FURUKAWA ELECTRIC

FURUKAWA ELECTRIC GROUP

FURUKAWA ELECTRIC GROUP
INTEGRATED REPORT
2025

Editorial Policy

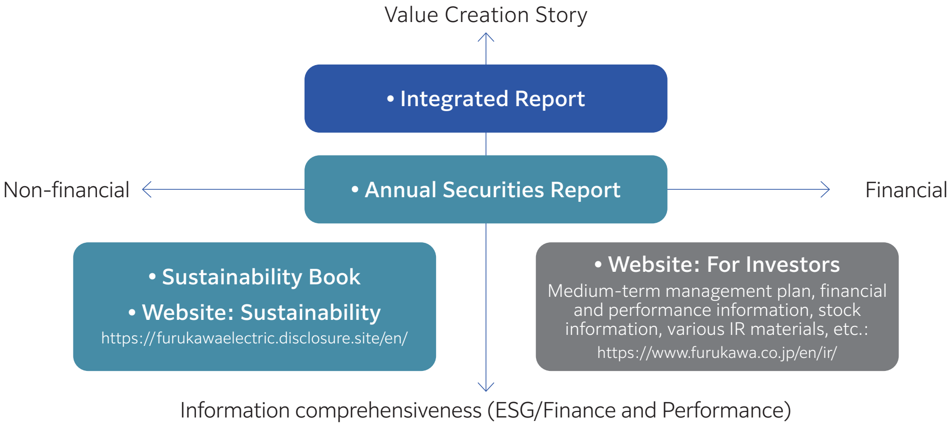
In our Group, important sustainability information—both financial and non-financial—that contributes to future value is disclosed in the Annual Securities Report. Meanwhile, the Integrated Report, which is primarily intended for investors, serves as a complementary medium to the Annual Securities Report, presenting our value creation story in a more accessible and comprehensible manner.

Accordingly, we believe that this Integrated Report, when read together with the Annual Securities Report, will help readers gain a deeper understanding of our Group's efforts to achieve sustainable growth and enhance corporate value over the medium to long term.

In addition, detailed information on our ESG initiatives and various data are disclosed comprehensively on our corporate website content, Sustainability, and in the Sustainability Book, which are intended for a broad range of stakeholders. We encourage you to make use of these resources as well.

In this Integrated Report, we have provided links to the relevant sections of the Annual Securities Report (and, in some cases, to the website) on each page, along with clear references to the corresponding information. We hope you will find these resources useful.

Example: Annual Securities Report Item 2. [Overview of Business] 2 [Approach and Initiatives toward Sustainability] (1) Sustainability in general



Other reports

- Corporate Governance Report: https://www.furukawa.co.jp/en/company/governance.html
- Intellectual Property Report: https://www.furukawa.co.jp/en/rd/ip-report/
- Furukawa Electric Review: https://www.furukawa.co.jp/en/rd/review/

Reference Guidelines

- 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	From April 1, 2024, to March 31, 2025 Note: Includes selected information on initiatives and activities from prior fiscal years and after April 2025.
Publication timeframe	Issue date: November 28, 2025 (Next Issue Planned: November 2026)
Target organization	Furukawa Electric Co., Ltd. (Parent company), and its domestic and overseas group companies are covered. When reporting matters limited to specific regions or corporations, the target is clearly indicated.
Cautionary notes regarding outlooks, etc.	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 might differ from those projected.

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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.

Furukawa Electric Group/ Philosophy System

The Furukawa Electric Group Purpose (hereinafter, the "Purpose") is a statement of the Group's reason for being, which has been established to ensure that the Group is recognized by its various 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 the structure of the Group's corporate philosophy, it is composed of "Core Values," the values that should be valued by all employees; "the Furukawa Electric Group Vision 2030," the ideal state we aspire to; "the Medium-term Management Plan," a milestone toward achieving the Vision; and "the Furukawa Electric Group CSR Code of Conduct," which defines the fundamental behavioral standards we should follow. Under this philosophy structure, our Group will contribute to the realization of a sustainable society.

Furukawa Electric Group Purpose

Purpose: Our Group's Purpose, as it serves as the basis for our decisions and actions, is "Composing the core of a brighter world."

Core Values

Core Values: The values each of us should value:
"Integrity," "Innovation," "Addressing Reality,"
"Ownership and Speed," "Collaboration"

Furukawa Electric Group Vision 2030

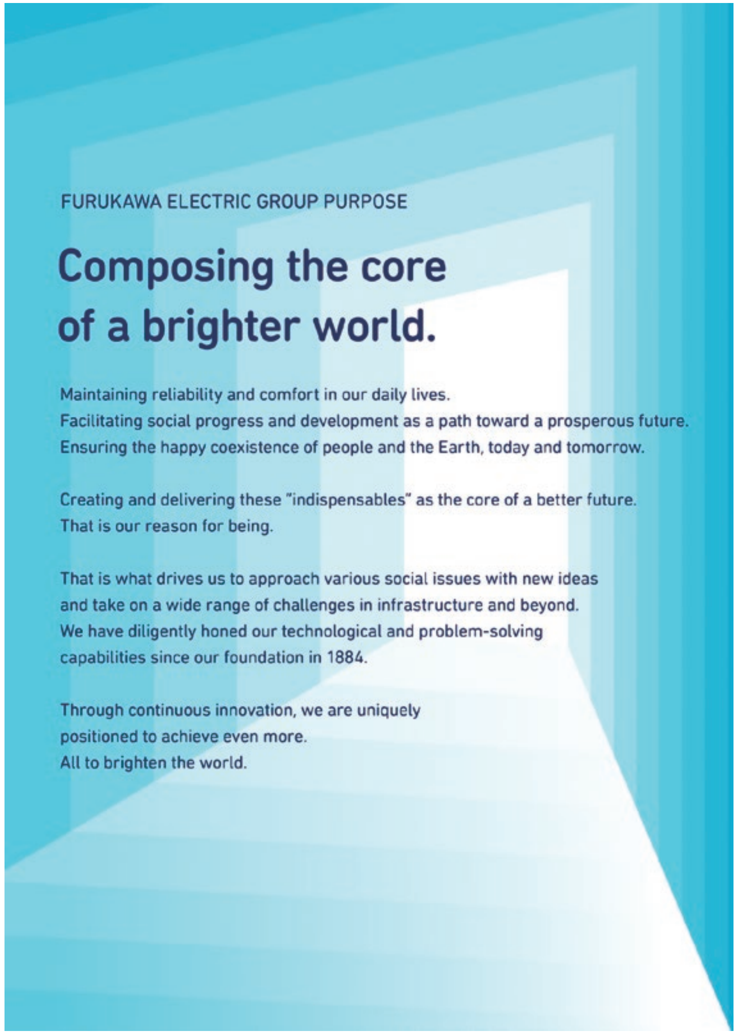
Vision 2030: Our ideal state in 2030
In order to build a sustainable world and make people's life safe, peaceful and rewarding, Furukawa Electric Group will create solutions for the new generation of global infrastructure combining information, energy and mobility.

Medium-term Management Plan

Medium-term Management Plan 2022–2025 (2025 Medium-term Plan):
A milestone toward achieving Vision 2030
Road to Vision 2030 –Transform and Challenge–

Furukawa Electric Group CSR Code of Conduct

CSR Code of Conduct:
Sets forth the basic code of conduct that we should follow.



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.

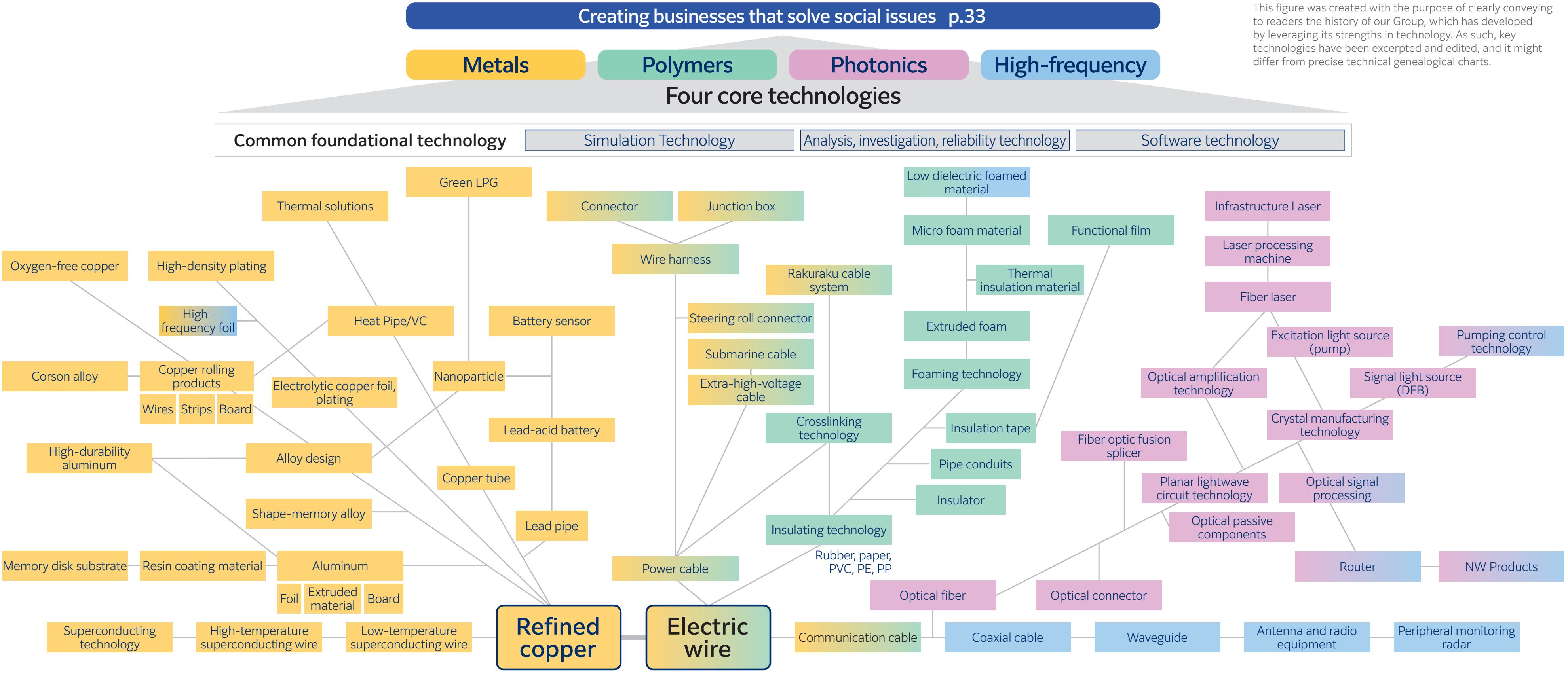
That is what drives us to approach various social issues with new ideas and take on a wide range of challenges in infrastructure and beyond.
We have diligently honed our technological and problem-solving capabilities since our foundation in 1884.

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

Annual Securities Report Item 2. [Overview of Business] 1 [Management Policy, Business Environment, and Issues to Be Addressed]
Website: Furukawa Electric Group Purpose

Technological Genealogy and History

The history of our Group spanning more than 140 years is itself a history of contributing to society through technology. Starting from electrical wires and refined copper, and up to today, we have expanded diverse businesses focused on social infrastructure fields, supporting societal growth and continuously refining our technological capabilities with integrity. Our Group, leveraging the four core technologies developed thus far, will continue to challenge continuous innovation and contribution to society across all areas, including social infrastructure and beyond.



This figure was created with the purpose of clearly conveying to readers the history of our Group, which has developed by leveraging its strengths in technology. As such, key technologies have been excerpted and edited, and it might differ from precise technical genealogical charts.

History

1884– Foundation and dawning of a new era


1884

Opened Honjo Copper Smeltery in Tokyo and Yamada Cable Works in Takashima-cho, Yokohama, and established as a manufacturer of copper alloy products and electric wires

1900– Helping to establish Japan's social infrastructure


1915


1958

Manufactured Japan's first submarine electric cable, and installed an antenna and feed line on Tokyo Tower

1960– Expansion overseas


1971


1974

Installed a communications network in Bangkok, Thailand, and successfully conducted the world's first field trial of optical fiber cables

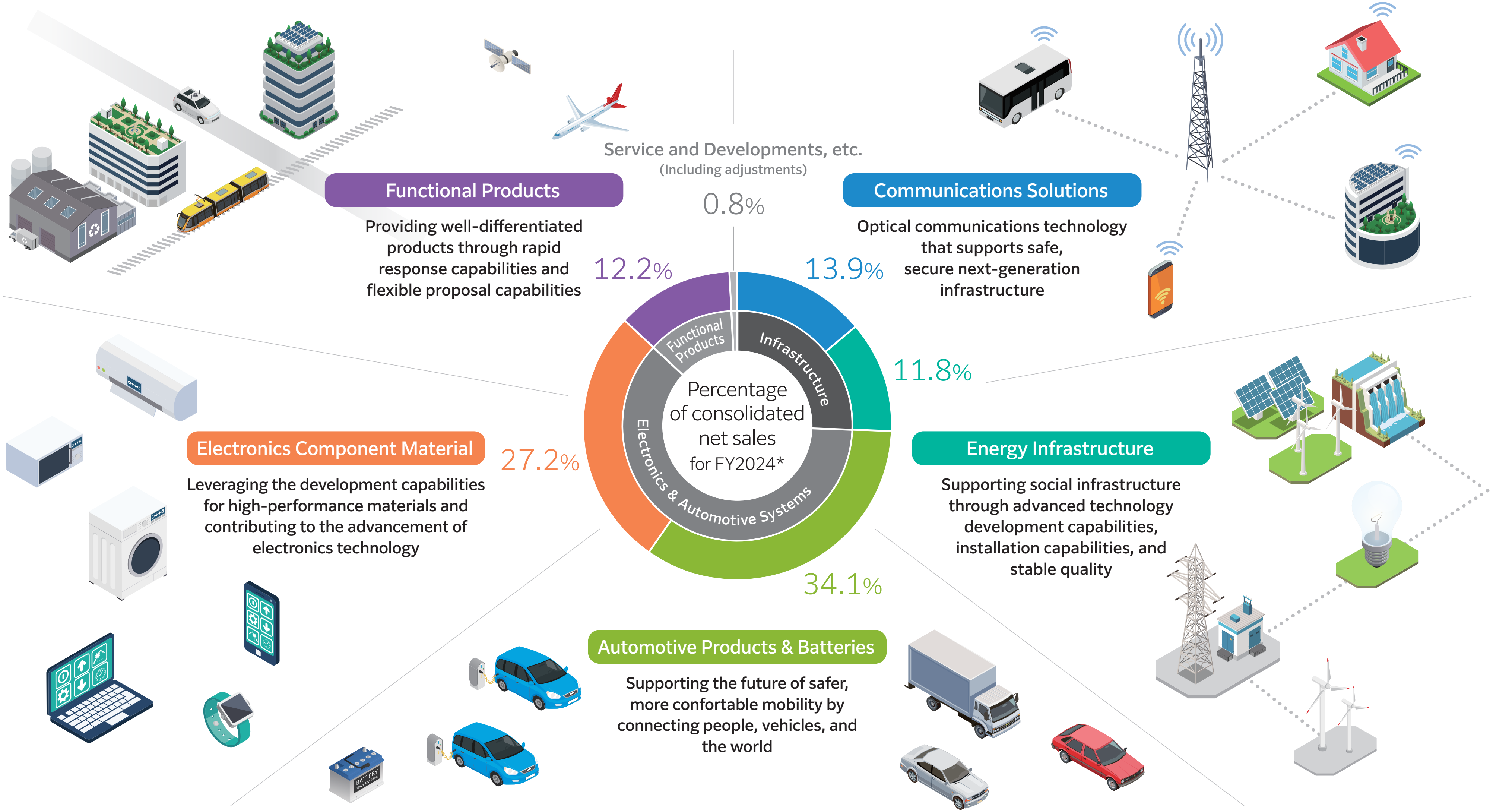
2000–

Supporting people and society with diverse proprietary technologies

Website: Furukawa Electric Innovation history

Business domains

Our Group leverages four core technologies to develop a diverse range of businesses, with its current main business domains comprising “Communications Solutions,” “Energy Infrastructure,” “Automotive Products & Batteries,” “Electronics Component Material,” and “Functional Products.” Vision 2030 aims at creating solutions for the new generation of global infrastructure combining information, energy, and mobility, and our Group’s business domains will continue to evolve and expand in the future.



Functional Products

Providing well-differentiated products through rapid response capabilities and flexible proposal capabilities

Communications Solutions

Optical communications technology that supports safe, secure next-generation infrastructure

Electronics Component Material

Leveraging the development capabilities for high-performance materials and contributing to the advancement of electronics technology

Energy Infrastructure

Supporting social infrastructure through advanced technology development capabilities, installation capabilities, and stable quality

Automotive Products & Batteries

Supporting the future of safer, more confortable mobility by connecting people, vehicles, and the world

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* FY2024 figures were restated on May 13, 2025, due to changes in certain business segments and sub-segments, as well as partial changes in head office expenses allocated from FY2025.
- The industrial laser business was transferred from the Infrastructure segment (Communications Solutions) to the Service and Developments, etc., segment.
- Within the Infrastructure segment, the metal wire business was transferred from the Communications Solutions business to the Energy Infrastructure business.

Note: Please also refer to p.27 of this integrated report, “Business Overview Main Products and Services.”

At a Glance, Furukawa Electric Group (FY2024)

Consolidated net sales

1,201.8 billion yen

Consolidated operating profit

47.1 billion yen

Profit attributable to owners of parent

33.4 billion yen

Greenhouse gas emissions*[1] (Scope 1&2)

417 thousand t-CO$_2$e

Number of employees (consolidated)

51,167

(as of March 31, 2025)

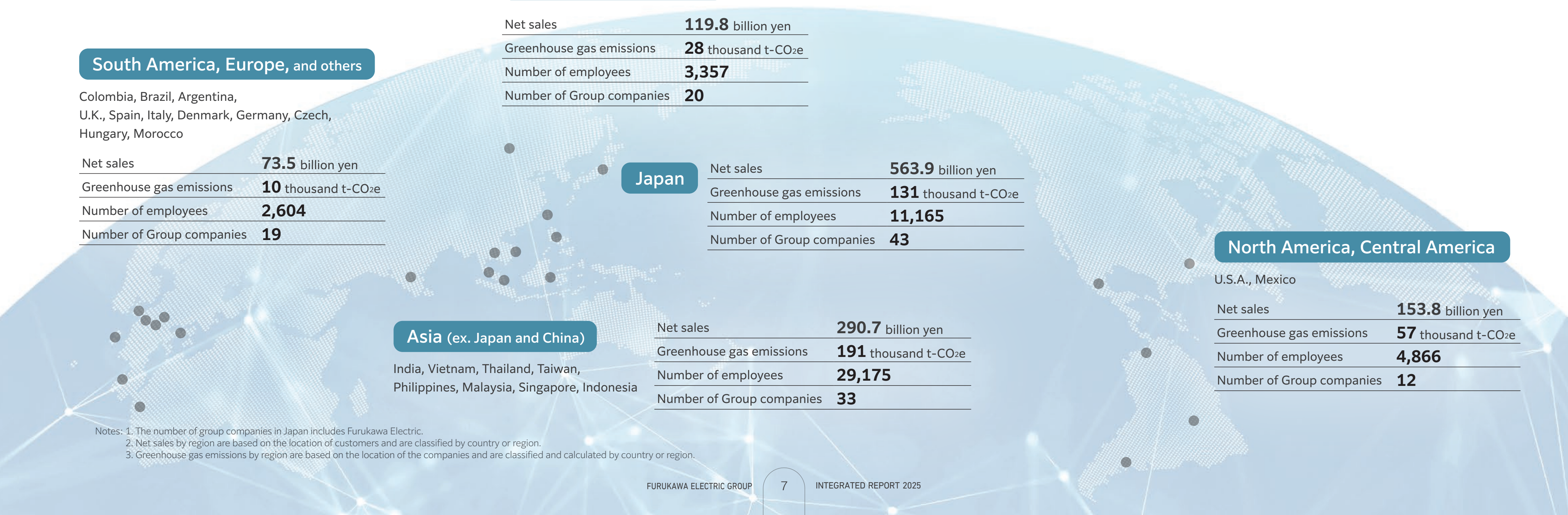
Number of group companies*[2]

127

(as of March 31, 2025)

*1 Combined total amount for Furukawa Electric, 29 domestic and 59 overseas group companies

*2 Combined total for Furukawa Electric, 116 consolidated subsidiaries, and 10 equity-method associates



China (including Hong Kong)

Net sales	**119.8** billion yen
Greenhouse gas emissions	**28** thousand t-CO$_2$e
Number of employees	**3,357**
Number of Group companies	**20**

South America, Europe, and others

Colombia, Brazil, Argentina,
U.K., Spain, Italy, Denmark, Germany, Czech,
Hungary, Morocco

Net sales	**73.5** billion yen
Greenhouse gas emissions	**10** thousand t-CO$_2$e
Number of employees	**2,604**
Number of Group companies	**19**

Japan

Net sales	**563.9** billion yen
Greenhouse gas emissions	**131** thousand t-CO$_2$e
Number of employees	**11,165**
Number of Group companies	**43**

North America, Central America

U.S.A., Mexico

Net sales	**153.8** billion yen
Greenhouse gas emissions	**57** thousand t-CO$_2$e
Number of employees	**4,866**
Number of Group companies	**12**

Asia (ex. Japan and China)

India, Vietnam, Thailand, Taiwan,
Philippines, Malaysia, Singapore, Indonesia

Net sales	**290.7** billion yen
Greenhouse gas emissions	**191** thousand t-CO$_2$e
Number of employees	**29,175**
Number of Group companies	**33**

Notes: 1. The number of group companies in Japan includes Furukawa Electric.
2. Net sales by region are based on the location of customers and are classified by country or region.
3. Greenhouse gas emissions by region are based on the location of the companies and are classified and calculated by country or region.

Top Message

With our Purpose as the foundation, we will pursue sustainable growth through execution-focused management.

Representative Director and President
Furukawa Electric Co., Ltd.
H. Moridaira

Leveraging our core technologies to promote Purpose-driven management

Originating in copper smelting and electric wire manufacturing, the Group has continued developing a diverse range of products. Over the years, we have added insulating materials for electric wires, optical fibers, and wireless technologies, leading to the establishment of four core technologies—metals, polymers, photonics, and high-frequency. With this technological foundation as a strength, we have continued growing our businesses in step with the changing times.

On the other hand, it is also true that this diverse range of business activities has made it difficult for people to understand what kind of company we are. Within this context, we established the Furukawa Electric Group Purpose in March 2024 to clearly define our reason for being. With our Purpose—"Composing the core of a brighter world"—at the core, we aim to evolve into an indispensable corporate group by promoting management that helps realize a truly prosperous and sustainable society.

We are also actively promoting awareness about our Purpose to ensure it forms the basis of our management. In FY2024, we carried out external communications, including a television commercial highlighting our Purpose. Internally, we held workshops for management both in Japan and at overseas group companies, as well as for regular employees, to deepen awareness, understanding, and empathy for the Purpose. We are creating more opportunities for employees to embrace the Purpose as their own and to see how it connects to their daily work. Meanwhile, the results of an employee survey show that the Purpose's awareness level remains insufficient. We recognize this as a medium- to long-term challenge and will continue our efforts moving forward.

Achieving the 2025 Medium-term Plan and Vision 2030

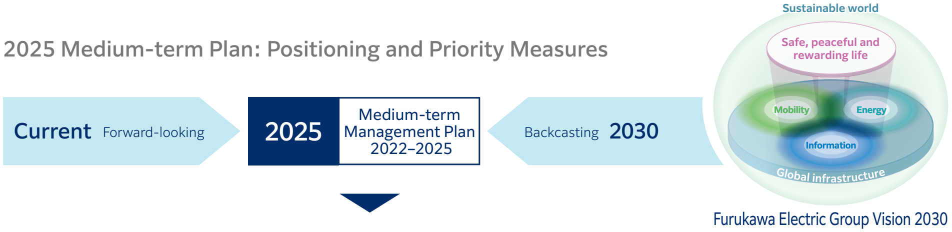
Since FY2022, the Group has pursued initiatives under its Medium-term Management Plan 2022–2025 (2025 Medium-term Plan) aimed at enhancing corporate value over the medium to long term. In FY2022 and FY2023, we faced difficult external conditions, including sluggish automotive business performance caused by semiconductor shortages and a slowdown in the telecommunications carrier market, particularly in Europe and the United States. We also struggled to assess growth markets, which further compounded these difficulties.

In contrast, FY2024 marked an important step toward achieving the targets of the 2025 Medium-term Plan. Revenue increased in both the Functional Products business—which includes data center-related products—and the Automotive Products business, while the Communications Solutions business restored its profitability. The data center market is particularly strong. Because high-performance computing devices, such as CPUs and GPUs, generate significant heat in data centers, advanced thermal management technologies are essential to release that heat efficiently. Recognized for their high performance and reliability in meeting these needs, our data center heat radiation and cooling systems have become key drivers of business growth.

In FY2025, the final year of the 2025 Medium-term Plan, we aim to not only firmly achieve our numerical targets but also lay the strategic groundwork for the Furukawa Electric Group Vision 2030. We regard this as a crucial stage in our management journey. With respect to operating profit, we expect to fall short by around 5.0 billion yen compared with our original projection of 58.0 billion yen for FY2025 under the 2025 Medium-term Plan. This gap arises mainly from changes in the scope of consolidation, including the exclusion of Totoku Electric Co., Ltd., and Furukawa Battery Co., Ltd. To strengthen our growth areas, meanwhile, we are rebuilding our business portfolio with a view to the future, including through the acquisition and consolidation of Hakusan Inc. and the former Fujitsu Optical Components Limited*. We believe that these medium- to long-term actions will lead to further growth in the future.

* Now Furukawa FITEL Optical Components Co., LTD.

2025 Medium-term Plan: Positioning and Priority Measures



Priority measures

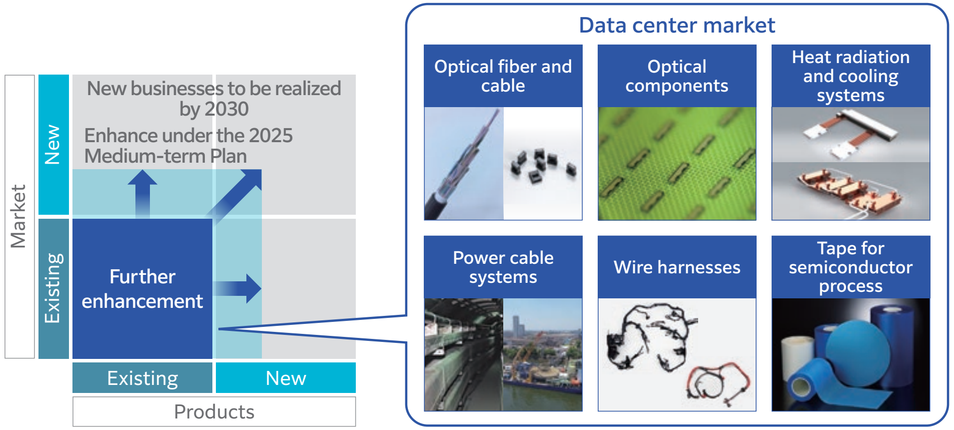
01	Maximizing profits in existing businesses with a focus on capital efficiency	Organizational restructuring and capital policy Rapid expansion of the data center market	Focus on the data center market
02	Building a foundation for creating new businesses by strengthening development and proposal capabilities	Build a foundation for new business creation Identify priority themes and accelerate growth	Accelerate commercialization
03	Strengthening the foundation for ESG management	Reduce capital costs	Continue initiatives

Initiatives to maximize profits in existing businesses and create new businesses

We view our business portfolio not as something fixed but as a “dynamic” entity that we must continually review in response to changing external settings and social needs. Because optimal conditions change with circumstances, it is important to continually maintain an optimal state. To this end, we need to continuously generate new business opportunities while scaling down or withdrawing from product groups that have fulfilled their roles. In the Vision 2030, we aim to address social issues and create new value in each of or in combination with the following areas: information, energy, and mobility. To keep this cycle of renewal running in a healthy way, we have been working to build a management structure that balances the need for both “maximizing profits in existing businesses” and “building a foundation for creating new businesses” as stated under 2025 Medium-term Plan.

Maximizing profits in existing businesses

Within our existing businesses, we place the highest priority on improving the profitability of optical fiber and cable and optical components in the Communications Solutions business. In April 2025, we reorganized the optical fiber and cable business, and the Communications Solutions business is showing improving profitability backed by steady demand related to data centers. Our challenge now is to firmly chart a path to growth as we look toward FY2026 and beyond.



Building a foundation for creating new businesses

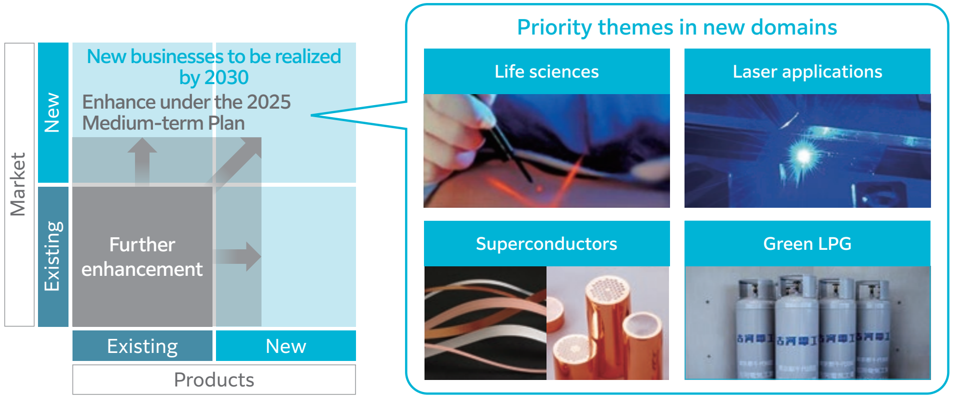
In building a foundation for creating new businesses, we have positioned life sciences, laser applications, superconductors, and green LPG as priority domains, and our efforts are now beginning to deliver tangible results.

In laser applications, we are working to create new businesses by applying our laser technologies, developed over many years in the field of optical communications, to the industrial sector. For example, we have developed high-power lasers for cutting and welding metals, as well as Infrastructure Laser, a product that removes rust and paint films from metal surfaces. Because it addresses social issues, such as aging infrastructure, we expect demand for Infrastructure Laser to grow in maintenance applications for transmission towers, bridges, ships, and railway vehicles.

We are also applying our laser technology for optical communications to the medical field. By making MFOPTEX Co., Ltd., a subsidiary and co-creating with medical device manufacturers and others, we aim to create new value in the life sciences field.

In green LPG, we are developing a technology that converts methane gas generated from livestock-derived organic matter into liquefied propane gas through catalytic action. We are currently constructing a bench plant for verifying the manufacturing process and will begin field demonstrations within FY2025. We expect this technology to play a major role in addressing issues, such as energy challenges and carbon neutrality, and it will grow into a significant business from an ESG perspective as well.

To accelerate new business creation, we established the Social Design & New Business Development Department as a new organization and have been strengthening it. The Group, which had traditionally been strongly product- and technology-oriented, is now responding to social and market needs with technology through a market-driven approach. This shift has begun to generate and activate seeds of new businesses.



Strengthening the foundation for ESG management and leveraging intangible assets

Under the 2025 Medium-term Plan, we set “strengthening the foundation for ESG management” as a priority measure. To this end, we have sought to address climate change, strengthen human capital, and reinforce governance by transitioning to a company with an Audit & Supervisory Committee.

Leveraging intangible assets is also critically important because such assets serve as a key driving force in promoting ESG management and transforming our business portfolio.

Visualize and utilize intellectual property

Because intangible assets are invisible, they are difficult to grasp, therefore making them "visible" is the first step toward their effective utilization. We are promoting the use of "IP landscaping" as one method of visualizing such assets.

Visualizing intangible assets and using them as intellectual property or industrial property rights, such as patents, is not a new concept, and turning visualization into an effective strategy and maintaining and strengthening it to build a competitive advantage is not easy. Each business division must understand the strengths and characteristics of its intellectual property, accurately grasp market needs, and manage these assets in ways that help maximize profit. This activity has no end and requires ongoing efforts. We regard it as an ongoing endeavor of "composing the core."

Advance human capital and corporate culture

Looking ahead, human resources will become more important than ever in corporate management. While generative AI and other technologies continue to evolve and streamline operations, it is the potential of people that supports sustainable corporate growth. In this sense, enhancing employee engagement is a major priority for management. We see our Purpose, mentioned at the outset, as a driver of employee engagement. By fostering a culture where individuals empathize with the Company's reason for being and its direction and can act proactively by leveraging their strengths, we aim to cultivate talent and build an environment where they can make a contribution.

I joined the Company as a process engineer at a time when optical fiber development was accelerating and demand was expanding. Within our open culture, I gained experience by identifying challenges independently and collaborating with colleagues to resolve them. Even before establishing its Purpose, the Group had long embraced a culture of trusting people and empowering them with responsibility. I believe that strengthening human resources requires developing people who can independently pursue their ambitions. Equally important are fostering open dialogue and creating an environment that encourages collaboration.

Practice execution-focused management to become a corporate group that consistently generates profits

I believe we need to clearly demonstrate our ability to continue generating profits in excess of capital costs, so that we can consistently create value as a corporation. To this end, we introduced an indicator called Furukawa Value Added (FVA). This indicator shows whether we are generating NOPAT that exceeds our cost of capital (invested capital × WACC) and serves as a gauge for deciding whether to continue, scale down, or withdraw from a business. Our FVA has now shifted into positive territory overall, giving us confidence that the initiatives undertaken so far are beginning to show numerical results.

In addition to discussions about capital efficiency, it is naturally important to take the simpler perspective of whether we are properly generating profits. The key question is, "Do we have a structure that can consistently generate steady operating profit?" Our current operating profit is still only 3%–4%, which is not sufficient, but we are working to raise it toward double digits. In terms of operating profit, we first aim to consistently exceed 50 billion yen annually, with 100 billion yen also in our sights thereafter.

By maximizing profits in existing businesses, creating new businesses (including in new domains), and continuously optimizing our business portfolio, we will become a resilient corporate group that consistently generates profits above a certain level. We have set this vision as our goal for 2030 and, above all, are driving execution-focused management that will make that goal fully achievable.

Directors' Roundtable: Outside Directors and Representative Director

From Vision to Execution—The Role of the Board in Driving Business Transformation

Guided by the Vision 2030, which sets out our desired state for 2030, we are now pursuing organizational restructuring and M&As as we enter the execution phase of our business portfolio transformation. In this section, Representative Director Satoshi Miyamoto joins Outside Directors Takashi Tsukamoto and Sayaka Sumida to discuss the Board's role in accelerating this transformation. They also talk about recent initiatives, including changes in the organizational structure to strengthen corporate governance.

Business Portfolio Transformation and the Board's Involvement

Evaluating Transformation Initiatives in the Execution Phase

Miyamoto: Under the Vision 2030, the Group has steadily advanced initiatives in its 2025 Medium-term Plan, including business and organizational restructuring, M&As, and other strategic investments. How do you evaluate these actions to transform the business portfolio?

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

Takashi Tsukamoto
Outside Director

Sayaka Sumida
Outside Director

Tsukamoto: The Vision 2030 sets out the ideal image of our business portfolio, and under the 2025 Medium-term Plan we have taken decisive actions to realize that image. I feel that these efforts are now beginning to produce results. In April 2025, we carried out a large-scale global organizational restructuring in the Communications Solutions business, including the establishment of Lightera Holding G.K. in the optical fiber and cable products business.

I believe that business portfolio transformation requires decisions and actions that involve risk-taking, as well as a stable management foundation to carry them out. While the Group's performance was difficult at the start of the 2025 Medium-term Plan, it has since recovered, and I feel we have finally entered the stage where we can dynamically execute the Vision we have set out.

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

Sumida: It is true that our performance was sluggish in the first half of the plan, but in our role as Board members we advised on the need for swift transformation. Even under those conditions, we steadily took action, and I feel that the pace of business portfolio transformation has accelerated, especially since FY2024 as our performance recovered. By focusing investments particularly in data center–related areas, I feel we are beginning to establish growth drivers for the future and are moving closer to realizing the Vision 2030.

Miyamoto: In the first half of the Plan, in particular, the Company lacked the mindset and framework to fully carry through the transformation, and the Board voiced strong criticism. In response, we introduced ROIC and other performance indicators and established the Business Portfolio Review Committee, thereby strengthening the standards and discipline for putting transformation into practice. In light of these initiatives, I believe our concrete actions are finally producing results.

Establishment of Lightera to Show Our Commitment to Transformation

Miyamoto: Among recent moves to review our business portfolio, the organizational restructuring of the optical fiber and cable products business was particularly significant. This led to the establishment of Lightera, which Mr. Tsukamoto mentioned earlier. Until now, the Optical Fiber and Cable Products Division in Japan, OFS Fitel, LLC, in North America and Europe, and Furukawa Electric LatAm S.A. in Latin America leveraged their regional characteristics and strengths to pursue their own business development. However, demand has been rising for building an optimized global supply chain related to the data center market. The need for fast decision-making from a global perspective has also increased. In response, we integrated these three units and shifted to a unified business management structure.

Tsukamoto: First, I would like to commend this major global organizational restructuring, which was launched with a view to future growth. However, many challenges remain. We must build sales and production systems that can accurately respond to global demand trends and steadily resolve each challenge. I expect the Company to approach this with strong determination and turn it into solid results.

Sumida: I feel the establishment of Lightera conveys a strong message that we are executing management from a global perspective. The Board will continue monitoring developments closely to ensure this message translates into action.

Miyamoto: Indeed, Lightera represented a concrete expression of the Group's seriousness and determination toward global business management and execution. However, what we have now is only the "framework" created through organizational restructuring, so the real work starts here. With markets changing quickly, we are determined to seize every opportunity, deliver results, and see this through to completion.

Board of Directors Driving Business Portfolio Transformation

Miyamoto: To accelerate business portfolio transformation, under the 2025 Medium-term Plan we established a "strategic investment limit," through which we have actively pursued M&As and capital alliances. For many years, the Group had not engaged in discontinuous investment, so we were unable to fully leverage the framework when it was first introduced. Today, however, its use has advanced, and we are seeing positive changes in internal awareness and behavior toward growth investments. The Board of Directors has also shared a range of opinions and engaged in active discussions regarding this strategic investment limit.

Tsukamoto: At Board meetings, we repeatedly asked, "Why not make greater use of the strategic investment limit and take action accordingly?" In management, I always keep in mind the need to make decisions and take action, even if it involves pain and breaking free from constraints. I stated that we should approach business portfolio transformation more aggressively and with genuine determination.

Under these circumstances, we have recently engaged in M&A deals aimed at medium- to long-term growth, starting with capital alliances involving Hakusan Inc. and the former Fujitsu Optical Components Limited*. Our progressive use of the strategic investment limit has built a stronger deal pipeline, enabling us to select the most suitable investments from among multiple options. This is a positive development.

Sumida: Given the broad range of the Group's businesses, capital investments and R&D spending tend to be dispersed, creating unavoidable constraints on the amounts we can allocate. I believe this reflects our history as a B2B company that has long supported social infrastructure, together with our orientation toward sustainable growth along that trajectory. At Board meetings, we repeatedly discussed whether concentrating investments might lead to stronger growth. We also debated how best to use cash generated from asset sales to make growth investments.

Miyamoto: I feel we must continue discussions on optimizing the business portfolio at Board of Directors' meetings going forward.

* Now Furukawa FITEL Optical Components Co., Ltd.

Strengthening Corporate Governance to Support Transformation

Organizational Restructuring Aimed at Strengthening Oversight

Miyamoto: In June 2025, we transitioned to a company with an Audit & Supervisory Committee aimed at strengthening the Board's oversight function and separating execution from supervision. Could you share your views on the background and process that led to this change in governance structure?

Tsukamoto: The concept of driving transformation by restructuring our organization was not new. However, our transition to a company with an Audit & Supervisory Committee represents the embodiment of President Moridaira's strong resolve and management intent to reinforce execution. With our business portfolio transformation under way and the Group moving into a growth phase, I believe this transition was done with good timing.

Changing our governance structure is not a mere formality but an important issue that goes to the essence of our organization. That is why I also raised the question, "If we are truly serious about strengthening corporate governance, why not transition to a company with a Nominating/Compensation Committee and other bodies?" Considering this background and process, I believe the decision to change the governance structure and make the transition was the right one.

Sumida: I also feel this change represented a major decision for the Company. Modifying our governance structure sent a clear message that we are determined to change.

On the other hand, I also heard concerns that reducing the number of Audit & Supervisory Committee members from six to three might lower the quality of audits. I understand those concerns, but in a large organization like ours, audits are conducted on the basis of internal controls and risk management systems, whether by statutory auditors or by the Audit & Supervisory Committee. The key is to strengthen collaboration with internal audits, including monitoring of related systems, to build an audit function appropriate for a global company.

Miyamoto: The change in structure should serve as an opportunity to foster a relationship in which internal and outside directors can deliberate as equals with broad and high-level perspectives. To achieve this, the executive side must further refine its business strategies and strengthen its execution capabilities, while the Board of Directors must create an environment for intensive discussions with a medium- to long-term perspective.

Sayaka Sumida
Outside Director

I am confident this change in governance structure marks the starting point of a transformation that will take the Group's management capabilities to the next stage.

Quality Discussions to Enhance the Board's Effectiveness

Miyamoto: I would like to hear your assessment of the Board's effectiveness to date. From a broad perspective, please share your views on such matters as agenda setting, the depth of discussion, and whether the environment enables directors to easily exchange information and opinions.

Sumida: In the annual evaluations of the Board's effectiveness, many critical opinions are raised, and the head outside director conveys these views clearly to the executive side. We are committed to taking any steps necessary to strengthen the effectiveness of the Board of Directors. After the governance restructuring, we must focus even more on high-level, strategic discussions, which I feel will place greater demands on the capabilities of outside directors.

Takashi Tsukamoto
Outside Director

Miyamoto: To ensure even higher-quality discussions, we on the executive side must also find better ways to provide information and set up forums for discussion. As outside directors, what are your views or requests regarding how we can further improve the quality of these discussions?

Sumida: While I greatly appreciate the sharing of materials and minutes from management meetings, there remains an information gap between us and internal directors. I sometimes feel that the discussion time in Board meetings or opinion exchanges with the executive side are not sufficient. It depends on the issue. When discussing the medium-term management plan, for example, it would be beneficial to hold off-site meetings and other forums for more focused discussions.

Tsukamoto: I would like to raise two points. The first concerns the continued evolution of the relationship between internal and outside directors. To enable high-quality discussions, outside directors must have a deep understanding of the executive side's concerns and the Company's management policies. By gaining accurate knowledge of these matters, outside directors can express their views appropriately, and their comments, which reflect different perspectives, will foster interaction within the Company, enabling truly valuable discussions.

My second point concerns the role of the Board in the age of generative AI. While AI can provide answers to questions, it cannot formulate the right questions. I believe that the ability to raise essential questions that AI cannot replace will determine the quality of Board discussions in the future.

Expectations and Outlook for Medium- to Long-Term Growth

Miyamoto: Finally, could you share your future expectations and outlook from a medium- to long-term perspective?

Sumida: The Group's businesses are largely long-term initiatives related to social infrastructure, and we are currently in a seeding phase with a view toward 2030 and beyond. At the same time, generating cash flow and profits in the near term are essential, and balancing medium- to long-term perspectives with short-term results remains a challenge. As a Board member, I want to support bold initiatives while maintaining this balance.

Tsukamoto: Under the 2025 Medium-term Plan, our performance is recovering, and we have entered the execution phase of our business portfolio transformation. Looking ahead, I believe constructive discussions with a sharper focus on medium- to long-term growth will become increasingly important. Moreover, our transition to a company with an Audit & Supervisory Committee is not simply a defensive measure to strengthen governance. Rather, I see it as a proactive approach that should drive corporate value enhancement, and our responsibilities as outside directors and expectations placed on us are rising accordingly.

Miyamoto: Through this dialogue with both of you, I was again reminded that the Group is now truly entering a growth spiral. Moreover, our transformation under the 2025 Medium-term Plan is making steady progress, and I am confident that by further accelerating this progress, we can chart a solid growth trajectory toward 2030. We on the executive side will further refine our execution capabilities and work together with outside directors to enhance corporate value in a sustainable manner.

Furukawa Electric Group's Sustainability

Annual Securities Report Item 2. [Overview of Business] 2 [Approach and Initiatives toward Sustainability] (1) Sustainability in general

Basic Approach

Under the Furukawa Electric Group Purpose, we are implementing initiatives aimed at achieving the Vision 2030, with the goal of realizing sustainable growth and enhancing the Group's corporate value over the medium to long term. We have also established this fundamental approach as the Furukawa Electric Group Basic Policy on Sustainability.

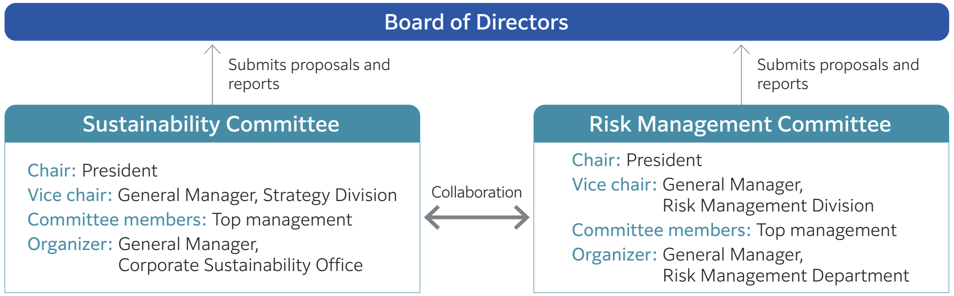
Website: Furukawa Electric Group Basic Policy on Sustainability

Governance

The Group has established the Sustainability Committee, chaired by the President and vice-chaired by the General Manager of the Strategy Division. The committee deliberates on issues related to sustainability, including the Group's basic sustainability policy, fundamental matters concerning material issues, and disclosure of sustainability information; checks on progress; and submits proposals and reports to the Board of Directors. The Corporate Sustainability Office serves as the secretariat, and the committee is generally convened twice a year. Material issues related to risks are addressed in collaboration with the Risk Management Committee.

In addition, the status of operations related to sustainability—including climate change, human capital, and intellectual property—is reported and shared with the Board of Directors on a quarterly basis. The agenda of the Sustainability Committee and the Management Committee is determined by taking into account, among other things, the results of the evaluation of the effectiveness of the Board of Directors as well as feedback from shareholders and institutional investors. For details of the main discussion topics, please refer to the Annual Securities Report.

Sustainability Promotion System



Board of Directors

Submits proposals and reports

Submits proposals and reports

Sustainability Committee

Chair: President
Vice chair: General Manager, Strategy Division
Committee members: Top management
Organizer: General Manager, Corporate Sustainability Office

Collaboration

Risk Management Committee

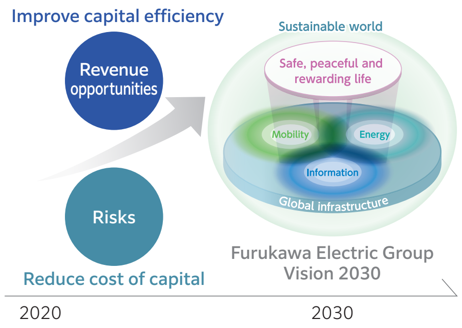
Chair: President
Vice chair: General Manager, Risk Management Division
Committee members: Top management
Organizer: General Manager, Risk Management Department

Strategy

We are promoting ESG management aimed at achieving the Vision 2030, with the goal of realizing sustainable growth and enhancing corporate value over the medium to long term.

We define the important management issues* to be addressed as material issues and identify them from both revenue opportunity and risk perspectives.

Material issues
Important management issues for achievement of Vision 2030



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* In the Furukawa Electric Group, "material issues" are defined as important management issues to be addressed in order to achieve the Vision 2030, and the term is used with a meaning different from that in the finance and accounting context, where it refers to issues that may affect business performance or financial position.

Material issues of revenue opportunities

We identified "Creating businesses that solve social issues" as indispensable, requiring a transformation from an emphasis on the product-out approach to the market-in and further to the outside-in approach. In addition, we identified the slogans "Open, Agile, Innovative," which represents the creation of innovation through an active transformation stance and the utilization of intellectual assets, and "Building partnerships with various stakeholders," which expresses co-creation with external parties.

Material issues of risks

We have identified the material issues related to environment, social, and governance that are essential for sustainable growth and transformation.

Material issues of revenue opportunities

1 Creating businesses that solve social issues
- Creating businesses that support next-generation infrastructure
- Creating environment-friendly businesses

2 Open, Agile, Innovative

3 Building partnerships with various stakeholders

Material issues of risks

E Developing business activities that consider climate change

S Strengthening human capital and organizational execution abilities

G Building a governance system to strengthen risk management
- Corporate governance
- Group governance
- Supply chain management
- Human rights and labor practices

Value Creation Process Directed at Achieving the Vision 2030

Under the Furukawa Electric Group Purpose, the Group is implementing the 2025 Medium-term Plan, which was formulated in a forward-looking manner with backcasting from the Vision 2030 and defining FY2025 as an interim milestone. 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. In addition, to realize sustainable growth and enhance corporate value over the medium to long term, we are strengthening and creating businesses with a focus on capital efficiency, while reinforcing our management foundation to reduce the cost of capital.

Strengths and business model of the Furukawa Electric Group

The strengths of the Group lie in our four core technologies (metals, polymers, photonics, and high-frequency), our development and proposal capabilities that are not limited to specific markets, and the trust of our customers. We are promoting, under the slogan Open, Agile, Innovative, the reinforcement of the Group's strengths, including the utilization of intellectual assets, and the creation of new business models through co-creation with external partners.

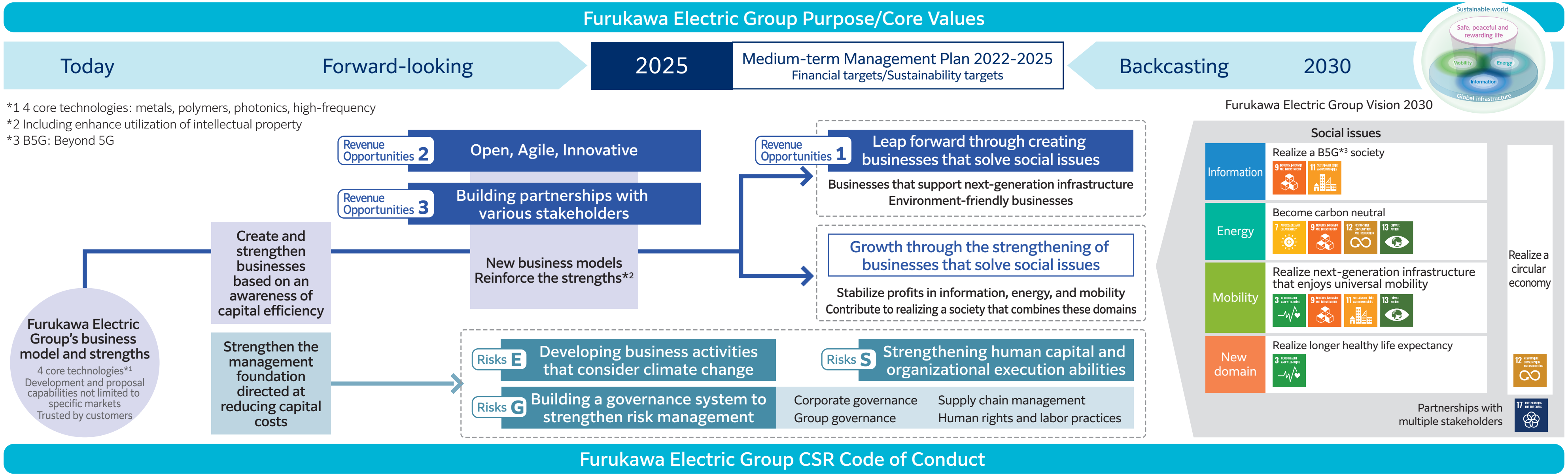
Revenue opportunities (Strengthening and creating businesses)

Toward 2025, we aim to stabilize earnings in the information, energy, and mobility areas, achieve growth by strengthening businesses that address social issues, and contribute to the realization of a society where information, energy, and mobility are integrated. To expand earnings in each business, we are optimizing investment allocation from the perspectives of profitability and growth potential, and further accelerating management and decision-making with a greater focus on capital cost, including reviewing the business portfolio.

Looking ahead to 2030, we will seek a step-change in growth through creating businesses that solve social issues, such as businesses that support next-generation infrastructure and environment-friendly businesses.

Risks (Strengthening the management foundation)

As a foundation to support ESG management, we will strengthen our initiatives on ESG, including climate change, human capital, and risk management/governance.



*1 4 core technologies: metals, polymers, photonics, high-frequency
*2 Including enhance utilization of intellectual property
*3 B5G: Beyond 5G

Risk Management

For each material issue related to revenue opportunities and risks, we set sustainability indicators (KPIs) and targets, and report and share the status of responses and progress with the Sustainability Committee and the Board of Directors on a semiannual basis. In addition, the General Manager of the Corporate Sustainability Office holds regular dialogues (in principle, twice a year) with each responsible division regarding the progress as well as the validity of the sustainability indicators and targets. For divisions that are not expected to achieve their targets, the General Manager encourages the formulation and implementation of response and improvement measures.

Integration into the company-wide management strategy (2025 Medium-term Plan) and company-wide risk management

We have also steadily advanced initiatives to integrate sustainability-related opportunities and risks into the Group's overall management strategy and enterprise risk management.

Integration into the overall management strategy

- Established the Business Portfolio Review Committee
- Introduced management indicators (ROIC, FVA*1), incorporating ESG factors

Integration into company-wide risk management

- Establishment of a company-wide risk management framework*2
  (Risk-related material issues are recognized as important risks from a management perspective and are addressed by the Risk Management Committee, which manages risks for the entire Group.)

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*1 FVA: Furukawa Value Added. This indicator is an arrangement of EVA tailored for the Company, introduced in FY2022 as an internal management indicator.
*2 Please refer to "Risk Management" on p.49 of this Integrated Report.

Indicators and Targets

With the exception of the employee engagement score and the ratio of female workers in managerial positions, the sustainability indicators for FY2024 achieved their respective targets. For the indicators not achieved, we will analyze the factors and continue to examine and implement necessary measures.

For details of each indicator, please also refer to the relevant pages of this report.

	Material issue	Sustainability indicator		Scope	Result		Target (Reference value)		
					FY2023	FY2024	FY2023	FY2024	FY2025
Revenue opportunity	Creating businesses that solve social issues	Sales ratio of environment-friendly products		Group	65.9%	74.0%	66%	68%	70%
	Open, Agile, Innovative/Building partnerships with various stakeholders	R&D expense growth rate for new businesses	(compared with FY2021)	Group	121%	133%	125%	125%	125%
		Implementation rate of IP landscaping for strengthening the businesses and themes for creating new businesses		Group	77%	100%	45%	100%*1	–*2
Risk	Developing business activities that consider climate change	GHG emissions reduction rate (Scope 1&2)	(compared with FY2017)	Group	-45.4%	–	-21.2%	(-39%)*3	(-42%)*3
			(compared with FY2021)		–	-34.8%	–	-14.0%	-18.7%
		Ratio of renewable energy use to total consumption		Group	31.6%	39.6%	12%	25%	30%
	Strengthening human capital and organizational execution abilities	Employee engagement score*4		Furukawa Electric	63	–	65	–	–
				Group	76	72	–	77	80
		Ratio of female workers in managerial positions		Furukawa Electric	5.4%	5.4%	5.0%	6.0%	7.0%
		Ratio of mid-career hires in total new hires*5		Furukawa Electric	48.8%	54.4%	30%*6	30%*6	30%*6
	Building a governance system to strengthen risk management	Ratio of follow-up on risk management activities for all risk domains		Group	100%	100%	100%	100%	100%
		Ratio of SAQ implementation based on the CSR Procurement Guidelines for major suppliers		Group	65%	84%	40%	70%	100%
		Implementation rate of human rights risk training for managerial positions		Group	100%	100%	100%*7	100%*7	100%*7

*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 The target was achieved ahead of schedule in FY2024. In FY2025, we will further develop this into specific business activities.
*3 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.
*4 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.
*5 New hires represent new graduates and mid-career hires, covering managerial positions, career-track, and clerical positions.
*6 This means that about 30% will be maintained in each fiscal year.
*7 This means that 100% globally for each fiscal year will be continued.

Message from the General Manager of the Strategy Division

We will continue strengthening our strategic and organizational capabilities to achieve the Vision 2030.

Satoshi Miyamoto

Representative Director and Corporate Executive Vice President, and
General Manager of Strategy Division

Three initiatives under the 2025 Medium-term Plan

Under our current 2025 Medium-term Plan, we are working on maximizing profits in existing businesses with a focus on capital efficiency, building a foundation for creating new businesses by strengthening development and proposal capabilities, and strengthening the foundation for ESG management. At the same time, we have introduced several new initiatives for the first time.

The first is the activities of the Business Portfolio Review Committee. To build an optimal business portfolio, the Committee clarified the positioning of businesses in terms of growth potential and profitability and executed selective capital investments. It also translated this process into concrete actions, including large-scale organizational restructuring in the metal wire business and the optical fiber and cable business. The second initiative is our strategic investment limit, which we are using to pursue M&As and capital alliances. Under the 2025 Medium-term Plan, we set aside up to 50 billion yen for strategic investments and concentrated on discontinuous investments in growth areas, including the data center market, as well as healthcare and other new business domains. The mindset of our business divisions has also shifted significantly toward taking the initiative on capital policies. We will continue accelerating investments in priority areas. The third initiative is the introduction of sustainability indicators and targets. This has enabled us to quantify non-financial activities while managing progress and driving initiatives in tandem with financial measures. Now, in the final year of the 2025 Medium-term Plan, I feel these efforts have begun to yield tangible results.

Business portfolio review (including main business reorganizations) during the 2025 Medium-term Plan period

	Timing (including plans)	Main objectives
Sale of shares of Furukawa Battery Co., Ltd.	Second half of 2025 (planned)	Corporate governance reform
Acquisition of shares of Fujitsu Optical Components Limited	April 2025	Growth strategy
Reorganization of the metal wire business	April and October 2025	Profitability improvement
Reorganization of the global optical fiber and cable products business	April 2025	Growth strategy and profitability improvement
Capital/business alliance with Metro Weather Co., Ltd.	February 2025	Growth strategy
Sale of shares of Fuji Electric Engineering & Construction Co., Ltd. (through a share exchange with Fuji Electric Co., Ltd.)	February 2025	Capital efficiency improvement
Purchase of shares of Hakusan Inc.	January 2025	Growth strategy
Conversion of MFOPTEX Co., Ltd., into a consolidated subsidiary	October 2024	Growth strategy
Decision to withdraw from the reflow tin plating business	July 2024	Capital efficiency improvement
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 Ltd.	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

Growth strategy toward Vision 2030 and beyond

FY2025 is the year to solidify the foundation for achieving the Vision 2030. Guided by the Furukawa Electric Group Purpose, we are restructuring our management and giving concrete shape to growth strategies targeting the Vision 2030 and beyond.

While our growth strategy still requires further refinement, for now we will focus through around 2028 on larger capacity data centers and expansion of energy-saving solutions that support this trend. Positioning the rapidly expanding data center market as a priority area, we will increase investments and sales efforts to expand production capacity for information and communications products, such as optical fiber and cable, and optical components, as well as functional products including heat radiation and cooling systems.

Looking ahead to 2030, we will increase our focus on contributing to realization of a sustainable society through energy management. With this in mind, we are developing advanced photonics products that can simultaneously realize all-optical networks, such as photonics-electronics convergence, as well as a highly efficient energy society. At the same time, we will step up the supply and installation of extra-high-voltage, submarine, and underground cables, particularly for national projects (wide-area interconnection lines) to transmit renewable energy from large power-generation regions to major consumption centers. We will also develop and commercialize superconducting wires essential for the practical use of nuclear fusion power generation and next-generation energy solutions like green LPG, while supplying high-voltage components to support the spread of EVs. In these ways, we will help address energy and environmental challenges.

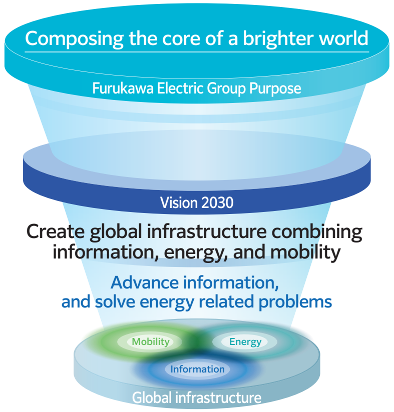
Looking beyond 2030, we will seek to expand into new businesses by developing laser application products and medical components/devices utilizing metal and photonics technologies to address societal challenges, such as an aging society with declining birth rates and a shrinking workforce.

Strengthening strategic capabilities and promoting DX and ESG initiatives to accelerate corporate value enhancement

Strengthening our strategic capabilities

In the process of shaping our growth strategy, I realized that the Group had a weakness in objectively reviewing its position and refining its business strategy based on market perspectives and benchmarking against other companies. To address this, we consolidated and strengthened two functions—market analysis and business strategy review and proposal—within the Strategy Division, essentially creating an “internal activist” capability. The human resources and corporate planning departments are now more deeply involved in

Business/product development toward achieving Vision 2030



Phase 3

Challenge new domains that will create indispensables for people and society

- Laser applications (Infrastructure Laser, BRACE)
- Medical components/devices (NT wire, optical probes, laser devices)

Phase 2

Contribute to realization of a sustainable society through energy management (increase data center performance and respond to EV)

- Submarine/underground cable for renewable energy, power cable for wide-area interconnections
- Green LPG
- Superconductors
- Photonics–electronics convergence (ELS, membrane modulators)
- High-voltage wire harnesses/connectors
- High-voltage components/junction boxes

Phase 1

Larger capacity data centers, and expansion of energy-saving solutions that support this trend

- Preconnectorized cable* (RR cable + MT ferrule)
- DFB laser chips
- Heat sinks
- Tape for semiconductor process
- Aluminum blanks for HDDs
- Copper foil for high-frequency circuit boards

* Cable with connectors

priority businesses. By going beyond conventional capital investment allocation to focus on targeted deployment of talent and improvements in organizational management, they are strengthening our strategy execution ability.

Strengthening human capital and organizational execution abilities

To ensure steady execution of our management and business strategies, our top priority is to strengthen human capital and organizational execution abilities. To this end, we are building a medium-term talent portfolio through succession planning and human resource development programs. We are also working to strengthen recruitment by introducing course-based hiring for new graduates and diversifying career recruitment channels.

At the same time, our organization must provide an environment where employees can grow, feel a sense of purpose, and perform at their best. Accordingly, we are working to help each employee understand the content and significance of our Purpose, which defines our reason for being, and to foster empathy with it. We also provide diverse opportunities for learning and challenge through support for self-directed career development, reskilling measures, and internal open recruitment and secondary job systems.

To monitor the state of our people and organization, we conduct an employee engagement survey every year and operate a PDS (plan-do-see) cycle to further improve our initiatives.

Promoting DX

Driving DX is also indispensable to achieving the Vision 2030. The Group's DX Vision is: "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."

Under the 2025 Medium-term Plan, we are focusing particular attention on improving manufacturing (*monozukuri*) efficiency and leveraging data to deliver fast acting management. At our development and production sites, we are already seeing significant improvements in quality control enabled by AI-based automated image inspection, accelerated development using materials informatics (MI), and real-time production improvements driven by AI. These initiatives are steadily raising the level of our manufacturing (*monozukuri*) capabilities.

As a foundation for promoting DX, we established a core organization to drive the entire process, from strategy formulation to execution support, while advancing DX talent development and strengthening our group-wide IT infrastructure. We are also focusing on initiatives to apply generative AI across the Group on a daily basis.

Addressing climate change

Let me also touch on our climate change initiatives, which are part of our sustainability activities aimed at enhancing corporate value. The Group has set a goal of achieving carbon neutrality across the entire supply chain by 2050. To this end, we are promoting the use of renewable energy and other measures.

In addition to the hydropower facilities owned by domestic group companies, we are installing solar power equipment, contracting renewable energy–derived electricity from utilities, and purchasing renewable energy certificates. Through these initiatives, we achieved our Scope 1 and 2 greenhouse gas (GHG) reduction targets ahead of schedule. We are also working to reduce GHG emissions across the entire supply chain, including Scope 3. To this end, we ask our suppliers for their cooperation in emission reduction through self-assessment questionnaires (SAQs), partner meetings, and the like. We also engage in co-creation with our customers to promote recycling of products and materials.

Building a strong organization through strategic execution and responsiveness to environmental changes

The first half of the 2025 Medium-term Plan presented difficult challenges, but I now feel our efforts are bearing fruit and setting us on a growth trajectory. Going forward, we will increase the effectiveness of our strategies to ensure our achievement of the Vision 2030.

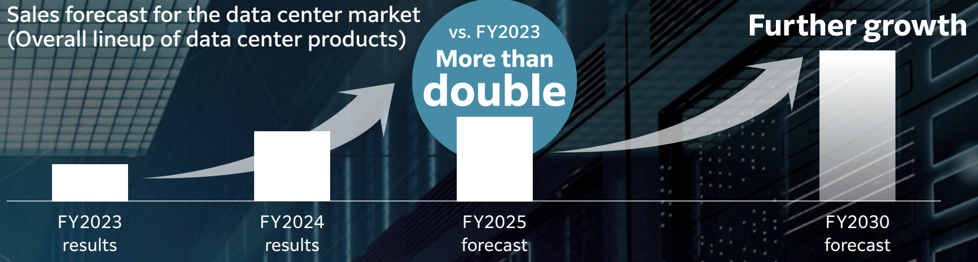
To deliver continuous growth beyond 2030, the Group must remain a strong organization capable of adapting to rapid environmental changes. In addition to maintaining an optimal business portfolio that evolves with the environment, we will continue providing products and services that are indispensable to society and build an organization supported by robust governance and a financial foundation that is resilient to change.

Feature Article 1

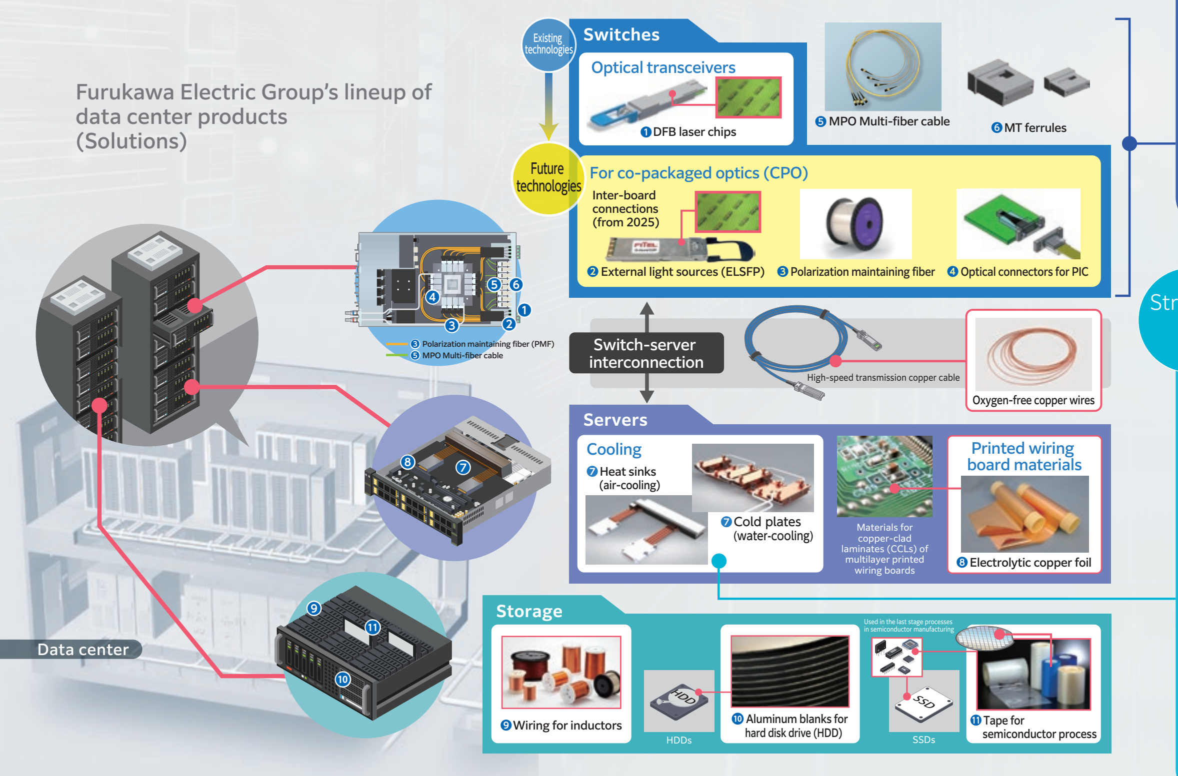
Strategy for expanding earnings in the growing data center market

With respect to maximizing profits in existing businesses under the 2025 Medium-term Plan, we are focusing on the growing data center market and working to expand earnings from our lineup of data center products—such as optical fiber and cable and components in the Communications Solutions business, as well as heat radiation and cooling systems in the Functional Products business. We expect sales of these data center products in FY2025 to more than double compared with FY2023, and we are strengthening these as a growth driver in achieving Vision 2030.

Sales forecast for the data center market (Overall lineup of data center products)



Furukawa Electric Group's lineup of data center products (Solutions)



Strategy 1

Optical Fiber & Cable Products and Optical Components

Shift to high-value-added products and solutions and accelerate production expansion

Along with our shift to high-value-added products and solutions, we are advancing technology development, accelerating production, and strengthening sales capabilities by allocating human resources and expanding our product lineup.

In the optical fiber and cable products business, we carried out a large-scale organizational restructuring from a global perspective, including the establishment of Lightera Holding G.K. As part of our capital policy, we worked to strengthen our business structure, including by making Hakusan Inc. and the former Fujitsu Optical Components Limited* into subsidiaries.

Going forward, we will promote the development and mass production of IOWN-related products. We also project that sales of optical-related products for the data center market (optical fiber and cable products and optical components) in FY2025 will be roughly four times the level of FY2023.

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* Now Furukawa FITEL Optical Components Co., LTD.

Strategy 2

Heat Radiation and Cooling Systems

Develop and expand high-performance, differentiated products

To address the issue of increasing heat generated by CPUs and GPUs in data centers, we are developing and expanding high-performance, differentiated products, such as heat sinks and other heat radiation and cooling systems. By building a co-creation framework with major data center customers, we have captured needs more quickly and accelerated product commercialization. As a result, sales of air-cooling heat sinks for the data center market in FY2024 grew to around 3.5 times the FY2022 level.

Going forward, we expect heat sinks to shift from air cooling to water cooling. The Group has already made progress in developing water-cooling heat sinks and other products in response to customer requests, and we plan to begin mass production at our plant in the Philippines in September 2026. We will continue advancing co-creation with customers to address their needs.

Manufacturing plant for data-center water-cooling modules
FURUKAWA ELECTRIC THERMAL MANAGEMENT SOLUTIONS & PRODUCTS LAGUNA, INC. (Philippines)

Message from the General Manager of the Finance & Accounting Division

Striking a balance between growth investments and financial soundness, we will support sustainable growth from a financial perspective.

Koji Aoshima

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

Review of FY2024 Financial Results

In FY2024, the Group made progress in transforming its business portfolio, which began to produce positive results. Consolidated net sales reached 1,201.8 billion yen, up 13.7% year on year. Operating profit rose 321.6% to 47.1 billion yen, and ordinary profit grew 373.1% to 48.6 billion yen. Profit attributable to owners of parent was 33.4 billion yen, up 412.7% year on year. These figures represent high levels compared with our past performance.

By strengthening our supply framework for data center–related products in line with market growth, we posted an improved performance over FY2023. In the Energy Infrastructure business, our earnings were boosted by profit-focused orders, the concentration of construction projects for extra-high-voltage underground cables in Japan, and continued robust demand for renewable energy projects. In the Automotive Products & Batteries business, we improved production efficiency of wire harnesses on the back of stable customers' production plans, posting operating profit well above 20.0 billion yen and lifting overall group performance. In the Functional Products business, some products, such as tape for semiconductor process and copper foil, fell short of expectations due to delayed recovery in demand for smartphones, PCs, and other electronics-related markets. Nevertheless, we posted year-on-year increases in both sales and operating profit.

Although business uncertainty has grown since the COVID-19 pandemic, we will continue working to enhance the probability of achieving our financial targets by assessing changes in the external environment and identifying potential risks.

2025 Medium-term Plan management targets

Financial targets

	FY2022 (Results)	FY2023 (Results)	FY2024 (Results)	FY2025 (Forecast)	FY2025 (2025 Medium-term Plan targets)
ROIC (after tax)	3.7%	2.3%	6.7%	7%	**6% or more**
ROE	5.5%*	2.1%	10.0%	10%	**11% or more**
Net D/E ratio	0.9	0.9	0.7	0.7	**0.8 or less**
Equity capital ratio	32.3%*	33.3%	34.6%	38%	**35% or more**
Net sales	1,066.3 billion yen	1,056.5 billion yen	1,201.8 billion yen	1,200.0 billion yen	**1,100.0 billion yen or more**
Operating profit	15.4 billion yen	11.2 billion yen	47.1 billion yen	53.0 billion yen	**58.0 billion yen or more**
Profit attributable to owners of parent	15.9 billion yen*	6.5 billion yen	33.4 billion yen	36.0 billion yen	**37.0 billion yen or more**
Average copper price (JPY/kg)	1,209	1,262	1,478	1,355	1,085
Average exchange rate (JPY/USD)	135	145	153	140	110

* Partially restated only the FY2022 financial results following the voluntary application of the International Financial Reporting Standards (IFRS) to UACJ Corporation, an equity-method associate.

Sustainability indicators and targets

For details, please refer to "Indicators and Targets" in the "Furukawa Electric Group's Sustainability" section on p.18 of this Integrated Report.

Capital Policy Execution
—Investments for Sustainable Growth and Ensuring a Sound Financial Base—

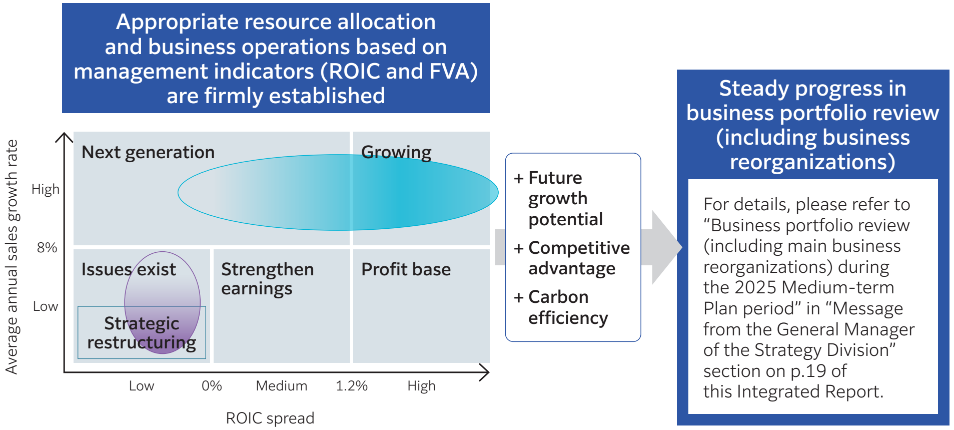
Under the 2025 Medium-term Plan, our basic policies for capital strategy and cash allocation are to implement well-balanced investment control, ensure the soundness of our financial base, and provide stable and ongoing shareholder returns. By investing in growth areas while ensuring financial soundness, we aim to achieve sustainable enhancement of corporate value.

Well-balanced investments (capital expenditures, R&D expenses, and strategic investments)

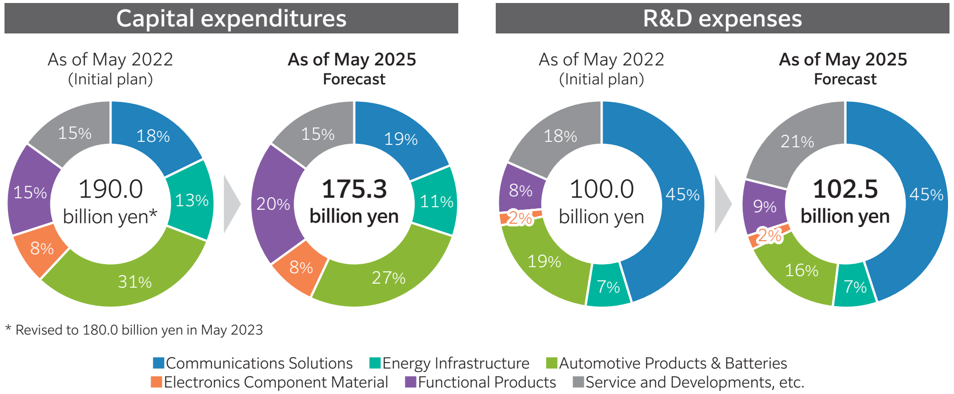
We established a 50.0 billion yen strategic investment limit for the period of the 2025 Medium-term Plan. Unlike capital expenditures, this is intended to drive discontinuous growth, including through M&As. Having already executed several strategic investments, our policy is to continue allocating funds flexibly to promising projects that can drive future growth. In line with the basic policies of our capital strategy outlined earlier, we will pursue agile investments that capture growth opportunities while maintaining financial soundness.

Regarding capital expenditures, we reduced costs and optimized allocation through adjustments to timing, content, and specifications in response to changes in the business environment and a review of our focus areas. As a result, we expect capital expenditures to be around 10.0 billion yen below the initial plan of 190.0 billion yen under the 2025 Medium-term Plan period. Our R&D spending has progressed largely in line with plan, particularly in the Communications Solutions business, and we are continuing to make focused investments aimed at future business growth.

Business portfolio optimization and allocation of management resources



Capital expenditures and R&D expenses (FY2022–2025 cumulative)



* Revised to 180.0 billion yen in May 2023

Ensuring the soundness of our financial base

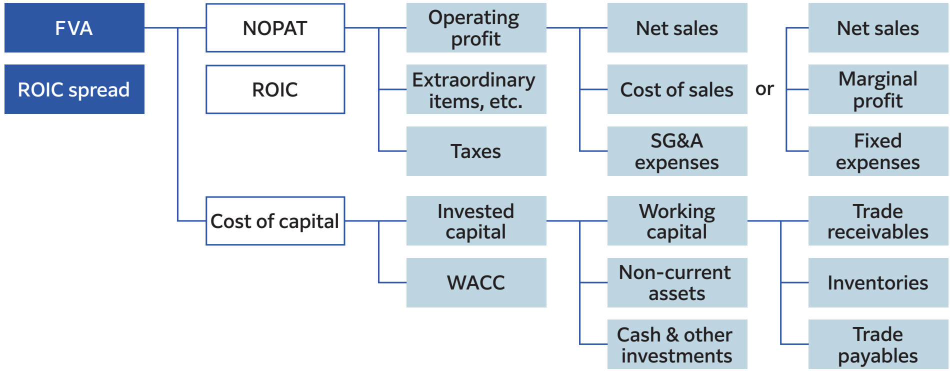
Business operating using management indicators (e.g., ROIC, FVA)

In addition to net sales and operating profit, the Group sets various other financial targets, such as ROIC, ROE, net D/E ratio, and equity capital ratio, and we apply these indicators rigorously to practice quantitative management across our individual business operations.

We place particular emphasis on securing profitability that exceeds the cost of capital. While keeping ROE in mind, we focus on management that emphasizes ROIC, a more fundamental indicator of capital efficiency. The key question is how much value we generate relative to invested capital. By sharing this perspective across both management and frontline operations, we enable more effective decision-making.

To this end, we introduced Furukawa Value Added (FVA), an internal adaptation of EVA, and have promoted its use in the Company as a business management and evaluation indicator alongside ROIC. Because the Group operates a wide range of businesses, it is extremely important to use and apply common indicators across business divisions and group companies. By introducing FVA, we are instilling initiatives to improve both profitability and working capital throughout the Group. We believe that embedding business operations at the operational level using such management indicators will form a crucial foundation for future management.

FVA tree



Improving the PBR and equity capital ratio

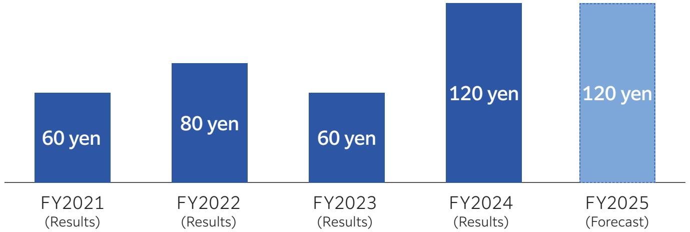
The financial targets set out in the 2025 Medium-term Plan will, once achieved, enable us to stably maintain a PBR above 1x. By clearly presenting a path toward achieving Vision 2030 and linking it to growth expectations, we believe we can further improve our PBR in the future.

Raising our equity capital ratio is another metric we should keep in mind. This is particularly important in transactions with overseas companies, where the ratio is a key measure of financial soundness and creditworthiness. A high equity capital ratio serves as proof of a company's credibility and supports expansion of business opportunities, so we will continue reducing interest-bearing debt to increase the ratio.

Stable and ongoing shareholder returns

Regarding shareholder returns, our basic policy is to provide stable and ongoing returns, with dividends linked to performance and a target payout ratio of 30% of profit attributable to owners of parent. For FY2024, we paid an annual dividend of 120 yen per share, and for FY2025 we also forecast an annual dividend of 120 yen per share. We will continue striving to achieve our financial targets and deliver dividends in line with our shareholder return policy.

Annual dividend per share



	FY2021 (Results)	FY2022 (Results)	FY2023 (Results)	FY2024 (Results)	FY2025 (Forecast)
Profit attributable to owners of parent	10.1 billion yen	15.9 billion yen	6.5 billion yen	33.4 billion yen	36.0 billion yen
Payout ratio	41.8%	35.4%	64.9%	25.3%	23.5%

Role of Finance in Achieving Vision 2030

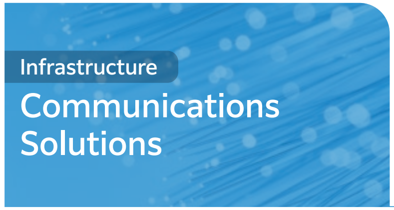
We recognize that the market expects the Group to deliver sustainable growth. To meet this expectation, we must continue making growth investments and steadily generate returns as a result. As General Manager of the Finance & Accounting Division, I believe my role is to clearly demonstrate using concrete figures how we are enhancing corporate value. In pursuing sustainable growth, the Group also places strong emphasis on non-financial and ESG indicators, and we will keep this in mind from the financial standpoint as well when allocating resources.

In our quest to achieve the 2025 Medium-term Plan and Vision 2030, I will provide firm financial support while maintaining a steady balance between growth investments and financial soundness.

Business Strategies

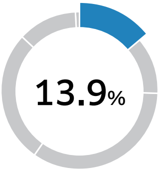
Business Overview and Review of FY2024

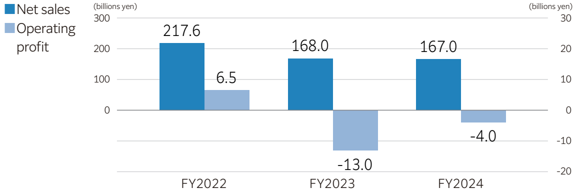
Percentage of total net sales | Net sales/Operating profit | Percentage of CO_2 emissions (excl. SF_6) | Carbon efficiency (vs. FY2021)

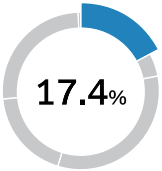


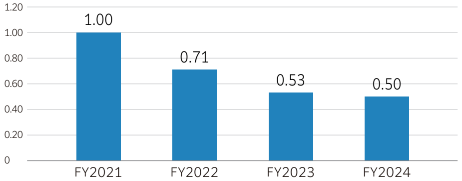
Infrastructure

Communications Solutions



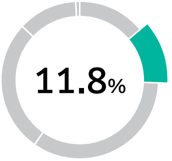


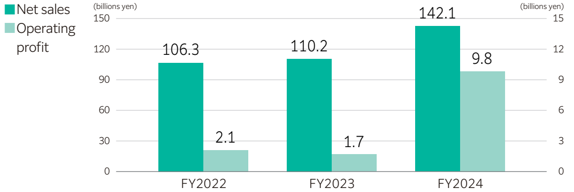


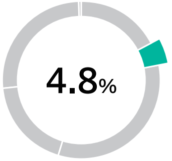


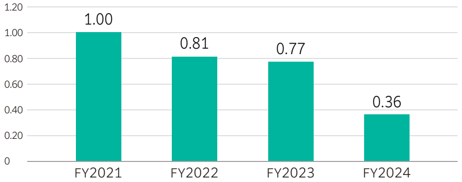
Infrastructure

Energy Infrastructure



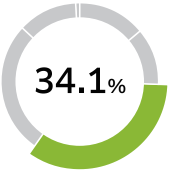


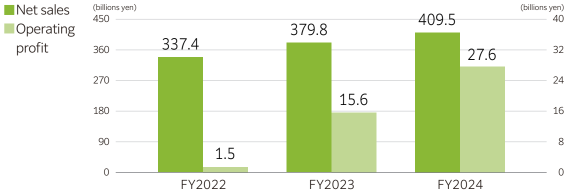


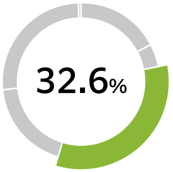


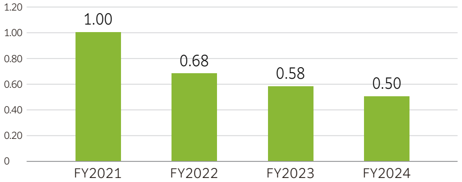
Electronics & Automotive Systems

Automotive Products & Batteries



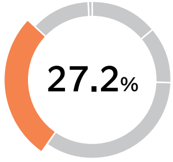


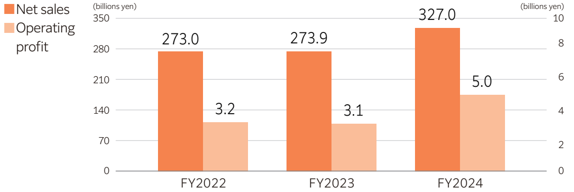


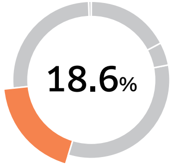


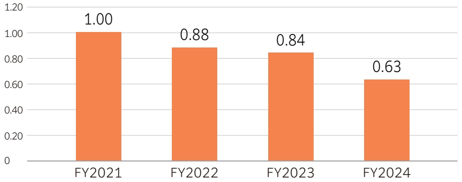
Electronics & Automotive Systems

Electronics Component Material



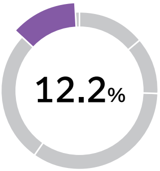


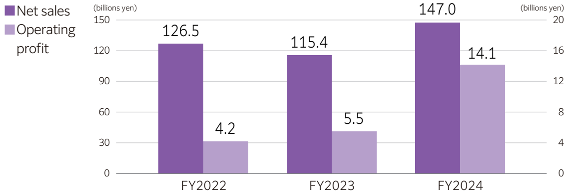


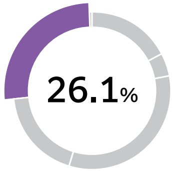


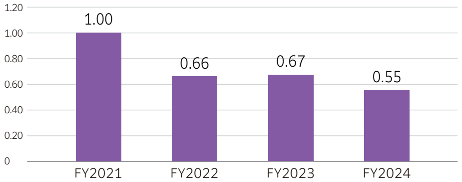
Functional Products

Functional Products









Note: FY2024 figures were restated on May 13, 2025, due to changes in certain business segments and sub-segments, as well as partial changes in head office expenses allocated from FY2025.
- The industrial laser business was transferred from the Electronics & Automotive Systems to the Service and Developments, etc., segment.
- Within the Infrastructure segment, the metal wire business was transferred from the Communications Solutions business to the Energy Infrastructure business.

Business Overview Main Products and Services

Infrastructure

Communications Solutions

Related markets and social issues
- 5G/B5G
- Resilient communication infrastructure
- Carbon neutrality

Main products and services

Optical solutions		• Optical fibers (e.g., low-loss, low-bending-loss, low-latency fibers, submarine fibers, specialty fibers) • Optical cables in general (incl. rollable ribbon cables) • LAN cable • Optical connection products (incl. MT ferrules) • Fusion splicers
FITEL products		• DFB lasers • Variable wavelength laser modules • Laser excitation modules • Optical transmission devices • Optical transceiver modules
Broadband solutions		• FTTH systems • Radio systems • Network routers

Infrastructure

Energy Infrastructure

Related markets and social issues
- Social and next-generation infrastructure
- Renewable energy
- Disaster prevention and mitigation

Main products and services

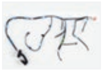
Power cable		• Extra-high-voltage/high-voltage underground cables (cables, components, installation) • Submarine transmission cables (cables, components, installation) • Water pipes (incl. installation)
Industrial cable & power cable accessories		• Industrial power cables • Heat-resistant power cables for vehicles • Power cables for ocean research vessels • Overhead transmission line accessories • Electrical power distribution accessories • Other functional products

Electronics & Automotive Systems

Automotive Products & Batteries

Related markets and social issues
- Automotive safety, weight reduction, and electrification
- Carbon neutrality and circular economy

Main products and services

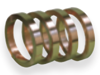
Wire harnesses		• Aluminum wire harnesses • Corrosion-proof terminals (Alpha Terminal) • Products using flat cables
High-voltage products		• High-voltage wire harnesses, high-voltage junction boxes, high-voltage busbar products, and large-current high-voltage connectors • Wire harnesses inside the battery pack
Functional products		• Steering roll connectors (SRCs) • Lead battery state sensor (BSS) • Peripheral monitoring radar

Electronics & Automotive Systems

Electronics Component Material

Related markets and social issues
- xEVs
- Circular economy
- Data centers and AI servers
- Healthcare

Main products and services

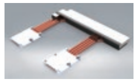
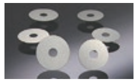
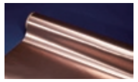
Electric conductors		• Oxygen-free copper wires • Copper wires and alloy wires • Aluminum wires • Fine magnet wires
Copper & high performance material products		• Oxygen-free copper strips • Copper alloy strips • Resistance materials • Ni-Ti alloy (medical-use)

Functional Products

Functional Products

Related markets and social issues
- Renewable energy
- Communications infrastructure
- Mobility

Main products and services

At & functional plastics		• Tape for semiconductor process • Protective conduits for cables • Troughs made from recycled materials • Insulation materials • High-performance foam
Thermal management solutions & products		• High-performance heat sinks and heat pipes • 3D vapor chambers • Thermal dissipation products (e.g., water-cooling modules)
Memory disks		• Aluminum blanks for HDDs
Copper foil		• Electrolytic copper foil for printed wiring boards • Electrolytic copper foil for batteries

Infrastructure

Communications Solutions

Toshihiko Ota

Corporate Senior Vice President and
General Manager of Communications Solutions Division

Business Environment Analysis

Business environment

Key revenue opportunities

- Increased data traffic worldwide (high speed, large volume, low latency, energy saving)
- Expansion of data centers, widespread use of AI technology, B5G, cloud services, and advances in IoT

Major risks and threats

- Impact of US tariffs
- Trade friction between the US and China
- Supply chain problems
- Soaring personnel expenses, energy costs and raw material expenses due to inflation

Strengths

- Global production network in growing markets
- Differentiation through high-performance products and technologies (e.g., optical fiber and cable, digital coherent and IP network technologies)

Challenges

- While taking into consideration the business environment, maximally utilize the global production network to provide optimum solutions to the market

2025 Medium-term Plan: Business Strategy

Basic policy

Contribute to “creating global infrastructure combining information, energy, and mobility” as set forth in Vision 2030 by evolving the elemental telecommunications technology accumulated over the years and providing further solutions.

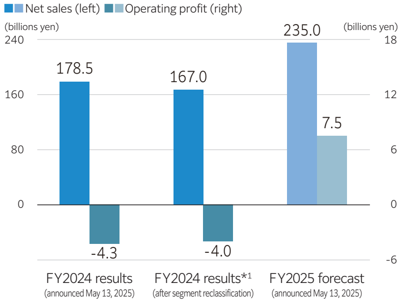
Main strategies

Telecommunications domain: Secure a key position in the supply chain and provide high-value-added product solutions that contribute to “energy saving” in data transmission
Non-telecommunications domain: Provide high-value-added product lineups and services for contributing to the generation, transmission, and detection of data and energy that will lead to “increased safety and quality of life”

Optical solutions: Capture as much data center demand as possible, build a system for increasing North America cable sales, and expand solution sales
FITEL products: Capture as much data center demand as possible, expand the lineup in partnership with FFOC, and develop products for CPO
Broadband solutions: Capture as much CATV demand in Japan as possible, and promote co-creation with other companies

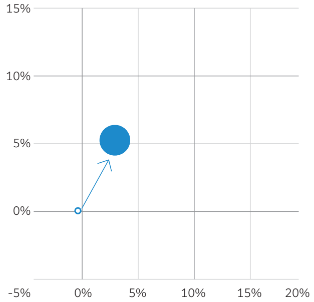
2025 Medium-term Plan Targets (Net sales/Operating profit, ROIC)

Net sales/Operating profit



ROIC (FY2021 results → FY2025 forecast)

Vertical axis: Net sales CAGR*2 (FY2017–2021 → FY2021–2025)
Horizontal axis: ROIC*3 (FY2021 → FY2025)
Bubble: NOPAT*4,5 (FY2021 → FY2025)



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*2 CAGR: Compound annual growth rate
*3 ROIC: Return on invested capital (after taxes)
*4 NOPAT: Calculated as net income + interest expenses after taxes in accordance with IFRS
*5 Negative values are displayed as white-filled bubbles.

Priority Measures in the 2025 Medium-term Plan: Maximizing Profits in Existing Businesses with a Focus on Capital Efficiency

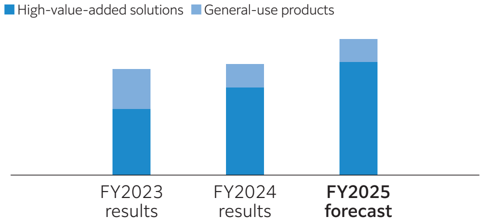
Optical fiber and cable

	FY2024	FY2025 (final year of the 2025 Medium-term Plan)

Business environment	• Strong demand in the data center market
	• Telecommunications market showing signs of gradual recovery from the latter half of FY2024, but sales remained sluggish, particularly in North America and LATAM
		• Continued strong growth of the data center market
		• Continued signs of recovery in the telecommunications market
		  · Driven by demand for dark fiber
		  · BEAD*6 demand outlook unclear
		*6 BEAD: Broadband Equity Access and Deployment Program

Initiatives	• Capture robust demand related to data centers and telecommunications • Expand the product lineup (including high-value-added products) and strengthen the supply system • Strengthen marketing activities and improve manufacturing systems	• Continue promoting sales, expanding production, and broadening solutions for the data center market • Establish North American cable sales expansion system

Sales of optical fiber and cable



Infrastructure

Energy Infrastructure

Eiichi Nishimura

Corporate Senior Vice President and
General Manager of Energy Infrastructure Division

Business Environment Analysis

Business environment

Key revenue opportunities
- Rapidly growing demand centered on renewable energy projects
- Growing demand for products for next-generation digital infrastructure(e.g., data centers)

Major risks and threats
- Late to secure the personnel needed to expand the business
- Changes by customers to the timing of large projects
- Soaring raw material prices

Strengths

- Extensive extra-high-voltage underground and submarine power cable experience in Japan and overseas
- Development of technology centered on submarine cable
- High-value-added products based on polymer and metal material technologies

Challenges

- Steadily secure orders for renewable energy projects, and secure manufacturing capacity
- Maximize synergies from the integration of the metal wire business
- Create a more specific plan for expanding the direct current business (wide-area interconnection submarine power cable)

2025 Medium-term Plan: Business Strategy

Basic policy

Contribute to building safe, peaceful, and rewarding social infrastructure through unique products and technology, and expand the business

(1) Safe: Become carbon neutral in 2050
(2) Peaceful: Disaster prevention and mitigation (town planning for mitigating disasters)
(3) Rewarding: Respond to the aging society and build next-generation infrastructure (people-oriented town planning)

Main strategies

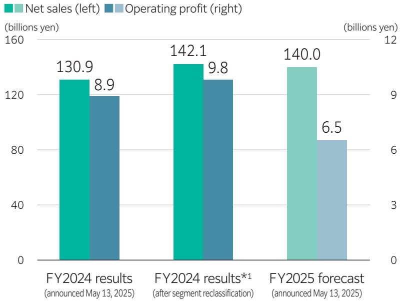
Achieve both business expansion and capital efficient management through strategic growth investments in the target segments

Power Cable target segments: Japan extra-high-voltage underground cables, Japan renewable energy (submarine and underground cables), and overseas submarine cables (Asia)

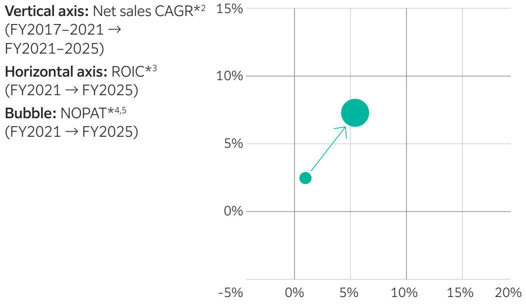
Industrial Cable & Power Cable Accessories target segments: Social infrastructure, Japan renewable energy, disaster prevention and mitigation, next-generation infrastructure

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

Net sales/Operating profit



ROIC (FY2021 results → FY2025 forecast)



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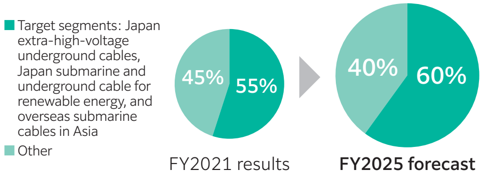
Priority Measures in the 2025 Medium-term Plan: Maximizing Profits in Existing Businesses with a Focus on Capital Efficiency

Power cable systems

	FY2024	FY2025 (final year of the 2025 Medium-term Plan)
Business environment	• Japan extra-high-voltage underground cables: Continued market growth due to demand for power cable replacement (OF replacement) • Japan submarine cables for renewable energy: Progress in harbor based large offshore wind power projects • Japan underground cables for renewable energy: Ongoing expansion of onshore wind and solar power generation projects	• Japan extra-high-voltage underground cables: Continued strong demand for power cable replacement (OF replacement) • Japan submarine/underground cables for renewable energy: Growing demand to address carbon neutrality initiatives Construction completed and operations started at harbor based large offshore wind power projects Concrete plan for offshore wind power projects in general sea areas
Initiatives	• Increase the ratio of target segments • Continue strengthening project management • Ensure proper implementation of large-scale projects already on order • Advance to the demonstration phase of technology development (elemental technology development phase largely completed)	• Continue increasing the ratio of target segments • Strengthen cable manufacturing and installation capabilities

Changing sales ratio of target segments



Electronics & Automotive Systems

Automotive Products & Batteries

Teruyoshi Uchida

Corporate Senior Vice President and
General Manager of Automotive Products Division

Business Environment Analysis

Business environment

Key revenue opportunities

- New emerging demand associated with automobile evolution (xEV and V2X)
- Spread of xEVs aimed at carbon neutrality, rising demand for environmental responsiveness, and growing momentum to promote a circular economy across the entire vehicle life cycle

Major risks and threats

- Growing geopolitical risks
- Global disruptions in procurement and logistics networks
- Sudden changes to customer production volumes

Strengths

- Technological capability to create products that combine the Group's accumulated core technology and automobile technology
- Eco-friendly product capability to support the spread of xEVs, including weight reduction through aluminum wire harnesses (Alpha Terminal) using green energy and contribution to power source management

Challenges

- Create next-generation products that combine information, energy, and mobility through co-creation with partners
- Promote automation to strengthen BCM compliance and ensure a stable supply of high-quality products in response to local production and local consumption needs

2025 Medium-term Plan: Business Strategy

Basic policy

As decarbonization accelerates toward becoming carbon neutral, evolve the existing products and create new businesses in response to the requests for low environmental impact and safety, and contribute to power management, light weight, response to safety, and vehicle electrification.

Main strategies

Wire harnesses: Expand the application of aluminum wire harnesses leveraging the superiority and high reliability of the Alpha Terminal, and promote light weight

Steering roll connectors (SRCs): Develop solutions to support high-speed communications and vehicle evolution

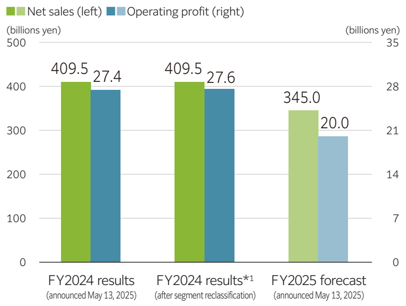
Lead battery state sensor (BSS): Improve fuel efficiency and power consumption, and secure power source reliability

Radar: Increase adoption of high-performance next-generation products (including response to cybersecurity)/ Enter the construction equipment, industrial vehicle, and traffic infrastructure markets

High-voltage products: Utilize the Company's technological strengths (processing technology and materials capabilities) for the increased use of high-voltage components following the changes to vehicle systems resulting from the shift to high-voltage/large current and EVs

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

Net sales/Operating profit

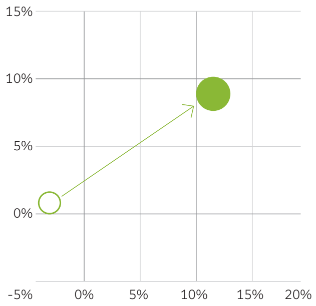


ROIC (FY2021 results → FY2025 forecast)

Vertical axis: Net sales CAGR*2 (FY2017–2021 → FY2021–2025)

Horizontal axis: ROIC*3 (FY2021 → FY2025)

Bubble: NOPAT*4,5 (FY2021 → FY2025)



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[1] FY2024 figures were restated on May 13, 2025, due to changes in certain business segments and sub-segments, as well as partial changes in head office expenses allocated from FY2025.
- The industrial laser business was transferred from the Infrastructure segment (Communications Solutions) to the Service and Developments, etc., segment.
- Within the Infrastructure segment, the metal wire business was transferred from the Communications Solutions business to the Energy Infrastructure business.

[2] CAGR: Compound annual growth rate

[3] ROIC: Return on invested capital (after taxes)

[4] NOPAT: Calculated as net income + interest expenses after taxes in accordance with IFRS

[5] Negative values are displayed as white-filled bubbles.

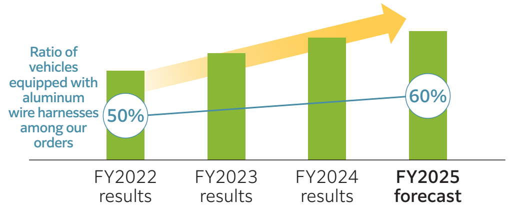
Priority Measures in the 2025 Medium-term Plan: Maximizing Profits in Existing Businesses with a Focus on Capital Efficiency

Wire harnesses

	FY2024	FY2025 (final year of the 2025 Medium-term Plan)
Business environment	• Customer production plans stabilizing in general • Expansion of vehicle models equipped with aluminum wire harnesses	• Customer production plans expected to be on par with previous year • Increasing demand for weight reduction and high-voltage systems to expand xEV adoption • Increased demand for local production for local consumption amid growing geopolitical risks
Initiatives	• Develop and expand sales of products for the xEV market, including aluminum wire harnesses and high-voltage-compatible products • Establish an optimal production system to address customer needs and market changes	• Win greater orders for aluminum wire harnesses and develop and expand sales of high-voltage products • Continue building production systems capable of addressing geopolitical risks and market changes (e.g., multi-site production, shared production lines, automation)

Sales of wire harnesses

From 70 models in FY2022 to
more than 100 models in FY2025



Electronics & Automotive Systems

Electronics Component Material

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

Business Environment Analysis

Business environment

Key revenue opportunities

- Increasing demand stemming from vehicle electrification and autonomous driving
- Rising demand for non-magnetic and heat-dissipation products to address increasing data traffic
- Growing need for minimally invasive medical treatment

Major risks and threats

- Need for alternative materials due to soaring prices of raw materials
- Supply chain disruption due to geopolitical risks and natural disasters

Strengths

- Material development and proposal capabilities tailored to customer needs
- Ability to provide high-performance, high-quality, oxygen-free copper and copper alloy products
- Production system using renewable energy from hydroelectric power generation

Challenges

- 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

2025 Medium-term Plan: Business Strategy

Basic policy

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.

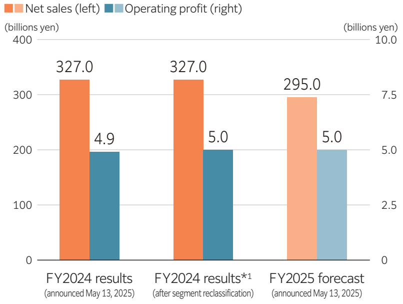
Main strategies

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 the production capacity of enamel wires
- Increase added value by expanding copper alloys and plating products and improving the product mix
- Contribute to advanced medical care by increasing the production capacity of nickel-titanium (NT) alloy products and developing new products

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

Net sales/Operating profit



ROIC (FY2021 results → FY2025 forecast)

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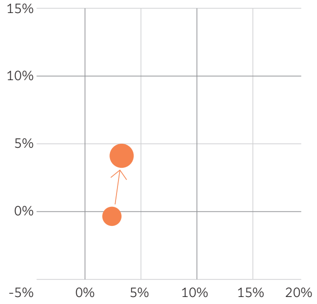

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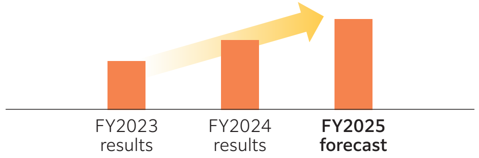
Priority Measures in the 2025 Medium-term Plan: Maximizing Profits in Existing Businesses with a Focus on Capital Efficiency

Copper & high performance material products

	FY2024	FY2025 (final year of the 2025 Medium-term Plan)
Business environment	• Continuing to evaluate and adopt materials and devices that support vehicle electrification and autonomous driving; limited recovery in demand for in-vehicle products • Growing demand for data center products • Sluggish demand for electronics-related products	• Continued market introduction of materials and devices that support vehicle electrification and autonomous driving • Shift toward high-reliability, high-performance products due to growing data traffic • Growing social demands regarding the environment (e.g., reducing CO_2 emissions, recycling of copper and precious metals)
Initiatives	• Continue improving the product mix through new development and increased sales of high-value-added products (increase sales of heat-resistant oxygen-free copper strips for power semiconductors and enhance the lineup of resistance materials) • Decision to optimize sales pricing and withdraw from the reflow tin plating business (March 2026) • Develop copper and precious metal recycling technologies	• Develop and reliably supply high-performance materials with properties tailored to customer needs · Realize advanced thermal management solutions · Effectively minimize electronic component malfunctions • Practice clean manufacturing · Contribute to a decarbonized society through hydroelectric power · Help save resources through improved copper and precious metal recycling technologies

Sales of key products



Functional Products

Functional Products

Ryoji Ono
Corporate Executive Vice President and
General Manager of Functional Products Division

Business Environment Analysis

Business environment

Key revenue opportunities

- Further growth of telecommunications and social infrastructure demand resulting from increased data traffic and more widespread use of 5G
- Solving social issues such as the SDGs and carbon neutrality

Major risks and threats

- Supply instability within the supply chain caused by geopolitical risk
- Soaring raw material and transportation costs

Strengths

- Well-differentiated, strong technological capabilities and patents
- Rapid, thorough customer service that combines engineering and sales

Challenges

- Maintain and improve the design and development capabilities for continuing to generate well-differentiated technology
- Further promote initiatives directed at further advancement of BCP through site optimization and reducing environmental impact, including carbon neutrality

2025 Medium-term Plan: Business Strategy

Basic policy

Create in partnership with the customer, and provide solutions.

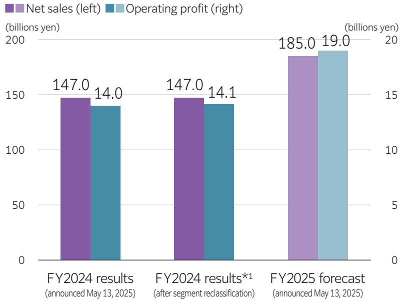
Support the growing telecommunications and social infrastructure markets by leveraging our strengths in proposing and developing products that match customer needs.

Main strategies

- Continue to develop products that swiftly respond to changing customer requirements, continue to provide electronics products with an awareness of "high performance" and "well-differentiated" to growing markets, and support the telecommunications and social infrastructure markets.
- Contribute to realizing a sustainable society and secure the next-generation profit base by leveraging "differentiation" aimed at solving social issues such as creating a framework for becoming carbon neutral and by launching new products for Society 5.0 for the SDGs.

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

Net sales/Operating profit



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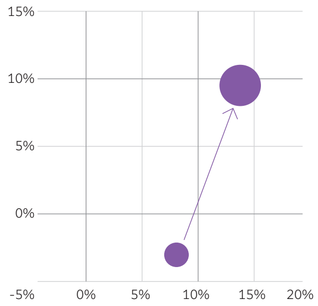

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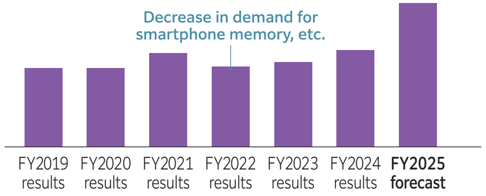
Priority Measures in the 2025 Medium-term Plan: Maximizing Profits in Existing Businesses with a Focus on Capital Efficiency

Tape for semiconductor process

	FY2024	FY2025 (final year of the 2025 Medium-term Plan)
Business environment	• Market driven by demand for AI and data centers • Steady data center–related demand but slow recovery in demand for general-purpose semiconductors	• Increasing demand for high-performance semiconductors driven by the spread of generative AI • Growth in the semiconductor market driven by AI and data centers with other sectors showing gradual recovery as well
Initiatives	• Strengthen the supply system through the launch of the AT Mie 2nd Plant • Enhance next-generation readiness by developing cutting-edge process products and acquiring certifications	• Establish a mass production framework across three plants in Hiratsuka and Mie through the launch of the AT Mie 2nd Plant • Accelerate expansion into growth markets by increasing sales of products for cutting-edge processes

Sales of tape for semiconductor process



Note: All figures conform to the new accounting standard.

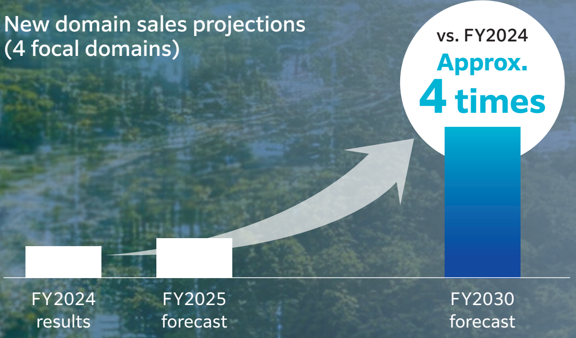
Feature Article
2

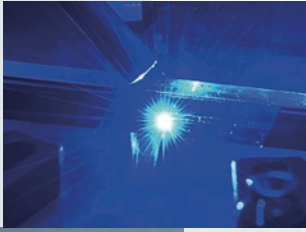
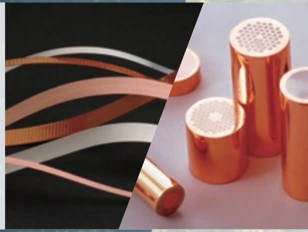
Creating businesses that solve social issues

Pursuing challenges in new business domains

The Group identifies "Creating businesses that solve social issues" as material issues of revenue opportunities. Under the 2025 Medium-term Plan, we are "Building a foundation for creating new businesses" as a key initiative. We are working particularly hard to strengthen efforts in four new focal domains—life sciences, laser applications, superconductors, and green LPG. We project that sales from the commercialization of these businesses in FY2030 will be about four times the level of FY2024.

New domain sales projections (4 focal domains)



		Main current initiatives and progress	Future activities and vision	
Life sciences	Leveraging the Group's proprietary technologies (such as shape memory alloys and optical technologies), we will take on the challenge of creating businesses in the new field of life sciences through co-creation with medical device manufacturers.	• Secure manufacturing capacity by making MFOPTEX Co., Ltd., a subsidiary • Obtain ISO 13485 certification for medical device design and development capabilities	• Leverage our strengths in optical fiber, lasers, catheters, guidewires, and balloons to develop a contract development and manufacturing business targeting medical device manufacturers	
Laser applications	In addition to industrial lasers for copper cutting and welding, we are developing new products, such as the Infrastructure Laser for removing rust and paint from infrastructure facilities, and we are working to expand industrial applications for our long-cultivated optical communication laser technologies.	• Commercialize Infrastructure Laser (adopt compact stationary units in the railway sector) • Promote collaboration with Nichia Corporation (establish joint industrial laser laboratory "CELL")	• Integrate Infrastructure Laser into our industrial laser business to enhance customer appeal • Leverage CELL to accelerate co-creation with customers • Expand the product lineup and reach a broader market	
Superconductors	A distinguishing feature of the Group is that it can manufacture both low-temperature superconducting wires that function at liquid helium temperatures and high-temperature superconducting wires that function at liquid nitrogen temperatures. We are also pursuing new initiatives, including supplying materials for nuclear fusion reactor development, which has seen growing interest in recent years.	• Develop and increase production of high-temperature superconducting materials • Invest in Tokamak Energy (United Kingdom), a fusion reactor developer, and sign a supply agreement for high-temperature superconducting wires • Strengthen the coil business to address the expanding high-field magnet market	• Accelerate market initiatives for superconducting applications through improved co-creation and collaboration with partner companies • Develop and increase sales of high- and low-temperature superconducting wires for fusion reactor development	
Green LPG	Leveraging our proprietary Ramune Catalytic technology, we are working to develop and commercialize technology to synthesize LPG from methane. We are strengthening our efforts in this business, which is expected to help address energy problems and the quest for carbon neutrality.	• Currently constructing a demonstration plant (in Shikaoi, Hokkaido) to produce LPG from methane gas generated from livestock manure	• Field tests to begin in FY2025 at the demonstration plant in Shikaoi, Hokkaido • Expand this business domain through strengthened co-creation and collaboration with partner companies	

Furukawa Electric Group's Digital Transformation (DX)

Website: Digital transformation at Furukawa Electric

Basic Approach

Leveraging digital technologies, the Group is driving transformation in both business operations and work styles with the aim of enhancing corporate value.

To this end, we established a dedicated organization called the Digital Transformation & Innovation Center (DXIC). Its role is to build an integrated framework that will handle multiple functions—planning and drafting of manufacturing (*monozukuri*) DX, development of AI/IoT solutions, and planning, implementation, and operation of IT infrastructure and core business systems.

We will further refine the direction of our medium-term productivity reforms by actively incorporating generative AI and other evolving technologies.

Furukawa Electric Group DX Vision

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.

DX Strategy

Under the 2025 Medium-term Plan, we are accelerating DX initiatives aimed at realizing "manufacturing (*monozukuri*) DX," "fast acting management" (accelerated management decision cycles through digitalization), and "value creation (*kotozukuri*) DX" (creating new businesses leveraging DX). To this end, we are focusing on four DX promotion pillars.

Four DX promotion pillars

(1) Renew aging systems
(2) Accumulate data and widely adopt digital technologies
(3) Strengthen IT governance and raise the security level
(4) Reinforce the DX promotion framework and develop digital talent

- Manufacturing (*monozukuri*) DX
- Fast acting management
- Value creation (*kotozukuri*) DX

TOPICS

Recognized as a DX-certified operator by Japan's Ministry of Economy, Trade and Industry (METI)

DX認定

Received positive assessment for developing a system based on our DX Vision and leveraging digital technologies

News release Recognized as DX-certified operator by METI (June 13, 2023) [Japanese only]

Initiatives

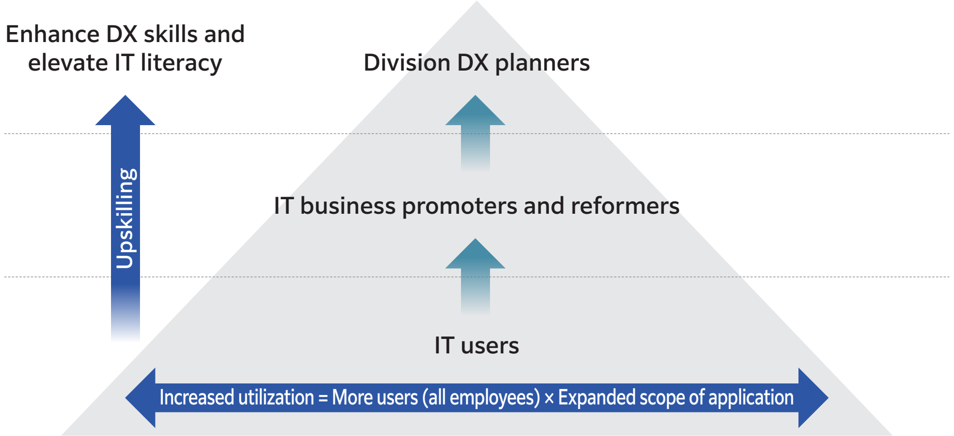
Promote AI utilization in manufacturing (*monozukuri*) DX

To realize more efficient manufacturing (*monozukuri*) and fast acting management, we are building AI-based digital solution "templates" and rolling them out across the entire Group.

- **Automated image inspection:** Using AI to replace visual inspection with automated quality judgment
- **Enhanced materials development efficiency:** Introducing AI into materials development (MI: materials informatics)
  Shorten development periods and accelerate new product market entry
- **Process anomaly detection and optimization:** Using AI to detect abnormalities in manufacturing processes and propose optimal conditions
- **Real-time production improvement:** Visualizing equipment operation and flows of materials, people, and information to enable real-time monitoring and enhanced production efficiency

Develop digital talent

In addition to developing talent to lead DX promotion, we are working to raise the IT literacy of all employees (strengthening and enhancing their knowledge and application skills) by incorporating advances in generative AI and other tools while expanding users and the scope of application.



Research & Development

Annual Securities Report Item 2. [Overview of Business] 6 [Research and Development Activities]
Website: R&D

Basic Approach

Under the Furukawa Electric Group Purpose, we conduct R&D aimed at achieving our Vision 2030, which focuses on solving social issues in the integrated domains of information, energy, and mobility.

•R&D policy

Create new businesses designed to solve social issues through the advancement and utilization of the four core technologies of metals, polymers, photonics, and high-frequency. In addition, create new value together with partners through open innovation.

•R&D vision

Based on technologies cultivated through our strengths in materials, we will harness the Group's power under the theme of "helping realize a society where people can live comfortably." Our aim is to benefit society using our materials technologies.

R&D Strategy

Deepening and integrating core technologies

Building on and deepening our four core technologies—metals, polymers, photonics, and high-frequency—we are developing technologies that help solve social issues.

Main recent initiatives

- Lineup of data center products and future technology development for next-generation data centers (e.g., photonics-electronics convergence, hollow-core fiber, liquid-cooling for thermal products)
- Light weight solutions for next-generation mobility (high-durability aluminum) and high-performance solutions for power semiconductors (oxygen-free copper)
- Next-generation mobile network support (high-performance functional plastics)

Strengthening foundational technologies

An important initiative in our R&D strategy is to strengthen our foundational technologies in such areas as materials science (based on material strengths cultivated since our founding), manufacturing process innovation, and analysis and simulation. As part of this effort, we are also advancing software development with the aim of conducting R&D that integrates both manufacturing (*monozukuri*) and value creation (*kotozukuri*) based on a software-defined approach.

Exploring new technology frontiers

We are developing technologies in new fields, such as life sciences, laser applications, superconductors, and green LPG, which are designated as focus themes under the priority measures of "Building a foundation for creating new businesses" in the 2025 Medium-term Plan.

Main recent initiatives

- Developing solutions in the life sciences field (medical devices)
- Developing infrastructure solutions using high-power fiber lasers and blue lasers
- Developing green LPG generation technology and building a bench plant for practical application
- R&D on high-temperature superconducting technologies for medical devices, next-generation mobility, and fusion reactors
- R&D related to outer space

Promoting industry–government–academia collaboration and co-creation

By deepening industry–government–academia collaboration and co-creation with stakeholders, we aim to create new value to help resolve social issues and accelerate technological innovation. In April 2025, we established a co-creation organization and hub called the Circular Economy Design Center (CDC) with the aim of accelerating technology development and business activities related to resource recycling.

Indicators and Targets

We have set "R&D expense growth rate for new businesses (compared with FY2021)" as a sustainability indicator for material issues of revenue opportunities under the slogans of "Open, Agile, Innovative" and "Building partnerships with various stakeholders." In FY2024, the growth rate reached 133%, achieving the target of 125%.

Materials issues: "Open, Agile, Innovative" and "Building partnerships with various stakeholders"

Indicator ★: Sustainability indicator	Scope	Result			Target		
		FY2022	FY2023	FY2024	FY2023	FY2024	FY2025
★ R&D expense growth rate for new businesses (compared with FY2021)	Group	116%	121%	133%	125%	125%	125%

Intellectual Property

Annual Securities Report Item 2. [Overview of Business] 2 [Approach and Initiatives toward Sustainability] (4) Intellectual property
Website: Intellectual Property Report

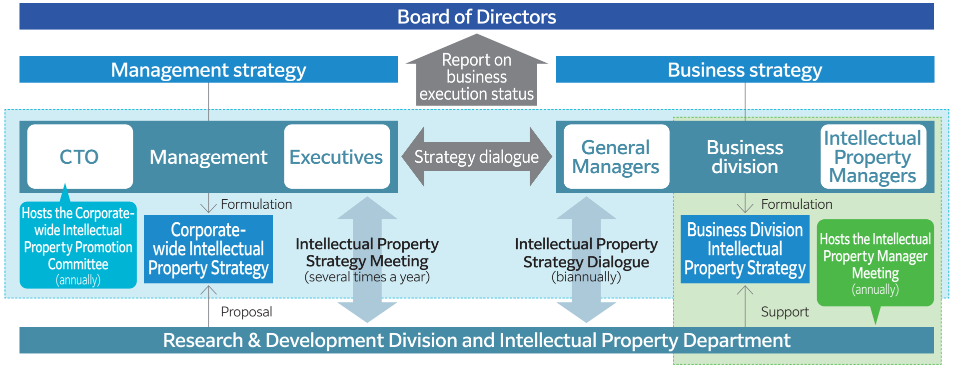
Basic Approach

The Group considers its intellectual assets as crucial management resources. Such intellectual assets include not only intellectual property such as patents and know-how, which are the sources of our strength, but also human assets, organizational capabilities, and customer networks. To enhance utilization of them, we have formulated our Group's basic policy with the following three pillars. We promote Group and global intellectual property activities by integrating business, R&D, and intellectual property.

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.

Promotion system

We have established the Corporate-wide Intellectual Property Promotion Committee, chaired by the General Manager of the Research & Development Division (CTO). This committee determines corporate-wide IP activity policies and promotes activities led by IP managers who are assigned to each business and research division. We also hold Intellectual Property Strategy Meeting, an Intellectual Property Manager Meeting, and Intellectual Property Strategy Dialogues. The status of these activities is reported to and shared with the Board of Directors on a quarterly basis.



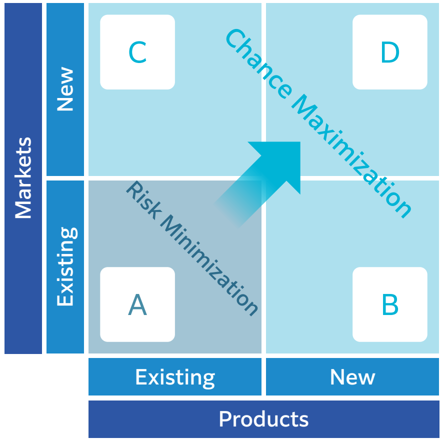
Intellectual Property Strategy

Based on the three basic policies, the Furukawa Electric Group is promoting intellectual property activities from the two perspectives of Chance Maximization (expansion of business opportunities) and Risk Minimization (business stabilization) in order to achieve the Vision 2030.

Chance Maximization: IP landscaping

The Group lists "Reinforcing management and business strategy planning capabilities using IP landscaping" as the first pillar of its intellectual property strategy. 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.

In the Quadrant of existing markets and products (Quadrant A), we aim to maximize profits in existing businesses with a focus on capital efficiency, and we are determining the soundness of our strategies in IP landscaping. On the other hand, in the Quadrants related to new markets and products (Quadrants 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. Specifically, we conduct research to anticipate future technologies and explore potential co-creation partners and new markets.



Risk Minimization

Quadrant A:
Maximize profits in existing businesses with a focus on capital efficiency

➡ **Determine the soundness of our strategies in IP landscaping**

Chance Maximization

Quadrants 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**

Note: 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").

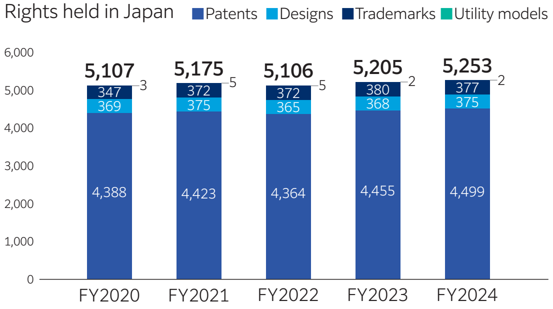
Risk Minimization: Intellectual property portfolio

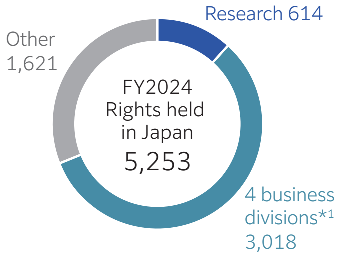
We minimize business risks by protecting our unique technologies that differentiate our products from others with IP rights and technical know-how. In the Quadrants of information, energy, and mobility, we develop and thoroughly use the IP portfolio on the basis of detailed competitor analysis in order to grow by enhancing businesses that solve social issues. In doing so, we support maximizing the revenue of existing businesses with a focus on capital efficiency toward achieving the 2025 Medium-term Plan.

Approximately half of the IP rights (patents, utility models, designs, and trademarks) held by the Company are related to optical fiber and cables, power cable systems, wire harnesses, and tape for semiconductor process. In these businesses, we will utilize IP through the Open and Close strategy and minimize business risks by reducing intellectual property risks.

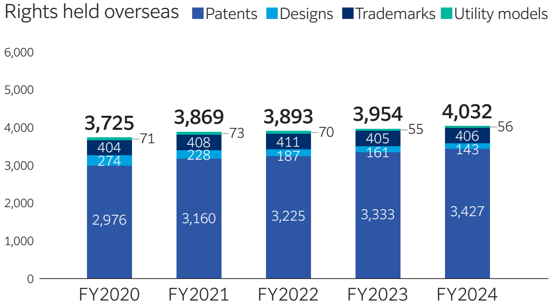
Number of IP rights held

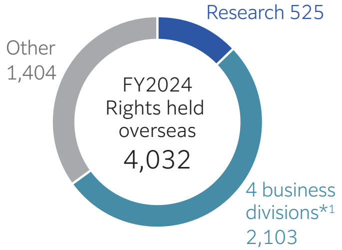
Rights held in Japan





Rights held overseas





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

Indicators and Targets

To promote IP landscaping activities aimed at enhancing our ability to formulate management and business strategies by incorporating intellectual property information into the strategic planning process, we have set the "implementation rate of IP landscaping for strengthening the businesses and themes for creating new businesses" as a sustainability indicator for one of the material issues of revenue opportunities. While the original target was to achieve 100% (implementation in all cases) by FY2025, we achieved this target ahead of schedule in FY2024.

Material issues: "Open, Agile, Innovative" and "Building partnerships with various stakeholders"

Indicator ★: Sustainability indicator	Scope	Result			Target		
		FY2022	FY2023	FY2024	FY2023	FY2024	FY2025
★Implementation rate of IP landscaping for strengthening the businesses and themes for creating new businesses	Group	40%	77%	100%	45%	100%[*2]	–[*3]

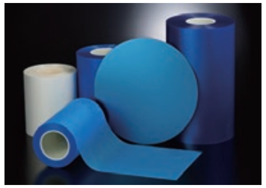
[*2] This means that all projects have been implemented with respect to the business enhancement and new business creation themes set as of 2022.
[*3] The target was achieved ahead of schedule in FY2024. In FY2025, we will further develop this into specific business activities.

TOPICS Specific Use Cases of IP Landscaping

Example 1: Strengthening existing businesses (Quadrants A and B)

Tape for semiconductor process

In response to the rapidly evolving semiconductor industry, we use IP landscaping to visualize our Group's technological strengths and anticipate future technological trends. This helps to reinforce our development strategy and contributes to the overall enhancement of our business competitiveness.



Example 2: Creating new businesses (Quadrant C)

Infrastructure Laser

Infrastructure lasers are a new product category based on our Group's semiconductor laser technologies, developed through our expertise in optical communications. In entering this new market, we used IP landscaping to analyze the IP landscape of both our company and competitors. This enabled us to secure IP rights in the target business area and formulate strategies to improve our appeal to customers and strengthen our competitive edge.

Co-creation with Stakeholders

Our Group aims to achieve sustainable growth and enhance corporate value over the medium to long term through co-creation with various stakeholders. In addition, the Group contributes to the sustainable development of society by maintaining and improving sound and positive relationships with all stakeholders through appropriate information disclosure and active communication.

		Relevant material issues ■Revenue opportunities ◆Risks	Issues to be resolved through our business	Main methods of 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.	■ Creating businesses that solve social issues ■ Building partnerships with various stakeholders	• Solving customers' issues by leveraging the Group's strengths • Realizing a circular economy	• Dialogue in everyday business • Dialogue at technology and other exhibitions • Dissemination of information through the website and other means • CSR survey from customers • Customer factory audit
Partners (suppliers)	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.	■ Building partnerships with various stakeholders ◆ Building a governance system to strengthen risk management/supply chain management, human rights, and labor practices	• Reducing greenhouse gas emissions throughout the supply chain • Respecting human rights in the supply chain • Pursuing responsible minerals sourcing • Realizing a circular economy	• Dialogue in everyday business • Partners meeting • Dissemination of information through the website and other means • Self-Assessment Questionnaire (SAQ) based on the CSR Procurement Guidelines • Announcement of the Partnership Building Declaration
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.	◆ Building a governance system to strengthen risk management/corporate governance	• Achieving sustainable growth and improvement of corporate value over the medium to long term	• General meeting of shareholders • Investor briefings • One-on-one meetings • Dissemination of information through the shareholder correspondence, Annual Securites Report, integrated report, website, and others
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.	■ Open, Agile, Innovative ◆ Strengthening human capital and organizational execution abilities	• Enhancing employee engagement • Developing human capital and ensuring fair evaluation and treatment • Pursing diversity & inclusion	• 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 • Activities to instill the Purpose
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.	■ Creating businesses that solve social issues ■ Open, Agile, Innovative ■ Building partnerships with various stakeholders	• 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	• 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
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.	■ Creating businesses that solve social issues/creating environment-friendly businesses ◆ Developing business activities that consider climate change	• Mitigating and adapting to climate change • Achieving carbon neutrality • Realizing a circular economy	• 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

Developing Business Activities That Consider Climate Change

Annual Securities Report Item 2. [Overview of Business] 2 [Approach and Initiatives toward Sustainability] (2) Climate change
Website: Environment

Basic Approach

Our Group has formulated the *Furukawa Electric Group Environmental Vision 2050*, which looks ahead to the year 2050. As part of our contribution to realizing a carbon-free society, we aim to achieve net zero greenhouse gas emissions across our entire value chain.

Furukawa Electric Group Environmental Vision 2050
(formulated in February 2021, partially revised in November 2024)

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.

- **Contribute to realizing a carbon-free society**
  Aiming for net zero greenhouse gas emissions across its entire value chain
- **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
- **Contribute to society in harmony with nature**
  Minimize the impact on ecosystems through value chain management that includes raw materials

Information Disclosure Based on the TCFD Recommendations

Recognizing that climate-related risks and opportunities are important management issues, we expressed our support for the Task Force on Climate-related Financial Disclosures (TCFD) in January 2020. Guided by the TCFD recommendations, our Group is enhancing its disclosure practices to strengthen trust with stakeholders. For further details, please refer to the "Annual Securities Report."

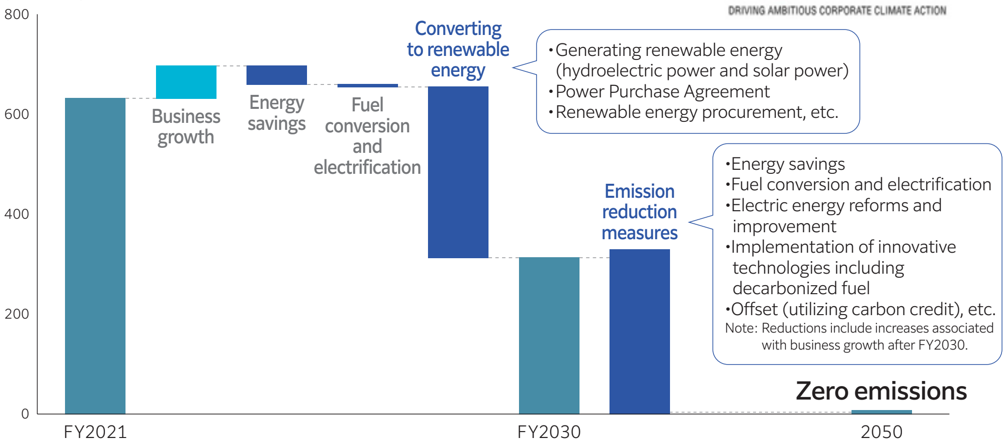
Our Group's Efforts toward Achieving Carbon Neutrality and Formulation of a Climate Transition Plan

We identify climate-related opportunities and risks and are working toward the realization of carbon neutrality by both capturing revenue opportunities and mitigating risks. Beginning in FY2023, we launched the formulation of a climate transition plan—a series of targets and actions to support the transition to a low-carbon economy—based on the "Guidance on Metrics, Targets, and Transition Plans" published by the TCFD.

As part of our measures to address risks, we are developing a roadmap for reducing greenhouse gas emissions from our business activities as an element of our climate transition plan, which aims to achieve the goals set out in our Environmental Vision 2050 and Environmental Targets 2030. We are also promoting initiatives to increase the use of renewable energy, such as the utilization of hydropower, installation of solar power facilities, and procurement of electricity derived from renewable sources. In addition, we are working to calculate and monitor GHG emissions across our value chain (Scope 3).

As for capturing revenue opportunities, during the 2025 Medium-term Plan period we are strengthening the foundation for stabilizing profits in existing businesses and creating new businesses. By 2030, we aim to address social challenges in each field while contributing to the realization of a carbon-neutral society.

**Greenhouse gas emissions from business activities (Scope 1&2)
A roadmap to achieve zero GHG emissions**



Note: Reductions include increases associated with business growth after FY2030.

Indicators and Targets

Under our Environmental Vision 2050, we have set the goal of aiming for net zero greenhouse gas emissions across its entire value chain. In addition, through our Environmental Targets 2030, we have established reduction targets for GHG emissions (Scope 1, 2, and 3). Among these, the targets for GHG emissions (Scope 1 and 2), as well as the ratio of renewable energy use to total electricity consumption, have been designated as sustainability indicators, with specific goals set for FY2025.

In FY2024, we promoted the installation of solar power generation facilities at our offices and production sites in Japan and overseas, and advanced the conversion of purchased electricity to renewable energy. As a result of these initiatives, we achieved the FY2024 targets.

Material issue: Developing business activities that consider climate change

Indicator ★: Sustainability indicator	Scope	Base year	Result			Target (Reference value)			Vision
			FY2022	FY2023	FY2024	FY2024	FY2025	FY2030	FY2050
★ Sales ratio of environmentally friendly products	Group	–	65.0%	65.9%	74.0%	68%	70%	–	–
★ GHG emissions reduction rate (Scope 1&2)*1	Group	2017	-36.8%	-45.4%	–	(-39%)*2	(-42%)*2	(-59%)*2	Net Zero
		2021	–	–	-34.8%	-14.0%	-18.7%	-42%	
GHG emissions reduction rate (Scope 3)	Group	2019	-6%	-11.3%	–	–	–	–	
		2021	–	–	-8.8%	-8.3%	-11.1%	-25%	
★ Ratio of renewable energy use to total consumption	Group	–	20.2%	31.6%	39.6%	25%	30%	50%	–

*1 The greenhouse gas emissions produced by our Group are mainly energy-derived carbon dioxide (CO_2) and sulfur hexafluoride (SF_6).
*2 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.

TOPICS Initiatives to Realize a Circular Economy

Leveraging the strengths of our metal and polymer technologies—two of our Group's four core technologies—we are advancing research and development related to metal and resin recycling and resource conservation. Building on these technologies, we are also developing business activities aimed at realizing a recycling-based society through co-creation with external partners.

Case 1

News release

DENSO, Companies Initiate Demonstration to Expand Automotive Recycling Process
- Project Contributes to Efforts to Realize a Circular Economy in the Industry - (April 9, 2024)

Case 2

News release [Japanese only]

Achieved approximately 8% CO_2 reduction through copper resource circulation
- Realized a scheme to circulate recycled copper materials derived from discarded home appliances into Panasonic products - (May 19, 2025)

Website: Waste Reduction, Effective Use of Resources

TOPICS Initiatives Based on the TNFD Recommendations

Our Group has expressed its support for the Task Force on Nature-related Financial Disclosures (TNFD) and joined the TNFD Forum in 2023. We will advance nature-related disclosures in line with the TNFD recommendations and work to further strengthen relationships of trust with our stakeholders.

We are currently working on the assessment of nature-related issues using the TNFD's LEAP (Locate, Evaluate, Assess, Prepare) approach.

Website: Initiatives Based on the TNFD Recommendations

Strengthening Human Capital and Organizational Execution Abilities

Annual Securities Report Item 2. [Overview of Business] 2 [Approach and Initiatives toward Sustainability] (3) Human capital

Website: Human Resources Management

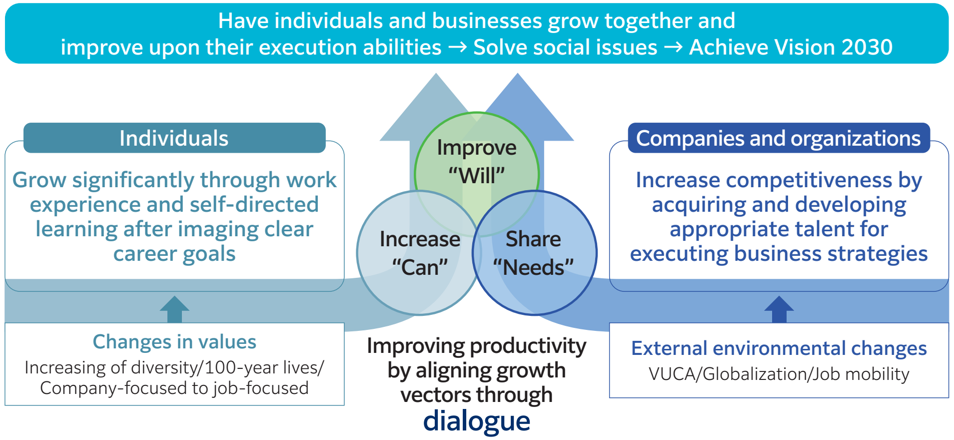
Basic Approach

We have positioned "Furukawa Electric Group People Vision" as our ideal state of people and organization toward achieving the "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.

Human Resources 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.

We define the necessary talent as individuals who, by leveraging the technological expertise and proposal capabilities that our Group has continuously and sincerely refined, can actively drive transformation toward creating businesses and generating value starting from the resolution of social issues. By bringing together such individuals to form organizations, supporting their growth, and enabling them to play active roles, we aim to foster an organizational culture where people can feel fulfillment and continue to thrive. We have outlined this story and are promoting specific initiatives by framing them around the three elements of Will, Can, and Needs.



Note: Prepared by the Company in reference to "Essential Competencies for the 100-year Life" issued by the Ministry of Economy, Trade and Industry in 2018

Indicators and Targets

We have set the "employee engagement score," the "ratio of female workers in managerial positions," and the "ratio of mid-career hires in total new hires" as sustainability indicators, with targets established for FY2025.

For the employee engagement score, the target for FY2024 was 77, but the actual result was 72, falling short of the goal. The main factors are considered to be changes in the composition of survey respondents—the proportion of the parent company and domestic group companies with relatively lower scores has increased—as well as changes in the business environment at overseas group companies. To improve this score, we will promote initiatives such as activities to instill the Purpose, revising management practices by managers, and enhancing dialogue within each department.

For the ratio of female workers in managerial positions, the target for FY2024 was 6%, but the actual result was 5.4%, also below the goal. This outcome was influenced by recruitment activities focused primarily on technical personnel in line with our business strategies, which slowed the overall increase in female hires and kept the ratio at the same level as the previous year. Going forward, we will strengthen the pipeline from recruitment through development and promotion, while also implementing individual follow-up programs for current and prospective female managers. Through these measures, we will continue persistent efforts to raise the ratio of women in managerial positions.

Material issue: "Strengthening human capital and organizational execution abilities"

Indicator ★ : Sustainability indicator	Scope	Result			Target		
		FY2022	FY2023	FY2024	FY2024	FY2025	FY2030
★ Employee engagement score[*1]	Furukawa Electric	65	63	–	–	–	–
	Group	–	76	72	77	80	85
★ Ratio of female workers in managerial positions	Furukawa Electric	4.8%	5.4%	5.4%	6.0%	7.0%	15.0%
★ Ratio of mid-career hires in total new hires[*2] (managerial positions, career-track, and clerical positions)	Furukawa Electric	45.7%	48.8%	54.4%	[*3] 30%	[*3] 30%	–

[*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 managerial positions, career-track, and clerical positions.

[*3] This means that about 30% will be maintained in each fiscal year.

TOPICS Initiatives Framed Around the Three Elements (Will, Can, Needs)

Human resource development

Development of management talent (Succession plan and development plan)

Will Can **Needs**

To secure the human resources necessary for executing our business strategies, we have formulated and implemented succession plans and development plans aimed at developing management personnel over the medium term. The Nominating/Compensation Committee monitors the appropriateness and operational status of the management personnel development system, and works methodically on the appointment of executive officers and succession plans for the CEO.

For general manager-level positions, we have continued implementing the plans and development programs formulated across all organizations in FY2023. For manager-level positions, we have developed succession plans with a focus on building a pipeline of future general manager candidates. In FY2025, we will formulate and implement development plans.

Reskilling initiatives

Will **Can** Needs

To clarify the career paths, competencies, and skills required for executing our business strategies, and to create an environment where individuals can set clear career goals and grow through self-directed learning, we introduced a new e-learning system in FY2024. This system enables “individuals can learn a wide variety of skills anytime, anywhere, and as often as they want.”

We are also working to maximize the effectiveness of learning by integrating e-learning into pre- and post-training components of conventional curricula. In addition, we provide opportunities for cross-organizational and cross-functional learning, enabling employees to learn from one another beyond the boundaries of their own teams.

Note: In our Group, reskilling is defined as “voluntary learning of knowledge and skills necessary for executing work, whether those are new or existing.”

Website: Talent Acquisition and Development

Employee engagement

Will Can Needs

As part of our efforts to address the management material issue of “strengthening human capital and organizational execution abilities,” we are working to cultivate a highly engaged organizational culture, where each employee resonates with our Purpose and feels motivated to grow and thrive. Based on the results of the employee engagement score from the “Furukawa E-survey,” our human resources division is promoting dialogue with each organization and advancing various initiatives to further enhance employee engagement.

Activities to instill the Purpose

In March 2024, our Group established the Furukawa Electric Group Purpose and revised our philosophy system, launching activities to instill the Purpose. In FY2024, we launched initiatives focused first on expanding awareness and then on deepening understanding and empathy. These included broad communication activities inside and outside the company through videos, posters, and other media, as well as various workshops designed to foster understanding and empathy for the Purpose among both management and employees.

Purpose workshops for directors and officers of domestic and overseas group companies

“My Purpose Workshops” for employees at domestic business sites

Website: Employee Engagement

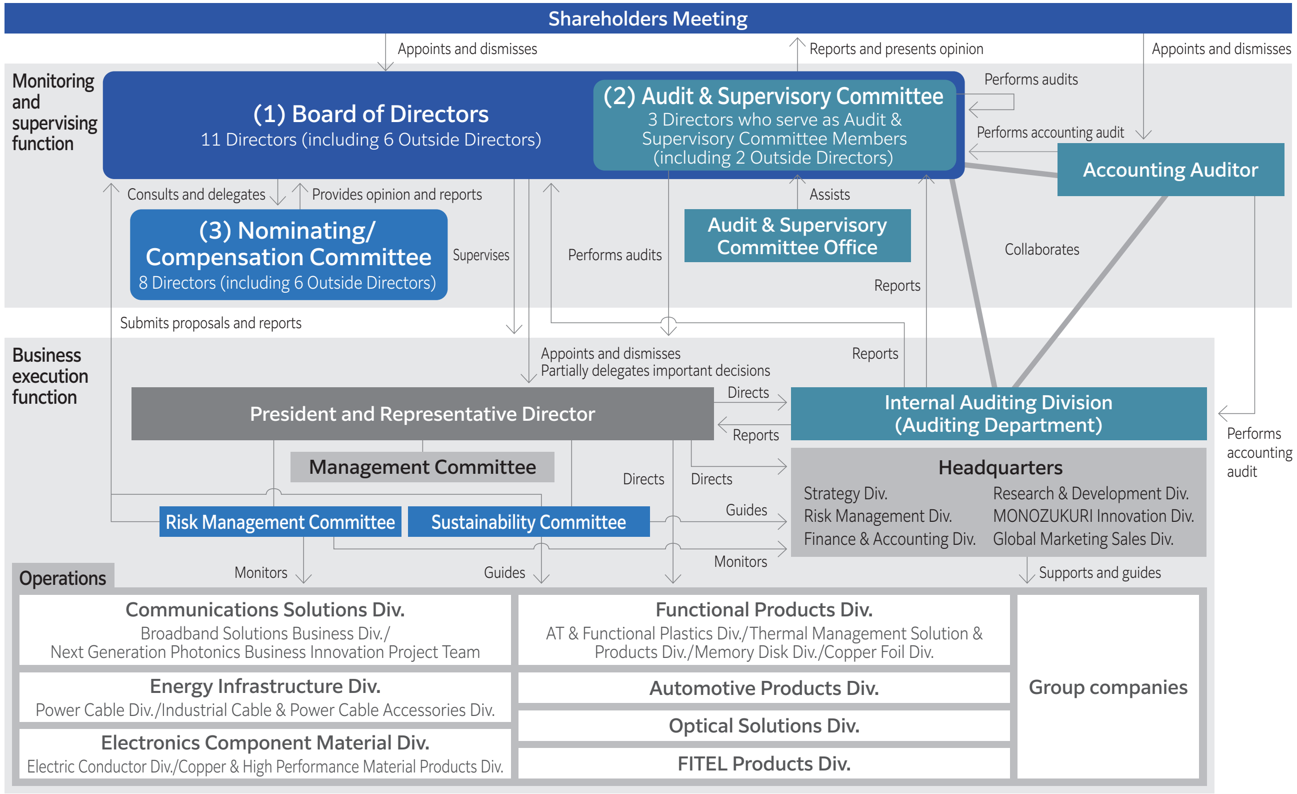
Corporate Governance

Annual Securities Report Item 4. [Information about Reporting Company] 4 [Corporate Governance]
Website: Corporate Governance

Basic Approach

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, the 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.

Corporate governance organization chart (as of June 25, 2025)



(1) 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.

During FY2024, the Board of Directors met 16 times to make decisions on important business execution and achievement of management targets, including fiscal budgets, and also have deliberations on corporate governance and other fundamental matters related to business management.

(2) Audit & Supervisory Committee

The Audit & Supervisory Committee appropriately obtains information, including exercising its authority to conduct investigations under applicable laws and regulations. Based on its fiduciary responsibility to shareholders, the Committee expresses opinions to the Board of Directors and management from an independent and objective standpoint. Furthermore, the Committee ensures sufficient coordination with the internal auditing division through regular meetings and ad hoc reports as needed, and regularly reports the audit policy, plan, and results to the Board of Directors.

(3) Nominating/Compensation Committee

The Company has established Nominating/Compensation Committee to ensure the objectivity and transparency of deliberations and decision-making procedures concerning the nomination of Directors, etc. and their remuneration, etc. The Committee shall consist of at least 5 members (the majority being Outside Directors) appointed from Directors by resolution of the Board of Directors.

During FY2024, the Nominating/Compensation Committee met 5 times. The primary matters deliberated at the Committee meetings were the management execution system from April 2025 for Nomination and the executive compensation system for Compensation.

Board of Directors (as of June 25, 2025)

Keiichi Kobayashi
Director and Chairman of the Board

Tenure as Director: 10 years
Attendance (FY2024)
Board of Directors: 100% (16/16)
Nominating/Compensation Committee: 100% (5/5)

Takashi Tsukamoto
Outside Director

Outside Independent

Tenure as Director: 4 years
Attendance (FY2024)
Board of Directors: 93.8% (15/16)
Nominating/Compensation Committee: 100% (5/5)

Hiroyuki Ogiwara
Director
(Full-time Audit & Supervisory Committee Member)

Tenure as Director: 2 years*2
Attendance (FY2024)
Board of Directors: 100% (16/16)
Audit & Supervisory Board: 100% (11/11)*3

Hideya Moridaira
Representative Director and President

Tenure as Director: 3 years
Attendance (FY2024)
Board of Directors: 100% (16/16)
Nominating/Compensation Committee: 100% (5/5)

Yukiko Yabu
Outside Director

Outside Independent

Tenure as Director: 6 years
Attendance (FY2024)
Board of Directors: 100% (16/16)
Nominating/Compensation Committee: 100% (5/5)

Sayaka Sumida
Outside Director
(Audit & Supervisory Committee Member)

Outside Independent

Tenure as Director: 5 years*2
Attendance (FY2024)
Board of Directors: 100% (16/16)
Audit & Supervisory Board: 100% (11/11)*3

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

Tenure as Director: 6 years
Attendance (FY2024)
Board of Directors: 100% (16/16)

Tamotsu Saito
Outside Director

Outside Independent

Tenure as Director: 4 years
Attendance (FY2024)
Board of Directors: 100% (16/16)
Nominating/Compensation Committee: 100% (5/5)

Takao Shiomi
Outside Director
(Audit & Supervisory Committee Member)

Outside Independent

Tenure as Director: 4 years*2
Attendance (FY2024)
Board of Directors: 100% (16/16)
Audit & Supervisory Board: 100% (11/11)*3

Koji Aoshima
Representative Director and
Corporate Senior Vice President, and
General Manager of Finance & Accounting Division

Tenure as Director: 1 year
Attendance (FY2024)
Board of Directors: 100% (12/12)*1

Takeo Hoshino
Outside Director

Outside Independent

Tenure as Director: 1 year
Attendance (FY2024)
Board of Directors: 100% (12/12)*1
Nominating/Compensation Committee: 100% (5/5)

Website: Executives

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*1 Since Mr. Koji Aoshima and Mr. Takeo Hoshino were newly elected at the 202nd Annual Shareholders Meeting held on June 26, 2024, the number of eligible Board of Directors meetings is different from that for other members of the Board of Directors.
*2 The Company transitioned to a company with an Audit & Supervisory Committee on June 25, 2025. The tenure of Directors who serve as Audit & Supervisory Committee Members includes their period of service as Audit & Supervisory Board Members.
*3 Attendance is recorded based on Audit & Supervisory Board meetings held in FY2024.

Skill Matrix for Directors (as of June 25, 2025)

	Name	Gender	Independent	Corporate management	Finance/Accounting	Legal affairs/ Risk management	Environment/Energy	Technology/IT	Sales/Marketing	International experience/ knowledge	Personnel Policy/ Organizational development
Directors	Keiichi Kobayashi	Male		●				●	●		
	Hideya Moridaira	Male		●				●		●	
	Satoshi Miyamoto	Male				●				●	●
	Koji Aoshima	Male			●	●					
	Takashi Tsukamoto	Male	★	●	●					●	
	Yukiko Yabu	Female	★					●	●		●
	Tamotsu Saito	Male	★	●				●			
	Takeo Hoshino	Male	★				●	●		●	
Audit & Supervisory Committee Members	Hiroyuki Ogiwara	Male		●	●					●	
	Sayaka Sumida	Female	★		●					●	
	Takao Shiomi	Male	★	●	●					●	

Note: 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.

Details of skillsets

Skillsets	Reason for selection	Definition
Corporate management	To promote ESG management aiming at the Group's sustainable growth and increase incorporate value over the medium to long term, and proactively work on self-transformation, skills in formulating medium- 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	Building a governance system to strengthen 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

Skillsets	Reason for selection	Definition
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
Personnel policy/ Organizational development	To strengthen human capital 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

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

Effectiveness of the Board of Directors (FY2024)

The 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 Chairman 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 Chairman), and shared the results at the Board of Directors meeting.

Category of survey questions

I. Roles and responsibilities of the Board of Directors (general matters, medium- 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 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 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 medium 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 as well.

Website: Overview of Evaluation Results on the Effectiveness of the Board of Directors (as of December 18, 2024)

	FY2023		FY2024
	Policy for initiatives	Evaluation results	Policy for initiatives
1. Significant issues and priority initiatives for FY2024			
Medium-term Management Plan (MTMP) and review of business portfolio	▶ With respect to the business portfolio reform, we will ensure that the Board of Directors (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 medium 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.	▶ The BOD has reviewed the business portfolio, and had fulfilling discussions on MTMP. Going forward, it is required to implement concrete and effective initiatives.	▶ The BOD will discuss such matters as the enterprise strategy toward achieving "Furukawa Electric Group Vision 2030", the implementation status of business portfolio management, and initiatives for crystallizing portfolios of businesses/product families for 2030. ▶ BOD agenda plan will be formulated for the abovementioned discussions, and the BOD will secure necessary time for deliberation.
Operation of the Board of Directors	▶ 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.	▶ With respect to significant management matters, board members have exchanged opinions and had discussions, both inside and outside the BOD, from time to time, and such efforts contributed to improving the quality of and deepening discussions at the BOD.	▶ The BOD will continue to secure opportunities for exchange of opinions and discussions. In addition, BOD will increase opportunities for interaction and information sharing by inviting officers and staffs other than board members.
2. Other issues/initiatives to be continuously addressed			
Board composition, and Nominating/Compensation Committee	▶ The board composition, and skills matrix, etc., will be incorporated into agenda of Nominating/Compensation Committee as medium- to long-term issues so that the Committee will discuss such matters.	▶ Nominating/Compensation Committee has discussed the board composition and skills matrix, and provided the BOD with explanations on matters deliberated as necessary.	▶ Continuous efforts will be made to deepen discussions at Nominating/Compensation Committee.
Risk management	▶ 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.	▶ Progress has been made in improving the system for risk management and compliance. ▶ It is required to constantly update our assumption of risks and preparation for such risks.	▶ Continuous update of risk recognition will be made in order to address changes in the external environment, such as geopolitical risk. ▶ In order to enhance risk tolerance in focus areas, the BOD will design/prepare measures in case of risk occurrence.
Sustainability (including ESG/SDGs)	▶ Drive forward establishment of the Purpose and activities to disseminate and instill the Purpose among employees, and encourage discussions on other important sustainability issues. Ensure outcomes or status are reported to the BOD, which in turn discusses such matters.	▶ The establishment of the Group's Purpose resulted in clarifying our philosophy system. ▶ The BOD had active discussions on sustainability. ▶ Sustainability initiatives should be further integrated with the management strategy to achieve sustainability targets.	The following items will be reported to the BOD for discussion: ▶ Setting specific milestones for important areas related to sustainability to ensure proactive efforts. ▶ Further integrating important sustainability issues into the management strategy, and reflecting them in business operation.

Remuneration for Directors, etc.

The Company has the policy for determining remuneration for individual Directors and other officers, which was established by resolution of the Board of Directors. 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.

Policy for determining remuneration for Directors, etc.

- Basic policy

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

- Policy for determining remuneration for individual officer by element and allocation ratio of each remuneration component

The Company's remuneration for officers consists of Base salary, Short-term performance-linked remuneration (individual), Short-term performance-linked remuneration (company level), ESG-linked remuneration, and Medium-to-long-term performance-linked remuneration. For details, please refer to the upper section of the diagram on the right.

In terms of a percentage of each component of remuneration, it is designed as follows: the higher the officer's rank, the larger the percentage of performance-linked remuneration.

- Matters concerning determination of details of remuneration for individual Directors

At the Company, the Board of Directors has delegated the authority to Nominating/Compensation Committee to deliberate and determine details of the system of remuneration to be paid to Directors and other officers and individual remuneration.

Note: For further details on officers' remuneration, please refer to the Annual Securities Report: Item 4. [Information about Reporting Company] 4 [Corporate Governance] (4) Remuneration for Directors, etc.

Policy for determining remuneration for individual officer by element

Element of remuneration	Overview	Recipient			
		Director except Outside Director (excluding Director who serves as Audit & Supervisory Committee Member)	Outside Director (excluding Director who serves as Audit & Supervisory Committee Member)	Corporate Vice President except Director, Senior Fellow	Directors who serve as Audit & Supervisory Committee Member
Base salary	This element is paid in cash in a fixed amount every month, and the amount is determined depending on his/her role (e.g., management oversight or business execution) and official position.	●	●	●	●
Short-term performance-linked remuneration (individual)	This element is paid in cash once a year, and the amount is determined by the Nominating/Compensation Committee upon comprehensively evaluating achievements of the relevant business plan in the previous fiscal year, such as operating income and Economic Value Added in the division(s) he/she is 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 the Nominating/Compensation Committee.	●	–	●	–
ESG-linked remuneration	This element is paid in cash once a year. 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.	●	–	●	–
Medium-to-long-term performance-linked remuneration	This is the stock remuneration system, which provides the Company's shares acquired by the Trust that was funded by the Company.	●	–	●	–

Note: The Company transitioned to a company with an Audit & Supervisory Committee on June 25, 2025. In line with this transition, the policy for determining individual remuneration by remuneration component was partially revised.

Remuneration for Directors and Audit & Supervisory Board Members for FY2024

Officer classification	Total remuneration (millions yen)	Total remuneration by type (millions yen)					Number of subject officers (persons)
		Base salary	Short-term performance-linked remuneration (Individual)	Short-term performance-linked remuneration (company level)	ESG-linked remuneration	Medium-to-long-term performance-linked remuneration	
Directors (excluding outside directors)	359	226	19	—	5	108	7
Audit & Supervisory Board Members (excluding outside Audit & Supervisory Board Members)	91	91	—	—	—	—	3
Outside Officers	108	108	—	—	—	—	9
Of which Outside Directors	72	72	—	—	—	—	6
Of which Outside Audit & Supervisory Board Members	36	36	—	—	—	—	3

Notes:
1. The amounts and numbers of officers in the above table include two Directors who retired from the positions due to the expiry of their terms at the end of the 202nd Annual Shareholders Meeting held on June 26, 2024 as well as amounts of their remuneration.
2. The column of short-term performance-linked remuneration (company level) shows the payment amount determined in June 2024 as compensation for the execution of duties in FY2023. As the amount for FY2024 had not yet been determined as of the filing date of the Annual Securities Report (June 23, 2025), it is not included in the above table.
3. The amount of medium- to long-term performance-linked remuneration in the above table represents the value calculated by deeming the number of shares corresponding to the points granted under the stock remuneration program for FY2024 as remuneration for the fiscal year.
4. Short-term performance-linked remuneration (company level) falls under the category of performance-linked remuneration. For this remuneration, the Company has selected consolidated operating profit as the indicator to appropriately and clearly reflect the Company's business performance for the relevant fiscal year. The Company's consolidated operating profit in FY2023 was 11,171 million yen.
5. ESG-linked remuneration (to be paid from July 2024) falls under the category of performance-linked remuneration. To ensure this remuneration works as an appropriate incentive for achieving sustainability targets, sustainability indicators are used to evaluate achievements. Nominating/Compensation Committee evaluates achievements of targets for sustainability indicators, and judges whether this remuneration elements should be paid or not. For the payment in FY2024, greenhouse gas (GHG) emissions reduction target (Scope 1 and 2)(compared with FY2017) set at 21.2% was used for the evaluation, but we actually reduced GHG emissions by 45.4% (in FY2023).
6. Medium-to-long-term performance-linked remuneration falls under the categories of performance-linked remuneration as well as non-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.

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.

Furukawa Electric Co., Ltd. Guidelines 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.

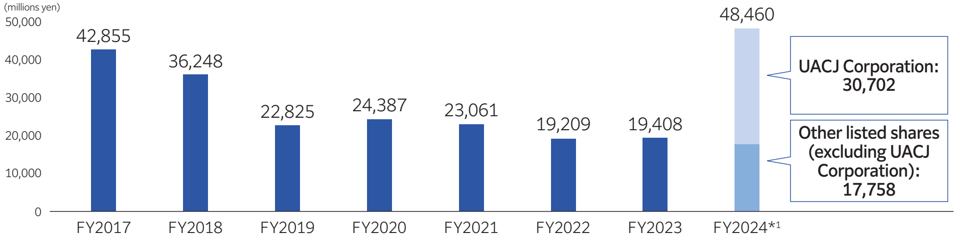
Note: Please also refer to p.42 of this Integrated Report, "Development of management talent (Succession plan and development plan)."

Policy for Cross-Shareholdings

We 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 reduce the shares if they are deemed to be unsuitable for holding. Each year, the BOD examines the appropriateness of holding all listed shares among our cross-shareholdings and discloses a summary of the results of this examination. The verification shall be conducted from a comprehensive perspective, including the creation of business opportunities, the maintenance and strengthening of business relationships and cooperative relationships in business, as well as the comparison of quantitative benefits derived from the holdings of shares with the holding cost calculated based on the market value of shares and cost of capital.

Note: Cross-shareholdings are defined as the shares subject to "investment shares held for purposes other than pure investment purposes" in the Annual Securities Report.

Balance sheet amount of cross-shareholdings



*1 During the current fiscal year, the Company sold a portion of its shares in then equity-method associate UACJ Corporation, and as a result, the remaining shares were reclassified as cross-shareholdings. Although the Company subsequently sold an additional portion of these shares, the carrying amount of cross-shareholdings recorded on the balance sheet as of the end of FY2024 increased by 29,052 million yen compared to the end of FY2023.

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 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.

Status of the Development of the 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
b. Compliance system
c. Risk management system
d. Information management system
e. Group company management
f. Securing appropriateness of financial reporting

Note: For details on each item, please refer to Item 4. [Information about Reporting Company], 4 [Corporate Governance] of the Annual Securities Report.

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.

Risk Management

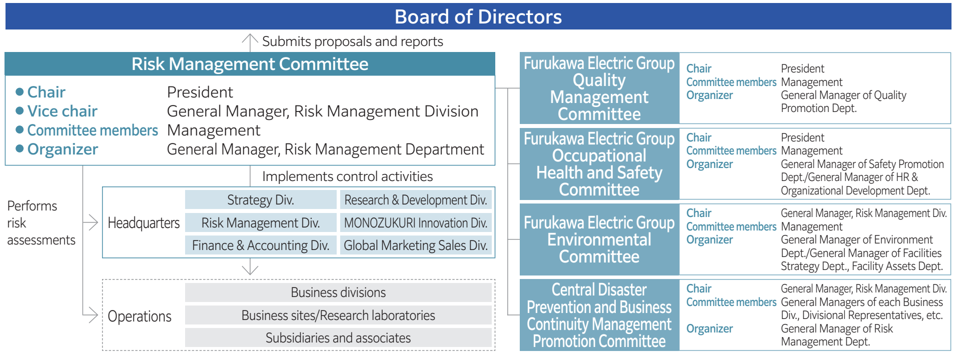
Annual Securities Report Item 2. [Overview of Business] 3 [Business Risks]
Website: Risk Management

Basic Approach

The Group has established the Basic Regulations on Risk Management and Internal Control to comprehensively identify risks in business activities, prevent or mitigate potential losses within acceptable levels, and appropriately respond to factors that may affect the achievement of strategic objectives. Through these efforts, we aim to enhance corporate value, ensure stable growth, and promote sound corporate management.

Promotion system

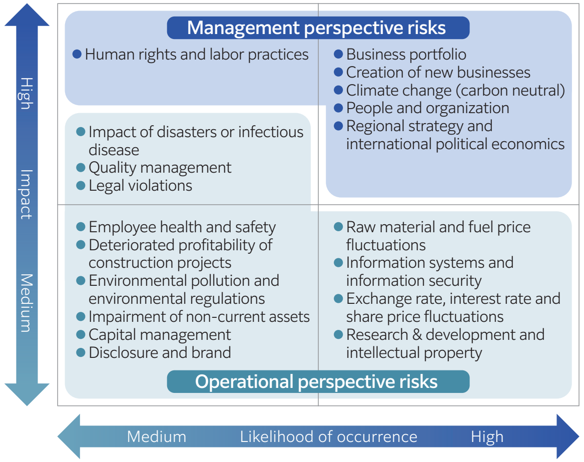
The Group has established the Risk Management Committee, chaired by the President, with the General Manager of the Risk Management Division as Vice Chair and executive management as members. The committee deliberates on issues related to risk management, internal control, and compliance across the Group, while overseeing and promoting the activities of each responsible division. In principle, the committee meets twice a year. Through risk assessments from both management and operational perspectives, the committee identifies and monitors risks, and determines material risks that require a company-wide response. Among these, "climate change," "people and organization," and "human rights and labor practices" are addressed as important management perspective risks. In addition, risks considered particularly critical—such as quality management, occupational health and safety (including employee health), the environment, and disaster prevention and business continuity management (BCM)—are managed intensively by dedicated subcommittees under the Risk Management Committee. Furthermore, in making important decisions through the Board of Directors, the Management Committee, or the approval process, potential risks associated with each matter are duly recognized and taken into consideration in the decision-making process.



Business Risks

The important risks that have the potential to affect the Group's financial results and financial situation are listed, as shown below. Risk items are defined as those with a medium or higher likelihood of occurrence and magnitude of impact, and are broadly categorized into "management perspective risks" and "operational perspective risks," depending on how the risks are recognized. In addressing each risk, particularly those from the management perspective, we recognize that they are not independent but are mutually related.

Website: Business Risks



Efforts for Risk Management Activity

To identify and prioritize risks that require focused response by evaluating business risks across the entire Group, we conduct a comprehensive annual risk assessment. This includes identifying risks and evaluating their likelihood and potential impact at each organizational unit, such as business divisions, business sites, and subsidiaries and associates. To continuously expand and deepen our risk controls, each responsible department undertakes control activities addressing specific risk items—including business-related risks—and evaluates the outcomes of those activities. A consolidated evaluation of these control efforts is compiled and reported annually to the Risk Management Committee.

Indicators and Targets

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

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

Supply Chain Management

Website: Supply Chain

Basic Approach

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 business 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 conduct our procurement activities considering environment preservation and safe operation in comply with all applicable laws and regulations and we do 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.

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

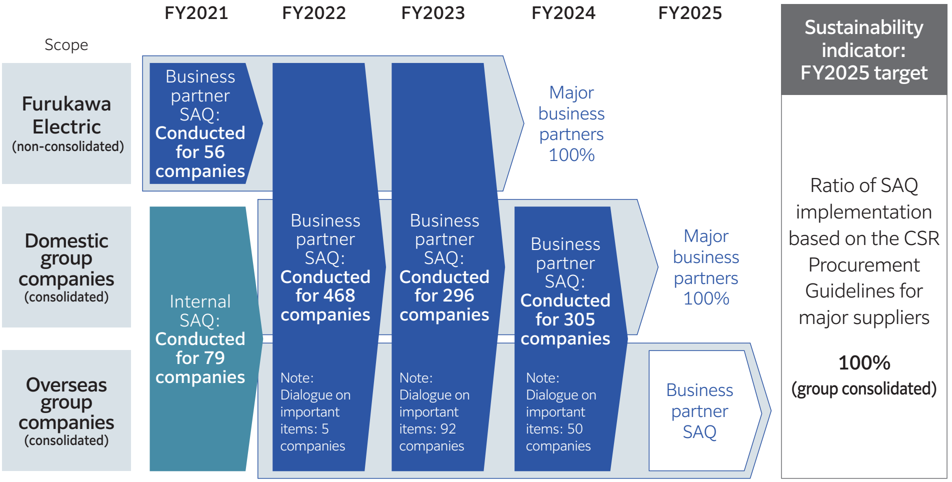
Promotion of CSR Procurement Activities

The Furukawa Electric Group has issued the CSR Procurement Guidelines and shared them with our partners. Based on these Guidelines, we work together with our 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. For new partners, agreement to comply with the CSR Procurement Guidelines is a mandatory condition for starting business, and we select partners after conducting appropriate risk assessments. In addition, at the annual Partners Meeting, we directly explain the contents of the Guidelines to our partners and continue our efforts to raise awareness and promote understanding.

Website: CSR Procurement Guidelines

Self-Assessment Questionnaire (SAQ)

As a risk survey for existing (major) partners, in addition to conventional questionnaires, we have been conducting the Self-Assessment Questionnaire (SAQ) based on the CSR Procurement Guidelines since FY2021. 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 dialogues, and encourage the partner(s) in question to correct the situation as necessary. In the FY2024 survey, no serious problems or violations were identified.



Monitoring of environmental and social aspects

We conduct monitoring of environmental and social aspects for our major partners. We evaluate factors such as quality, technology, price, delivery system, contributions to society and the environment, and credit status, and provide feedback on the results through interviews. In addition, we exchange opinions to align awareness in procurement activities and continuously request cooperation regarding business continuity and stable supply.

Indicators and Targets

In supply chain management, we have set the "ratio of SAQ implementation based on the CSR Procurement Guidelines for major suppliers" as a sustainability indicator and are working toward achieving the FY2025 target.

Material issues: "Building a governance system to strengthen risk management/Supply Chain Management"

Indicator ★: Sustainability indicator	Scope	Result			Target		
		FY2022	FY2023	FY2024	FY2023	FY2024	FY2025
★ Ratio of SAQ implementation based on the CSR Procurement Guidelines for major suppliers	Group	34%	65%	84%	40%	70%	100%

Human Rights Management

Website: Human Rights

Basic Approach

Based on the Furukawa Electric Group Purpose and Core Values, our Group respects human dignity and all internationally recognized human rights.

Furthermore, in accordance with the United Nations Guiding Principles on Business and Human Rights (formulation of human rights policies, implementation of human rights due diligence, and establishment of remedy mechanisms), we are promoting initiatives to respect human rights.

Formulating Human Rights Policy

In accordance with the International Bill of Human Rights (the Universal Declaration of Human Rights and the International Covenants on Human Rights), the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the United Nations Guiding Principles on Business and Human Rights, the Furukawa Electric Group established the Furukawa Electric Group Human Rights Policy in 2020.

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 of this human rights policy
2	Scope
3	Responsibility to respect human rights
4	Human rights due diligence
5	Remedy
6	Training
7	Complying with applicable laws
8	Dialogue and consultation
9	Information disclosure

Website: Furukawa Electric Group Human Rights Policy

Human Rights Due Diligence

The Group have implemented human rights due diligence, setting "employees" and "suppliers" as the target stakeholders to be prioritized in terms of human rights issues.

In FY2024, we reassessed human rights risks for each relevant group by refining the severity and likelihood assessment categories to more accurately identify such risks. As a result, for employees, in addition to workplace harassment, which had already been recognized as a key issue, we reaffirmed forced labor, child labor, and occupational health and safety as human rights issues that should be prioritized. For suppliers, we likewise reaffirmed the importance of addressing forced labor, child labor, and occupational health and safety.

Priority human rights issues and our initiatives

Employees

Human rights issue	Initiatives to reduce negative impacts
Workplace harassment	We are working to prevent harassment by conducting compliance awareness surveys, analyzing the results, and implementing necessary improvement measures. In addition, we provide "Education on the Prevention of Discrimination and Harassment" for employees in managerial positions.
Forced labor and child labor	We have confirmed that there are no legal violations across the Group and continue to take preventive measures to ensure that such practices do not occur.
Occupational health and safety	Each workplace sets specific targets—such as achieving zero accidents—and actively works to prevent and reduce occupational health and safety risks. We also engage in dialogue with labor unions.

Suppliers

Human rights issue	Initiatives to reduce negative impacts
Forced labor and child labor	Particularly from the perspective of responsible minerals sourcing, we are working to mitigate adverse impacts related to forced labor, child labor, and occupational health and safety.
Occupational health and safety	

Stakeholder Engagement

Furukawa Electric Group actively engages in dialogue with investors, legal experts, and labor unions on human rights issues. Through these dialogues, we not only enhance our engagement with stakeholders but also incorporate the feedback and insights gained into our initiatives, thereby helping to prevent and mitigate human rights risks.

Dialogue with investors

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

Dialogue with legal experts

We also hold regular dialogues with lawyers specializing in human rights. In FY2024, we received advice on our overall initiatives as well as on the reassessment of human rights risks.

Dialogue with labor unions

We continuously engage in dialogue with the labor union representing our employees. In addition to the Central Management Briefing and the Central Labor-Management Committee on Human Rights Due Diligence, we maintain regular communication through daily discussions on various issues such as labor practices and harassment. In FY2024, we held dialogues with the labor union on the re-assessment of human rights risks.


Central Labor-Management Committee on Human Rights Due Diligence

Remedy Mechanism

We have established contact points for reporting human rights issues, available to both internal and external stakeholders. All reports are handled with strict confidentiality, with full consideration to ensure that whistleblowers do not suffer any disadvantage. We also conduct impartial and fair fact-checking and take appropriate measures.

Internal Contact Point

As an internal contact point, we have put in place a whistleblowing system involving third parties.

Number of whistleblowing cases: 158 (approximately half related to human resources and labor)*1

*1 Although only a limited number of cases were substantiated, we implemented necessary recurrence prevention measures and dealt with all cases appropriately.

External Contact Point

As an external contact point, we make use of the reporting system of the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER).

Indicators and Targets

In our human rights management, we have set the “implementation rate of human rights risk training for managerial positions” and the “Ratio of SAQ implementation based on the CSR Procurement Guidelines for major suppliers*2” as sustainability indicators, and are working toward the targets for FY2025.

*2 For details, please refer to “Supply Chain Management” on p.50 of this Integrated Report.

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

Indicator ★: Sustainability indicator	Scope	Result			Target		
		FY2022	FY2023	FY2024	FY2023	FY2024	FY2025
★ Implementation rate of human rights risk training for managerial positions	Group	100%	100%	100%	100%*3	100%*3	100%*3

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

Main Financial and Non-financial Data

Main Financial Data

Medium-term management plan		Furukawa G Plan 2015		Furukawa G Plan 2020						Road to Vision2030		
	(Millions of yen)	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020*5	FY2021*5	FY2022*4,5	FY2023*5	**FY2024**
Operating results (fiscal year)	Net sales	867,817	874,879	843,344	967,333	991,590	914,439	811,600	930,496	1,066,326	1,056,528	**1,201,762**
	Operating profit	17,873	27,116	38,623	44,804	40,842	23,565	8,429	11,428	15,441	11,171	**47,097**
	Ordinary profit	18,598	18,710	36,024	46,908	39,078	22,771	5,189	19,666	17,258	10,267	**48,571**
	Profit attributable to owners of parent	7,355	10,007	17,570	28,547	29,108	17,639	10,001	10,093	15,894	6,508	**33,366**
	Capital expenditures (CAPEX)	30,674	25,687	31,584	38,543	50,036	53,144	39,963	38,144	43,792	38,953	**38,600**
	Depreciation	22,508	23,235	23,307	25,106	26,271	29,423	32,163	33,721	39,098	38,951	**41,251**
	Research and development costs	16,599	16,845	17,454	19,533	21,141	21,650	20,217	20,761	23,324	24,539	**25,449**
Financial position (at the end of fiscal year)	Net assets	214,743	198,587	237,051	272,071	279,911	273,030	291,824	314,269	329,302	358,245	**373,336**
	Total assets	734,125	705,725	750,126	808,632	818,021	794,616	832,044	935,876	933,469	985,007	**987,016**
	Equity capital	190,741	173,163	206,712	236,518	247,659	240,280	260,076	279,426	301,859	328,328	**341,439**
	Operating assets*1	307,688	298,228	319,588	341,825	364,456	386,176	387,832	444,800	461,822	482,573	**494,931**
	Inventories	99,443	93,167	104,355	113,792	122,890	115,862	120,837	164,116	172,297	183,647	**195,041**
Cash flows (fiscal year)	Net cash provided by (used in) operating activities	41,489	41,569	40,402	38,429	46,460	41,942	-479	-13,269	36,516	31,896	**59,833**
	Net cash provided by (used in) investing activities	-23,533	1,947	-36,361	-34,319	-31,042	-33,119	-1,908	-40,074	-21,677	-24,794	**-7,235**
	Net cash provided by (used in) financing activities	-15,537	-20,942	-10,378	-1,943	-19,414	-171	35,140	35,020	-34,475	-9,322	**-44,150**
Per share data*2 (fiscal year)	Basic earnings per share (yen)	10.42	14.17	249.17	405.05	412.98	250.25	141.88	143.40	225.80	92.40	**473.49**
	Net asset per share (yen)	270.15	245.26	2,933.21	3,355.77	3,513.58	3,408.86	3,689.29	3,970.02	4,288.09	4,659.87	**4,844.96**
Ratios	Operating profit margin on sales (%)	2.06	3.10	4.58	4.63	4.12	2.58	1.04	1.23	1.45	1.06	**3.92**
	Equity capital ratio (%)	26.0	24.5	27.6	29.2	30.3	30.2	31.3	29.9	32.3	33.3	**34.6**
	Return on operating assets (%)*3	5.8	9.1	12.1	13.1	11.2	6.1	2.2	2.6	3.3	2.3	**9.5**
	ROE (%)	4.0	5.5	9.3	12.9	12.0	7.2	4.0	3.7	5.5	2.1	**10.0**
	ROA (%)	2.6	2.6	4.9	6.0	4.8	2.8	0.6	2.2	1.8	1.1	**4.9**
	Total asset turnover ratio (times)	1.20	1.22	1.16	1.24	1.22	1.13	1.00	1.05	1.14	1.10	**1.22**

Note: Figures are rounded down to the nearest one million yen. Figures such as per-share data and financial indicators are rounded to the nearest value.

*1 Operating assets are the total of inventories and tangible and intangible fixed assets.
*2 We conducted a one-for-10 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 voluntary application of the International Financial Reporting Standards (IFRS) to UACJ Corporation, an equity-method associate.
*5 Due to changes in the "Accounting Standard for Income Taxes, Inhabitant Taxes and Enterprise Taxes," etc., a portion of the actual results for FY2020 to FY2023 has been restated.

Information for Each Region

Consolidated net sales and overseas sales ratio

(Millions of yen)	FY2020	FY2021	FY2022	FY2023	FY2024
Japan	435,195	461,450	517,358	511,296	563,925
China (including Hong-Kong)	82,777	100,457	104,326	103,443	119,823
Asia (excluding Japan and China)	141,029	190,877	224,931	242,820	290,654
North and Central America	78,179	91,716	127,793	120,569	153,840
South America, Europe, and others	74,418	85,994	91,915	78,400	73,519
Total	**811,600**	**930,496**	**1,066,326**	**1,056,528**	1,201,762
Overseas net sales	376,403	469,046	548,967	545,232	637,837
Overseas net sales ratio (%)	46.4	50.4	51.5	51.6	53.1

Note: Net sales by region are based on the location of customers and are classified by country or region.

Number of employees (consolidated)

(Unit: Persons)	FY2020	FY2021	FY2022	FY2023	FY2024
Japan	10,798	11,029	10,502	10,646	11,165
China (including Hong-Kong)	4,791	4,859	4,180	3,622	3,357
Asia (excluding Japan and China)	23,062	25,976	28,200	30,395	29,175
North and Central America	6,739	5,809	5,137	5,294	4,866
South America, Europe, and others	3,059	3,194	3,295	2,800	2,604
Total	**48,449**	**50,867**	**51,314**	**52,757**	51,167

Note: As of March 31, the end of the fiscal year

Greenhouse gas emissions (Scope 1&2)

(thousand t-CO_2e)	FY2020	FY2021	FY2022	FY2023	FY2024
Japan	316	288	255	200	131
China (including Hong-Kong)	124	130	104	111	28
Asia (excluding Japan and China)	97	110	122	114	191
North and Central America	86	89	74	54	57
South America, Europe, and others	23	23	15	14	10
Total	648	640	571	493	417

Note: Greenhouse gas emissions by region are based on the location of the companies and are classified and calculated by country or region.

Website: Scope of Aggregation

Number of Group companies

(Unit: Companies)	FY2020	FY2021	FY2022	FY2023	FY2024
Japan	42	42	41	40	**43**
China (including Hong-Kong)	17	18	19	18	**20**
Asia (excluding Japan and China)	33	33	34	34	**33**
North and Central America	14	13	13	13	**12**
South America, Europe, and others	17	18	20	19	**19**
Total	**123**	**124**	**127**	**124**	**127**

Note: As of March 31 of each fiscal year. The number of group companies in Japan includes Furukawa Electric (non-consolidated).

Major Non-financial Data

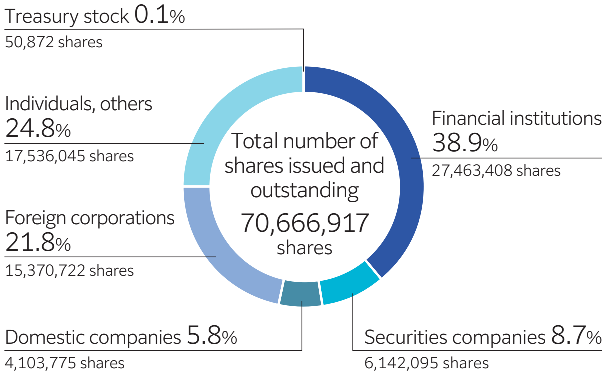
Website: ESG Data

Stock/Dividend Information

General Stock Information (as of March 31, 2025)

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 51,423 persons
Minimum trading units	100 shares
Shareholder register agent	3-3, Marunoichi 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, 2025)



Major shareholders (as of March 31, 2025)

Name of major shareholders	Number of shares held (shares)	Shareholding ratio* (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	12,293,400	17.41
Custody Bank of Japan, Ltd. (Trust Account)	5,004,150	7.09
The Nomura Trust and Banking Co., Ltd. (Trust Account)	1,697,600	2.40
JPMorgan Securities Japan Co., Ltd.	1,524,557	2.16
Asahi Mutual Life Insurance Company	1,365,050	1.93
Mizuho Bank, Ltd.	1,206,873	1.71
Custody Bank of Japan, Ltd. (Mizuho Trust & Banking; Employee Retirement Benefit Trust, Mizuho Bank, Ltd. Account)	1,206,800	1.71
Morgan Stanley MUFG Securities Co., Ltd.	1,149,780	1.63
Custody Bank of Japan, Ltd. (Mizuho Trust & Banking; Employee Retirement Benefit Trust, Asahi Mutual Life Insurance Company Account)	1,050,000	1.49
STATE STREET BANK AND TRUST COMPANY 505223	951,307	1.35

* Shareholding ratio is calculated with the number which deducted 50,872 shares of the Company's treasury stock.

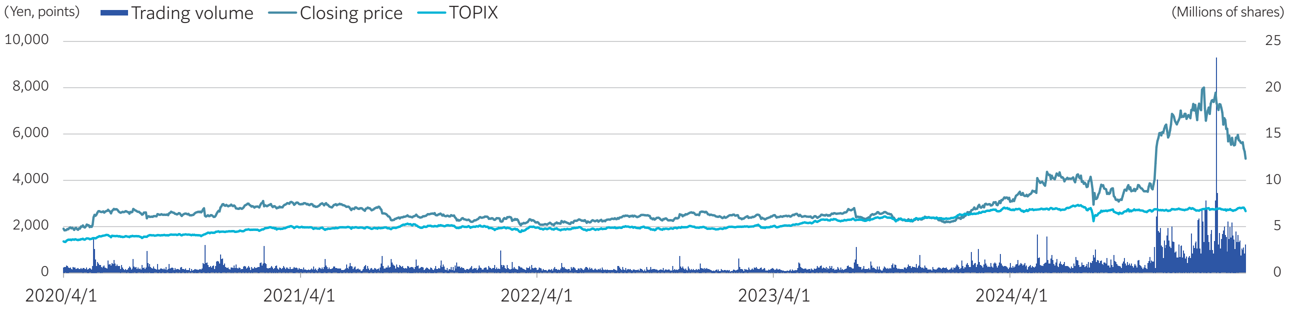
Cash Dividend per Common Share

Fiscal year	2020	2021	2022	2023	2024
Interim dividend (yen)	0	0	0	0	0
Year-end dividend (yen)	60	60	80	60	120
Total dividend (yen)	60	60	80	60	120

Total Shareholder Return (TSR)

Fiscal year	2020	2021	2022	2023	2024
TSR (%) (TOPIX) (%)	154.2 (139.3)	116.8 (138.7)	135.4 (142.8)	178.0 (197.3)	270.2 (189.5)
High (yen)	3,115	3,110	2,668	3,290	8,304
Low (yen)	1,746	2,050	2,033	2,134	2,920

Stock Price and Trading Volume (from April 1, 2020 to March 31, 2025)



About Issuing the Furukawa Electric Group Integrated Report 2025

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

Furukawa Electric Group has been promoting ESG management aimed at achieving sustainable growth and enhancing corporate value over the medium to long term, while strengthening engagement with stakeholders, including investors. As part of these efforts, since FY2020 we have published the Furukawa Electric Group Integrated Report, which is primarily intended for investors, to communicate our approach and initiatives for value creation.

With the publication of the Integrated Report 2025, we have further strengthened the alignment with the Annual Securities Report, taking into account recent developments in sustainability disclosure standards and feedback from institutional investors. While we have previously worked on aligning our integrated report with the Annual Securities Report, we have made further improvements in this year's edition.

Specifically, as stated in the editorial policy at the beginning of this report, we have redefined our sustainability disclosure framework so that the Annual Securities Report serves as the foundation, and the Integrated Report functions as a complementary medium. Based on this framework, we have enhanced the narrative content unique to the Integrated Report—such as messages from the President and other executives, a roundtable discussion among internal and outside directors, and special features on initiatives to maximize profits in existing businesses and to build a foundation for creating new businesses. Through these narratives, our management team shares the Group's value creation story as well as their aspirations for future growth and transformation. We invite you to explore these messages in detail.

In addition, each page of this report clearly indicates the corresponding sections in the Annual Securities Report. We hope that reading both documents together will help deepen your understanding of Furukawa Electric Group.

Going forward, we will continue to further enhance the quality and depth of our disclosures while strengthening engagement with investors and other stakeholders. We sincerely appreciate your candid feedback.

October 2025

External Evaluation (as of October 2025)

We have been selected as a constituent of the following indices, including the ESG indices adopted by the Government Pension Investment Fund (GPIF).

◘ FTSE4Good Index Series/ FTSE Blossom Japan Index Series

FTSE4Good
FTSE Blossom Japan
FTSE Blossom Japan Sector Relative Index

◘ S&P/JPX Carbon Efficient Index

◘ SOMPO Sustainability Index

◘ Morningstar Japan ex-REIT Gender Diversity Tilt Index (GenDi J)

Website: External Evaluation and Certification

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