

ESG Initiatives Directed at Achieving Furukawa Electric Group Vision 2030

Director, Corporate Senior Vice President and
General Manager of the Administration &
CSR Division

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March 4, 2021

Furukawa Electric Co., Ltd.

Forward-Looking Statements

Projections of future sales and earnings in these materials are “forward-looking statements.”

Management offers these projections in good faith and on the basis of information presently available.

Information in these statements reflects assumptions about such variables as economic trends and currency exchange rates.

Forward-looking statements incorporate known and unknown risks as well as other uncertainties that include, but are not limited to, the following items.

- Economic trends in the U.S, Europe, Japan and elsewhere in Asia, particularly with regard to consumer spending and corporate expenditures.
- Changes in exchange rates of the U.S. dollar, euro, and Asian currencies.
- Furukawa Electric Group’s ability to respond to rapid advances in technology.
- Changes in assumptions involving financial and managerial matters and the operating environment.
- Current and future trade restrictions and related matters in foreign countries.
- Changes in the market value of securities held by the Furukawa Electric Group.

Due to the above factors, actual sales, earnings, and other operating results may differ significantly from Looking Statements in these materials. In addition, following the release of these materials, Furukawa Electric Group assumes no obligation to announce any revisions to forward-looking statement in these materials.

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FURUKAWA ELECTRIC CO., LTD.

Agenda of this Briefing

1. **Basic concept for achieving Furukawa Electric Group Vision 2030**

Furukawa Electric Group Value and ESG management/ SDGs

Important management issues (Materiality) and corporate value

Value creation process directed at 2030

2. **Cases related to materiality of revenue opportunities**

Improve earnings in communications, energy and mobility

Growth through the creation of businesses that solve the social issues

New business models, reinforce the strengths

3. **Initiatives related to materiality of risks**

Governance: Build a governance system to strengthen risk management

Environment: Develop business activities that consider climate change

Social: Strengthen human capital management and organizational execution abilities

4. **Main external assessments of ESG**

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4. Main external assessments of ESG

Furukawa Electric Group Value and ESG Management / Mid-term Management Plan

Group
Philosophy

Corporate Philosophy

Drawing on more than a century of expertise in the development and fabrication of advanced materials, we will contribute to the realization of a sustainable society through continuous technological innovation.

Core Value

Furukawa
Electric
Group
Vision 2030

ESG Management

Directed at achieving Vision 2030, aim to increase medium to long-term corporate value centered on ESG (Environment, Social, and corporate Governance), and strive to be Open, Agile and Innovative.

Materiality

Important management issues for achievement of Vision 2030



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

Mid-term Management Plan

Furukawa
G Plan 2020
(2016-2020)

Next mid-term
management plan
(2022-2025)

2015

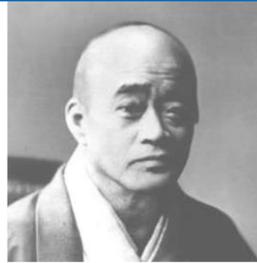
2020

2025

2030

Founder's Thoughts : SDGs and Furukawa Electric Group Vision 2030

The founder's thoughts



value employees,
value customers,
value new technology, and
contribute to society

Becoming a corporate group that can provide value

What Furukawa Electric Group wants to be in 2030

Becoming a corporate group that proactively innovates itself

Furukawa Electric Group Vision 2030

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

Sustainable Development Goals (SDGs)



Progress of ESG Management and SDGs Activities

ESG overall

- In April 2019, established Administration & CSR Division Corporate Sustainability Office
- In May 2019, formulated the Furukawa Electric Group Vision 2030
- In February 2020, signed the UN Global Compact
- In October 2020, published the first Furukawa Electric Group Integrated Report (announced materiality)

Environment

- In August 2019, obtained SBT (Science Based targets) certification
- In January 2020 expressed support for the recommendations of the Task Force on Climate-related Financial Disclosures
- In February 2021, formulated Furukawa Electric Group Environmental Vision 2050

Social

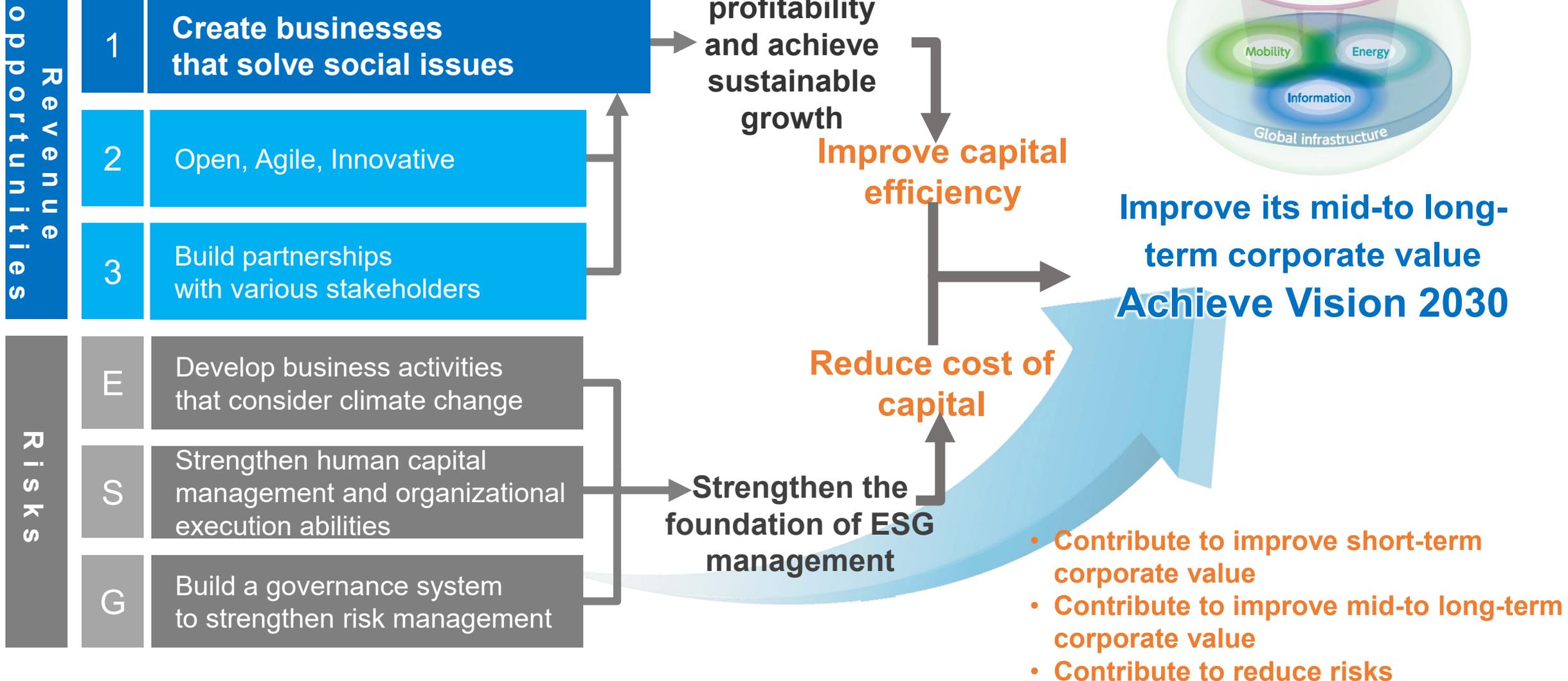
- In November 2018, formulated Furukawa Electric Group Vision for Our People
- In January 2020, formulated Furukawa Electric Group Human Rights Policy
- In June 2020, established the work style reforms team with an eye of the post COVID-19 world

Governance

- In June 2019, strengthened independence of outside directors, enhanced board diversity (All five outside directors are independent and a female outside director was appointed)
- In June 2020, strengthened diversity of outside Audit & Supervisory Board member (A female outside Audit & Supervisory Board member was appointed)
- In December 2020, implemented the Evaluation of the Board of Directors Effectiveness (implemented the evaluation every year since fiscal 2015)
- In February 2021, revised Furukawa Electric Group CSR Procurement Guideline (3rd edition)

Important Management Issues (Materiality) and Corporate Value

Materiality: Important management issues for achievement of Furukawa Electric Group Vision 2030



Current social issues (Awareness from pre-COVID-19)

- Era of VUCA (Volatility, Uncertainty, Complexity, Ambiguity)
- Advancements in low carbon/ carbon free and renewable energy
- Spread of smart cities and 5G
- Advancements in CASE and changes in the mobility market
- Appearance of new markets utilizing DX
- Increased awareness of disaster prevention and mitigation
- Market growth in Asia and other regions, and increased trade friction between the US and China
- Shrinking existing markets and difficulty securing personnel in Japan
- Importance of risk management throughout the supply chain

Changes to the environment following COVID-19

- Increase in VUCA, and accelerating management speed
- Further awareness of ESG/SDGs, and accelerated selection within the markets
- Japanese government's declaration to reduce greenhouse gas emissions to net zero by 2050
- Increased communications traffic, and accelerated preparation of telecommunications infrastructure and 5G/B5G*
* B5G...Beyond 5G
- Acceleration of CASE (EV), and accelerated changes in the mobility business
- Further awareness of various disasters and risks
- Realization of the risk of supply chain disruptions
- Changes in the concept of mobility, and changed awareness towards work styles and workplaces

Social changes involving the Furukawa Electric Group

Prevent
global
warming

Response
to
increased
communi-
cations
traffic

Accelerat-
ion of
vehicle
CASE (EV)

Work from
home and
work style
reforms

Town
planning
for
mitigating
disasters

Revitalize
the rural
economy

Value Creation Process Directed at 2030

Furukawa Electric Group Corporate Philosophy

Leverage the Furukawa Electric Group's strengths and business model, and on top of the existing business foundation, generate new business that solve the social issues directed toward 2030 and create value

Furukawa Electric Group's business model and strengths

4 core technologies

Development and proposal capabilities not limited to particular markets

Trust from customers

• Aluminum wire harnesses

Open, Agile, Innovative

Form partnerships with diverse stakeholders

New business models, reinforce the strengths

- Solution business through the use of industrial lasers
- Wireless electrical power transmission
- Bipolar storage batteries
- Waste plastic recycling business
- Technology for producing LPG with the metal encapsulated zeolite

Improve earnings through an awareness of capital efficiency

- Renewable energy-related business
- High speed, large volume information transmission business

Growth through the creation of businesses that solve the social issues

Businesses that support next-generation infrastructure

Environment-friendly businesses

Contribute to an integrated society and stabilized earnings in information, energy and mobility



| | |
|---------------------------------|---------|
| Communications Solutions | Focus |
| Energy Infrastructure | Focus |
| Automotive Products | Focus |
| Electronics Component Materials | Support |
| Functional Products | Support |

Strengthen the ESG management foundation: Climate change, strengthen human capital management and organization execution abilities, build a governance system

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Environment-friendly businesses

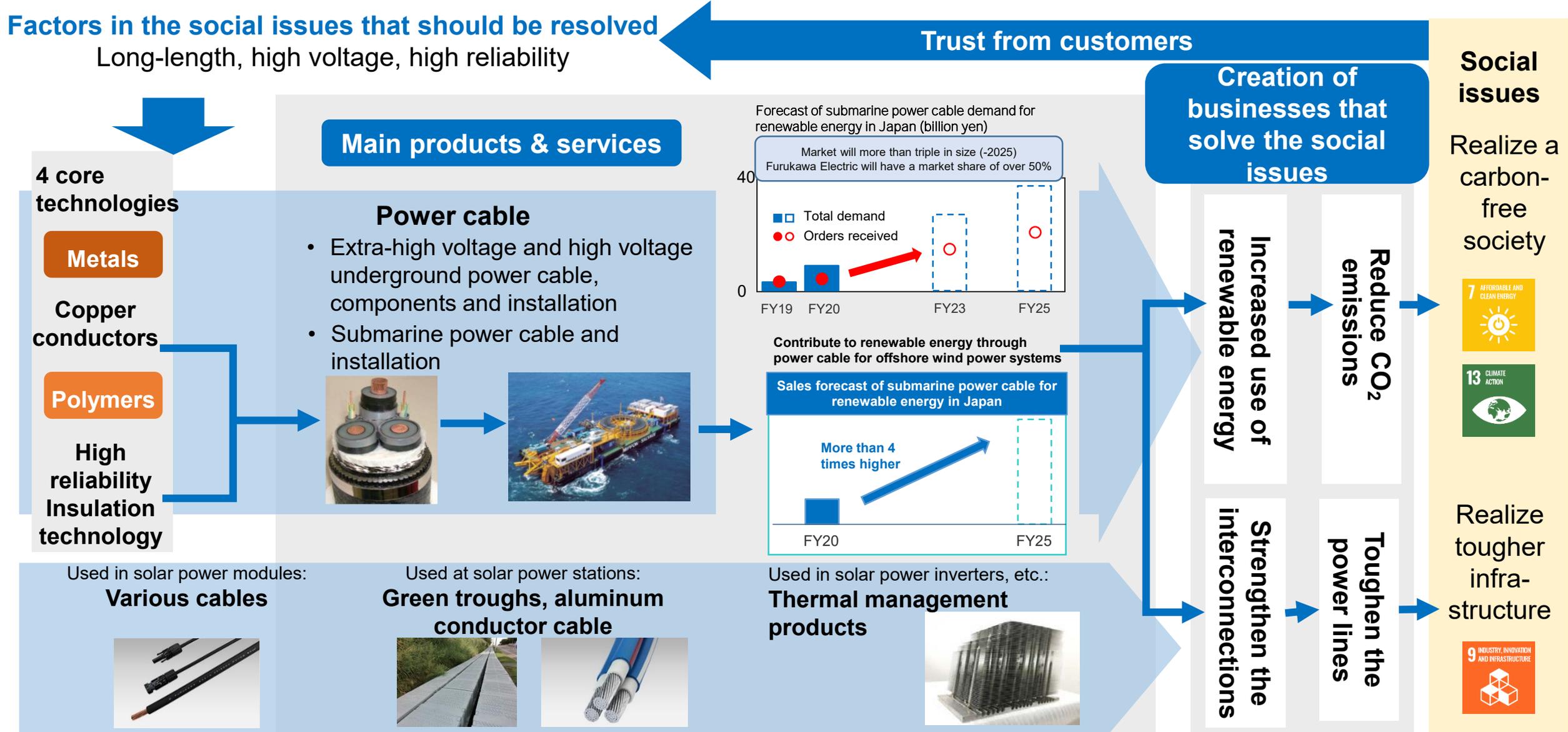
Contribute to an integrated society and stabilized earnings in information, energy and mobility



| | |
|---------------------------------|---------|
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Strengthen the ESG management foundation: Climate change, strengthen human capital management and organization execution abilities, build a governance system

Renewable Energy-related Business



High Speed, Large Volume Information Transmission Business

Factors in the social issues that should be resolved

High speed, small, high efficiency, high reliability

Trust from customers

Main products & services

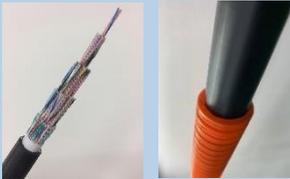
Creation of businesses that solve the social issues

Social issues

4 core technologies

Optical fiber and cable (Optical cabling solution)

Rollable ribbon cable



- Optical fiber fusion splicer
- Multicore cable connectors

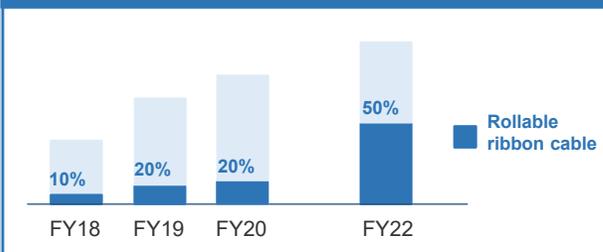


Optical devices

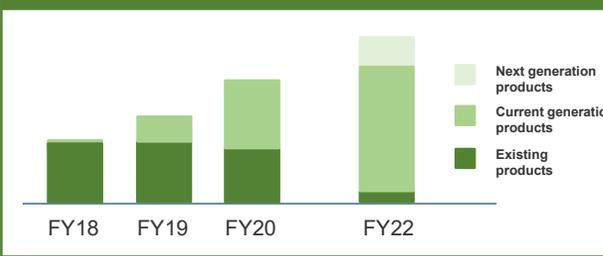
Digital coherent communication light sources



Forecast optical cable sales in North America



Forecast ITLA sales



Stabilize high speed and large volume information transmission

Increase data center capacity

Energy consumption efficiency of data center

Build high speed, large volume, low latency networks

Advances in 5G/B5G, increased communications traffic



Used in the semiconductor wafer process:

Tape for semiconductor process



Used in telecommunications devices such as servers and routers:

Electrolytic copper foil for printed wiring boards



Used at data centers:

Aluminum blanks for HDD



Used at data centers:

Thermal management products



Value Creation Process Directed at 2030

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Leverage the Furukawa Electric Group's strengths and business model, and on top of the existing business foundation, generate new business that solve the social issues directed toward 2030 and create value

Furukawa Electric Group's business model and strengths

4 core technologies

Development and proposal capabilities not limited to particular markets

Trust from customers

• Aluminum wire harnesses

Open, Agile, Innovative

Form partnerships with diverse stakeholders

New business models, reinforce the strengths

- Solution business through the use of industrial lasers
- Wireless electrical power transmission
- Bipolar storage batteries
- Waste plastic recycling business
- Technology for producing LPG with the metal encapsulated zeolite

Improve earnings through an awareness of capital efficiency

- Renewable energy-related business
- High speed, large volume information transmission business

Growth through the creation of businesses that solve the social issues

Businesses that support next-generation infrastructure

Environment-friendly businesses

Contribute to an integrated society and stabilized earnings in information, energy and mobility



| | |
|---------------------------------|---------|
| Communications Solutions | Focus |
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| Functional Products | Support |

Strengthen the ESG management foundation: Climate change, strengthen human capital management and organization execution abilities, build a governance system

Businesses that Support Next-generation Infrastructure

Factors in the social issues that should be resolved

Safe walkways, secure battery charging, convenient transportation

Trust from customers

4 core technologies

Metals

Technology for controlling metallographic structure

Polymers

Conduits, troughs

Photonics

Optical fiber communications technology

High-frequency

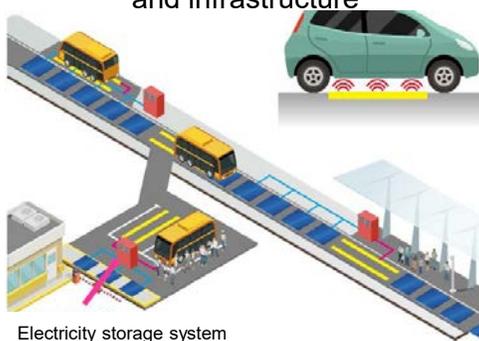
Radio technology
Non-contact electric power transmission

Development and proposal capabilities not limited to particular markets

“Next generation infrastructure” that fuses together information, energy and mobility



Communication between mobility and infrastructure



Electricity storage system

Wireless power transmission



Intelligent pedestrian walkways that are “safely protected by the road”

Creation of businesses that solve the social issues

Open, Agile, Innovative Partnerships

Co-creation partners
(Telecommunications, electric power, automotive, local municipalities, etc.)

generation infrastructure
Create businesses that support next

Eliminate traffic congestion

Reduce traffic accidents

High efficiency charging systems

Vehicle electrification and lighter weight

Social issues

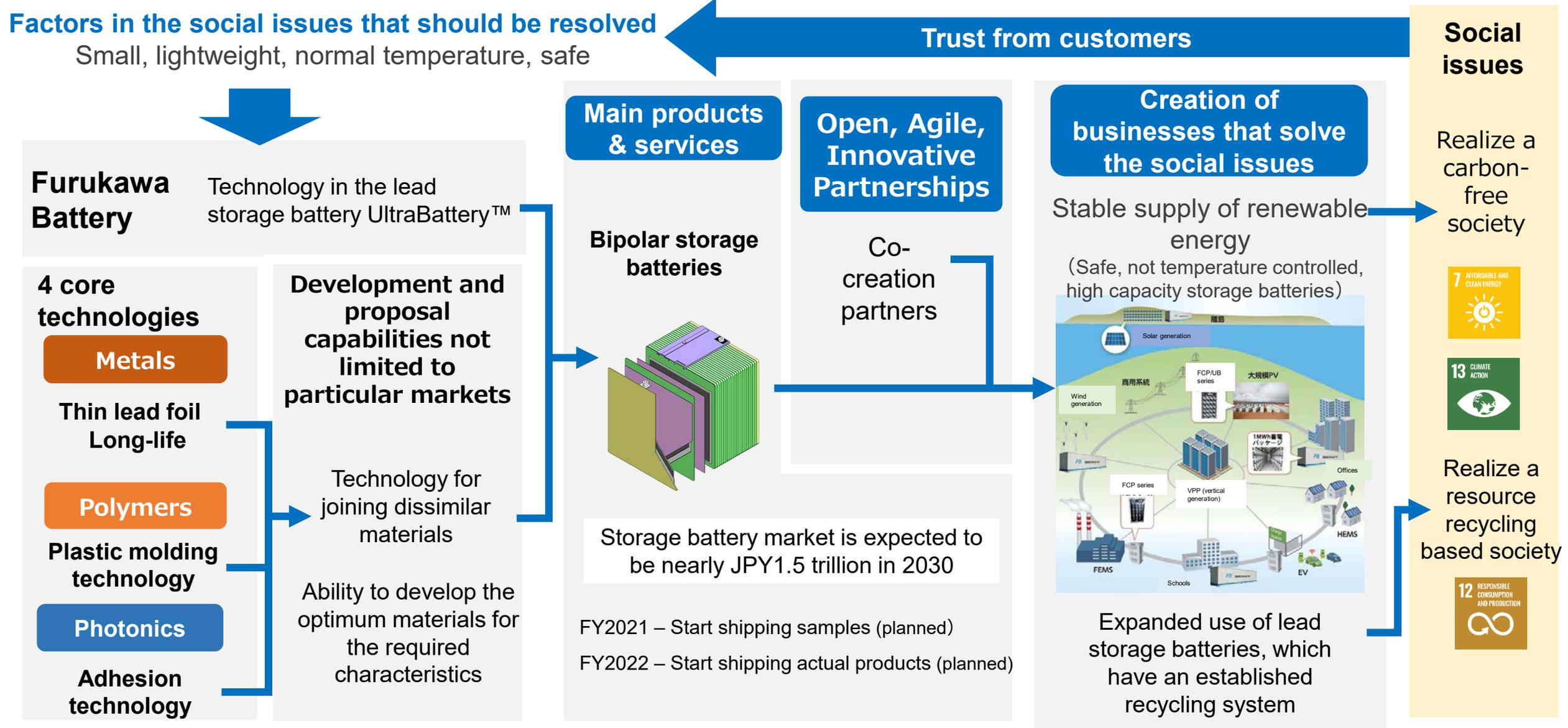
Realize safe, peaceful and rewarding daily life



Realize a carbon-free society



Bipolar Storage Batteries

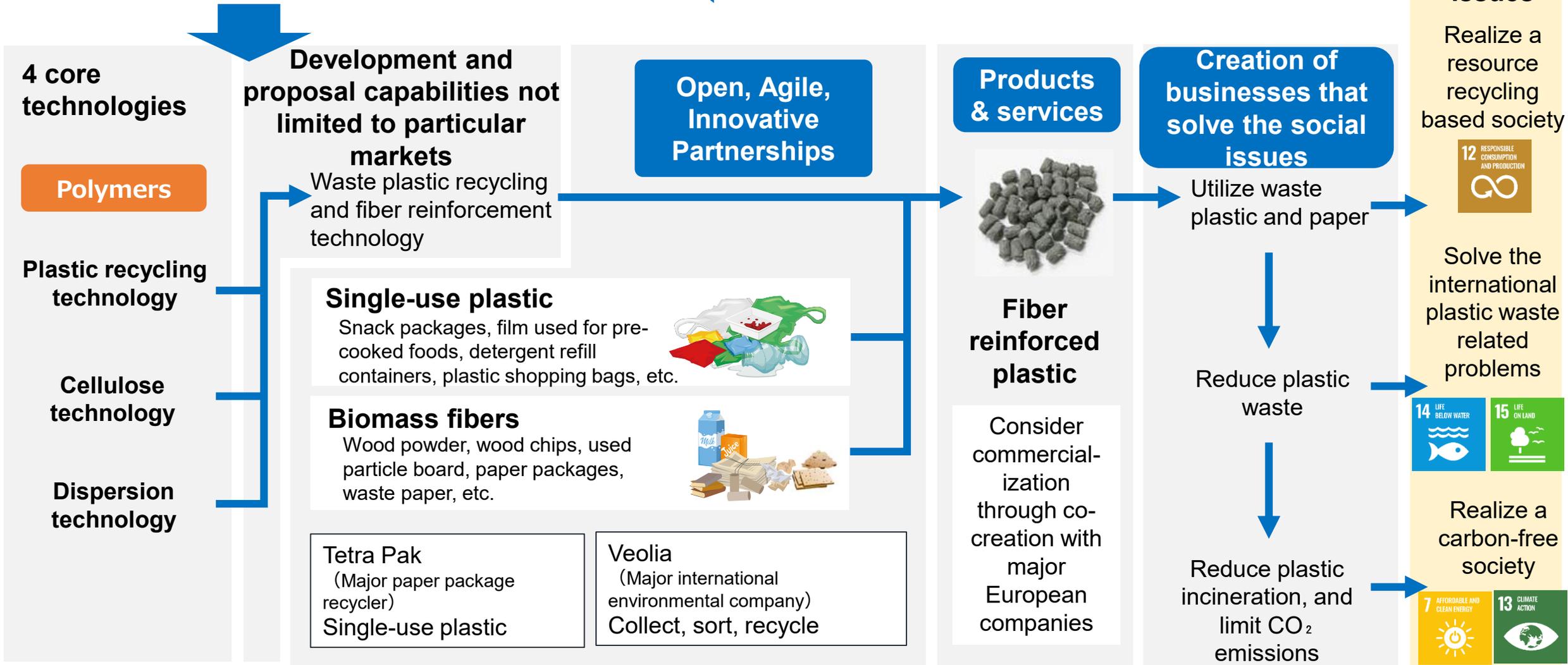


Waste Plastic Recycling Business

Factors in the social issues that should be resolved

Waste disposal, plastic recycling technology

Trust from customers



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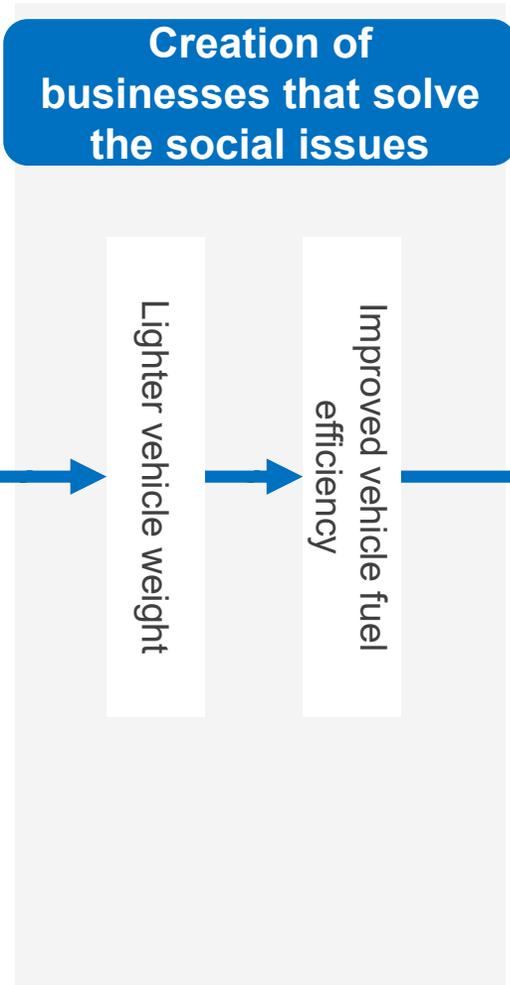
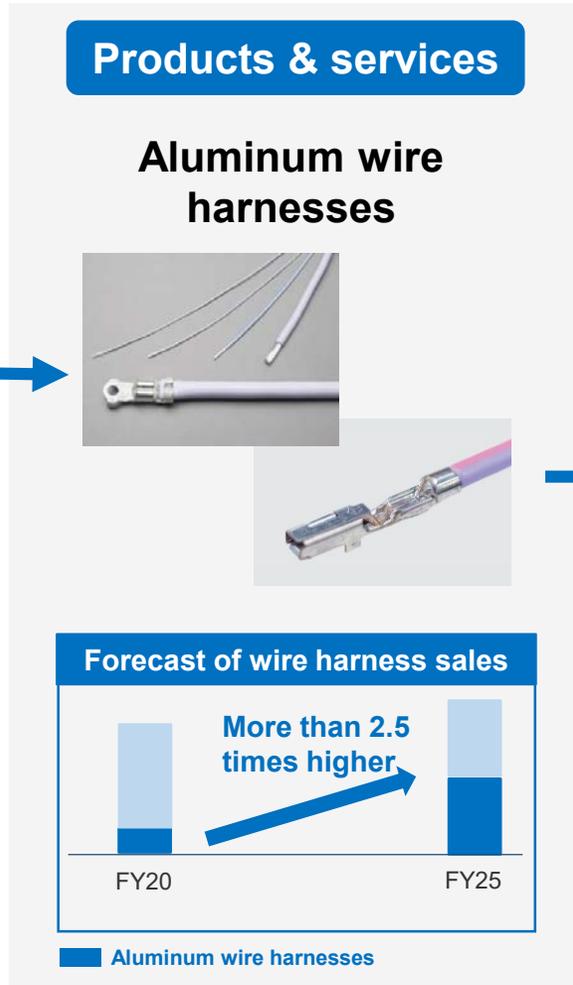
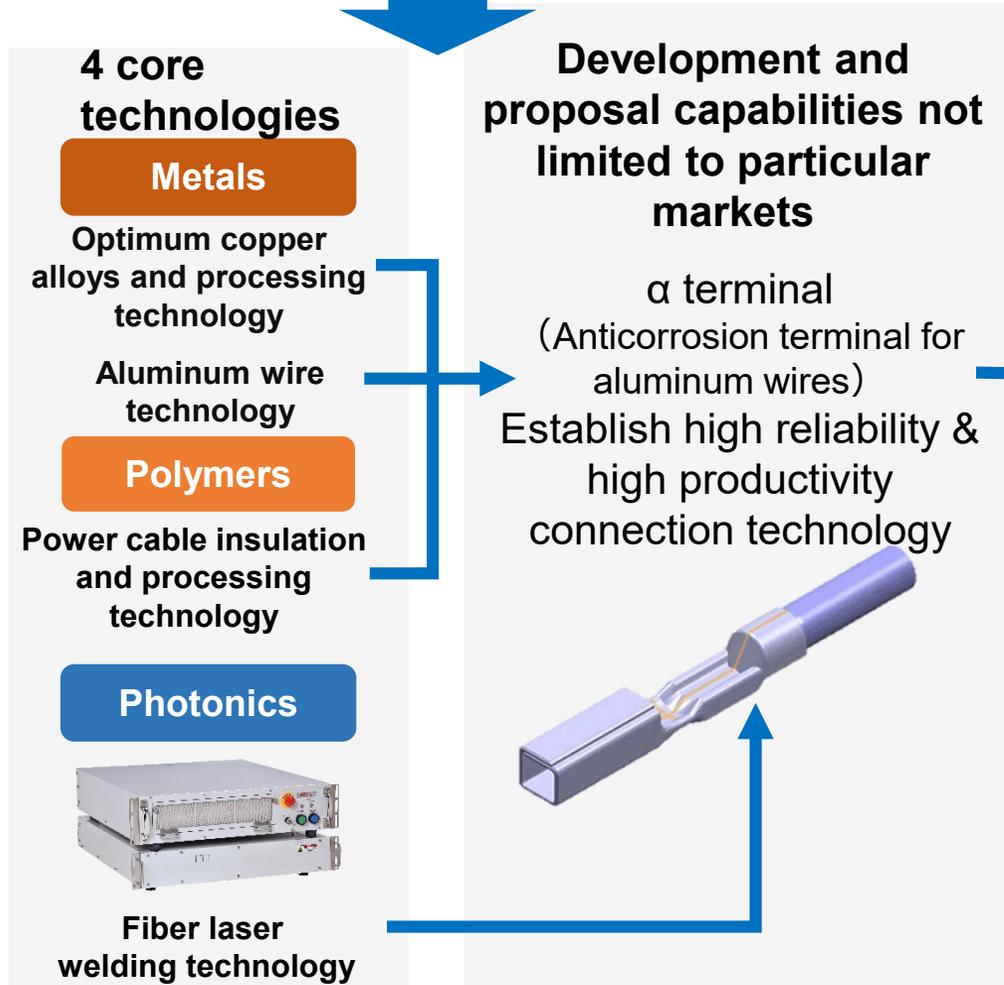
Aluminum Wire Harnesses

Factors in the social issues that should be resolved
Lighter weight & reliable dissimilar metal connections

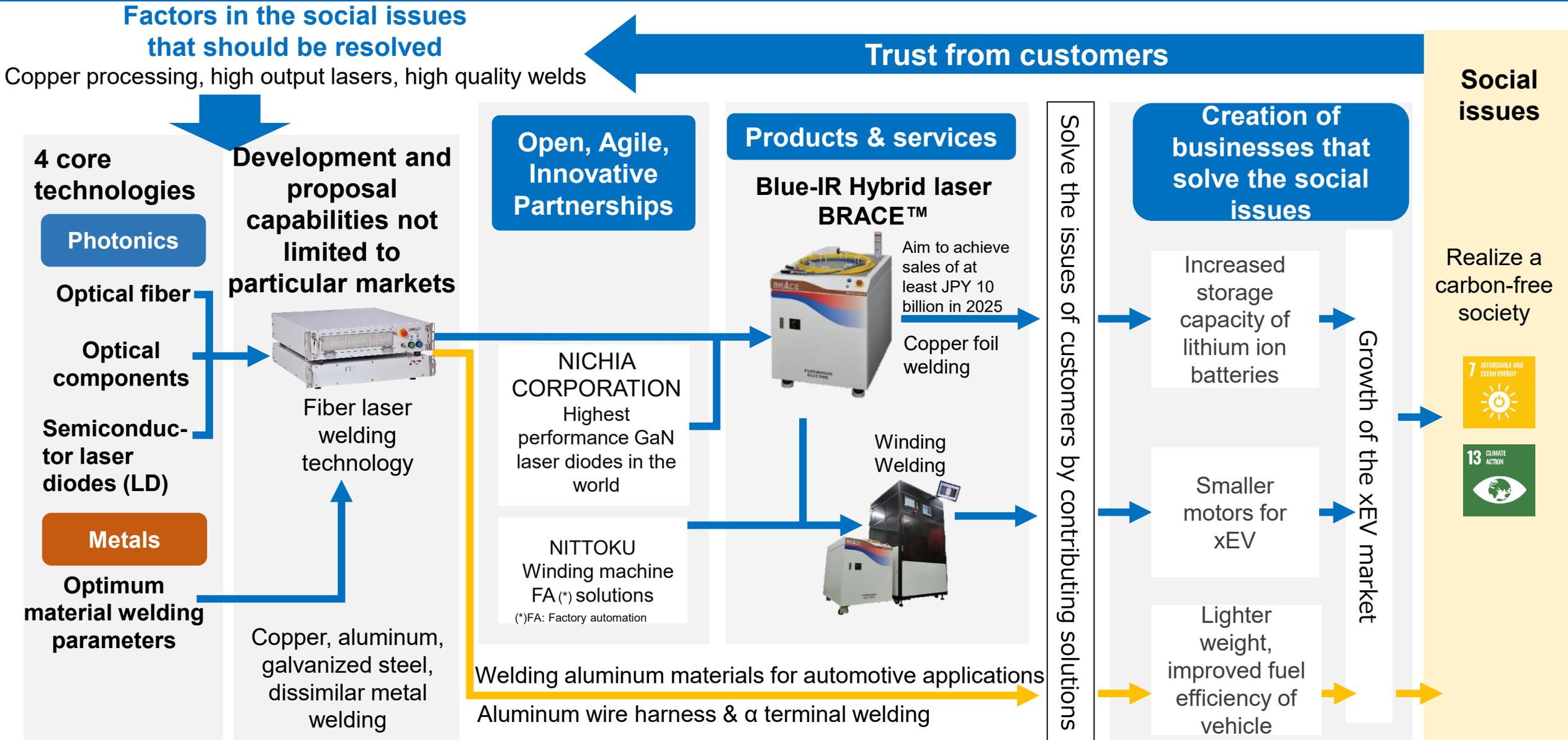
Trust from customers

Social issues

Realize a carbon-free society



New Solution Business through the Use of Industrial Lasers **FURUKAWA ELECTRIC**



Technology for Producing LPG with the Metal Encapsulated Zeolite

Factors in the social issues that should be resolved

Expectations for biofuels, long-life catalysts, manure disposal

Trust from customers

Social issues

4 core technologies

Metals

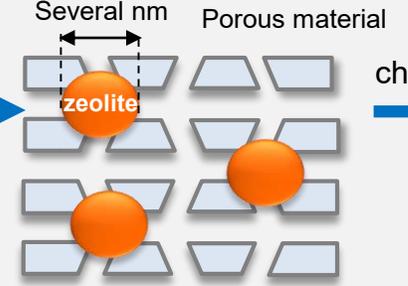
Supported metal catalysts technology

Polymers

Metal processing technology

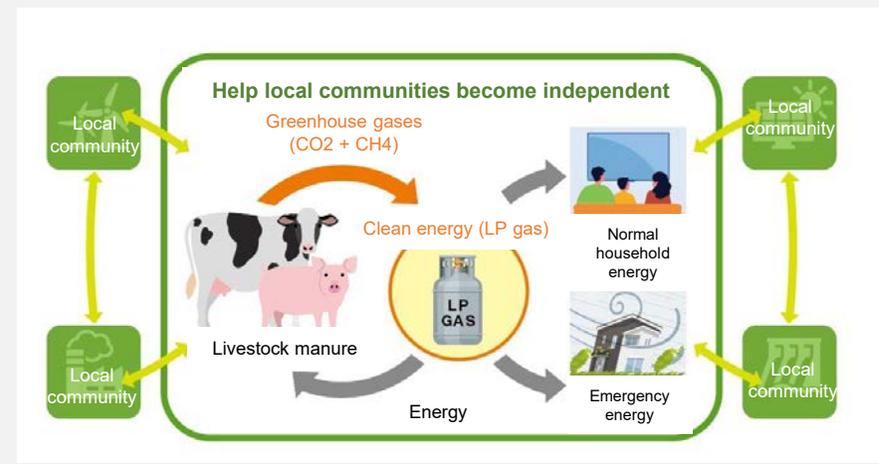
Development and proposal capabilities not limited to particular markets

Metal encapsulated catalysts

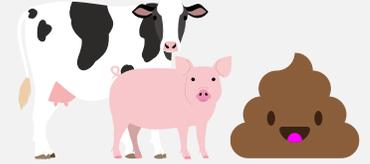


Creation of businesses that solve the social issues

Build a new business model for biofuel that enables local consumption of local production, storage and transportation



Livestock manure Dairy & livestock farmers



Co-creation partners (Local municipalities, etc.)

Create a regional circular and ecological sphere

Realize a carbon-free society



Town planning for mitigating disasters



Regional revitalization & stimulate the rural economy



Open, Agile, Innovative Partnership

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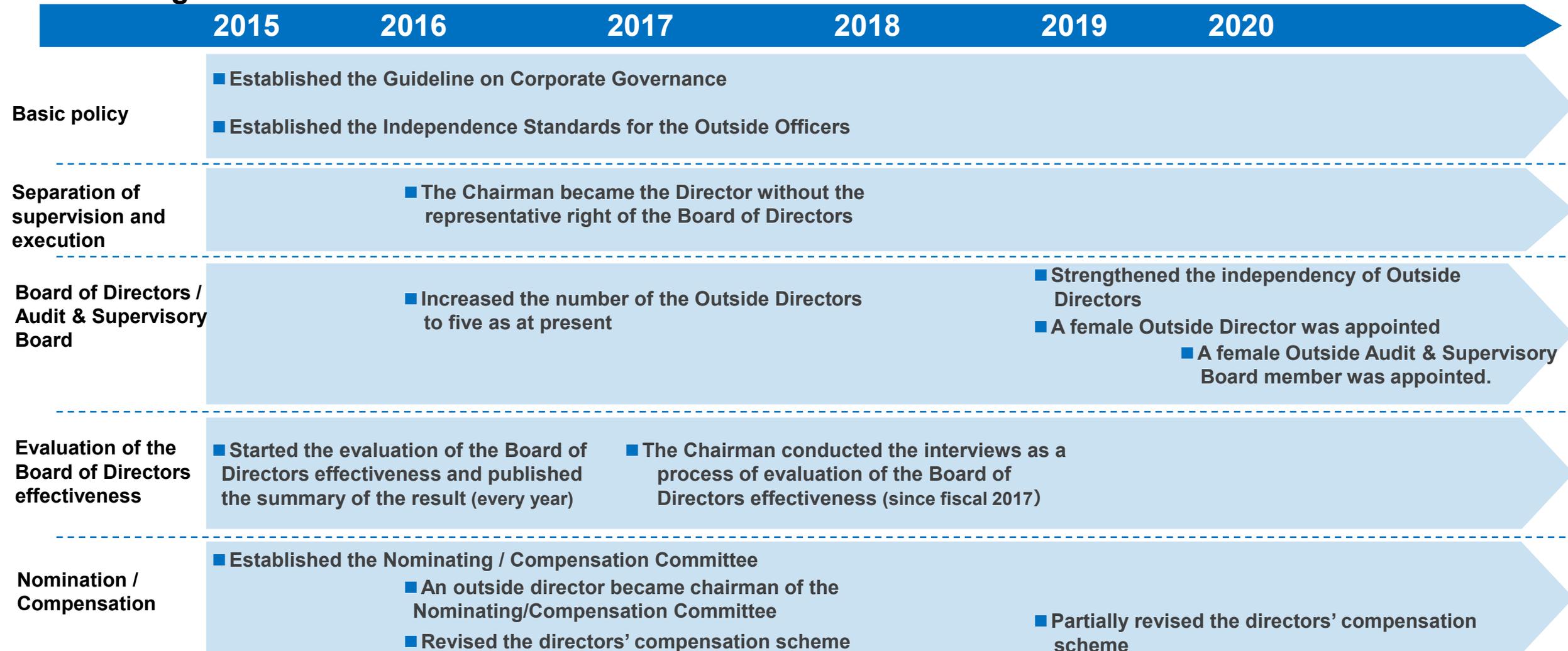
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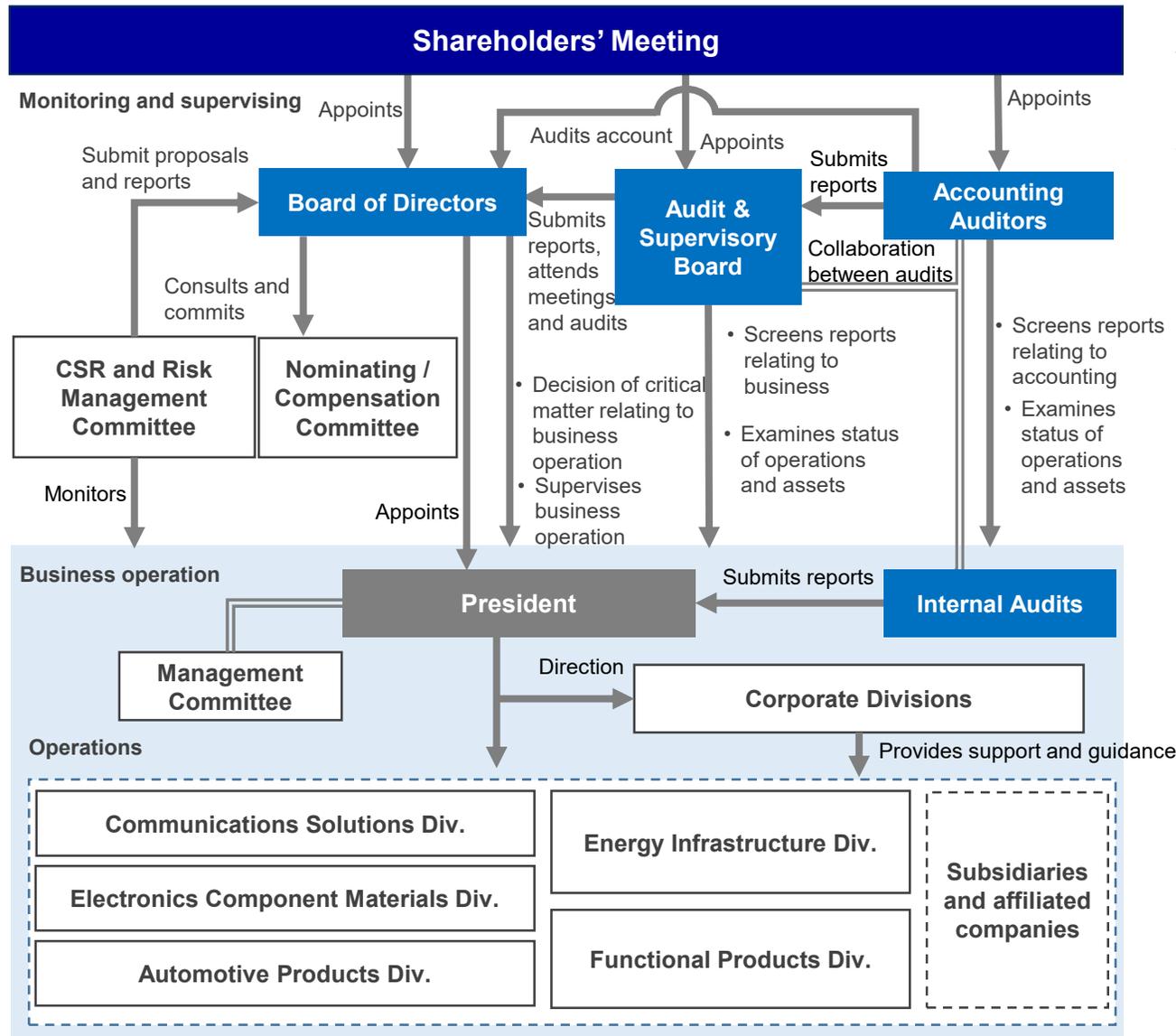
Governance : Build a governance system to strengthen risk management

- **Corporate governance (Today's contents)**
- Group governance
- Supply chain management

Initiatives for Strengthening Corporate Governance and the Progress

Corporate governance has been set forth as one of the measures for strengthening the management foundation in Furukawa G Plan 2020, and while referencing the Corporate Governance Code, initiatives are being accelerated.





(As of June 23, 2020)

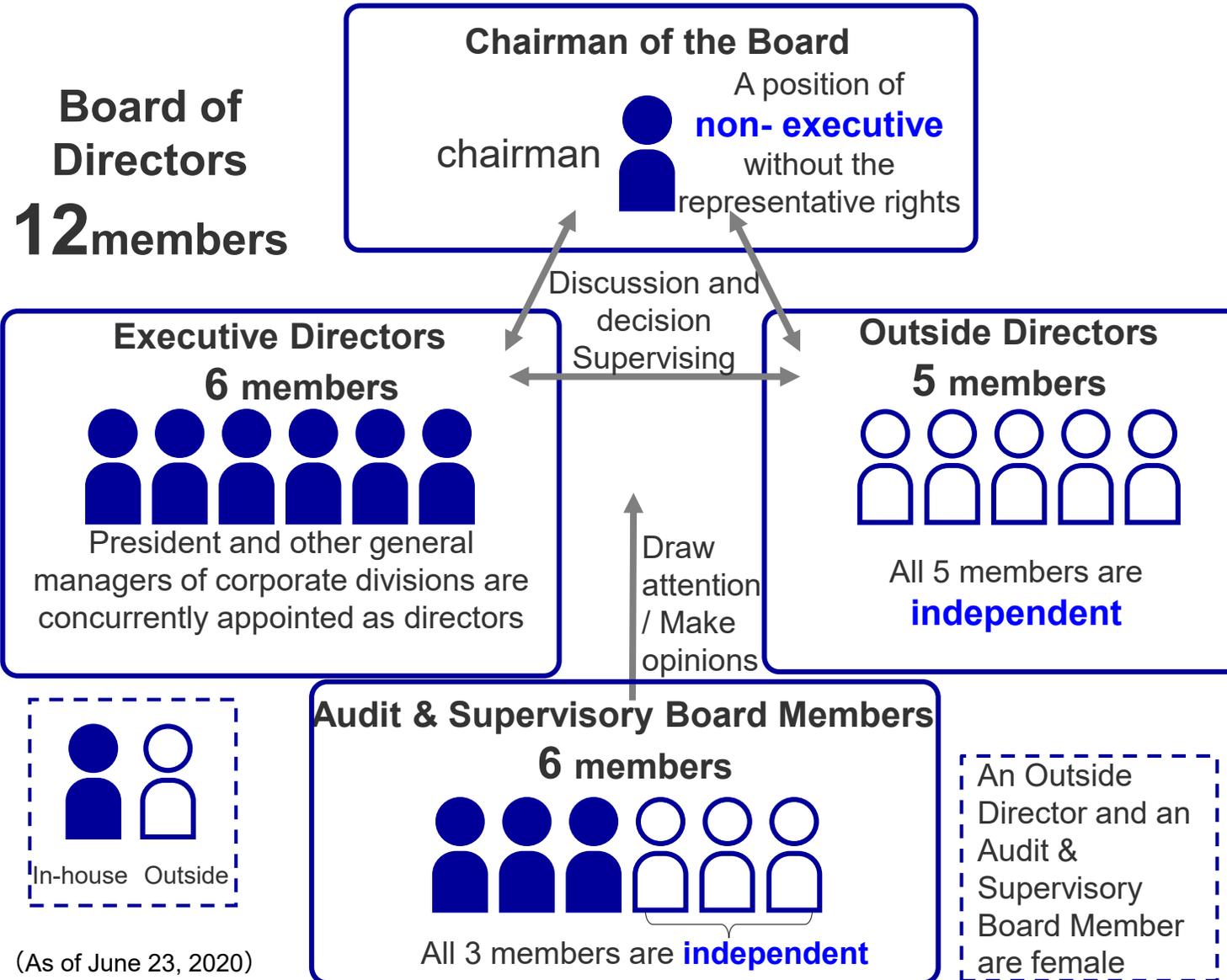
Audit & Supervisory Board type

Established Nominating / Compensation Committee voluntarily

(Chairman and majority members are outside directors)

Agenda items and discussions at the Board of Directors meetings

- Matters related to the management policy, philosophy and vision
- Mid-term Management Plan
- ESG management and SDGs initiatives
- Annual policy, annual budget
- Report on business execution
- Financial results
- Matters related to the Nominating / Compensation Committee
- Evaluation of the Board of Directors effectiveness
- Strategic shareholdings
- Activities of the CSR & Risk Management Committee



(As of June 23, 2020)

View concerning chairman of the Board

- Chairman is the chairman of the Board
- A position of non-executive without the representative right
- Connect between the Outside Directors and the Executive Directors

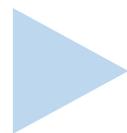
View concerning selection of outside officers

- Select a well-balanced mix of people with various skills and backgrounds to expect to participate discussion of Board of Directors with multiple views

- Company manager - Government experience - Technical engineer - Financial, accounting expert - Legal affairs, Risk management expert - Governance expert - Global management experienter, etc.

Outside officers' meeting (held regularly)

Exchange information, share awareness and form opinions from an objective perspective



As necessary, report to the Board of Directors



Visit offices and overseas locations



Actively participate in internal events

Research presentations

Keynote speech, evaluation and Q&A by outside officers



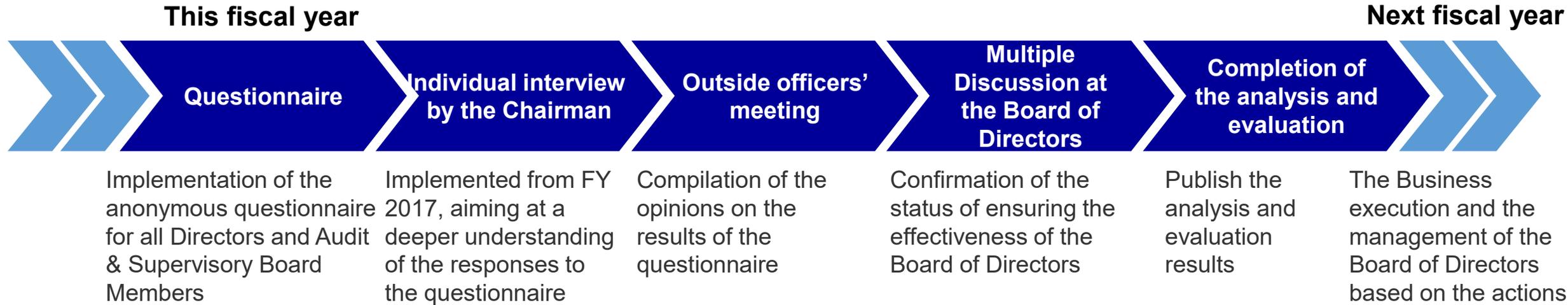
Internal networking events

Panel discussions, round table



Evaluation of the Board of Directors Effectiveness

Flow (implemented every year since fiscal 2015)



Evaluation items

| |
|---|
| Effectiveness of the Board of Directors (outline, mid-to long-term business plan, business operation, CSR / Risk management, ESG / SDGs, and Nominating / Compensation Committee) |
| Management of the Board of Directors |
| System related to support and cooperation with the Outside Officers |
| Roles and expectation for the Audit & Supervisory Board Members |
| Relationship with the shareholders and other stakeholders |
| Others (The Board of Directors in general, individual and peer evaluation, responsibility of the Board of Directors) |

Outline in fiscal 2020

| |
|--|
| Outline: the results of analysis and evaluation in fiscal 2020 |
| <ul style="list-style-type: none"> ➤ The status of initiatives, based on the results of analysis and evaluation in previous year <p>ESG and SDGs :</p> <p>Confirmed the steadily progress of the initiatives such as publication of the first integrated report to outline the Group initiatives for improving mid-to long-term corporate value.</p> <p>Continues to discuss, absorb and penetrate ESG/ SDGs initiatives with consideration of the connection between our businesses and solving social issues.</p> |

Main initiatives conducted to date

- Appoint a non-representative, non-executive director to serve as Chairman of the Board of Directors
- Appoint 5 outside and independent directors
- Appoint 3 outside and independent Audit & Supervisory Board members
- Appoint a woman as an outside director
- Appoint a woman as an outside Audit & Supervisory Board member
- Evaluate the effectiveness of the Board of Directors every year, and make the results public
- Establish a Nominating/ Compensation Committee
- Appoint an outside director to serve as chairman of the Nominating/ Compensation Committee
- Revise the remuneration structure for corporate officers



Based on the results of the Board of Directors effectiveness evaluation, implement initiatives to improve effectiveness, and in light of the revision to the Corporate Governance Code this year, make further improvements.

**Environment : Develop business activities
that consider climate change**

Initiatives for Climate Change and the Progress

Climate change is recognized to be an important management issue that is vital to sustainable corporate growth. Given this, efforts are being made to strengthen the response to the risks and opportunities created by climate change.

■ Set Environmental Targets 2030 (January 2019)

■ Formulated Furukawa Electric Group Environmental Vision 2050 (February 2021)

■ Develop technology and products that contribute to the environment (Announced publicly)

- Waste plastic recycling technology (May 2019)
- Bipolar storage batteries (June 2020)

■ Identify the materiality (September 2020)

(Revenue opportunities)
Create environment-friendly businesses

- Technology for producing LPG with the metal encapsulated zeolite (December 2020)

■ Obtained SBT certification (August 2019)



■ Expressed support for the recommendations of the Task Force on Climate-related Financial Disclosures (January 2020)



(Risks)
Develop business activities that consider climate change

Initiatives for Use of Renewable Energy

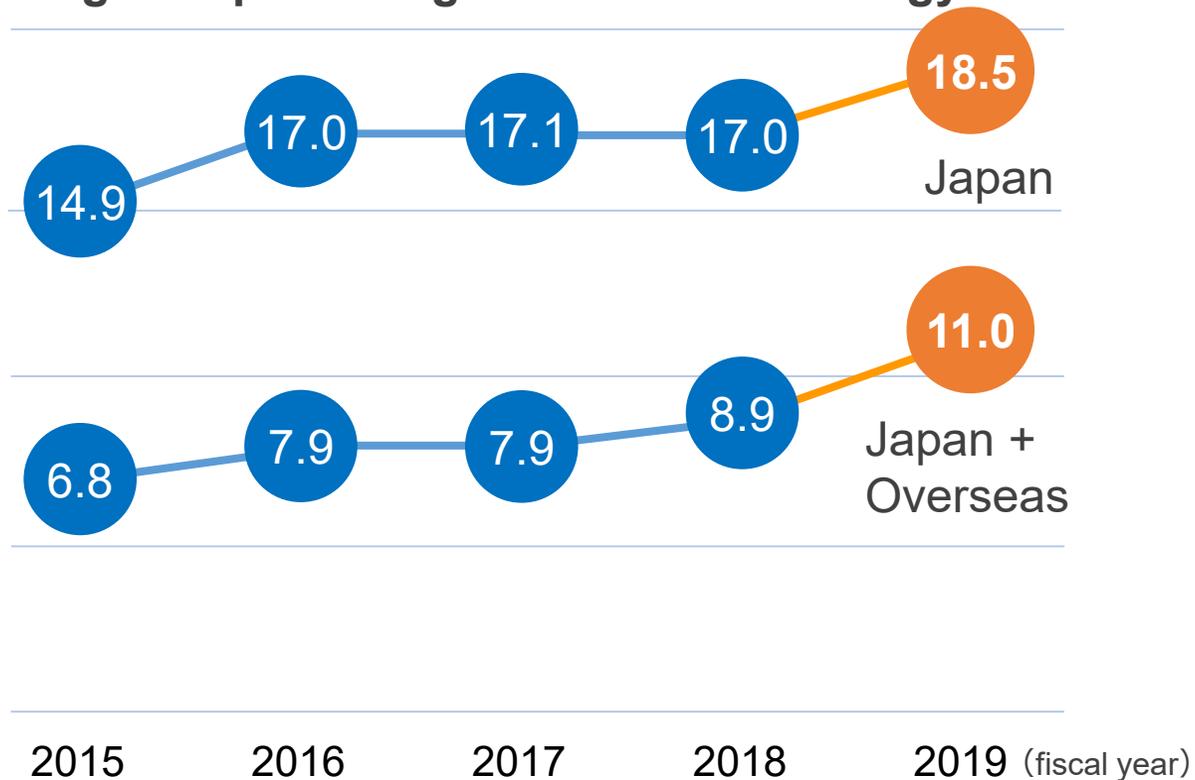
Japan

Furukawa Nikko Power Generation Inc.'s hydroelectric power generation (Nikko, Tochigi Prefecture) / Installation of solar power generation panels (Copper Foil Division in Nikko, Tochigi Prefecture) etc.

Overseas

Installation of solar power generation panels (Mexico, China and India),
Use of renewable energy under contract (Philippines and Europe) etc.

Changes in percentage of renewable energy (%)



Furukawa Nikko Power Generation Inc.'s hydroelectric power generation



Copper Foil Division started to use solar power generation equipment (February 2019)



Furmex(Mexico) started using solar power generation equipment (January 2019)



FALP(Philippines) switched to electricity derived from geothermal power generation (February 2019)

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

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



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

Scope 1: Direct emissions from the company's plants and offices

Scope 2: Indirect emissions from the electrical power and heat paid by the company

Initiatives in line with TCFD Recommendations: Governance and Risk Management

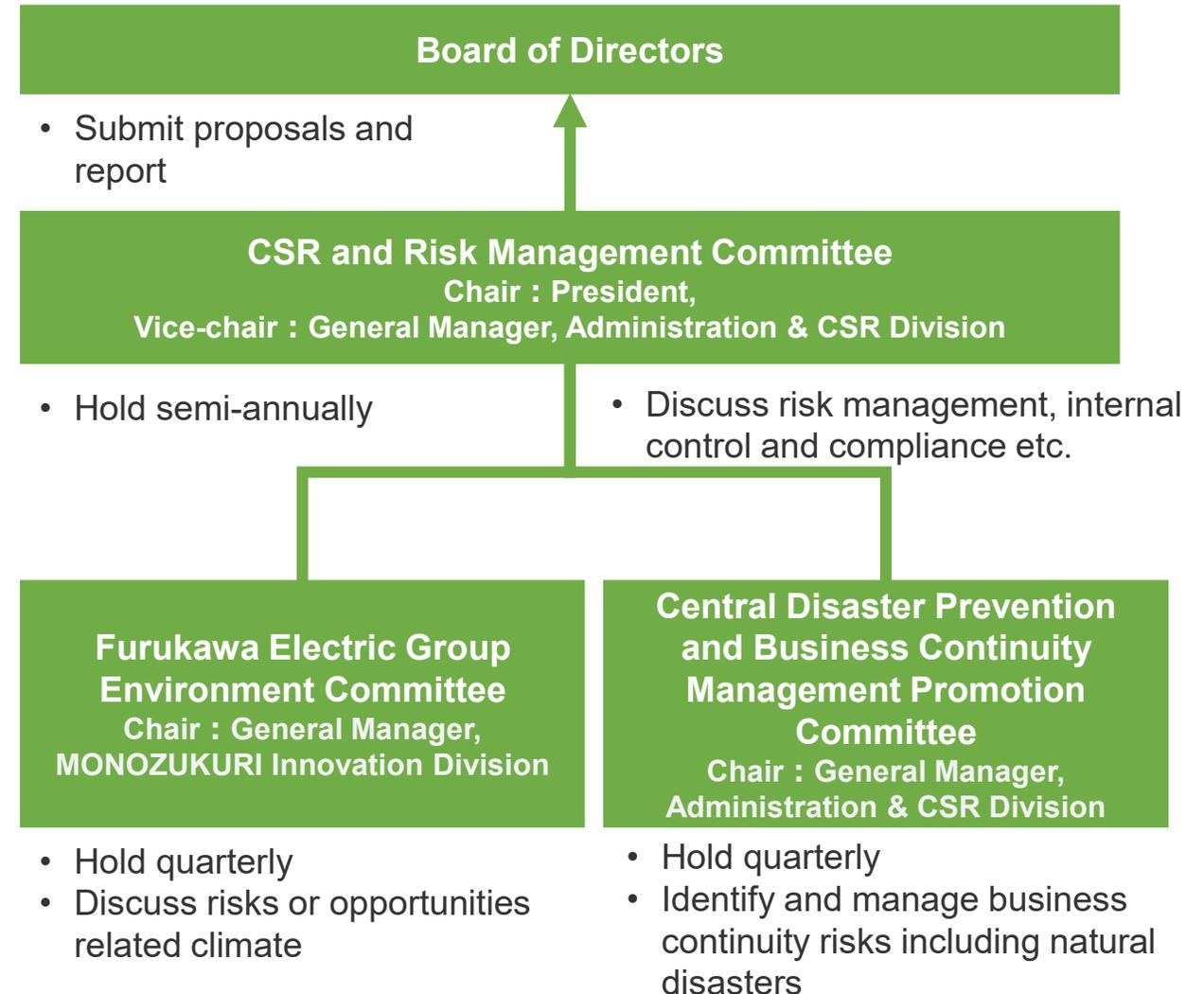
Discussions at the Board of Directors

- In April 2019, formulation of Furukawa Electric Group Vision 2030
- In February 2021, formulation of Furukawa Electric Group Environmental Vision 2050

Discussions at the Management Committee

- In January 2019, SBT certification application and formulation of environmental targets 2030
- In January 2020, TCFD endorsement and signing of United Nations Global Compact
- From December 2020 to February 2021, formulation of Furukawa Electric Group Environmental Vision 2050

Climate Change Risk Management Framework



Initiatives in line with TCFD Recommendations: Strategy (Implementation of Scenario Analysis)

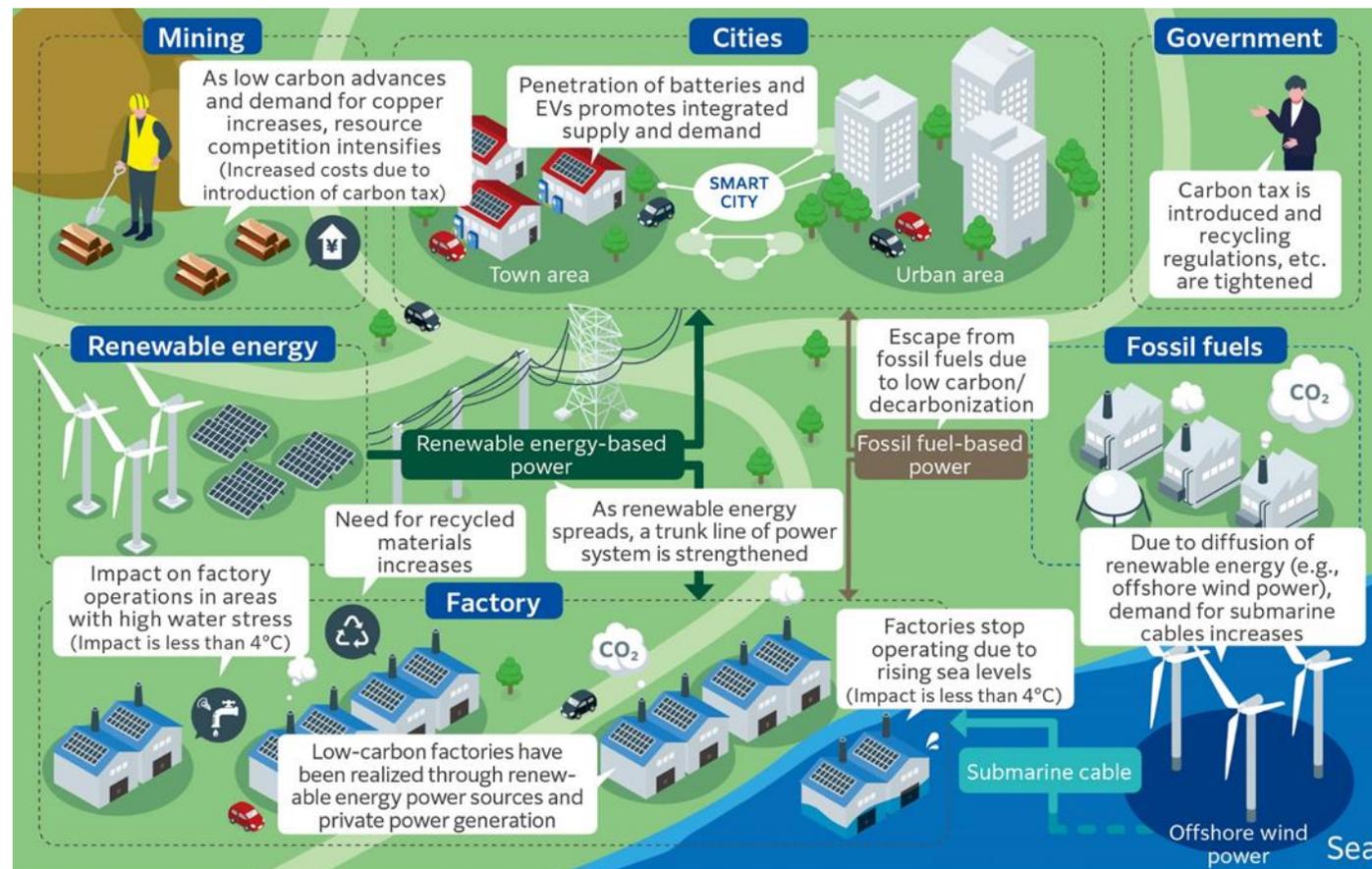
TCFD scenario analysis

Implemented scenario analysis in regard to three focused areas (infrastructure / automotive business)

| | | |
|--------------|---|--------------------------------------|
| Item | Optical Fiber and Cable, Power Cable | Automotive Products |
| Scenarios | 2°C Scenario, 4°C Scenario | |
| Time axes | 2030 but set to 2050 for physical risks | |
| Supply chain | Covers copper only. Glass materials and plastics are not included | Covers copper, aluminum and plastics |

Implementation of Scenario Analysis

In the world of 2°C, low carbon is promoted, and renewable energy and smart cities spread



Initiatives in line with the TCFD Recommendations: Strategy (Conduct Scenario Analysis)

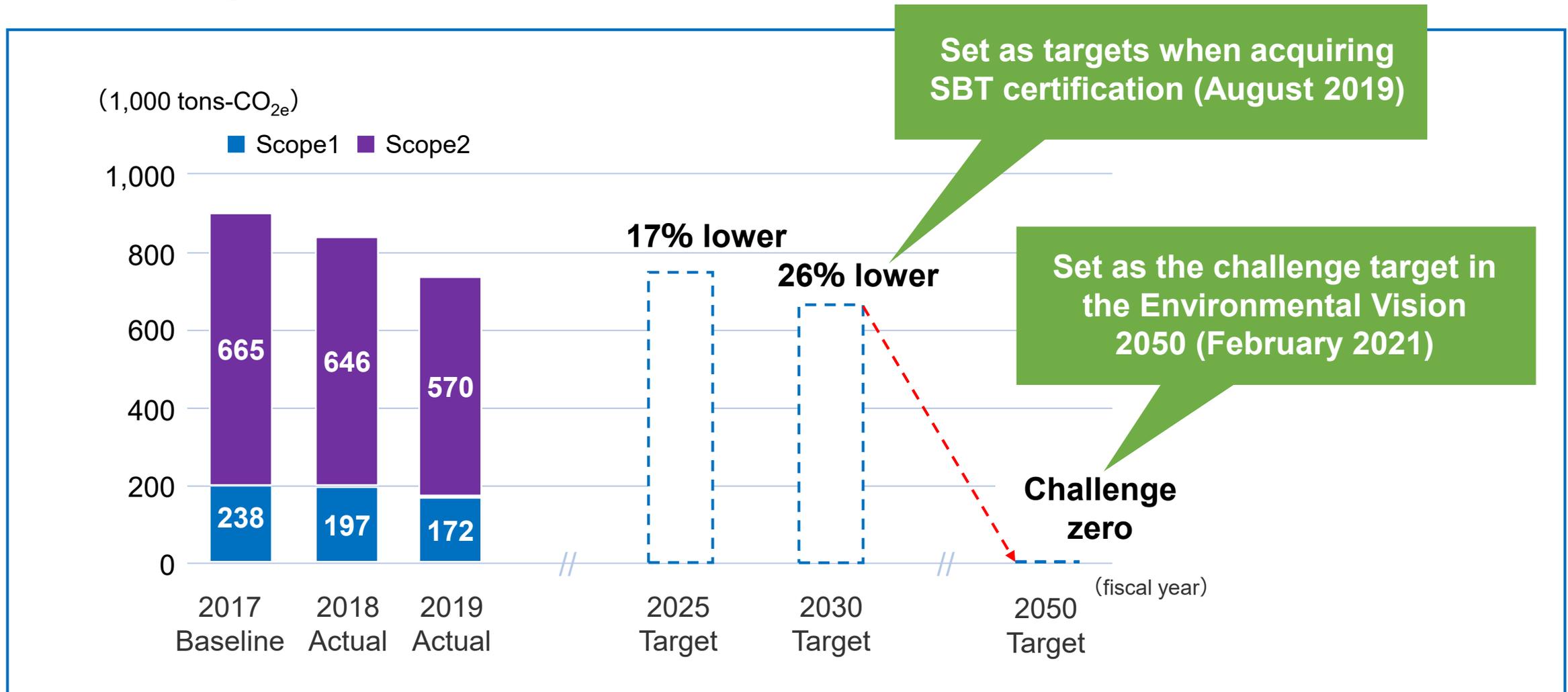
Financial impact of the quantified opportunities and risks

| | | Optical fiber and cable (*) | Power cable | Automotive products |
|---------------|-------------------|--|---|--|
| Opportunities | | Higher profit following a shift toward smart cities | Higher profit from increased demand for submarine cable and toughening the power lines following the further use of renewable energy | Higher profit from increased demand for products following further advancements in vehicle electrification and lighter weight |
| | | Avoid a carbon tax by using renewable energy | Avoid a carbon tax by using renewable energy | Avoid a carbon tax by using renewable energy |
| Risks | Transitional risk | Carbon tax on GHG emissions | Carbon tax on GHG emissions | Carbon tax on GHG emissions |
| | | Higher cost to procure renewable energy | Higher cost to procure renewable energy | Higher cost to procure renewable energy |
| | | Higher procurement costs following a carbon tax levied on copper (have not yet considered the risk regarding glass materials and plastic) | Higher procurement costs following a carbon tax levied on copper (have not yet considered the risk regarding plastic) | Higher procurement costs following a carbon tax levied on materials (copper, aluminum, plastic) |
| | Physical risk | Suspended operations due to drought | None | Suspended operations due to adverse weather phenomenon |

(*) Overview of the results of scenario analysis can be found on the Ministry of the Environment homepage: "Practical guide for Scenario Analysis in line with TCFD recommendations"

Initiatives in line with the TCFD Recommendations: Indicators and Targets

Greenhouse gas emissions reported in the CDP disclosure

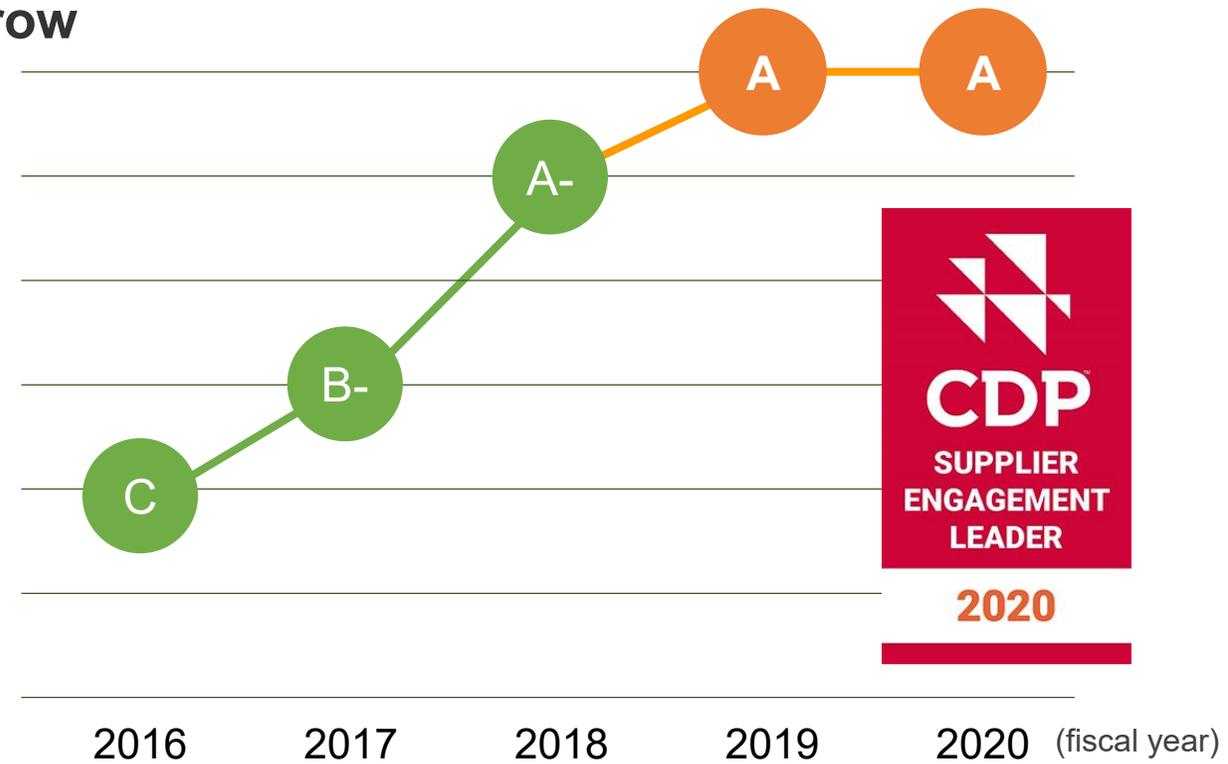


Initiatives for Environmental Disclosures and Results of the Evaluations

Named to the CDP “Climate change A list” for the first time



Named to the CDP “Supplier Engagement Rating Leaderboard” for the second year in a row



Going forward, continue to promote initiatives for setting targets, taking action, securing transparency and the risk & opportunities related to climate change.

■ Reduce GHG emissions

- Formulate a plan for introducing solar power
- Switch electric power purchases to renewable energy
- Utilize CO2 fixing technology
- Utilize internal carbon pricing
- Expand the products that show consideration for the environment

■ Disclose information in line with the TCFD recommendations

- Expand the businesses subject to scenario analysis
- Address the risks based on the scenario analysis
- Deepen scenario analysis directed at disclosing the financial impact

■ Secure earnings opportunities related to climate change

- Capture demand in the power cable business following the expansion of renewable energy
- Capture the increased demand for products following advancements in vehicle electrification and lighter weight
- Utilize technology for producing LPG with the metal encapsulated zeolite
- Utilize technology to recycle waste plastic into reinforced plastic

**Social : Strengthen human capital management and
organizational execution abilities**

Initiatives for “Social”

Under Furukawa G Plan 2020, in order to continue growing in the global market, the company has set forth the goals of pursuing diversity and independence, increasing the ability to respond to changes in the business environment and realizing “people” and “organizations” that are creative and have good execution ability.

■ **Formulated the Furukawa Electric Group Vision for Our People** (November 2018)

- Training global personnel (FY2006-)

■ **Identified the materiality** (September 2020)
(Risk) Strengthen human capital management and organizational execution abilities

■ **Established the Work Style Reform Project Team** (May 2015)

- 2 pillars of reforming the organizational culture and transforming the work styles

■ **Reorganized the Organization & Work Style Reform Team** (April 2019)

- Shift the focus more toward reforming the organizational culture, and accelerate the reforms

■ **Established the Post-COVID-19 “Work Style” Reform Team** (June 2020)

- Newly establish a team that will solve the various work style issues during the COVID-19 pandemic and develop new work styles for post-COVID-19

■ **Established a Diversity Promotion Office** (April 2014)

- Increase awareness of diversity & inclusion, implement measures that will enable women to excel in the workplace and promote independent work-life management

Initiatives for the supply chain (social)

■ **Identified the materiality** (September 2020)
(Risk) Supply Chain management

■ **Formulated Furukawa Electric Group Human Rights Policy** (January 2020)

■ **Revised the Furukawa Electric Group CSR Procurement Guidelines** (February 2021)

Overall Image of the Initiatives for “Strengthening Human Capital Management and Organizational Execution Abilities”

| Furukawa Electric Group Vision for Our People | |
|---|--|
| Target | Category |
| Individual | Increase satisfaction at work and engagement |
| | Become more independent |
| | Expand individual capabilities |
| Superiors | Support the growth of each employee |
| | Build good teams |
| | Achieve results as a team |
| Basic stance | Secure diversity |
| | Promote new challenges |
| | Implement fair, open systems that are trusted by employees |

| Materiality “Strengthening human capital management and organizational execution abilities” |
|--|
| Main initiatives and future direction |
| <ul style="list-style-type: none"> • Work style reforms • Career design training • Job rotation program • Professional program • Train management personnel  <ul style="list-style-type: none"> • Realize work styles not limited to particular workplaces • Increase the desire for independent career formation • Capability development through training and planned assignments |
| <ul style="list-style-type: none"> • Formulate and implement “Furukawa Seven” • Promote 1on1 • Measure the organizational execution abilities • Advance the behavior reform program  <ul style="list-style-type: none"> • Transform leadership • Accelerate the changes to the organizational culture |
| <ul style="list-style-type: none"> • Promote diversity • Target management system • Various interview systems • Revise the personnel compensation system  <ul style="list-style-type: none"> • Utilize career-track hiring, and promote diverse personnel in the workplace • Realize a culture that promotes new challenges in both dialogue (feedback and career interviews) and systems (side job in the company, clearly defined compensation) |

Overview of “Work Style Reform” with a View toward Post-COVID-19

Established a cross-functional organization within the company (Post-COVID-19 “Work Style Reform” Team), aim to implement & establish new work styles that leverage the merits of remote work and promote improvements to the implementation & operation of internal systems and enhancements to the infrastructure. In addition, continued efforts will be made to transform employee awareness.

| Objective | Implement and operate programs | Enhance the infrastructure | Transform employee awareness |
|--------------------------------|--|--|---|
| Promote remote work | <ul style="list-style-type: none"> • Introduce a telework allowance • Settle commuting expenses based on actual cost | <ul style="list-style-type: none"> • Enhance the telecommunications lines • Strengthen information security • Enhance the remote tools • Promote digitalization of internal approval and contracts | <ul style="list-style-type: none"> • Executive management will lead by example in relation to utilizing remote work • Set targets for limiting office attendance • Hold internal meetings and events on-line • Quick survey of employee needs |
| Establish new work styles | <ul style="list-style-type: none"> • Improve the use of the Internet and SNS for making internal announcements and communicating with customers | <ul style="list-style-type: none"> • Revise the head office functions with an eye on post-COVID-19, and move into the new head office building • Promote digitalization of internal documents • Establish satellite offices • Start implementing the manufacturing workplace remote measures | <ul style="list-style-type: none"> • Activities to promote “Furukawa Seven” • Recommend team learning • Quick survey of employee engagement |
| Measures to prevent infections | <ul style="list-style-type: none"> • Group and global follow-up • Partner with industrial physicians • Thoroughly implement the guidelines of the Japan Business Federation | <ul style="list-style-type: none"> • Utilize partitions and face shields manufactured in-house | <ul style="list-style-type: none"> • Continually revise and call attention to the guidelines for preventing infection and in relation to the work styles |

Importance of “Transforming Leadership” within Strengthening Human Capital Management and Organizational Execution Abilities

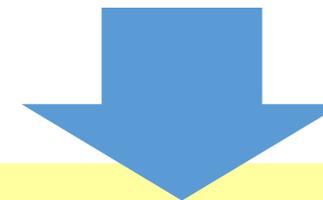
Weaknesses of the organizational execution ability

Organizational execution ability is essential for achieving Vision 2030 and has been revealed to be an important and urgent issue.



Impact of COVID-19

As remote work becomes further established, it is increasingly necessary to “build teams that achieve results” in order to continue creating corporate value.

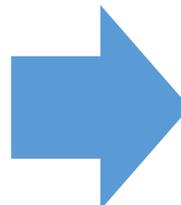


Each corporate officer and management-level employee will strive to
“be a leader who builds good teams and achieves results as a team”

“Transform leadership”

Furukawa Seven

7 principles for leaders in the workplace



- Department managers and higher, including corporate officers, will “declare” that they will set forth a vision of the ideal team and act independently to realize that vision
- Implement “Furukawa Seven” on a daily basis and confirm using an app (plan to expand to section leaders in the future)

→ **Clearly set forth 1 mindset and 6 action standards that are important for leaders**

1. **Basic concept for achieving Furukawa Electric Group Vision 2030**

Furukawa Electric Group Value and ESG management/ SDGs

Important management issues (Materiality) and corporate value

Value creation process directed at 2030

2. **Cases related to materiality of revenue opportunities**

Improve earnings in communications, energy and mobility

Growth through the creation of businesses that solve the social issues

New business models, reinforce the strengths

3. **Initiatives related to materiality of risks**

Governance: Build a governance system to strengthen risk management

Environment: Develop business activities that consider climate change

Social: Strengthen human capital management and organizational execution abilities

4. **Main external assessments of ESG**

Selected to main ESG Index and CDP Evaluation

| | Comprehensive-type Index | | Theme-type Index | |
|--------------------------------|--|-------------------------------------|--|--|
| ESG Index utilized by the GPIF |  FTSE Blossom Japan Firstly selected in June 2020 | MSCI Japan ESG Select Leaders Index |  Selected for three years since 2018 | 2020 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN) |
| | | Not selected | | Selected three times since 2017 |

| | Climate Change | Supplier Engagement Rating | Water Security |
|----------|---|--|----------------|
| CDP 2020 |  Firstly selected in December 2020 |  Selected for two years | B level |

■ Today's summary

- Recent ESG related initiatives at the Furukawa Electric Group
- Basic concept for achieving the Group Vision 2030

■ Future initiatives

- Formulate the next Mid-term Management Plan
- Enhance the integrated report, and promote the disclosure of ESG/SDGs related information

**Thank you very much for
your attention.**

Appendix

Furukawa Electric Group Philosophy

Corporate Philosophy

Drawing on more than a century of expertise in the development and fabrication of advanced materials, we will contribute to the realization of a sustainable society through continuous technological innovation.

Management Philosophy

With an eye to the future, the Furukawa Electric Group management team pledges to:

- Live up to the expectations and trust invested in us by society, with fairness and integrity.
- Apply the sum total of our expertise to satisfy our customers and grow with them.
- Continuously strive to achieve world-class technological innovation, and transform ourselves in every area of endeavor.
- Nurture human resources at every level, so that we can become a more diverse and creative organization.

Core Value

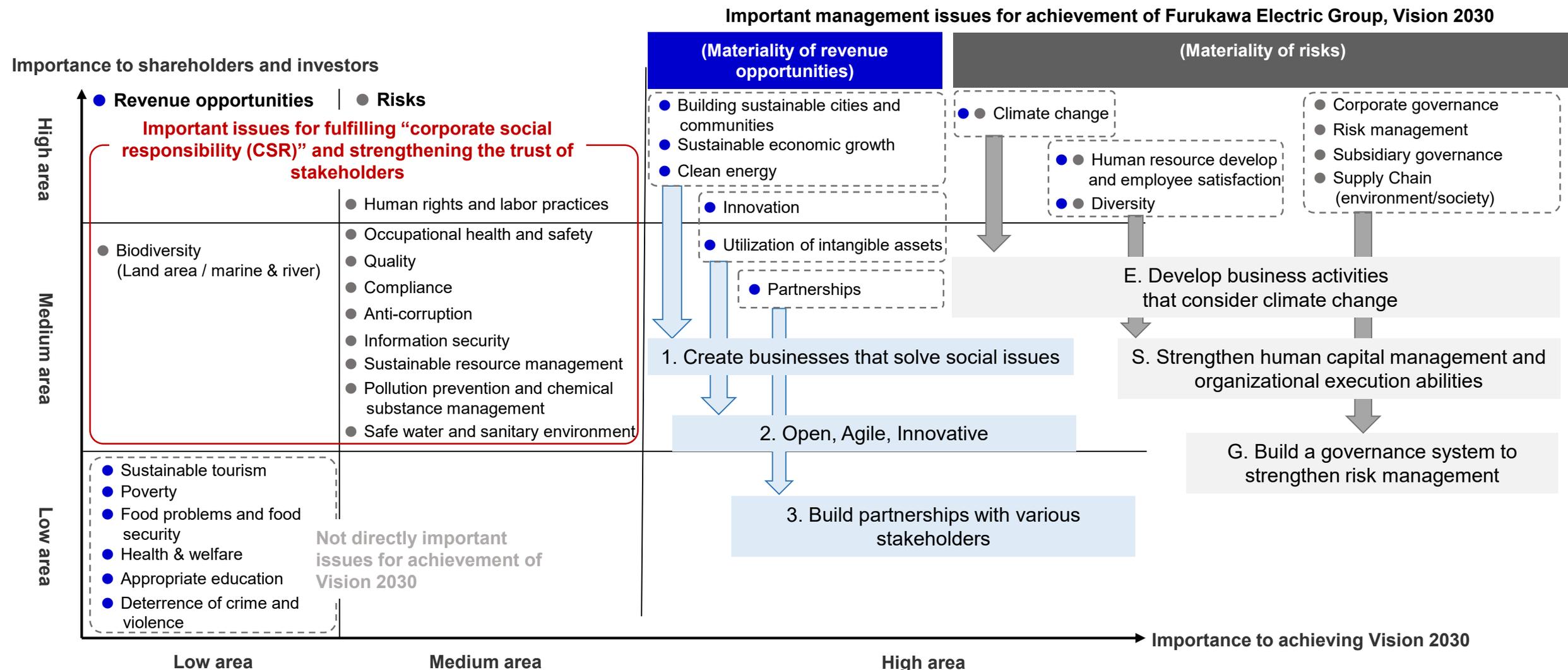
Furukawa Electric Group Vision 2030

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



(Appendix) Overviews of Important Management Issues

Materiality : Important management issues for achieving of Furukawa Electric Group Vision 2030



* we distinguish between important issues for achieving Vision 2030 and important issues for fulfilling corporate social responsibility (CSR) and strengthening the trust of stakeholders

(*) No particular order in the area

(Appendix) Furukawa Electric Group Vision for Our People

Furukawa Electric Group People Vision was formulated in 2018, as a consistent and basic idea of the general human resources measures among the management related philosophy and the policy of the Group.



Role of the Individual

- Each individual proactively and continuously develop and deliver the best of their skills and competencies through engagement and collaboration.
- As a member of both Furukawa Electric Group and the global community, each individual must work with ethics and integrity in mind, and put their effort towards making the world a better place.

Role of the Leader

- Leaders encourage the engagement of all people while supporting the growth of the individual.
- Leaders facilitate the transformation of the individual's skills and competencies to deliver successful organizational accomplishments.
- Leaders demonstrate behaviors that support a creative and positive organizational culture through teamwork

Principles of Human Resources

- All human resource policies, procedures and systems will reflect fairness, support diversity and encourage all of our talent to proactively challenge and develop themselves.
- By fostering on organizational culture which value people, Furukawa Electric Group will nurture each individual's confidence in the company.

(Appendix) Furukawa Seven: 7 principles for leaders in the workplace

1 important mindset and 6 action standards



Furukawa Seven

7 principles for leaders in the workplace

