attitudes currently being demonstrated.

(b) We will redefine the communication processes related to our personnel evaluations, and have superiors increase the extent to which individuals are satisfied with their evaluations by conducting evaluations alongside the provision of responsible feedback on areas of improvement, thereby leading to individual growth.

superiors and subordinates based on the performance of daily duties, and provide feedback on positive points alongside points where things can be improved, thereby providing motivation for work in the next fiscal year. In addition, since FY2022, we have been notifying all employees of their performance evaluation scores.

We will continue to implement regular monitoring, operate and improve our target management system with a focus on strengthening feedback, so that each individual can proactively take on high targets and feel their own growth and contribution to the organization.

TOPICS

Received the Basic Achievement Grand Prize at the 2024 J-Win Diversity Awards.
- Initiatives for diversity and inclusion led by top management are highly rated -

https://www.furukawa.co.jp/release/2024/kei_20240308.html
(Available in Japanese only)



Management Analysis of Operating Results and Financial Position

Overall Business Condition and Business Results

Looking at the global economy in the current fiscal year, although the United States saw demand-restraining effects of tightened monetary policy, the U.S. economy has remained strong as consumer spending was underpinned by steady employment and increased real income, and strong corporate capital expenditure was observed due to the government's industrial support package among others. In Europe, although the improvement of real income supported consumer spending, the economy has slowed down because there was still strong downward pressure on the economy due to inflation and continued monetary policy tightening, as well as remaining impact of rising prices due to energy price hike and supply constraint. In China, even though infrastructure investments as a part of growth-oriented policy underpinned the economy, in addition to the real estate market stagnation, there was no sign of consumer spending recovery. Accordingly, the Chinese economy has slowed down. Moreover, the global economic environment has remained uncertain due to the constant state of insecurity such as the Russia-Ukraine situation and the military clash in the Middle East.

In Japan, despite a sign of consumer spending recovery backed by the improvement of employment and income environment, the economy has remained on a moderate recovery path due to downward effects of rising prices on consumption and the delay in capital expenditure due to shortage in labor, among others.

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, the "Vision 2030"); and then formulated the Medium-term Management Plan "Road to the Vision 2030: Transformation and Challenges" (hereinafter, "2025 Mid-term Plan"), looking forward from its ideal state in 2025 by backcasting from the Vision 2030. Based on the 2025 Mid-term Plan, 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," based on the positioning of each business which was visualized from the perspective of growth potential and profitability, the Group has promoted management with a focus on capital efficiency. As for Communications Solutions business, the Group has worked on increasing the profit margin through the improvement of the product mix by increasing a

percentage of sales of high-value-added products. As for Automotive Products & Batteries business, the Group has continued to improve the system in a way to flexibly adapt to any change of customers' production plans, and also worked on optimizing selling prices.

With respect to "strengthening the foundation for the creation of new businesses by strengthening development and proposal capabilities," the Group has supplied superconductive wire rods to a UK client company, which works on development of nuclear fusion power generation that is expected to be a next-generation energy source, and moved forward to strengthen the partnership with the company by making a new investment in the company. In Japan, the Group participated in a council, which was established for creating businesses related to clean energy, including nuclear fusion power generation. Furthermore, while Japan's social infrastructure, such as roads and railroads, are aging and labor population is declining, the Group has strived to take orders for digital solutions for operation and maintenance of social infrastructure.

With respect to "strengthening the foundation for ESG management", the Group has been working on achieving "Furukawa Electric Group Environmental Targets 2030", aiming at contributing to realizing a carbon-free society and a recycling-based society for water and resources; and reduced CO₂ emission by realizing the use of virtually renewable energy source for all electric power at some factories. Furthermore, the Group has implemented initiatives for "strengthening human capital management and organizational execution abilities" in order for each employee and organization to improve their execution abilities and grow, the Group conducted research to monitor the current situation, and incorporate improvement measures into business activities based on the results. In addition, as a mechanism to enable the management team to further promote ESG initiatives, a new compensation system for officers that include ESG-linked compensation was launched.

With regard to the current year's financial results, net sales of the entire Group declined due to a downturn in demand for optical fibers attributable to customers' reduction in investments in Communications Solutions business, despite an increase in sales from automotive products such as Wire Harnesses in Electronics & Automotive Systems business. In terms of profits and losses, despite the efforts for optimizing selling prices, profits declined due to a decrease in sales and hike of raw material and fuel prices.

As a result, the Company recorded consolidated net sales of ¥1,056.5 billion (down 0.9% year-on-year), consolidated operating profit of ¥11.2 billion (down

27.7% yoy), and consolidated ordinary profit of ¥10.3 billion (down 40.5% yoy). Furthermore, a gain on sales of investment securities of ¥12.0 billion, etc. was recorded as extraordinary profit, and a loss on disposal of non-current assets of ¥1.5 billion, etc. was recorded as extraordinary loss. Accordingly, profit attributable to owners of parent amounted to ¥6.5 billion (down 59.1% yoy). Overseas sales amounted to ¥545.2 billion (down 0.7% yoy), and the overseas sales ratio was 51.6% (up 0.1 percentage points yoy).

Financial Position

Total assets at the end of the current fiscal year increased ¥51.5 billion from the end of the previous fiscal year to ¥985.0 billion. This is because of increases in notes and accounts receivable - trade, and contract assets of ¥16.2 billion; inventories of ¥11.4 billion; property, plant and equipment of ¥9.4 billion; and investment securities of ¥12.1 billion.

Working capital, which is current assets less current liabilities, increased ¥11.1 billion from the end of the previous fiscal year to ¥116.9 billion.

Property, plant and equipment, and intangible assets fluctuated mainly due to an increase of ¥39.0 billion in capital expenditures, a decrease of ¥39.0 billion in depreciation, and decreases due to sale and retirement.

Total liabilities increase ¥22.6 billion from the end of the previous fiscal year to ¥627.0 billion, with interest-bearing debt, including borrowings, bonds, and commercial papers, having increased ¥9.2 billion compared to the end of previous fiscal year to ¥333.0 billion.

Total net assets increased ¥28.9 billion from the end of the previous fiscal year to ¥358.0 billion. Accumulated other comprehensive income increased ¥25.2 billion. As a result, the equity capital ratio rose 1.0 percentage point to 33.3%.

Cash Flows

Cash and cash equivalents at the end of the current fiscal year were ¥53.1 billion (up ¥1.1 billion from the end of the previous fiscal year).

Net cash provided by operating activities amounted to ¥31.9 billion (down ¥4.6 billion from the previous fiscal year) mainly due to the recording of profit before income taxes of ¥20.1 billion, depreciation of ¥39.0 billion, loss (gain) on sale of short-term and long-term investment securities of ¥(11.3) billion, and income taxes refund (paid) of ¥(11.1) billion.

Net cash used in investing activities amounted to ¥24.8 billion (up ¥3.1 billion from the previous fiscal year) mainly due to purchase of property, plant and equipment of ¥(36.4) billion and proceeds from sale and redemption of investment securities of ¥13.0 billion.

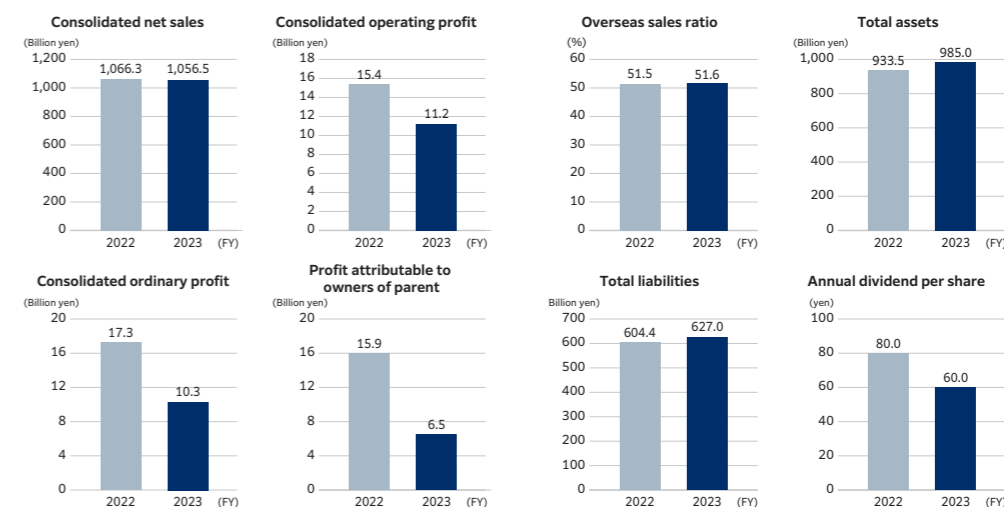
Net cash used in financing activities amounted to ¥9.3 billion (down ¥25.2 billion from the previous fiscal year) mainly due to proceeds from long-term borrowings of ¥29.6 billion, repayments of long-term borrowings of ¥(25.4) billion, net increase (decrease) in short-term borrowings of ¥(12.0) billion, and net increase (decrease) in commercial papers of ¥7.5 billion.

Basic Policy on Profit Distribution and Dividends

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 2025 Mid-term Plan 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, which is projected to be roughly 30% of profit attributable to owners of parent.

Based on the above policy, the Company will distribute paid the year-end dividends of ¥60 per share when after the proposal of "Dividends from surplus" (as a matter to be resolved) is was approved and resolved as originally proposed at the 202nd Annual Shareholders Meeting to be held on June 26, 2024.



Main Financial and Non-Financial Data

Mid-term management plan		Furukawa G Plan 2015				Furukawa G Plan 2020				Road to Vision2030		
(Millions of yen)		FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022*4	FY2023
Operating results (fiscal year)	Net sales	931,781	867,817	874,879	843,344	967,333	991,590	914,439	811,600	930,496	1,066,326	1,056,528
	Operating profit	25,456	17,873	27,116	38,623	44,804	40,842	23,565	8,429	11,428	15,441	11,171
	Ordinary profit	25,532	18,598	18,710	36,024	46,908	39,078	22,771	5,189	19,666	17,258	10,267
	Profit attributable to owners of parent	5,608	7,355	10,007	17,570	28,547	29,108	17,639	10,001	10,093	15,894	6,508
	Capital expenditures (CAPEX)	37,436	30,674	25,687	31,584	38,539	50,036	53,144	39,963	38,144	43,792	38,953
	Depreciation	28,106	22,508	23,235	23,307	25,106	26,271	29,423	32,163	33,721	39,098	38,951
	Research and development costs	17,461	16,599	16,845	17,454	19,532	21,141	21,650	20,217	20,761	23,324	24,539
Financial position (at the end of fiscal year)	Net assets	199,733	214,743	198,587	237,051	272,071	279,911	273,030	291,617	314,062	329,095	358,038
	Total assets	714,845	734,125	705,725	750,126	808,632	818,021	794,616	832,044	935,876	933,469	985,007
	Equity capital	177,237	190,741	173,163	206,712	236,518	247,659	240,280	259,870	279,219	301,652	328,121
	Operating assets*1	294,333	307,688	298,228	319,588	341,825	364,456	386,176	387,832	444,800	461,822	482,573
	Inventories	93,668	99,443	93,167	104,355	113,792	122,890	115,862	120,836	164,116	172,297	183,647
Cash flows (fiscal year)	Net cash provided by (used in) operating activities	18,912	41,489	41,569	40,402	38,429	46,460	41,942	-479	-13,269	36,516	31,896
	Net cash provided by (used in) investing activities	-40,290	-23,533	1,947	-36,361	-34,319	-31,042	-33,119	-1,908	-40,074	-21,677	-24,794
	Net cash provided by (used in) financing activities	29,917	-15,537	-20,942	-10,378	-1,943	-19,414	-171	35,140	35,020	-34,475	-9,322
Per share data*2 (fiscal year)	Basic earnings per share (Yen)	7.94	10.42	14.17	249.17	405.05	412.98	250.25	141.88	143.40	225.80	92.40
	Net asset per share (Yen)	251.02	270.15	245.26	2,933.21	3,355.77	3,513.58	3,408.86	3,686.36	3,967.08	4,285.15	4,656.93
Ratios	Operating profit margin on sales (%)	2.73	2.06	3.10	4.58	4.63	4.12	2.58	1.04	1.23	1.45	1.06
	Equity capital ratio (%)	24.8	26.0	24.5	27.6	29.2	30.3	30.2	31.2	29.8	32.3	33.3
	Return on operating assets (%)**3	8.6	5.8	9.1	12.1	13.1	11.2	6.1	2.2	2.6	3.3	2.3
	ROE (%)	3.3	4.0	5.5	9.3	12.9	12.0	7.2	4.0	3.7	5.5	2.1
	ROA (%)	3.3	2.6	2.6	4.9	6.0	4.8	2.8	0.6	2.2	1.8	1.1
	Total asset turnover ratio (times)	1.21	1.20	1.22	1.16	1.24	1.21	1.13	1.00	1.05	1.14	1.10

Figures are rounded down to the nearest one million yen. Other figures of financial data and non-financial data are round to the nearest value.

*1. Operating Assets are the total of inventories and tangible and intangible fixed assets.
*2. We conducted a one-for-ten reverse stock split of our company's common shares effective October 1, 2016.
*3. Return on operating assets is the ratio of the operating profit over operating assets.
*4. Partially Restated only the FY2022 financial results following the start of voluntary application of the International Financial Reporting Standards (IFRS) at the equity method affiliate UACJ.

Information for each region

Net sales and overseas net sales ratio (Millions of yen)	2019	2020	2021	2022	2023 (FY)
Japan	495,658	435,195	461,450	517,358	511,296
China	75,059	82,777	100,457	104,326	103,443
Asia (excluding Japan and China)	183,033	141,029	190,877	224,931	242,820
North and Central America	78,302	78,179	91,716	127,793	120,569
South America, Europe, and others	82,386	74,418	85,994	91,915	78,400
Consolidated net sales	914,439	811,600	930,496	1,066,326	1,056,528
Overseas net sales	418,781	376,403	469,046	548,967	545,232
Overseas net sales ratio (%)	45.8	46.4	50.4	51.5	51.6

As of March 31, the end of fiscal year. Net sales by region are based on the location of customers and are classified by country or region.

Environment Greenhouse gas emissions (Scopes 1&2) (10 ³ t-CO ₂ e)	2019	2020	2021	2022	2023 (FY)
Japan	342	316	288	255	200
China	—	124	130	104	111
Asia (excluding Japan and China)	—	97	110	122	114
North and Central America	—	86	89	74	54
South America, Europe, and others	—	23	23	15	14
Total	742	648	640	571	493

As of March 31, the end of fiscal year.

Social Number of Group employees (Unit: Persons)	2019	2020	2021	2022	2023 (FY)
Japan	11,113	10,798	11,029	10,502	10,646
China	5,045	4,791	4,859	4,180	3,622
Asia (excluding Japan and China)	23,219	23,062	25,976	28,200	30,395
North and Central America	7,843	6,739	5,809	5,137	5,294
South America, Europe, and others	3,012	3,059	3,194	3,295	2,800
Total	50,232	48,449	50,867	51,314	52,757

As of March 31, the end of fiscal year.

Governance Number of Group companies (Unit: Companies)	2019	2020	2021	2022	2023 (FY)
Japan	44	42	42	41	40
China	18	17	18	19	18
Asia (excluding Japan and China)	35	33	33	34	34
North and Central America	12	14	13	13	13
South America, Europe, and others	17	17	18	20	19
Total	126	123	124	127	124

As of March 31, the end of fiscal year.

Climate change data

Greenhouse gas emissions throughout the value chain (Furukawa Electric + Domestic and overseas group companies) (FY)
(10³ t-CO₂e)

		2019	2020	2021	2022	2023
Scope 1	CO ₂	139	115	121	116	105
	SF ₆	32	28	7	37	42
	Scope 1	172	143	128	153	147
	Scope 2	570	504	512	418	346
	Scope 1+2	742	648	640	571	493
Upstream	Category 1: Purchased goods and services* ¹	2,493	1,656	1,829	1,855	1,820
	Category 2: Capital goods	187	158	134	154	137
	Category 3: Fuel- and energy-related activities* ¹	112	94	123	110	102
	Category 4: Upstream transportation and distribution*	73	126	207	323	211
	Category 5: Waste generated in operations	22	21	22	18	16
	Category 6: Business travel* ¹	7	6	57	12	13
	Category 7: Employee commuting	23	23	24	24	25
	Category 8: Upstream leased assets	7	6	7	9	6
Downstream	Category 9: Downstream transportation and distribution* ¹	11	9	141	9	23
	Category 10: Processing of sold products	–	–	17	16	14
	Category 11: Use of sold products* ¹	1,720	1,980	1,575	1,587	1,482
	Category 12: End-of-life treatment of sold products* ¹	50	51	57	63	81
	Category 13: Downstream leased assets	2	3	4	4	3
	Category 14: Franchises	–	–	–	–	–
Category 15: Investments* ¹	28	28	283	274	267	
Scope 3* ¹	4,735	4,161	4,480	4,458	4,200	
Scope 1+2+3* ¹	5,477	4,808	5,120	5,029	4,693	

*1. They were recalculated retroactively to FY2021 due to the partial re-evaluation of the calculation method in FY2023.

Electric power consumption and renewable energy (GWh)		2019	2020	2021	2022	2023
Furukawa Electric + Domestic group companies	Purchased electric power (except for renewable energy)	499	468	480	343	212
	Purchased electric power (renewable energy)	0	0	2	99	188
	Non-utility power generation (hydroelectric and solar)	113	93	97	94	95
	Total electric power consumption	612	561	579	536	495
	Renewable energy ratio to electric power consumption (%)	18.5	16.6	17.1	36.0	57.2
Furukawa Electric + Domestic and overseas group companies	Purchased electric power (except for renewable energy)	1,150	1,052	1,107	927	743
	Purchased electric power (renewable energy)	26	25	36	138	243
	Non-utility power generation (hydroelectric and solar)	116	95	99	97	100
	Total electric power consumption	1,292	1,172	1,242	1,162	1,086
	Renewable energy ratio to electric power consumption (%)	11.0	10.2	10.9	20.2	31.6

Greenhouse gas emissions per unit of sales		Unit	2019	2020	2021	2022	2023
Group	Greenhouse gas emissions per unit of sales	t-CO ₂ e/ million yen	0.811	0.798	0.687	0.535	0.466

Occupational Health & Safety Data

		Unit	2019	2020	2021	2022	2023
Furukawa Electric	The frequency rate of accidents resulting in time off work	–	0.59	0.11	0.32	0.32	0.53
Furukawa Electric+Domestic group companies	The frequency rate of accidents resulting in time off work	–	0.32	0.21	0.25	0.38	0.39
Furukawa Electric	Employees receiving safety training	Persons	1,890	1,490	1,484	1,858	2,833
Furukawa Electric	Employees receiving health training	Persons	6,271	7,391	6,626	9,684	15,106
Furukawa Electric	Total time of receiving health training	Hour	2,929	2,803	1,944	3,277	2,195

The frequency rate of accidents resulting in time off work expresses the number of casualties per million actual work hours, (the number of casualties/Total actual work hours) x 1,000,000.

Human capital data

		Unit	2019	2020	2021	2022	2023
Consolidated	Number of employees	Persons	50,232	48,449	50,867	51,314	52,757
	Number of employees	Persons	3,925	4,084	4,201	4,267	4,335
Furukawa Electric	Ratio of female employees	%	10	12	12	12	13
	Average age of employees	Years old	44.1	43.8	43.8	43.7	43.8
	Average annual salary of employees	Thousands yen	7,208	6,916	6,962	6,845	6,784
	Average length of service of employees	Years	19.4	18.8	18.4	19.9	19.7
	Average of male employees	Years	20.8	20.2	19.7	20.3	20.3
	Average of female employees	Years	18.2	17.2	16.5	16.8	16.2
	Turnover rate of employees	%	1.7	1.6	2.8	3.5	3.6
	Turnover rate of male employees	%	1.8	1.6	2.6	3.4	3.7
	Turnover rate of female employees	%	0.8	1.5	4.8	4.1	2.9
	Furukawa Electric	Manager candidates in total	Persons	502	520	522	557
Ratio of female in manager candidates		%	8.8	10	11	12	14
Managers in total		Persons	940	964	1,053	1,078	1,115
Furukawa Electric	Ratio of female in managers	%	3.4	3.4	3.8	4.8	5.4
	Number of new graduate recruits	Persons	111	119	119	108	106
	Ratio of female in new graduate recruits	%	28	28	20	27	34
Furukawa Electric	Ratio of mid-career hires in total new hires* ¹	%	26	23	36	45.7	48.8
	Employment rate of people with disabilities* ²	%	2.14	2.09	2.32	2.35	2.42

*1. New hires represent new graduates and mid-career hires, covering management, career-track, and clerical positions.

*2. As of June 1 of fiscal year

Supply chain data

		Unit	2019	2020	2021	2022	2023
Furukawa Electric	Number of partner evaluations (Number of major business partners)	Companies	199	198	248	260	230
	Number of participants in the Partners Meeting	Companies	59	–* ¹	57	58	54

Furukawa Electric Group calls suppliers who do business with us "partners" who collaborate with us to create value.

*1. From the perspective of preventing new coronavirus infections, we have canceled the Partners Meeting.

		2019	2020	2021	2022	2023	Total
Number of communications with suppliers on important items in the SAQ	Furukawa Electric	–	–	–	5	20	25
	Domestic group companies	–	–	–	–	34	34
	Overseas group companies	–	–	–	–	38	38
	Total	–	–	–	5	92	97

Intellectual property (patent) data

		Unit	2019	2020	2021	2022	2023
Furukawa Electric	Number of patents held in Japan	Patents	5,288	5,107	5,175	5,106	5,205
	Patents	Patents	4,523	4,388	4,423	4,364	4,455
	Designs	Patents	386	369	375	365	368
	Trademarks	Patents	375	347	372	372	380
	Utility models	Patents	4	3	5	5	2
Furukawa Electric	Number of foreign patents held	Patents	3,625	3,725	3,869	3,893	3,954
	Patents	Patents	2,910	2,976	3,160	3,225	3,333
	Designs	Patents	267	274	228	187	161
	Trademarks	Patents	394	404	408	411	405
	Utility models	Patents	54	71	73	70	55

The increase or decrease in the number of patents includes the results of periodic update of inventories of patents held.

Consolidated Financial Statements

Consolidated Balance Sheets (Millions of yen)

Assets	Previous fiscal year	Current fiscal year	Liabilities	Previous fiscal year	Current fiscal year
	As of March 31, 2023	As of March 31, 2024		As of March 31, 2023	As of March 31, 2024
Current assets			Current liabilities		
Cash and deposits	47,432	48,895	Notes and accounts payable - trade	125,409	128,780
Notes and accounts receivable-trade, and contract assets	229,550	245,712	Short-term borrowings	141,281	137,371
Securities	5,127	4,747	Commercial papers	28,000	35,500
Merchandise and finished goods	65,755	73,088	Income taxes payable	4,730	4,451
Work in process	38,556	43,899	Provision for product warranties	2,238	5,264
Raw materials and supplies	67,985	66,659	Other	79,365	89,526
Other	33,803	35,974	Total current liabilities	381,025	400,894
Allowance for doubtful accounts	(1,389)	(1,210)	Non-current liabilities		
Total current assets	486,821	517,767	Bonds payable	40,000	40,000
Non-current assets			Long-term borrowings	114,547	120,168
Property, plant and equipment			Provision for environmental measures	9,284	9,224
Buildings and structures	247,121	263,129	Retirement benefit liability	38,239	29,239
Machinery, equipment and vehicles	491,387	517,262	Lease liabilities	12,548	12,517
Tools, furniture and fixtures	76,458	80,522	Asset retirement obligations	1,588	1,717
Land	33,473	33,971	Other	7,140	13,207
Leased assets	1,169	1,072	Total non-current liabilities	223,348	226,074
Right-of-use assets	23,099	25,144	Total liabilities	604,373	626,968
Construction in progress	23,069	20,788			
Accumulated depreciation	(626,488)	(663,250)	Net assets		
Total property, plant and equipment	269,288	278,640	Shareholders' equity		
Intangible assets			Share capital	69,395	69,395
Goodwill	211	50	Capital surplus	23,179	23,178
Other	20,024	20,234	Retained earnings	191,763	192,856
Total intangible assets	20,236	20,284	Treasury shares	(871)	(691)
Investments and other assets			Total shareholders' equity	283,467	284,738
Investment securities	119,552	131,694	Accumulated other comprehensive income		
Investments in capital	4,262	1,290	Valuation difference on available-for-sale securities	10,669	12,218
Deferred tax assets	9,428	8,563	Deferred gains or losses on hedges	191	1,195
Retirement benefit asset	8,900	11,241	Foreign currency translation adjustment	9,606	25,286
Other	15,894	16,464	Remeasurements of defined benefit plans	(2,282)	4,682
Allowance for doubtful accounts	(915)	(939)	Total accumulated other comprehensive income	18,185	43,383
Total investments and other assets	157,122	168,315	Non-controlling interests	27,442	29,916
Total non-current assets	446,647	467,240	Total net assets	329,095	358,038
Total assets	933,469	985,007	Total liabilities and net assets	933,469	985,007

Consolidated Statements of income (Millions of yen)

	Previous fiscal year	Current fiscal year
	From April 1, 2022 to March 31, 2023	From April 1, 2023 to March 31, 2024
Net sales	1,066,326	1,056,528
Cost of sales	909,622	897,535
Gross profit	156,703	158,993
Selling, general and administrative expenses		
Selling expenses	47,732	49,016
General and administrative expenses	93,530	98,805
Total selling, general and administrative expenses	141,262	147,821
Operating profit	15,441	11,171
Non-operating income		
Interest income	1,095	1,875
Dividend income	1,423	1,150
Share of profit of entities accounted for using equity method	3,610	6,323
Foreign exchange gains	1,668	—
Other	3,267	2,592
Total non-operating income	11,066	11,940
Non-operating expenses		
Interest expenses	6,334	9,238
Foreign exchange losses	—	96
Other	2,914	3,509
Total non-operating expenses	9,248	12,844
Ordinary profit	17,258	10,267
Extraordinary income		
Gain on change in equity	—	1,247
Gain on disposal of non-current assets	1,158	592
Gain on sale of investment securities	15,279	11,983
Settlement income	800	—
Other	404	1,084
Total extraordinary income	17,642	14,908
Extraordinary losses		
Loss on disposal of non-current assets	1,187	1,453
Loss on sale of investment securities	0	714
Loss on valuation of investment securities	356	771
Extra retirement payments	—	540
Other	5,434	1,631
Total extraordinary losses	6,979	5,110
Profit before income taxes	27,921	20,064
Income taxes-current	9,455	9,262
Income taxes-deferred	833	2,325
Total income taxes	10,289	11,587
Profit	17,631	8,476
Profit attributable to non-controlling interests	1,737	1,968
Profit attributable to owners of parent	15,894	6,508

Consolidated Statements of Comprehensive income (Millions of yen)

	Previous fiscal year	Current fiscal year
	From April 1, 2022 to March 31, 2023	From April 1, 2023 to March 31, 2024
Profit	17,631	8,476
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,329)	941
Deferred gains or losses on hedges	(2,639)	1,025
Foreign currency translation adjustment	10,168	10,770
Remeasurements of defined benefit plans, net of tax	613	6,532
Share of other comprehensive income of entities accounted for using equity method	3,829	7,242
Total other comprehensive income	9,643	26,512
Comprehensive income	27,274	34,989
Comprehensive income attributable to:		
Owners of parent	24,815	31,706
Non-controlling interests	2,459	3,282

Consolidated Statements of cash flows (Millions of yen)

	Previous fiscal year	Current fiscal year
	From April 1, 2022 to March 31, 2023	From April 1, 2023 to March 31, 2024
Cash flows from operating activities		
Profit before income taxes	27,921	20,064
Depreciation	39,098	38,951
Interest and dividend income	(2,519)	(3,025)
Interest expenses	6,334	9,238
Share of loss (profit) of entities accounted for using equity method	(3,610)	(6,323)
Foreign exchange losses (gains)	(1,612)	(4,651)
Loss (gain) on change in equity	112	(1,247)
Loss (gain) on disposal of non-current assets	29	860
Loss (gain) on sale of short-term and long-term investment securities	(15,279)	(11,269)
Settlement income	(800)	—
Loss (gain) on valuation of investment securities	356	771
Extra retirement payments	—	540
Loss on valuation of inventories	725	1,450
Decrease (increase) in trade receivables and contract assets	5,775	(5,909)
Decrease (increase) in inventories	(3,419)	(5,020)
Increase (decrease) in trade payables	(8,656)	(3,884)
Increase (decrease) in retirement benefit liability	(3,997)	2,037
Increase (decrease) in provision for product warranties	(986)	2,882
Other, net	3,921	10,796
Subtotal	43,392	46,262
Interest and dividends received	5,296	6,478
Interest paid	(6,442)	(9,306)
Income taxes refund (paid)	(6,529)	(11,136)
Settlement received	800	—
Extra retirement payments paid	—	(401)
Net cash provided by (used in) operating activities	36,516	31,896
Cash flows from investing activities		
Decrease (increase) in time deposits	179	88
Purchase of investment securities	(1,200)	(691)
Proceeds from sale and redemption of investment securities	6,613	13,042
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	11,943	4,539
Purchase of property, plant and equipment	(35,878)	(36,419)
Purchase of intangible assets	(3,378)	(3,844)
Proceeds from sale of non-current assets	2,302	351
Decrease (increase) in short-term loans receivable	(155)	1,066
Other, net	(2,104)	(2,928)
Net cash provided by (used in) investing activities	(21,677)	(24,794)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,857	(12,025)
Net increase (decrease) in commercial papers	(26,000)	7,500
Proceeds from long-term borrowings	10,568	29,566
Repayments of long-term borrowings	(13,000)	(25,351)
Dividends paid	(4,234)	(5,636)
Dividends paid to non-controlling interests	(1,204)	(611)
Repayments of lease liabilities	(2,464)	(2,805)
Other, net	1	42
Net cash provided by (used in) financing activities	(34,475)	(9,322)
Effect of exchange rate change on cash and cash equivalents	2,750	3,018
Net increase (decrease) in cash and cash equivalents	(16,885)	798
Cash and cash equivalents at beginning of period	67,632	51,950
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	1,197	275
Increase in cash and cash equivalents resulting from merger	6	73
Cash and cash equivalents at end of period	51,950	53,098

Company Profile and Stock/Dividend Information

Company Profile

Company name	Furukawa Electric Co., Ltd.
President	Hideya Moridaira
Founded	1884
Established	June 25, 1896
Paid-in capital (As of March 31, 2024)	¥69,395 million
Net sales (Years ended March 31, 2024)	¥1,056,528 million (consol.) ¥296,766 million (non-consol.)
Number of employees (As of March 31, 2024)	52,757 (consol.) 4,335 (non-consol.)
Head office	Tokiwabashi Tower, 6-4 Otemachi 2-chome, Chiyoda-ku, Tokyo 100-8322, Japan
TEL.	+81-3-6281-8500
Website	https://www.furukawa.co.jp/en/
Consol. Subsidiaries (As of March 31, 2024)	109
Equity-method affiliates (As of March 31, 2024)	14

Furukawa Electric Co., Ltd. Organization Chart

(As of April 1, 2024)



Domestic Locations (Furukawa Electric Co., Ltd.)

(As of April 1, 2024)



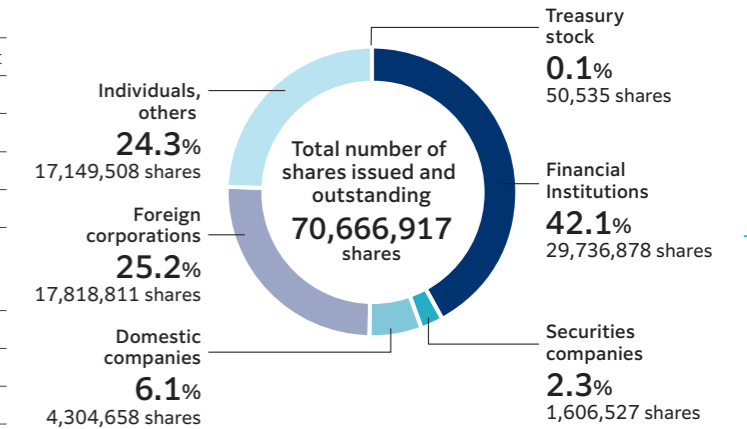
General Stock Information

(As of March 31, 2024)

Stock code on the Tokyo Stock Exchange	5801
Stock exchange listings	Tokyo Stock Exchange, Prime Market
Number of shares authorized	Common Stock 250,000,000 shares
Common stock issued	Common Stock 70,666,917 shares
Number of shareholders	Common Stock 45,306 persons
Minimum trading units	100 shares
Shareholder register agent	3-3 Marunouchi 1-chome, Chuo-ku, Tokyo, Japan Mizuho Trust & Banking Co., Ltd.
Fiscal year	From April 1 to March 31
Shareholders' meeting	June each year
Accounting auditor	Deloitte Touch Tohmatsu LLC
Main stock indices employed	Nikkei Index 225

Distribution of Ordinary Stock Among Shareholders

(As of March 31, 2024)



Major Top 10 Shareholders of The Company and the Company's Capital Contributions to Such Shareholders

(As of March 31, 2024)

Name of major shareholders	Number of shares held (shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	11,582,300	16.40
Custody Bank of Japan, Ltd. (Trust Account)	5,402,220	7.65
BNYMSANV AS AGENT/CLIENTS LUX UCITS NON TREATY 1	3,744,700	5.30
Custody Bank of Japan, Ltd. (Mizuho Trust & Banking; Employee Retirement Benefit Trust, Mizuho Bank Account)	2,413,500	3.42
Custody Bank of Japan, Ltd. (Trust Account 4)	2,269,800	3.21
Asahi Mutual Life Insurance Company	1,365,050	1.93
FURUKAWA CO., LTD.	1,329,045	1.88
The Nomura Trust and Banking Co., Ltd (Trust Account)	1,221,000	1.73
Custody Bank of Japan, Ltd. (Mizuho Trust & Banking; Employee Retirement Benefit Trust, FURUKAWA CO., LTD. Account)	1,091,900	1.55
Custody Bank of Japan, Ltd. (Mizuho Trust & Banking; Employee Retirement Benefit Trust, Asahi Mutual Life Insurance Company Account)	1,050,000	1.49

*1. Shareholding ratio is calculated with the number which deducted 50,535 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.

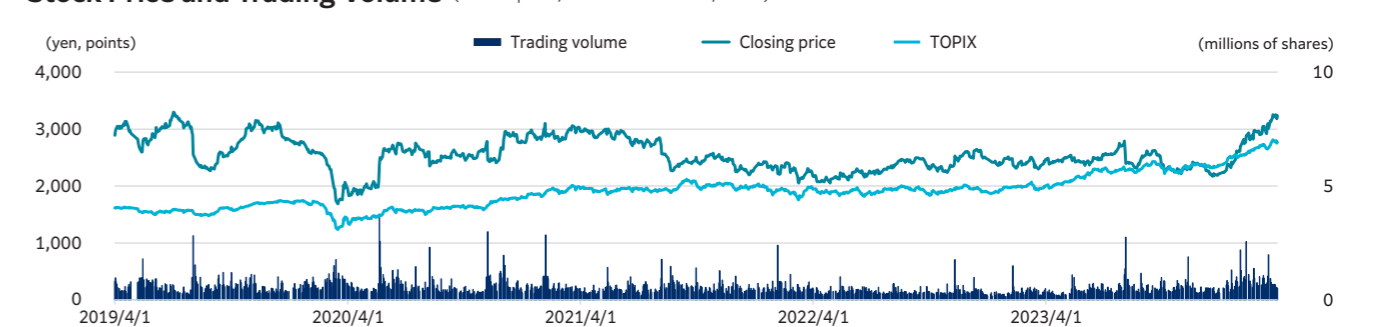
Cash Dividends per Common Share

Fiscal year	2019	2020	2021	2022	2023
Interim dividend (yen)	0	0	0	0	0
Year-end dividend (yen)	85	60	60	80	60
Total dividend (yen)	85	60	60	80	60

Total Shareholder Return (TSR)

Fiscal year	2019	2020	2021	2022	2023
TSR (%)	73.5	111.6	85.3	98.4	128.3
(TOPIX)(%)	(88.2)	(122.8)	(122.3)	(125.9)	(173.9)
High (yen)	3,305	3,115	3,110	2,668	3,290
Low (yen)	1,620	1,746	2,050	2,033	2,134

Stock Price and Trading Volume (From April 1, 2019 to March 31, 2024)



About the Furukawa Electric Group Integrated Report 2024

Editorial Policy

Since fiscal 2012, Furukawa Electric Group has published its Sustainability Report, containing Environment, Social, Governance (ESG) and other non-financial information beside business results, strategies, and other financial information.

Since fiscal 2020, we have been publishing the Furukawa Electric Group's integrated report in order to help investors and other stakeholders better understand our Group's

efforts and measures to improve corporate value over the medium- to long-term.

We sincerely hope that this report will help you understand our value creation process directed at achieving Furukawa Electric Group Vision 2030, as well as our efforts to strengthen the foundation of our ESG management. We have used the following guidelines for reference.

- International Integrated Reporting Framework (The IFRS Foundation)
- IFRS Sustainability Disclosure Standards (The IFRS Foundation)
- SASB Standard (The IFRS Foundation)
- The Guidance for Collaborative Value Creation 2.0 (the Ministry of Economy, Trade and Industry)
- Guidance on Climate-related Financial Disclosure (TCFD) Guidance 3.0 (the Ministry of Economy, Trade and Industry)



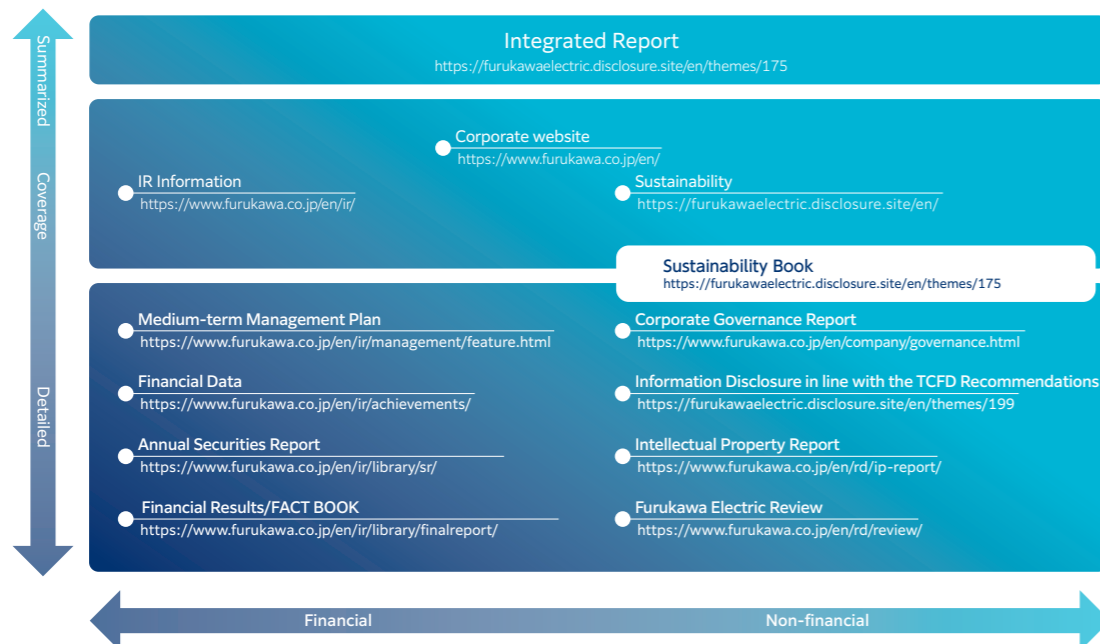
Scope of This Report

Period Covered	Fiscal 2023, from April 1, 2023, to March 31, 2024 (Note) Includes selected information on past initiatives and activities during fiscal 2024.
Publication Timeframe	The Japanese version: October 31, 2024 The English version: December 26, 2024
Organizations Covered	This report covers Furukawa Electric Co., Ltd. and group companies in Japan and overseas. Where activities are limited to specific regions or companies, this fact has been clearly indicated in the reporting.
Disclaimer Regarding Forecasts and Projections	This Integrated Report includes statements concerning the future strategies and earnings forecasts of Furukawa Electric Group. These forward-looking statements are based on information that is currently available to the Group. As it is subject to changes in the business environment surrounding the Group, the actual strategies and business may differ from those projected.

Information Disclosure System and Positioning of This Report

This Integrated Report has concisely stated important financial and non-financial information regarding Furukawa Electric Group with the aim of promoting a better understanding of our medium- to long-term initiatives and measures for the improvement of

corporate value by investors and other shareholders. Please also refer to Furukawa Electric's website and other reports, which post or publish other information not covered in this report or more detailed information.



About Issuing of the Furukawa Electric Group Integrated Report 2024

I would like to say a few words on this occasion of the issuance of the Furukawa Electric Group Integrated Report 2024.

We issued our first Integrated Report in fiscal 2020 with the aim of providing investors and other stakeholders with an understanding of the initiatives we are undertaking when it comes to the creation of value in the medium- to long-term and the enhancement of our corporate value. Particularly since our previous Integrated Report, we have maintained a strong focus on linkage with our "Approach and Initiatives toward Sustainability" described in our Annual Securities Report, and have endeavored to improve the content in order to ensure that readers can smoothly go from reading the Annual Securities Report to reading the Integrated Report. Against this backdrop, in fiscal 2023, our Annual Securities Report was featured as a good example in the "Disclosure of Sustainability Approaches and Initiatives" section of "Reference Casebook of Good Practices on the Disclosure of Narrative Information 2023" published by the Financial Services Agency (FSA). For this Integrated Report, we referred to the points the FSA cited in that document as making us a good practice, and worked even harder to select content of high interest to institutional investors and analysts. On the other hand, we also want the two reports to fulfill different roles, and we feel that the officers' messages, which would be difficult to include in the Annual Securities Report, serve as a distinctive feature of the Integrated Report. This time, the messages from

the President, the General Manager of the Strategy Division, and the General Manager of the Finance & Accounting Division were designed to facilitate understanding of not only our action in areas such as business portfolio transformation and cost of capital reduction, but also review processes and the nature of discussions. Please also be sure to read the messages from Outside Directors, as in it they share their expectations for the Company.

We are committed to further improving the quality of integrated reports, enhancing information disclosure and transparency, and promoting dialogue with stakeholders such as investors. We would appreciate hearing your frank comments or requests in this regard.



Mami Masuda
Corporate Vice President
General Manager,
Corporate Sustainability Office,
Strategy Division

October 2024

For inquiries

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Editing and Publication

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Furukawa Electric Co., Ltd.

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