

*[Translation for Reference Purpose Only]*

June 4, 2024

Dear Shareholders:

## **Notice of the 202<sup>nd</sup> Annual Shareholders Meeting**

You are cordially invited to attend the 202<sup>nd</sup> Annual Shareholders Meeting of Furukawa Electric Co., Ltd. to be held on June 26, 2024, at 10:00 a.m., at the conference room of Furukawa Electric Co., Ltd. on the 18<sup>th</sup> floor of Tokiwabashi Tower, 2-6-4 Otemachi Chiyoda-ku, Tokyo, Japan.

The Annual shareholders meeting will be conducted:

To receive the following reports,

1. Business Report, Consolidated Accounting Documents and the Audit Reports of Account Auditors and Audit & Supervisory Board for Consolidated Accounting Documents for the 202<sup>nd</sup> fiscal year (from April 1, 2023 to March 31, 2024)
2. Reports on Non-Consolidated Accounting Documents for the 202<sup>nd</sup> fiscal year (from April 1, 2023 to March 31, 2024)

To consider and act on the following proposals,

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

The foregoing proposals of business are more fully described in the documents attached and made a part hereof. Your vote is important. When you are attending the Annual shareholders meeting, please bring enclosed Card for Exercise of Voting Rights with you. If you are unable to attend the Annual shareholders meeting, please exercise your voting rights in writing or via the Internet (<https://soukai.mizuho-tb.co.jp/>). The Card arrived at the Company and the submission via the Internet after 5:00 p.m. on June 25, 2024 would be a void vote.

Sincerely  
Hideya Moridaira  
President

**DISCLAIMER:** This translation may be used only for reference purposes. This English version is not an official translation of the original Japanese version (including Reference Documents for Annual Shareholders Meeting, the Business Report, Financial Statements for the fiscal year ended March 31, 2024, which consist of consolidated balance sheet, and consolidated statement of operation, non-consolidated balance sheet, non-consolidated statement of operation; hereinafter the same). Due to differences of accounting, legal, and other systems as well as language, etc., this English version might contain inaccuracies, and therefore, might be inconsistent with the original import intended in Japanese version. Certain parts of the translation may have been edited to accommodate differences in writing style and expression between English and Japanese version. In the event of any discrepancies between the Japanese and English version, the former shall prevail. Furukawa Electric Co., Ltd. shall accept no responsibility or liability for damage or loss caused by any error, inaccuracy, or misunderstanding with regard to this translation.

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**Proposal One: Dividends from surplus**

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

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

It is proposed that the year-end dividends for the current fiscal year be 60 yen per share.

- (1) Matters concerning allotment of dividend assets to shareholders and total amount of dividends
  - 60 yen per common share of the Company
  - Total amount: 4,236,982,920yen
- (2) Effective date of the dividend from surplus
  - June 27, 2024

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**Proposal Two: Election of eleven (11) Directors**

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

The candidates for Directors are as shown below.

Candidate no.	Name		Position/responsibilities
1	Keiichi Kobayashi (Male)	Re-election	Chairman and Director
2	Hideya Moridaira (Male)	Re-election	President and Representative Director
3	Takashi Tsukamoto (Male)	Re-election Candidate for Outside Director, Independent Officer	Outside Director
4	Yoshiro Miyokawa (Male)	Re-election Candidate for Outside Director, Independent Officer	Outside Director
5	Yukiko Yabu (Female)	Re-election Candidate for Outside Director, Independent Officer	Outside Director
6	Tamotsu Saito (Male)	Re-election Candidate for Outside Director, Independent Officer	Outside Director
7	Takeo Hoshino (Male)	Election Candidate for Outside Director, Independent Officer	—
8	Satoshi Miyamoto (Male)	Re-election	Director and Corporate Executive Vice President General Manager, Strategy Division

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9	Yoshio Masutani (Male)	Re-election	Director and Corporate Senior Vice President General Manager, Global Marketing Sales Division
10	Toshio Yanagi (Male)	Re-election	Director and Corporate Vice President General Manager, Risk Management Division
11	Koji Aoshima (Male)	Election	Corporate Vice President General Manager, Finance & Accounting Division

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

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

*[Translation for Reference Purpose Only]*

1.	<b>Keiichi Kobayashi (Male)</b>	[Date of Birth: June 24, 1959]
<b>■Brief history</b> April 1985    Joined Furukawa Electric Co., Ltd. April 2014    Corporate Vice President and General Manager of Copper & High Performance Material Products Division April 2015    Corporate Senior Vice President, Advisor of Automotive Electronics Material Business, and General Manager of Copper & High Performance Material Products Division June 2015    Director and Corporate Senior Vice President, Advisor of Automotive Electronics Material Business, and General Manager of Copper & High Performance Material Products Division April 2016    Representative Director and Corporate Executive Vice President, General Manager of Global Marketing Sales Division April 2017    President and Representative Director April 2023    Chairman and Director (present post)		
Number of shares in the Company 9,800 Shares Number of Potential shares (*1) 44,322 Shares		
The Number of Attendance at the Board of Directors Meetings 16 out of 16 times The Number of Attendance at Nominating/ Compensation Committee 5 out of 5 times (*3)		
<b>■Important Concurrent Posts</b> Director (Outside) of NTT DATA Japan Corporation		
<b>■Reasons for selection as a candidate for Director</b> <p>Mr. Keiichi Kobayashi has been engaged in the management of our Group, including in the capacity of President &amp; Representative Director, for long years, and has extensive experience and in-depth insight in business operations and marketing/sales. Since April this year, in the capacity of the chairperson of the Board of Directors being a non-executive officer, he has been supervising business execution by the management team including the President. The Company expects that his wealth of experience in managing our Group and his advanced knowledge of technologies in our core business areas will contribute to stimulating strategic discussion at the Board of Directors to realize “Furukawa Electric Group Vision 2030” formulated by looking toward 2030 as well as further strengthening of corporate governance. Therefore, the Company requests his re-election as a Director.</p>		

*[Translation for Reference Purpose Only]*

2.	<b>Hideya Moridaira (Male)</b>	[Date of Birth: July 13, 1965]
<b>■Brief history</b> April 1990      Joined Furukawa Electric Co., Ltd. April 2014      Section Chief, Corporate Planning Section, Strategy Division April 2016      General Manager, Planning & Administration Department, Communications Solutions Division April 2017      Deputy General Manager of Communications Solutions Division, General Manager of Planning & Administration Department (concurrent posts) Feb. 2020      General Manager of Optical Fiber & Cable Products Division in Communications Solutions Division April 2020      Corporate Vice President, General Manager of Optical Fiber & Cable Products Division in Communications Solutions Division April 2021      Corporate Vice President, General Manager of Communications Solutions Division, General Manager of Optical Fiber & Cable Products Division (concurrent posts) May 2021      Corporate Vice President, General Manager of Communications Solutions Division April 2022      Corporate Senior Vice President, General Manager of Communications Solutions Division June 2022      Director and Corporate Senior Vice President, General Manager of Communications Solutions Division April 2023      President and Representative Director (present post)		
Number of shares in the Company 5,500 Shares Number of Potential shares (*1) 12,106 Shares		
The Number of Attendance at the Board of Directors Meetings 16 out of 16 times The Number of Attendance at Nominating/ Compensation Committee 5 out of 5 times (*3)		
<b>■Important Concurrent Posts</b> N/A		
<b>■Reasons for selection as a candidate for Director</b> <p>Mr. Hideya Moridaira has significant experience in production technologies and intellectual properties, and led Corporate Planning Section in formulating the previous Medium-term Management Plan. Since 2016, he has served as General Manager of Communications Solutions Division (global business) to promote the transformation of overall Communications Solutions business, thus he has extensive experience in business operations as well as advanced knowledge of technologies in core business areas of our Group. Since April this year, he has assumed the position of President &amp; Representative Director, and played a role in firmly advancing the Medium-term Management Plan (MTMP) “Road to Vision 2030: Transform and Challenge” under his excellent leadership, and further increasing corporate value toward realizing “Furukawa Electric Group Vision 2030”. Therefore, the Company requests his re-election as a Director.</p>		

*[Translation for Reference Purpose Only]*

<b>3.</b>	<b>Takashi Tsukamoto (Male)</b>	[Date of Birth: August 2, 1950]
Candidate for outside Director and Independent Officer		
<b>■Brief history</b> April 1974    Joined The Dai-Ichi Kangyo Bank., Ltd. (presently Mizuho Bank, Ltd.) April 2002    Executive Officer / General Manager of Human Resources Division of Mizuho Corporate Bank, Ltd. (presently Mizuho Bank, Ltd.) Mar. 2003    Managing Executive Officer / Head of Risk Management Group and Head of Human Resources Group of Mizuho Financial Group, Inc. April 2004    Managing Executive Officer / Head of Europe, Middle East and Africa of Mizuho Corporate Bank, Ltd. Mar. 2006    Managing Director / Chief Strategy Officer and Chief Financial Officer of Mizuho Corporate Bank, Ltd. April 2007    Deputy President of Mizuho Corporate Bank, Ltd. April 2008    Deputy President-Executive Officer / Head of Financial Control and Accounting Group of Mizuho Financial Group, Inc. June 2008    Deputy President / Head of Financial Control and Accounting Group of Mizuho Financial Group, Inc. April 2009    President & CEO of Mizuho Financial Group, Inc. June 2011    Chairman of Mizuho Financial Group, Inc. and President & CEO of Mizuho Bank, Ltd. July 2013    Chairman of Mizuho Financial Group, Inc. and Chairman of Mizuho Bank, Ltd. Nov. 2013    Chairman of Mizuho Financial Group, Inc. April 2014    Senior Advisor of Mizuho Financial Group April 2017    Honorary Advisor of Mizuho Financial Group June 2017    Outside Audit & Supervisory Board Member of Furukawa Electric Co., Ltd. June 2021    Director (Outside) of Furukawa Electric Co., Ltd. (present post) July 2023    Senior Advisor of Mizuho Financial Group, Inc. (present post)		
Number of shares in the Company 5,200 Shares		
The Number of Attendance at the Board of Directors Meetings 16 out of 16 times		
The Number of Attendance at Nominating/ Compensation Committee 5 out of 5 times (*3)		
<b>■Important Concurrent Posts</b> Senior Advisor of Mizuho Financial Group, Inc.    /    Director (Outside) of Asahi Mutual Life Director (Outside) of AEON CO., LTD.    /    Director (Outside) of Internet Initiative Japan Inc.		
<b>■Reasons for selection as a candidate for Director and expected roles</b> <p>Mr. Takashi Tsukamoto has held several leadership positions, including Director in charge of Finance and Representative Director, in a financial institution, and has a wealth of experience and extensive knowledge of overall corporate management, including finance and accounting. Since he assumed the position of Outside Director of the Company in 2021, he has actively provided advice and recommendations mainly on business strategy, group management, financial policies and investor relations from the perspectives of the Group's global management as well as shareholders and other stakeholders. Furthermore, he has demonstrated his leadership as the chairperson of Nominating/ Compensation Committee as well as outside officer meetings, while taking initiative as the lead outside officer by sharing the recognition of the Company's management challenges among outside officers and by ensuring cooperation between outside officers and the management/Audit &amp; Supervisory Board (Members). As such, he has significantly contributed to improving the Company's corporate governance. As the Group will work on strengthening the corporate governance system and promoting global corporate management, his advice and recommendations on corporate management and finance/accounting based on his experience and expertise, as well as his leadership will be extremely beneficial for the Company. In addition, the Company expects that he will contribute to strengthening the</p>		

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oversight function of the Board of Directors from an independent viewpoint. Therefore, the Company requests his re-election as an Outside Director.



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4.	<b>Yoshiro Miyokawa (Male)</b>	[Date of Birth: December 28, 1952]
Candidate for outside Director and Independent Officer		
<b>■Brief history</b> <div> <div>April 1975</div> <div>Joined Yamanouchi Pharmaceutical Co., Ltd. (presently Astellas Pharma Inc.)</div> </div> <div> <div>Jan. 2003</div> <div>General Manager, Business Process Innovation Promotion Department, Yamanouchi Pharmaceutical</div> </div> <div> <div>Sept. 2004</div> <div>Leader, Integration Secretariat, Merger Preparatory Committee, Group Strategy Planning Department, Yamanouchi Pharmaceutical</div> </div> <div> <div>April 2005</div> <div>General Manager, Integration Promotion Department, Astellas Pharma Inc.</div> </div> <div> <div>Sept. 2005</div> <div>Executive Officer and General Manager, Business Innovation Department, Astellas Pharma Inc.</div> </div> <div> <div>April 2006</div> <div>Executive Officer and General Manager, Human Resources Department, Astellas Pharma Inc.</div> </div> <div> <div>April 2008</div> <div>Executive Officer and Chief Administrative Officer, Astellas Pharma Inc.</div> </div> <div> <div>June 2008</div> <div>Senior Executive Officer and Chief Administrative Officer, Astellas Pharma Inc.</div> </div> <div> <div>June 2011</div> <div>Vice President and Executive Officer, Astellas Pharma Inc.</div> </div> <div> <div>June 2013</div> <div>Representative Director &amp; Vice President, Chief Administrative Officer, and Chief Compliance Officer, Astellas Pharma Inc.</div> </div> <div> <div>June 2017</div> <div>Retired from Astellas Pharma Inc.</div> </div> <div> <div>June 2019</div> <div>Director (Outside) of Furukawa Electric Co., Ltd. (present post)</div> </div>		
Number of shares in the Company 3,100 Shares		
The Number of Attendance at the Board of Directors Meetings 16 out of 16 times		
The Number of Attendance at Nominating/ Compensation Committee 5 out of 5 times (*3)		
<b>■Important Concurrent Posts</b> N/A		
<b>■Reasons for selection as a candidate for Director and expected roles</b> <p>Mr. Yoshiro Miyokawa assumed prominent administrative positions and served as Representative Director &amp; Vice President at a large pharmaceutical company and has extensive experience and in-depth insight in corporate management, personnel policy, and compliance among others. Since he assumed the position of Outside Director of the Company, he has actively provided advice and recommendations mainly on corporate governance, business strategy, and human resource development to improve governance of the entire Group. His advice and recommendations on corporate management and compliance based on his experience and expertise will be extremely useful while the Company intends to further enhance the group governance system for the entire Group. In addition, the Company expects that he will contribute to strengthening the oversight function of the Board of Directors from an independent viewpoint. Therefore, the Company requests his re-election as an Outside Director.</p>		

*[Translation for Reference Purpose Only]*

5.	<b>Yukiko Yabu (Female)</b>	[Date of Birth: June 23, 1958]
Candidate for outside Director and Independent Officer		
<b>■Brief history</b> April 1981      Joined Matsushita Electric Industrial Co., Ltd. (presently Panasonic Corporation) Jan. 2006      Director of Lifestyle Value Research Laboratory, R&D Headquarters, Home Appliances Company, Matsushita Electric Industrial Co., Ltd. Jan. 2011      Director of Global Consumer Research Center, Corporate Brand Strategy Division, Panasonic Corporation April 2012      Director of Consumer Research Center, Global Consumer Marketing Sector, Panasonic Corporation April 2013      Director and Group Manager responsible for consumer research at the Global Marketing Planning Center, Appliances Company, Panasonic Corporation Mar. 2014      Retired from Panasonic Corporation June 2014      Director (Outside) of DUSKIN CO., LTD. June 2015      Director (Outside) of TAKARA HOLDINGS INC. June 2016      Director (Outside) of Daiwa House Industry Co., Ltd. (present Post) June 2019      Director (Outside) of Furukawa Electric Co., Ltd. (present post) June 2021      Director (Outside), Audit and Supervisory Committee Member of IBIDEN CO., LTD (present post)		
Number of shares in the Company 2,100 Shares		
The Number of Attendance at the Board of Directors Meetings 16 out of 16 times		
The Number of Attendance at Nominating/ Compensation Committee 5 out of 5 times (*3)		
<b>■Important Concurrent Posts</b> Director (Outside) of DAIWA HOUSE INDUSTRY CO., LTD. Director (Outside), Audit and Supervisory Committee Member of IBIDEN CO., LTD		
<b>■Reasons for selection as a candidate for Director and expected roles</b> <p>Ms. Yukiko Yabu has served as outside director of several listed companies including our Company, although she has not engaged in corporate management in any other capacity; and has a wealth of experience and advanced knowledge of customer-oriented marketing and product development based on her experience with a leading electrical appliance manufacturer. Since she assumed the position of Outside Director of the Company, she has actively provided advice and recommendations mainly on business strategy, marketing, and diversity from a broad perspective. Her advice and recommendations based on her experience and expertise in marketing and product development, among others, will be extremely useful while the Group aims at further accelerating global sales expansion. In addition, the Company expects that she will contribute to strengthening the oversight function of the Board of Directors from an independent viewpoint. Therefore, the Company requests her re-election as an Outside Director.</p>		

*[Translation for Reference Purpose Only]*

<b>6.</b>	<b>Tamotsu Saito (Male)</b>	[Date of Birth: July 13, 1952)]
Candidate for outside Director and Independent Officer		
<p><b>■Brief history</b></p> <p>April 1975      Joined Ishikawajima-Harima Heavy Industries Co., Ltd (presently IHI Corporation)</p> <p>June 2006      Executive Officer, Vice President of Aero-Engine &amp; Space Operations of Ishikawajima-Harima Heavy Industries Co., Ltd.</p> <p>Jan. 2008      Executive Officer, President of Aero-Engine &amp; Space Operations of IHI Corporation</p> <p>April 2008      Director, Executive Officer, President of Aero Engine &amp; Space Operations of IHI Corporation</p> <p>April 2009      Director, Managing Executive Officer, President of Aero-Engine &amp; Space Operations of IHI Corporation</p> <p>April 2011      Executive Vice President of IHI Corporation</p> <p>April 2012      President, Chief Executive Officer of IHI Corporation</p> <p>April 2016      Chairman of the Board, Chief Executive Officer of IHI Corporation</p> <p>April 2017      Chairman of the Board of IHI Corporation</p> <p>April 2020      Director of IHI Corporation</p> <p>June 2020      Senior Counselor of IHI Corporation</p> <p>June 2021      Director (Outside) of Furukawa Electric Co., Ltd. (present post)</p> <p>April 2024      Senior Advisor of IHI Corporation (present post)</p>		
Number of shares in the Company 1,200 Shares		
The Number of Attendance at the Board of Directors Meetings 16 out of 16 times		
The Number of Attendance at Nominating/ Compensation Committee 5 out of 5 times (*3)		
<p><b>■Important Concurrent Posts</b></p> <p>Senior Advisor of IHI Corporation</p> <p>Director (Outside) of Oki Electric Industry Co., Ltd.</p> <p>Director (Outside) of KAJIMA CORPORATION</p> <p>Chairman of New Energy and Industrial Technology Development Organization (NEDO)</p>		
<p><b>■Reasons for selection as a candidate for Director and expected roles</b></p> <p>Mr. Tamotsu Saito has held several leadership positions including President &amp; Representative Director and Chairman of one of Japan's leading heavy manufacturers, and has a wealth of experience and extensive expertise of global corporation management and overall manufacturing (<i>monozukuri</i>). Since he assumed the position of Outside Director of the Company, he has actively provided advice and recommendations mainly on business strategy, manufacturing (<i>monozukuri</i>), and finance and accounting from the perspective of the Group's global management. His advice and recommendations based on his experience and expertise in corporate management and manufacturing will be extremely useful while the Group plans to further expand business as a manufacturer in the future. In addition, the Company expects that he will contribute to strengthening the oversight function of the Board of Directors from an independent viewpoint. Therefore, the Company requests his re-election as an Outside Director.</p>		

*[Translation for Reference Purpose Only]*

7.	<b>Takeo Hoshino (Male)</b>	[Date of Birth: May 16, 1962]
Candidate for outside Director and Independent Officer		
<b>■Brief history</b> April 1987    Joined Ministry of International Trade and Industry (Presently Ministry of Economy, Trade and Industry) June 2003    Officer, Policy Planning and Research Office, Personnel Division, Ministry of International Trade and Industry July 2004    Assistant Manager of the San Francisco Office and Manager of the Business Innovation Center, Japan External Trade Organization July 2007    Director for Electronic Devices, Commerce and Information Policy Bureau, Ministry of Economy, Trade and Industry July 2009    Director, Technology Cooperation Division, Trade and Economic Cooperation Bureau, Ministry of Economy, Trade and Industry July 2011    Director, Nonferrous Metals Division, Manufacturing Industries Bureau, Ministry of Economy, Trade and Industry July 2012    Commissioner and Director-General for Information, National Institute of Technology and Evaluation Feb. 2013    Director for Nuclear Incident Recovery, Reconstruction Agency June 2014    Director, Regional Economic and Industrial Policy Division, Regional Economic and Industrial Group, Ministry of Economy, Trade and Industry April 2015    Deputy Director-General for Industrial Technology and Standards Certification, Ministry of Economy, Trade and Industry July 2016    Deputy Director-General for Regional Economic and Industrial Policy, Ministry of Economy, Trade and Industry Deputy Director-General, Town/ People/ Work Revitalization Headquarters, Cabinet Secretariat Deputy Secretary General, Office for the Promotion of Regional Revitalization Cabinet Secretariat□ July 2017    Deputy Director-General, Nuclear Incident Disaster Response, Ministry of Economy, Trade and Industry July 2018    Retired from the Ministry of Economy, Trade and Industry Nov. 2018    Research Fellow, Department of Materials Engineering, Graduate School of Engineering, The University of Tokyo April 2019    Project Professor, Department of Materials Engineering, Graduate School of Engineering, The University of Tokyo (present post) Sep. 2019    Deputy General Manager, Division of University Corporate Relations, The University of Tokyo		
Number of shares in the Company 0 Shares		
Number of Attendance at the Board of Directors Meetings N/A		
<b>■Important Concurrent Posts</b> N/A		
<b>■Reasons for selection as a candidate for Director and expected roles</b> Mr. Takeo Hoshino has held prominent positions, including Deputy Director-General, at the Ministry of Economy, Trade and Industry, and has a wealth of experience and advanced knowledge in industrial policies, especially in environment and energy fields, as well as materials engineering, although he has not been directly involved in corporate management other than serving as an outside		

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officer. While the Group plans to promote climate-conscious business activities and focus on developing new businesses, the Company expects that his advice and recommendations based on his experience and expertise will contribute to stimulating strategic discussion at the Board of Directors and strengthening its oversight function from an independent viewpoint. Therefore, the Company requests his election as a new Outside Director.

*[Translation for Reference Purpose Only]*

8.	<b>Satoshi Miyamoto (Male)</b>	[Date of Birth: February 20, 1962]
<b>■Brief history</b> April 1984    Joined Ministry of Trade and Industry (current Ministry of Economy, Trade and Industry) July 1999    Director, Information Disclosure Promotion Office, Public Relations Office, Minister's Secretariat, Ministry of Economy, Trade and Industry June 2001    Deputy Director, Japan External Trade Organization (JETRO) New York Center June 2004    Director, Commodity Derivatives Division, Commerce and Information Policy Bureau, Ministry of Economy, Trade and Industry April 2006    Canon Inc. (exchange via Act on Personnel Exchange Between the Government Sector and Private Enterprises) June 2010    Counselor to the Commissioner of the Small and Medium Enterprise Agency, Ministry of Economy, Trade and Industry April 2011    Councilor for Policy Evaluation, Minister's Secretariat, Ministry of Economy, Trade and Industry Feb. 2012    Councilor, Minister's Secretariat, Ministry of Economy, Trade and Industry (Manufacturing Industries Bureau) June 2013    Deputy Chairman, JETRO Oct. 2015    Deputy Commissioner of the Small and Medium Enterprise Agency, Ministry of Economy, Trade and Industry June 2016    Commissioner of the Small and Medium Enterprise Agency, Ministry of Economy, Trade and Industry July 2017    Retired from the Ministry of Economy, Trade and Industry Nov. 2017    Advisor (full-time), Furukawa Electric Co., Ltd. April 2018    Corporate Vice President, and General Manager, Administration & CSR Division April 2019    Corporate Senior Vice President, and General Manager, Administration & CSR Division June 2019    Director and Corporate Senior Vice President, and General Manager, Administration & CSR Division April 2021    Director and Corporate Senior Vice President, and General Manager, Business Basis Transformation Division April 2022    Director and Corporate Executive Vice President, and General Manager, Strategy Division (present Post)		
Number of shares in the Company 4,000 Shares		
Number of Potential shares (*1) 11,264 Shares		
The Number of Attendance at the Board of Directors Meetings 16 out of 16 times		
<b>■Important Concurrent Posts</b> N/A		
<b>■Reasons for selection as a candidate for Director</b> <p>During his career at the Ministry of Economy, Trade and Industry, Mr. Satoshi Miyamoto assumed several prominent positions, including Councilor of the Minister's Secretariat (Manufacturing Industries Bureau) and Commissioner of the Small and Medium Enterprise Agency, etc. and has a wealth of experience and knowledge in industrial policies, as well as a wide network of connections. Since 2018, he has led various divisions of the Company related to legal affairs and compliance, human resources, sustainability, and group management strategy, while promoting various measures; and also led discussions and initiatives concerning the optimization of the business portfolio and allocation of management resources. Toward realizing “Furukawa Electric Group Vision 2030”, the Company expects that his perspectives of ESG management and sustainability will contribute to strategic discussions at the Board of Directors meetings for “strengthening the foundation for ESG management” under new</p>		

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Medium-term Management Plan. Therefore, the Company requests his re-election as a Director.

*[Translation for Reference Purpose Only]*

9.	Yoshio Masutani (Male)	[Date of Birth: September 29, 1965]
■Brief history		
April 1989	Joined Okura & Co., Ltd.	
July 1993	Okura & Co. UK Ltd.	
Oct. 1998	Joined Furukawa Electric Co., Ltd.	
April 2011	General Manger of Overseas Sales Department, Communications Company	
April 2013	General Manager of Overseas Sales Department, Environment/Infrastructure Sales Division, Sales Marketing Division	
April 2015	General Manager of Overseas Sales Department, Global Business Division, and General Manager of Overseas Sales Department, Environment/Infrastructure Sales Division, Sales Marketing Division	
July 2015	Deputy General Manager of Copper Foil Division, and General Manager of Sales Department, Copper Foil Division	
April 2017	General Manager of Planning & Administration Department, Global Marketing Sales Division	
April 2018	General Manager of Group Marketing Department, Global Marketing Sales Division	
April 2020	Corporate Vice President, General Manager of Business Innovation Design Department, Global Marketing Sales Division	
April 2021	Corporate Vice President, Deputy General Manager of Corporate Strategy & Direction Division, General Manager of Social Design & New Business Development Department, General Manager of OneF Mobility Business Development Team	
April 2022	Corporate Senior Vice President, General Manager of Global Marketing Sales Division	
June 2022	Director and Corporate Senior Vice President, General Manager of Global Marketing Sales Division (present post)	
Number of shares in the Company 4,400 Shares		
Number of Potential shares (*1) 4,956 Shares		
The Number of Attendance at the Board of Directors Meetings 16 out of 16 times		
■Important Concurrent Posts		
N/A		
■Reasons for selection as a candidate for Director		
<p>Mr. Yoshio Masutani has long experience in product sales and business planning mainly in Infrastructure segment, which is one of the focus areas of the Group. Since 2020, he has been leading the division in charge of creating new businesses: he has not only engaged in sales expansion, but also worked on strengthening our ability to make proposals to customers and developing a new business model, thus has extensive experience and advanced knowledge of sales and marketing. Since 2022, as Global Marketing Sales Division Head, he has promoted various measures to facilitate the Group’s business development in the global market. Toward realizing “Furukawa Electric Group Vision 2030”, the Company expects that his extensive experience and expertise in sales and marketing will contribute to strategic discussions at the Board of Directors meetings for “strengthening the foundation for the creation of new businesses by strengthening development and proposal capabilities” under new Medium-term Management Plan. Therefore, the Company requests his re-election as a Director.</p>		



*[Translation for Reference Purpose Only]*

10.	<b>Toshio Yanagi (Male)</b>	[Date of Birth: January 26, 1966]
<b>■Brief history</b> April 1988      Joined Furukawa Electric Co., Ltd. April 2003      Manager, Planning & Administration Unit, FITEL Products Division Feb.2008      Assistant Manager, Corporate Planning Department April 2013      Senior Manager, Planning Unit, Copper Foil Division April 2016      General Manager, Corporate Planning Department, Strategy Division□ April 2018      General Manager, Corporate Planning Department, Strategy Division April 2020      Corporate Vice President, General Manager, Copper Foil Division, Functional Products Division April 2021      Corporate Vice President, General Manager, Risk Management Division June 2023      Director and Corporate Vice President, General Manager, Risk Management Division (present post)		
Number of shares in the Company 3,900 Shares		
Number of Potential shares (*1) 2,546 Shares		
Number of Attendance at the Board of Directors Meetings 12 out of 12 times (*2)		
<b>■Important Concurrent Posts</b> N/A		
<b>■Reasons for selection as a candidate for Director</b> <p>Mr. Toshio Yanagi has led the Group's structural reform as the general manager of Corporate Planning Department and then Copper Foil Division. Since 2021, as the leader of various divisions related to legal affairs, risk management and environment, he has promoted efforts for establishing a well-balanced (growth-oriented vs. defensive) corporate governance structure of the Group, and led initiatives for further improving the level of the Group's risk management; and thus, has a wealth of experience and advance knowledge in such areas. Toward realizing "Furukawa Electric Group Vision 2030", the Company expects that his experience and knowledge in legal affairs and compliance as well as environment will contribute to discussions at the Board of Directors for advancing the initiative of "strengthening the foundation for ESG management" as stated in the Medium-term Management Plan "Road to Vision 2030: Transform and Challenge". Therefore, the Company requests his re-election as a Director.</p>		

*[Translation for Reference Purpose Only]*

11.	Koji Aoshima (Male)	[Date of Birth: March 4, 1969]
<b>■Brief history</b> April 1992      Joined Furukawa Electric Co., Ltd. Mar. 2011      Manager, Accounting Group, Copper Foil Business Department, Metals Company June 2013      Manager, Accounting Section 2, Corporate Accounting Department, Finance & Procurement Division Nov. 2013      Manager, Accounting Section, Corporate Accounting Department, Finance & Procurement Division April 2018      General Manager, Corporate Accounting Department, Business Management Division, Furukawa Automotive Systems Inc April 2021      General Manager, Finance & Accounting Department, Finance and Global Management Division, Furukawa Electric Co., Ltd. April 2022      General Manager, Finance & Accounting Department, Finance & Accounting Division April 2024      Corporate Vice President, General Manager, Finance & Accounting Division (present post)		
Number of shares in the Company 800 Shares		
Number of Attendance at the Board of Directors Meetings N/A		
<b>■Important Concurrent Posts</b> N/A		
<b>■Reasons for selection as a candidate for Director</b> <p>Mr. Koji Aoshima has assumed the leadership positions of Finance &amp; Accounting Department of the Company and its domestic subsidiary, led the project for introducing the internal control and reporting system (J-SOX), and thus has a wealth of experience and advanced knowledge in finance &amp; accounting and risk management. From April this year, he serves as Finance &amp; Accounting Division Head, and works on further strengthening the Group's financial position and promoting the Group's global management. Toward realizing "Furukawa Electric Group Vision 2030", the Company expects that his experience and knowledge in finance &amp; accounting and risk management will contribute to stimulating strategic discussions at the Board of Directors meetings for "maximizing revenue from existing businesses by focusing on capital efficiency" under the Medium-term Management Plan "Road to Vision 2030: Transform and Challenge". Therefore, the Company requests his election as a new Director.</p>		

*[Translation for Reference Purpose Only]*

[Note]

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

(\*2) In FY2023, the Board of Directors met 16 times. Because Mr. Toshio Yanagi were newly appointed as Directors at the 201st Annual Shareholder Meeting held on June 23, 2023, the number of eligible Board meetings is different from that for other Directors.

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

[Note] Matters concerning candidates for Directors

1. Mr. Keiichi Kobayashi is nominated as a candidate for outside director at the general shareholders' meeting of JFE Holdings, Inc. to be held on June 25, 2024. And Ms. Yukiko Yabu will retire as outside director of DAIWA HOUSE INDUSTRY CO., LTD. at the close of the general shareholders' meeting of the company to be held on June 27, 2024.
2. Mr. Takashi Tsukamoto, Mr. Yoshiro Miyokawa, Ms. Yukiko Yabu and Mr. Tamotsu Saito are currently Outside Directors of the Company and their term will be three (3) years, five (5) years, five (5) years and three (3) years respectively at the close of the Annual shareholders meeting.
3. The relationship between the firm from which the candidate for Outside Directors came and the Company are as follows.
  - 1) Concerning Mr. Takashi Tsukamoto, in light of the independence Standards for outside officers specified by the Tokyo Stock Exchange and the Company, it is our judgement that he is independent from the Company. When his appointment is approved, the Company will register him as an independent director. Mizuho Bank, Ltd., where Mr. Tsukamoto served as President & CEO in the past, holds 3.42% (including shares placed in a retirement benefit trust) of the Company's outstanding shares, and the Group borrowed 63,263 million yen per year as of the end of FY2023.
  - 2) Concerning Mr. Yoshiro Miyokawa, in light of the independence Standards for outside officers specified by the Tokyo Stock Exchange and the Company, it is our judgement that he is independent from the Company, and the Company has registered him as an independent officer. When his re-election is approved, the Company will continue to register him as an independent officer. There is no special interest between Mr. Miyokawa and the Company.
  - 3) Concerning Ms. Yukiko Yabu, in light of the independence Standards for outside officers specified by the Tokyo Stock Exchange and the Company, it is our judgement that he is independent from the Company. When his appointment is approved, the Company will register him as an independent director. There is no special interest between Ms. Yabu and the Company.

*[Translation for Reference Purpose Only]*

4) Concerning Mr. Tamotsu Saito, in light of the independence Standards for outside officers specified by the Tokyo Stock Exchange and the Company, it is our judgement that he is independent from the Company. When his appointment is approved, the Company will register him as an independent director. Between the Company and IHI Corporation, for which he worked as Chairman of the Board until March 2020, there is a business relationship where the Company sells such products as special-purpose cables and components to IHI Corporation. However, the total trading amount in FY2023 was approx. 53 million yen, and therefore, the amount is quite small.

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

4. With respect to the candidates for re-election, there are no specific facts of inappropriate business execution by the Company during the term of the Outside Director.

5. During the past five years, there were the following facts of inappropriate business execution by a candidate for the Company's Outside Director who served as an officer of another company:

Ms. Yukiko Yabu has served as an outside director of DAIWA HOUSE INDUSTRY CO., LTD. (hereinafter "Daiwa House") since June 2016. It was found that some of its employees acquired the certification of construction managing engineer by taking certification exams without satisfying the work experience requirement, and that some of such employees were assigned as technical experts at construction sites. Daiwa House reported such facts to the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) in December 2019. Consequently, in November 2021, Daiwa House received instructions and electrical construction-related business suspension penalties imposed by the MLIT in accordance with the Construction Business Act. Ms. Yabu was not aware of such facts in advance, but she has called attention to the importance of legal compliance on a regular basis at the Board of Directors, and Corporate Governance Committee, etc., based on her extensive experience and in-depth insights. After such facts were found out, she performed her duties by actively taking part in the fact-finding, causal analysis, and consideration of measures for preventing a recurrence, and calling for appropriate measures to strengthen the compliance system and ensure compliance.

Mr. Tamotsu Saito served as Director of IHI Corporation ("IHI") from April 2008 to June 2020. In April 2024, IHI disclosed that some of the records of test runs conducted during the manufacturing process of products such as diesel engines manufactured by its subsidiaries were improperly handled. Additionally, IHI has established a special investigation committee and is working to investigate the cause and formulate measures for preventing a recurrence.

*[Translation for Reference Purpose Only]*

Mr. Tamotsu Saito served as Outside Director of Japan Post Insurance Co., Ltd. from June 2017 to June 2023. It was found that salespeople of the insurance company encouraged customers to switch insurance contracts against their wishes and may have undermined the interests of the customers. Consequently, on December 27, 2019, the Financial Services Agency took an administrative action against the insurance company in accordance with the Insurance Business Act. Mr. Saito, however, had regularly made recommendations from the viewpoint of legal compliance, and after the case was found, he made specific recommendations for protecting customers and preventing the reoccurrence of such cases, and as such, he performed his duties.

6. Overview of limited liability agreement

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

7. Overview of Indemnity Agreement

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

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

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

The Company purchased a Directors and Officers Liability Insurance (D&O Insurance) policy, which covers Directors, Audit & Supervisory Board Members, and Corporate Vice Presidents, etc. (including those who retired on March 31, 1994 and thereafter) and their successors, in order to

*[Translation for Reference Purpose Only]*

bring in competent people who fulfill expected roles in performing their duties. Among the candidates for Directors, those who are reappointed are already insured under the D&O insurance policy. In case they are re-elected and assume the position, they will continue to be insured. As for newly-appointed candidates, once they assume the position, they will be insured.

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

The term of the policy is one year, and the Company will renew the policy in December 2024.

*[Translation for Reference Purpose Only]*

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

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

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

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

<b>Sayaka Sumida (Female)</b>	[Date of Birth: January 28, 1961]
Candidate for outside Audit & Supervisory Board Member and Independent Officer	
<b>■Brief history</b>	
Oct. 1984	Joined Asahi Accounting Company (now KPMG AZSA LLC)
May 1988	Registered as Certified Public Accountant
May 2006	Partner, KPMG Azsa & CO. (now KPMG AZSA LLC)
Aug. 2007	Chairperson of Audit Standards Committee, The Japanese Institute of Certified Public Accountants
July 2010	Executive Board Member (in charge of Quality Control Standards and Audit Standards), The Japanese Institute of Certified Public Accountants
Jan. 2015	Board Member, International Auditing and Assurance Standards Board (IAASB), International Federation of Accountants (IFAC)
Feb. 2017	Member of the Business Accounting Council in the Financial Services Agency
Mar. 2020	Resigned from KPMG AZSA LLC
June 2020	Outside Audit & Supervisory Board Member of Furukawa Electric Co., Ltd. (present post)
Number of shares in the Company 1,700 Shares	
The Number of Attendance at the Board of Directors Meetings 16 out of 16 times	
Number of Attendance at Audit & Supervisory Board 9 out of 9 times	
<b>■Important Concurrent Posts</b>	
Audit & Supervisory Board Member (Outside) of The Nisshin OilliO Group, Ltd.	
Director (Outside), Audit & Supervisory Committee Member of ADVANTEST CORPORATION	
<b>■Reasons for selection as a candidate for Audit &amp; Supervisory Board Member</b>	
<p>Ms. Sayaka Sumida is an expert on financial statement audit and internal control audit from her long experience as a Certified Public Accountant, and served as an Executive Board Member of Japanese Institute of Certified Public Accountants, International Auditing and Assurance Standards Board (IAASB) Member under International Federation of Accountants (IFAC), and Business Accounting Council Member under the Japan Financial Services Agency. As such, she has a wealth of experience and knowledge in finance &amp; accounting, although she has not been directly involved in corporate management other than serving as an outside officer. Upon assuming the office of Outside Audit &amp; Supervisory Board Member of the Company, she has actively expressed her opinions mainly on the Group company management and finance &amp; accounting from the perspective of risk management at the Board of Directors and Audit &amp; Supervisory Board meetings. The Company expects that her experience and expertise will contribute to further strengthening the Company's auditing system, and therefore requests her re-election as an Outside Audit &amp; Supervisory Board Member.</p>	

*[Translation for Reference Purpose Only]*

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

1. Ms. Sayaka Sumida is nominated as a candidate for an outside director at the ordinary general meeting of shareholders of Japan Exchange Group to be held on June 19, 2024. And she will retire as outside Audit & Supervisory Board Member of The Nisshin OilliO Group, Ltd. at the close of the general shareholders' meeting of the company to be held on June 27, 2024.
2. Ms. Sayaka Sumida is currently an Outside Audit & Supervisory Board Member of the Company and her term will be four (4) years at the close of the Annual shareholders meeting.
3. Concerning Ms. Sayaka Sumida, in light of the independence Standards for outside officers specified by the Tokyo Stock Exchange and the Company, it is our judgement that she is independent from the Company. When her appointment is approved, the Company will register her as an independent Audit & Supervisory Board Member. There is no special interest between Ms. Sumida and the Company.
4. With respect to the candidate for re-election, there are no specific facts of inappropriate business execution by the Company during the term of the Outside Audit & Supervisory Board Member.
5. With respect to this candidate for Outside Audit & Supervisory Board Member, there is no case of fraud execution of operation in the past 5 years during her service as an officer at other companies.

6. Overview of limited liability agreement

It is stipulated in the Articles of Incorporation that the Company may enter into limited liability agreements with Outside Audit & Supervisory Board Members to bring qualified human resources capable of fulfilling expected roles in performing their duties. Accordingly, Ms. Sayaka Sumida, as an Outside Audit & Supervisory Board Member, concluded the limited liability agreement with the Company, which will continue to be effective. If her re-election is approved and she assume the position of Outside Audit & Supervisory Board Member, The Company will conclude limited liability agreements with her.

7. Overview of Indemnity Agreement

The Company has concluded an indemnity agreement set forth in Article 430-2, Paragraph 1 with each of Directors and Audit & Supervisory Board Members. In case candidates for Outside Audit & Supervisory Board Member is re-elected and re-assume her position, the respective agreement will remain in force.

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

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

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

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

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



*[Translation for Reference Purpose Only]*

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

The effective terms of the resolution on the election of a substitute Audit & Supervisory Board Member at the 201st Annual Shareholders Meeting held on June 23, 2023, will expire at the beginning of this Shareholders Meeting. Therefore, to ensure that the Company will not lack the mandatory number of outside Audit & Supervisory Board Members, we request the election of one substitute outside Audit & Supervisory Board Member.

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

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

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

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

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

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

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

*[Translation for Reference Purpose Only]*

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

4. Overview of limited liability agreement

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

5. Overview of Indemnity Agreement

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

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

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

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

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

The term of the policy is one year, and the Company will renew the policy in December 2024.

*[Translation for Reference Purpose Only]*

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

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

[Independence Standards for outside officers specified by the Company]

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

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

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

*[Translation for Reference Purpose Only]*

● Revision of skillset and clarification of reasons for selecting each skill

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

Recently, the Company reviewed key areas (skillset) of experience and expertise the Company expects from Directors and Audit & Supervisory Board Members to solve the materiality, and selected the following 8 items and clarified the reasons for selecting them: Corporate management, Finance/Accounting, Legal affairs/Risk management, Environment/Energy, Technology/IT, Sales/Marketing, International experience/knowledge, and Personnel policy/Organizational development.

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

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

[Translation for Reference Purpose Only]

● Skill matrix for Directors and Audit & Supervisory Board Members

【Directors】

Name	Independent	Corporate management	Finance/Accounting	Legal affairs/ Risk management	Environment/Energy	Technology/IT	Sales/Marketing	International experience/knowledge	Personnel policy/ Organizational development
Keiichi Kobayashi (Male)		○				○	○		
Hideya Moridaira (Male)		○				○		○	
Takashi Tsukamoto (Male)	★	○	○					○	
Yoshiro Miyokawa (Male)	★	○		○					○
Yukiko Yabu (Female)	★					○	○		○
Tamotsu Saito (Male)	★	○				○			
Takeo Hoshino (Male)	★				○	○		○	
Satoshi Miyamoto (Male)				○				○	○
Yoshio Masutani (Male)							○	○	
Toshio Yanagi (Male)				○	○				
Koji Aoshima (Male)			○	○					

【Audit & Supervisory Board Members】

Name	Independent	Corporate management	Finance/Accounting	Legal affairs/ Risk management	Environment/Energy	Technology/IT	Sales/Marketing	International experience/knowledge	Personnel policy/ Organizational development
Nozomu Amano (Male)			○	○					○
Masao Terauchi (Male)		○						○	
Hiroyuki Ogiwara (Male)		○	○					○	
Kunihiko Sakai (Male)	★			○				○	
Sayaka Sumida (Female)	★		○					○	
Takao Shiomi (Male)	★	○	○					○	

*[Translation for Reference Purpose Only]*

(Note)

1. 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.
2. Those who meet the independence criteria for outside officers stipulated by the Tokyo Stock Exchange (TSE) and the Independence Standards for Outside Officers stipulated by the Company (see [Independence Standards for outside officers specified by the Company] on page 27) and with respect to whom the Company has submitted independent officer notifications to the TSE or will do so in case they are elected at this shareholders' meeting

●Details of skillsets

Skillsets	Reason for selection	Definition
Corporate management	To promote ESG management aiming at the Group's sustainable growth and increase in corporate value over the mid- to long-term, and proactively work on self-transformation, skills in formulating mid- to long-term sustainable growth strategy and high level of skills in corporate management are required.	Have experience in serving as Representative Director or equivalent (i.e. an officer with a broad scope of responsibilities that are similar to that of an officer)
Finance/Accounting	To strengthen/create capital efficient businesses of the Group, and optimize its business portfolio, high level of skills in accurately identifying the financial situation and formulating financial/capital strategy toward establishing the solid financial base are required.	Have experience/expertise in finance/accounting; have significant experience as the person in charge of finance/accounting division
Legal affairs/ Risk management	Establishing a governance structure for strengthening risk management and ensuring a corporate culture of compliance are the foundation of continued increase in corporate value. To improve the Board's effectiveness in terms of overseeing the management as well, high level of skills in legal affairs, risk management and compliance are required.	Have experience/expertise in establishing legal/risk management/ compliance system, etc.; have significant experience as the person in charge of legal affairs/risk management/compliance division
Environment/Energy	Since it is essential for the Group's sustainable growth to promote climate-conscious business activities and have high level of skills in environment/energy area.	Have extensive experience, expertise and/or network in the area of environment/energy; or have significant experience as the person in charge of environment/energy division

*[Translation for Reference Purpose Only]*

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
<b>【NEW】</b> Personnel policy/ Organizational Development	To strengthen human capital management and organizational execution abilities, and thus strengthen the foundation for corporate management, high level of skills in formulating measures to ensure that employees demonstrate their abilities to the maximum extent and to strengthen team capability through leadership development and reform of organizational culture are required.	Have experience/expertise in personnel policy/organizational development; or have significant experience as the person in charge of personnel policy/organizational development division

End.

## **Business Report**

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

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

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

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

With respect to "maximizing revenue from existing businesses by focusing on capital efficiency," based on the positioning of each business which was visualized from the perspective of growth potential and profitability, the Group has promoted management with a focus on capital efficiency. As for Communications Solutions business, the Group has worked on increasing the profit margin through the improvement of the product mix by increasing a percentage of sales of high-value-added products. As for Automotive Products & Batteries business, the Group has continued to improve the system in a way to flexibly adapt to any change of customers' production plans, and also worked on optimizing selling prices.

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

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

With respect to "strengthening the foundation for ESG management", the Group has been working on achieving "Furukawa Electric Group Environmental Targets 2030", aiming at



*[Translation for Reference Purpose Only]*

contributing to realizing a carbon-free society and a recycling-based society for water and resources; and reduced CO<sub>2</sub> emission by realizing the use of virtually renewable energy source for all electric power at some factories. Furthermore, the Group has implemented initiatives for “strengthening human capital management and organizational execution abilities” in order for each employee and organization to improve their execution abilities and grow, the Group conducted a research to monitor the current situation, and incorporate improvement measures into business activities based on the results. In addition, as a mechanism to enable the management team to further promote ESG initiatives, a new compensation system for officers that include ESG-linked compensation was launched.

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

As a result, the Company recorded consolidated net sales of 1,056.5 billion yen (down 0.9% year-on-year), consolidated operating income of 11.2 billion yen (down 27.7% yoy), and consolidated ordinary income of 10.3 billion yen (down 40.5% yoy). Furthermore, a gain on sales of investment securities of 12.0 billion yen, etc. was recorded as extraordinary profit, and a loss on disposal of non-current assets of 1.5 billion yen, etc. was recorded as extraordinary loss. Accordingly, net income attributable to owners of the parent company amounted to 6.5 billion yen (down 59.1% yoy). Overseas sales amounted to 545.2 billion yen (down 0.7% yoy), and the overseas sales ratio was 51.6% (up 0.1 percentage points yoy).

On a non-consolidated basis, the Company recorded net sales of 296.8 billion yen (down 3.0% yoy), operating loss of 9.1 billion yen (deteriorated by 7.3 billion yoy), ordinary income of 0.3 billion yen (down 96.2% yoy), and net income of 1.9 billion yen (down 92.4% yoy)

## **(2) Changes in business outcomes and assets**

### **(i) Changes in Group business outcomes and assets**

Category	199 <sup>th</sup> term Fiscal 2020	200 <sup>th</sup> term Fiscal 2021	201 <sup>st</sup> term Fiscal 2022	202 <sup>nd</sup> term (Current term) Fiscal 2023
Net sales (JPY millions)	811,600	930,469	1,066,326	1,056,528
Operating profit (JPY million)	8,429	11,428	15,441	11,171
Ordinary income (JPY million)	5,189	19,666	17,258	10,267
Profit attributable to owners of parent (JPY million)	10,001	10,093	15,894	6,508
Net income per share (JPY)	141.88	143.40	225.80	92.40
Total assets (JPY millions)	832,044	935,876	933,469	985,007
Net assets (JPY millions)	291,617	314,062	329,095	358,038

(Note) 1. The Company has adopted “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, issued on March 31, 2020) from the 200th term, and the above figures for the Group and the Company are reported under the above-mentioned Standard.

2. UACJ Corporation, which is an equity-method affiliate of the Company, adopted International Financial Reporting Standards (IFRS) instead of the Japanese Accounting Standard from the

*[Translation for Reference Purpose Only]*

202<sup>nd</sup> term, and the related figures in the 201<sup>st</sup> term were restated by reflecting the change of the accounting standard.

(ii) Changes in Company business outcomes and assets

Category	199 <sup>th</sup> term Fiscal 2020	200 <sup>th</sup> term Fiscal 2021	201 <sup>st</sup> term Fiscal 2022	202 <sup>nd</sup> term (Current term) Fiscal 2023
Net sales (JPY millions)	392,616	292,424	305,835	296,766
Operating profit / loss (JPY million)	(6,919)	501	(1,761)	(9,087)
Ordinary income (JPY millions)	5,591	6,461	8,686	330
Net income / loss (JPY million)	24,333	(525)	25,235	1,913
Net income / loss per share (JPY)	345.10	(7.47)	358.40	27.15
Total assets (JPY millions)	570,121	608,376	593,768	632,447
Net assets (JPY millions)	190,070	183,515	201,845	199,212

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

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

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

Segment	Net sales	Increase/ decrease from the previous year-end	Operating profit / loss	Increase/ decrease from the previous year-end
Infrastructure	278,184	(45,723)	(11,252)	(19,862)
Electronics & Automotive Systems	653,700	43,353	18,702	14,007
Functional Products	115,423	(11,058)	5,509	1,330
Services and Developments etc.	31,575	(160)	(1,904)	205
Elimination	(22,355)	3,790	116	49
Total	1,056,528	(9,797)	11,171	(4,269)

## **Infrastructure**

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

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

As a result, this segment recorded consolidated net sales of 278.2 billion yen (down 14.1% yoy), and consolidated operating loss of 11.3 billion yen (deteriorated by 19.9 billion yen yoy). On a non-consolidated basis, the segment reported net sales of 77.4 billion yen (down 13.8% yoy).

As for Communications Solutions business, in addition to continuing to further improve the percentage of sales of high-value-added products, we will expand sales of products for FTTx/data centers mainly in the North American market, and strengthen global expansion of networking system that provides a whole package consisting of optical fiber product sales, support in network design/operations, and after-the-sales services, aiming to increase net sales. We will also move ahead with the improvement of the production system in preparation for the recovery of demand for optical fibers and optical components among others. As for Energy Infrastructure business, we will continue to focus on the key areas where the market expansion is expected, including domestic extra-high voltage underground cables, as well as submarine and underground cables for renewable energy, and reinforce our cable production capacity and construction capacity. We will also promote order-taking activities with an emphasis on securing profits and optimize selling prices, while securing net sales through marketing activities toward further sales expansion of products for power transmission and distribution and functional cables such as aluminum cables.

## **Electronics & Automotive Systems**

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

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

As a result, this segment recorded consolidated net sales of 653.7 billion yen (up 7.1% yoy), and consolidated operating income of 18.7 billion yen (increased by 14.0 billion yen yoy). On a non-consolidated basis, the segment reported net sales of 141.5 billion yen (down 7.3% yoy).

As for Automotive Products business, we will continue to work on sales expansion of aluminum wire harnesses, and wire harnesses that can carry high voltage; reduce costs by improving the productivity through the improvement of operational processes, the leveling of production, and optimization of inventory level; and promote the development of products toward the expansion of

*[Translation for Reference Purpose Only]*

the electric vehicles market, aiming at securing net sales. As for Electronics Component Material business, we will continue to improve the product mix through upgrading the product line-up of resistant material for the auto component market and expanding sales of heat-resistant, oxygen-free copper strips for power semiconductors and heat radiation components, along with the optimization of selling prices.

## **Functional Products**

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

As a result, this segment recorded consolidated net sales of 115.4 billion yen (down 8.7% yoy), and consolidated operating income of 5.5 billion yen (up 31.8% yoy). On a non-consolidated basis, the segment reported net sales of 73.4 billion yen (up 22.2% yoy).

As for Functional Products business, we will improve the production system in anticipation of further growth of demand from generative AI-related markets and renewable energy-related markets, and bring in new customers by proceeding with further sales expansion of high-value-added products, aiming at the business growth.

## **Services and Developments etc.**

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

This segment recorded consolidated net sales of 31.6 billion yen (down 0.5% yoy), and consolidated operating loss of 1.9 billion yen (increased by 0.2 billion yen yoy). On a non-consolidated basis, the segment reported net sales of 4.3 billion yen (up 32.8% yoy).

## **(4) Issues to be addressed**

### **1. Furukawa Electric Group Vision 2030**

The Group formulated "Vision 2030", which defines the ideal state of the Group in 2030 and specifies target timeline and scope to achieve the vision. Under Vision 2030, the Group aims at addressing social issues in each or in combination of the following areas: information, energy and mobility. Furthermore, in new areas as well, the Group will work on solving social issues through creating new businesses.

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

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

### **2. New Medium-term Management Plan "Road to Vision 2030: Transformation and Challenges"**

Backcasting from the ideal in 2030, the Company defined the target state in 2025 which is a halfway point. To realize that, in 2022, the Company formulated the Medium-term Management Plan "Road to Vision 2030: Transformation and Challenges" for 4 years ending in FY2025, and

*[Translation for Reference Purpose Only]*

has worked on various measures.

To ensure a steady increase in net sales toward achieving targets specified in the Medium-term Management Plan, the Company will accelerate initiatives for “maximizing revenue from existing businesses by focusing on capital efficiency” and continue to work on solving social issues through “strengthening the foundation for the creation of new businesses by strengthening development and proposal capabilities.” The Company will also strive for “strengthening the foundation for ESG management” as it supports those initiatives.

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

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

① Maximizing revenue from existing businesses by focusing on capital efficiency

To achieve the targets specified in the MTMP 2025, while focusing especially on Communications Solutions business, we will also continue to optimize allocation of investments for increasing net sales from each business from the perspective of profitability and growth potential, and accelerate business management and decision-making, including the review of our business portfolio, with a further focus on cost of capital.

As for optical fiber/optical-related components, while focusing on expanding sales of high-value-added products and bringing in new customers, we will strive to improve the manufacturing ability and productivity, and expand networking system business globally, aiming at securing net sales. As for power cable systems, we will achieve net sales growth by improving the productivity through investments in/modernization of facilities, and enhancing construction capacity, along with promoting order-taking activities for domestic extra-high voltage underground cables, as well as submarine and underground cables for renewable energy. As for automotive wire harnesses, we will continue to strive for expanding sales of aluminum wire harnesses which contribute to reducing weight of automobiles and, in turn, reducing CO<sub>2</sub> emissions, and also move ahead with development and order-taking of products which can carry high voltage, which are of great interest on the background of the accelerated automotive electrification. As for tapes for semi-conductor production, since the demand for semi-conductors is expected to grow in the future, we will enhance our production capacity, and continue to construct a new plant and make trial models for the purpose of providing higher-performance, higher-quality products. Besides, in response to the growing demand for generative AI, we will strive to expand sales of heat-release products that meet various customer needs.

② Strengthening the foundation for the creation of new businesses by strengthening

The Group will develop a foundation for creating new businesses designed to solve social issues, by drawing on 4 core technologies, namely, metal, polymer, photonics, and high-frequency technologies based on our long-standing expertise in the development and fabrication of advanced materials, promoting co-creation with external partners, and also using digital technologies and data to develop/provide products and services designed to solve issues.

To address the needs of the Beyond 5G society, we will take advantage of our photonics and high-frequency technologies to develop optical semi-conductor devices towards the realization of photoelectric fusion which is essential in the next-generation information communication environment, thus contributing to realizing the all-optical network and a society with highly efficient energy. We will also proceed with joint R&D of products for nuclear fusion power generation, which contributes to the safe and sustainable energy supply. Furthermore, to contribute to realizing the carbon neutrality, we will continue our R&D activities concerning Green LP gas\* which does not use fossil resources. In addition, we will suggest our customers the adoption of our digital solutions for operating/maintaining social infrastructure, and work on the sophistication of such solutions.

*[Translation for Reference Purpose Only]*

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

③ Strengthening the foundation for ESG management

In the MTMP 2025, we defined the ideal state in FY2025 for each identified materiality, formulated measures to realize them, and set sustainability indicators/targets to measure the progress. By working on achieving such targets, specifically, by formulating a climate-related transition plan toward the carbon neutrality, strengthening human capital and organizational execution abilities, and strengthening human rights management, including human rights due diligence, we will strengthen the foundation of ESG management.

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

FY2025 Financial Targets

ROIC	6% or more
ROE	11% or more
Net D/E ratio	0.8 or less
Equity capital ratio	35% or more
Consolidated net sales	1.1 trillion yen or more
Consolidated operating profit	58.0 billion yen or more
Profit attributable to owners of parent	37.0 billion yen or more

FY2025 Sustainability target

Sales ratio of environmentally friendly products	70%
R&D expense growth rate for new businesses (compared to FY2021)	125%
Implementation rate of IP landscaping for strengthening businesses and themes for creating new businesses	100%(*1)
GHG emissions reduction rate (Scope1,2) (compared to FY2021)	△18.7%
Ratio of renewable energy use to total consumption	30%
Employee engagement score	80 (*2)
Ratio of female managers (non-consolidated)	7%
Ratio of mid-career hires to total new hires (non-consolidated)	30%
Ratio of follow-up on risk management activities for all risk domains	100%
Ratio of SAQ implementation based on CSR Procurement Guidelines for major suppliers	100%
Implementation rate of human rights education for managerial positions	100%

(\*1) Refers to the implementation of all themes set in FY2022

(\*2) 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.

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

*[Translation for Reference Purpose Only]*

## **(5) Capital investments**

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

Segment	Detail of key investments	Amount (JPY millions)	Increase/ decrease from the previous year-end (JPY millions)
Infrastructure	Rationalization of power cable manufacturing equipment, etc.	9,757	(3,164)
Electronics & Automotive Systems	new establishment of winding wire manufacturing equipment for automobiles	15,523	(2,299)
Functional Products	Construction of a new factory for semiconductor manufacturing tape	9,117	3,119
Services and Developments etc.	—	1,898	(2,453)
Elimination	Replacement of ERP systems, etc.	2,655	(42)
Total	—	38,953	(4,838)

## **(6) Fund procurement**

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

Consolidated interest-bearing debts as of the end of the year increased by 9.2 billion yen from the previous year to 333billion yen.

## **(7) Main loan creditor (as of March 31, 2024)**

Name of creditor	Amount of loan credit (JPY millions)
Mizuho Bank, Ltd.	63,263
The Bank of Mitsubishi UFJ, Ltd.	28,240
The Norinchukin Bank	22,365
The Bank of Yokohama, Ltd.	16,224

*[Translation for Reference Purpose Only]*

**(8) Main offices, plants, and Subsidiaries (as of March 31, 2024)**

1) Furukawa Electric Co., Ltd.

Head office	6-4, Otemachi 2-chome, Chiyoda-ku, Tokyo
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Type of facility	Name	Location
Branch offices	Hokkaido Branch	Sapporo
	Tohoku Branch	Sendai
	Chubu Branch	Nagoya
	Kansai Branch	Osaka
	Chugoku Branch	Hiroshima
	Kyusyu Branch	Fukuoka
Plant	Nikko Works	Nikko, Tochigi Pref.
	Chiba Works	Ichihara, Chiba Pref.
	Yokohama Works	Yokohama
	Hiratsuka Works	Hiratsuka, Kanagawa Pref.
	Mie Works	Kameyama, Mie Pref.
	Copper foil Division	Nikko, Tochigi Pref.
R&D Laboratories	Sustainable Technologies Laboratories	Yokohama
	Electronics Laboratories	Hiratsuka, Kanagawa Pref.
	Photonics Laboratories	Ichihara, Chiba Pref.
	Material Laboratories	Nikko, Tochigi Pref.

**2) Subsidiaries in Japan**

Company name (Head office / Plant)	Capital	% of the FEC's share	Scope of business
The Furukawa Battery Co., Ltd. (Yokohama /Nikko, Tochigi Pref, Iwaki, Fukushima Pref.)	JPY 1,640 million	58.05%	Manufacture and sales of batteries (for automotive and industry)
Furukawa Sangyo Kaisha, Ltd. (Minato-ku, Tokyo)	JPY 700 million	100%	Sales of electric cables and non-ferrous metal products
Okano Cable Co., Ltd. (Yamato, Kanagawa Pref. / Yamato, Kanagawa Pref.)	JPY 489 million	49.22%	Manufacture and sales of optical fiber cables and optical parts



*[Translation for Reference Purpose Only]*

Company name (Head office / Plant)	Capital	% of the FEC's share	Scope of business
Furukawa Electric Industrial Cable Co., Ltd. (Arakawa-ku, Tokyo / Hiratsuka, Kanagawa Pref.)	JPY 450 million	100%	Manufacture and sales of electric cables and other cables
FURUKAWA ELECTRIC POWER SYSTEMS CO., LTD. (Yokohama/ Nagai, Yamagata Pref.)	JPY 450 million	100%	Manufacture and sales of equipment for transmission-transformation of electric energy and overhead /underground distribution equipment
KANZACC CO., LTD. (Osaka /Sakai, Fukui Pref)	JPY 310 million	100%	Manufacture and sales of electric cables and non-ferrous metal products
FURUKAWA INDUSTRIAL PLASTICS CO., LTD. (Chiba/ Chiba)	JPY 300 million	100%	Manufacture and sales of Plastic electric cable protection tubes
FURUKAWA TECHNO MATERIAL CO., LTD. (Hiratsuka, Kanagawa Pref./ Hiratsuka, Kanagawa Pref.)	JPY 300 million	100%	Manufacture and sales of fire prevention products
Furukawa Nikko Power Generation Inc. (Nikko, Tochigi Pref.)	JPY 300 million	100%	Generation, supply and sale of electric power and transmission of electric power
FURUKAWA NETWORK SOLUTION CORPORATION (Hiratsuka, Kanagawa Pref./ Hiratsuka, Kanagawa Pref.)	JPY 150 million	100%	Manufacture and sales of Network router equipment
FURUKAWA AUTOMOTIVE SYSTEMS INC (Inugami, Shiga Pref. /Inugami, Shiga Pref. & Kameyama Mie Pref.)	JPY 100 million	100%	Manufacture and sales of automotive wire harnesses and automotive components
Furukawa FITEL Optical Device Co., Ltd. (Ichihara, Chiba Pref./ Ichihara, Chiba Pref. & Naka, Ibaraki Pref)	JPY 100 million	70.59%	Manufacture of Optical Semiconductor Products

[Translation for Reference Purpose Only]

Company name (Head office / Plant)	Capital	% of the FEC's share	Scope of business
Furukawa Precision Engineering Co.,Ltd. (Nikko, Tochigi Pref./ Nikko, Tochigi Pref.)	JPY 100 million	100%	Manufacture and sales of electronic components
Riken Electric Wire Co., Ltd. (Chuo-ku, Tokyo / Ichihara, Chiba Pref.)	JPY 100 million	100%	Manufacture and sales of electric cables and other cables
Furukawa Elecom Co., Ltd. (Chiyoda-ku, Tokyo)	JPY 98 million	100%	Sales of electric cables and other cables
Furukawa Magnet Wire Co., Ltd. (Chiyoda-ku, Tokyo /Niigata)	JPY 96 million	100%	Manufacture and sales of magnet wire and various type of metal cables
Miharu Communication Inc. (Kamakura, Kanagawa Pref./ Kamakura, Kanagawa Pref., Hiratsuka, Kanagawa Pref.)	JPY 90 million	100%	Manufacturing and sales of CATV-related equipment, and telecommunication equipment

### 3) Overseas subsidiaries

Company name (Head office / Plant)	Capital	% of the FEC's share	Scope of business
OFS Fitel, LLC (USA)	USD 362 million	100%	Telecommunication solution business
Furukawa Electric LatAm S.A. (Brazil)	BRL 149 million	100%	Telecommunication solution business
American Furukawa, Inc. (USA)	USD 109 million	100%	Manufacture and sales of automotive components
SHENYANG FURUKAWA CABLE CO., LTD. (China)	CNY 768 million	100%	Manufacture and sales of electric wires and components
Furukawa Electric Copper Foil Taiwan Co., Ltd. (Taiwan)	NWD 1,555 million	100%	Manufacture and sale of copper foils for li-ion batteries
Furukawa Circuit Foil Taiwan Corporation (Taiwan)	NWD 1,475 million	81.85%	Manufacture and sale of electrodeposited copper foils
Furukawa Electric Singapore Pte. Ltd. (Singapore)	USD 3 million	100%	Sales of electric cables, electric wires, coiled wires and metal products

[Translation for Reference Purpose Only]

Company name (Head office / Plant)	Capital	% of the FEC's share	Scope of business
Furukawa Precision (Thailand) Co., Ltd.	THB 169 million	100%	Manufacture and sales of electronic components
Thai Furukawa Unicom Engineering Co., Ltd. (Thailand)	THB 104 million	91.75%	Engineering work in Telecommunication, CATV and Civil field.
Furukawa Automotive Parts (Vietnam) Inc.	USD 18 million	100%	Manufacture and sale of automotive components.
PT Tembaga Mulia Semanan Tbk (Indonesia)	USD 12 million	42.42%	Manufacture and sales of metal rods and aluminium rods
Trocellen GmbH (Germany)	EUR 8 million	100%	Manufacture and sales of foam products
PT. FURUKAWA INDOMOBIL BATTERY MANUFACTURING (Indonesia)	IDR 899,732million	51%	Manufacture of Lead battery for automobiles

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

2. In fiscal 2023, the Company had 109 consolidated subsidiaries and 14 equity-method affiliates.

#### (9) Employee Data (as of March 31, 2024)

Segment	Number of employees of the Group	Number of employees of Furukawa Electric Co., Ltd.
Infrastructure	8,982	1,516
Electronics & Automotive Systems	39,240	515
Functional Products	2,333	735
Services and Developments etc.	2,202	1,569
Total	52,757 (+1,443)	4,335 (+68)

[Notes] 1. Temporary employees and loan employees assigned to companies outside the Group are not included.

2. Brackets ( ) in the above table show changes compared to the end of the previous period.

3. Number of employees in the segment of Services and Developments segment includes personnel engaged in country-wide operations such as the Head Office departments of the Company.

4. The average age of employees of the Company is 43.8 years old, and the average years of service is 19.7 years. (Temporary employees and loan employees are not included.)

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

The Company has been investigated by the Brazilian Anti-trust Authority with respect to trading of automotive parts. In class actions filed in the U.S., claiming for damage resulting

*[Translation for Reference Purpose Only]*

from cartel activities pertaining to automotive parts, the Company or its subsidiary was named as the defendant. All of the above have arisen from conduct in the past, and there is no such conduct at present.

[Translation for Reference Purpose Only]

## 2. Shares (as of March 31, 2024)

### (1) Shareholder' Equity

Class of share	Total number of shares to be issued by the company	Total number of outstanding shares	Number of shareholders
Common Stock	250,000,000	70,666,917	45,306

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

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

[Notes] 1. Shareholding ratio is calculated with the number which deducted 50,535 shares of the Company's treasury stock.

2. In addition to the 2,413,500 shares in a retirement benefits trust mentioned above, Mizuho Bank, Ltd. has a further 173 shares in the Company.

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

In accordance with the resolution of the 194th Annual Shareholders Meeting held on June 27, 2016, the Company introduced the performance-linked stock remuneration system for Directors (except Outside Directors), Corporate Vice Presidents (except Directors), and Senior Fellows (partly revised at the 197<sup>th</sup> Annual Shareholders Meeting held on June 27, 2019 for the purpose of strengthening the incentive function; hereinafter, "the System"). Under the System, the Company granted 48,500 shares of common stocks to three Directors (other than Outside Director) in the current year.

*[Translation for Reference Purpose Only]*

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

*[Translation for Reference Purpose Only]*

### 3. Corporate Officers (as of March 31, 2024)

#### (1) Directors and Audit & Supervisory Board Members

Name	Position/responsibilities	Other significant positions
Keiichi Kobayashi	Chairman and Director	Outside Director, NTT DATA Japan Corporation
Hideya Moridaira	President and Representative Director	
Osamu Tsukamoto	Outside Director (part-time)	President, JAPAN CARBON FRONTIER ORGANIZATION
Takashi Tsukamoto	Outside Director (part-time)	Senior Advisor of Mizuho Financial Group, Inc. Outside Director, Asahi Mutual Life Insurance Company Outside Director, Aeon Co., Ltd. Outside Director, Internet Initiative Japan Inc.
Yoshiro Miyokawa	Outside Director (part-time)	
Yukiko Yabu	Outside Director (part-time)	Outside Director, DAIWA HOUSE INDUSTRY CO., LTD. Outside Director (Audit and Supervisory Committee Member), IBIDEN Co., Ltd.
Tamotsu Saito	Outside Director (part-time)	Senior Counselor of IHI Corporation Director (Outside) of Oki Electric Industry Co., Ltd. Director (Outside) of KAJIMA CORPORATION Chairman of the New Energy and Industrial Technology Development Organization (NEDO)
Satoshi Miyamoto	Director and Corporate Senior Vice President (General Manager of Business Basis Transformation Division)	
Akihiro Fukunaga	Director and Corporate Senior Vice President	

*[Translation for Reference Purpose Only]*

	(General Manager of Finance & Global Management Division)	
Yoshio Masutani	Director and Corporate Senior Vice President (General Manager of Global Marketing Sales Division)	
Toshio Yanagi	Corporate Vice President (General Manager, Risk Management Division)	
Nozomu Amano	Audit & Supervisory Board Member (full-time)	
Masao Terauchi	Audit & Supervisory Board Member (full-time)	
Hiroyuki Ogiwara	Audit & Supervisory Board Member (full-time)	Outside Director, Asahi- Seiki Manufacturing Co., Ltd.
Kunihiko Sakai	Audit & Supervisory Board Member (Outside, part-time)	Advisor (Attorney), TMI Associates Outside Director , Honda Motor Co., Ltd.
Sayaka Sumida	Audit & Supervisory Board Member (Outside, part-time)	Outside Audit & Supervisory Board Member, The Nisshin Oillio Group, Ltd Outside Director (Audit and Supervisory Committee Member), ADVANTEST CORPORATION
Takao Shiomi	Audit & Supervisory Board Member (Outside, part-time)	

[Notes]

1. Mr. Toshio Yanagi and Mr. Hiroyuki Ogiwara were newly elected as Director and Audit & Supervisory Board Member, respectively, at the 201st general shareholders' meeting held on June 23, 2023, and assumed the said positions.
2. Five (5) Directors, namely Mr. Osamu Tsukamoto, Mr. Takashi Tsukamoto, Mr. Yoshiro Miyokawa, Ms. Yukiko Yabu and Mr. Tamotsu Saito as well as three (3) Audit & Supervisory Board Members, namely Mr. Kunihiko Sakai, Ms. Sayaka Sumida and Mr. Takao Shiomi are registered with the Tokyo Stock Exchange as independent officers.
3. Each Audit & Supervisory Board Member has the following expertise in finance and accounting:
  - Mr. Nozomu Amano, Audit & Supervisory Board Member, held managerial positions in the legal, human resources, and finance and accounting divisions of the Company, and has considerable expertise in finance and accounting.
  - Mr. Hiroyuki Ogiwara, Audit & Supervisory Board Member, served as an officer in charge of the finance division in the Group, and has considerable expertise in finance and accounting.
  - Ms. Sayaka Sumida, Audit & Supervisory Board Member, has a licensed CPA, she has considerable expertise in finance and accounting.



*[Translation for Reference Purpose Only]*

- Mr. Takao Shiomi, Audit & Supervisory Board Member, has experience in assuming key senior positions at Finance Division of a large trading company, and has significant expertise in finance and accounting.
- 4. The Company is a supporting member of the JAPAN CARBON FRONTIER ORGANIZATION, where Mr. Osamu Tsukamoto serves as President, and pays an annual membership fee. Between the Company and the New Energy and Industrial Technology Development Organization (NEDO), for which Mr. Tamotsu Saito serves as Chairman, there are transactions related to research and development, etc.
- 5. The Company contributed to the amount equivalent to 3.92% of total funds to Asahi Mutual Life Insurance Company, for which Mr. Takashi Tsukamoto is the Outside Director, which in turn holds 3.42% (including shares placed by Asahi Mutual Life in a retirement benefit trust) of the Company's outstanding shares. Between the Company and Internet Initiative Japan Inc. (IIJ) where he serves as an outside director, there is a trade relationship where the Company purchases network-related materials from IIJ.  
There is a transaction between the Company and Oki Electric Industry Co., Ltd., for which Mr. Tamotsu Saito serves as Outside Director, where the Company purchases communication-related components from Oki Electric. There also is a transaction between the Company and Kajima Corporation, for which he serves as Outside Director, with regard to the construction of the Company's plant.

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

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

6. Outline of the limited liability agreements

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

7. Overview of Indemnity Agreement

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

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

8. Overview of Directors and Officers Liability Insurance agreement

The Company purchased a Directors and Officers Liability Insurance (D&O Insurance) policy, which covers Directors, Audit & Supervisory Board Members, and Corporate Vice Presidents, etc. (including those who retired on March 31, 1994 and thereafter) and their successors, in order to bring in competent people who fulfill expected roles in performing their duties. Among the candidates for Directors, those who are reappointed are already insured under the D&O insurance

*[Translation for Reference Purpose Only]*

policy. In case they are re-elected and assume the position, they will continue to be insured. As for newly-appointed candidates, once they assume the position, they will be insured.

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

*[Translation for Reference Purpose Only]*

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

**1) Principal activities of outside directors**

**① Outside Directors**

Name	Attendance to Board of Directors Meeting (Attendance rate)	Comments and Remarks/ Outline of duties performed in light of expected roles
Osamu Tsukamoto	15 out of 16 (93.8%)	Based on his extensive knowledge/experience in industrial policy at the Ministry of Economy, Trade and Industry, following economic policies and market trends, Mr. Osamu Tsukamoto appropriately oversees the management, actively speaks mainly on R&D, business strategy, and product quality and he fulfils expected role. Moreover, he is also active as a member of the Nomination/Compensation Committee.
Takashi Tsukamoto	16 out of 16 (100%)	Based on his extensive knowledge/experience as a business manager of a financial institution, Mr. Takashi Tsukamoto appropriately oversees the management, actively speaks mainly on business strategy, Group company management, financial policy, and investor relations from the Group's global management perspective, and fulfills the expected role. He serves as Chairman of the Outside Officer's Meeting <sup>(Note)</sup> as a lead outside director. Moreover, he is also active as Chairman of the Nomination/Compensation Committee.
Yoshiro Miyokawa	16 out of 16 (100%)	Based on his extensive knowledge/experience as a manager of a major pharmaceutical company, Mr. Miyokawa appropriately oversees the management, actively speaks mainly on topics such as corporate governance, business strategy, and human resource development, with a view to improving the governance of the Group as a whole and he fulfils expected role. Moreover, he is also active as a member of the Nomination/Compensation Committee.

*[Translation for Reference Purpose Only]*

Yukiko Yabu	16 out of 16 (100%)	<p>Based on her extensive knowledge/experience in marketing and product development at a major electronics manufacturer, Ms. Yabu appropriately oversees the management, actively speaks mainly on topics such as business strategy, marketing and diversity from a wide range of perspectives and he fulfils expected role.</p> <p>Moreover, she is also active as a member of the Nomination/Compensation Committee.</p>
Tamotsu Saito	16 out of 16 (100%)	<p>Based on his extensive knowledge/experience as a business manager of a leading heavy manufacturer, Mr. Saito appropriately oversees the management, actively speaks mainly on business strategy, manufacturing, economic policies from a perspective of Group's global management, and fulfills the expected role.</p> <p>Moreover, he is also active as a member of the Nomination/Compensation Committee.</p>

[Note] The Company holds regular Outside Officers' Meetings in order to give opportunities to Outside Officers to exchange opinions and establish a shared understanding of the Company from an objective viewpoint, and to enable the resulting opinions to be reported to the Board of Directors if necessary. The Company held four (4) Outside Officers' Meetings during the year under review.

*[Translation for Reference Purpose Only]*

**② Outside Audit & Supervisory Board Members**

Name	Attendance		Comments and Remarks
	Board of Directors Meeting (Attendance rate)	Audit & Supervisory Board Meeting (Attendance rate)	
Kunihiko Sakai	16 out of 16 (100%)	9 out of 9 (100%)	Based on his extensive knowledge and expertise through long years of experience in the judicial field, Mr. Sakai has actively shared his views mainly on the legal restrictions and corporate governance from the perspective of risk management at the Board of Directors meetings as well as the Audit & Supervisory Board meetings. In addition, he actively speaks on such topics as confirmation/recommendations from the perspective of compliance, and questions/confirmation about plans and results of auditing and quarterly reviews by an accounting auditor at the Audit & Supervisory Board.
Sayaka Sumida	16 out of 16 (100%)	9 out of 9 (100%)	Based on her extensive knowledge and expertise through long years of experience as a CPA holder, Ms. Sumida has actively shared her views mainly on the Group's corporate management and finance and accounting from the perspective of risk management at the Board of Directors meetings as well as the Audit & Supervisory Board meetings. In addition, she actively speaks on such topics as recommendations related to enhancement/promotion of disclosures, and questions/confirmation about plans and results of auditing and quarterly reviews by an accounting auditor at the Audit & Supervisory Board.

*[Translation for Reference Purpose Only]*

Takao Shiomi	16 out of 16 (100%)	9 out of 9 (100%)	Based on his extensive knowledge and experience as top management of a large general trade company, a financial institution, and a manufacturer, Mr. Shiomi actively speaks mainly on corporate management from a risk management perspective at the Board of Directors meetings and the Audit & Supervisory Board meetings.  In addition, he actively speaks on such topics as recommendations about strengthening Group governance, and questions/confirmation about plans and results of auditing and quarterly reviews by an accounting auditor at the Audit & Supervisory Board.
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**2) Action in response to improper or unlawful business conduct during the fiscal year under review**

There has been no specific fact of such conduct.

*[Translation for Reference Purpose Only]*

### (3) Remuneration of the Company's officers

#### ① Policies for determining officers' remuneration, etc.

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

➤ Policy for determining remuneration for officers

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

➤ Policy for determining remuneration for individual officer by element

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

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

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

*[Translation for Reference Purpose Only]*

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 <sup>*2</sup> based on consolidated operating income, as defined by the Nominating/Compensation Committee. <sup>(Note 1)</sup>	●	—	●	—
ESG-linked remuneration	This element is to be paid in cash every month. The amount is to be determined upon evaluating the progress toward achieving the sustainability targets of key management issues (materiality) to be addressed by the Group. <sup>(Note 2)</sup>	●	—	●	—
Mid-to-long-term performance-linked remuneration	This is the stock remuneration program <sup>*3</sup> , under which directors and officers are paid with the Company's stocks acquired by the Trust that was funded by the Company. <sup>(Note 3)</sup>	●	—	●	—

Notes: 1. For short-term performance-linked remuneration (on the company level), we adopted consolidated operating income as an indicator for ensuring the Company's performance in a relevant fiscal year is appropriately and clearly reflected to the remuneration. The following table shows remuneration amount corresponding to consolidated operating income, which is the evaluation criterion here, and official position. The Nominating/Compensation Committee regularly checks and reviews this table to ensure the remuneration levels are adequate, taking into account consolidated operating income in the past several years.

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

(Unit: JPY thousand)

Officer classification	Operating Profit						
	650~ (JPY 100 million)	550~ 650 (JPY 100 million)	450~550 (JPY 100 million)	350~450 (JPY 100 million)	250~350 (JPY 100 million)	150~250 (JPY 100 million)	~150 (JPY 100 million)
Chairman of the Board	15,100	12,458	9,815	7,550	6,040	3,775	-
President (Representative)	29,600	24,420	19,240	14,800	11,840	7,400	-
Corporate Senior Executive Vice President	18,000	14,850	11,700	9,000	7,200	4,500	-



*[Translation for Reference Purpose Only]*

Corporate Executive Vice President	14,100	11,633	9,165	7,050	5,640	3,525	-
Corporate Senior Vice President	8,200	6,765	5,330	4,100	3,280	2,050	-
Corporate Vice Presidents / Senior Fellows	4,200	3,465	2,730	2,100	1,680	1,050	-

2. For ESG-linked remuneration, we adopted sustainability indicators (whether or not achieved) in order to ensure that it functions as an appropriate incentive toward achieving sustainability targets. In the current fiscal year, we adopted GHG emissions reduction rate, where the target reduction rate is 21.2% compared to the emissions in FY2017. An indicator to be adopted as an evaluation indicator for ESG-linked remuneration is regularly checked/reviewed by the Nominating/Compensation Committee.
3. For Mid-to-long-term performance-linked remuneration, we adopted the Company's stock price as an indicator, in order to appropriately reflect increased corporate value to remuneration amounts, and to share incentives for increasing corporate value with shareholders. In this stock remuneration program, three fiscal years constitute a performance period and the Company contributes funds up to the maximum amount of 450 million yen per performance period to the Trust as remuneration for Directors and other officers. Directors and officers are granted a pre-determined number of points depending on their titles/positions every year as the basis of their rights to receive the Company's stocks. After the end of each performance period, the number of points qualifying Directors and officers for receiving the Company's stocks are finalized after an adjustment for certain cases, according to the criteria for comparing changes in the Company's stock prices with those of TOPIX during the period. (The actual points to be granted are calculated by multiplying the payout ratio, which is determined by multiplying the degree of divergence of the volatility of the Company's stock price and volatility of TOPIX by the cumulative total points granted during the evaluation period.) In case any of Directors and officers retire from the position during the period, in principle, an adjustment is to be made in a similar manner.

*[Translation for Reference Purpose Only]*

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

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

Officer classification	Number of Point Granted	Number of Stock Granted per period
Chairman of the Board	7,640	29,796
President (Representative)	9,340	36,426
Corporate Senior Executive Vice President(Director)	4,800	18,720
Corporate Senior Executive Vice President	3,930	15,327
Corporate Executive Vice President (Director)	3,930	15,327
Corporate Executive Vice President	3,060	11,934
Corporate Senior Vice President(Director)	2,190	8,541
Corporate Senior Vice President	1,310	5,109
Corporate Vice Presidents (Director)	1,310	5,109
Corporate Vice Presidents / Senior Fellows	660	2,574

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

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

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

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

*[Translation for Reference Purpose Only]*

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

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

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

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

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

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

- Number of the Company's shares to be granted = (cumulative total points as of the vesting date x payout ratio – number of points corresponding to a fraction of shares) x 0.7
  - If there is a fraction of shares of the Company upon calculation by the above formula, such shares will be disregarded.
- Amount of money to be paid = (Number of points convertible into share units x 0.3 + number of points corresponding to a fraction of shares) x market value of the Company's stock as of the vesting date
  - “The number of points convertible into share units” is defined as (cumulative total points as of the vesting date x payout ratio – the number of points corresponding to a fraction of shares).
  - If there are any points corresponding to a fraction of shares upon calculation by the

*[Translation for Reference Purpose Only]*

formula “the number of points convertible into share units x 0.3”, such a fraction will be rounded up to a share unit and added to the number of share units.

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

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

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

Officer classification	Base salary	Short-term performance-linked remuneration		ESG-linked remuneration	Mid-to-long-term performance-linked remuneration	Total
		(individual divisions)	(the entire Company)			
Chairman of the Board	55%	12%	9%	3%	21%	100%
President (Representative)	51%	15%	13%	2%	19%	100%
Director and Corporate Senior Executive Vice President	55%	15%	13%	2%	15%	100%
Director and Corporate Executive Vice President	58%	14%	12%	2%	14%	100%
Director and Corporate Senior Vice President	68%	11%	9%	2%	11%	100%
Director and Corporate Vice President	72%	13%	5%	2%	8%	100%
Corporate Senior Executive Vice President	54%	16%	14%	2%	14%	100%
Corporate Executive Vice President	56%	15%	13%	2%	14%	100%
Corporate Senior Vice Presidents	67%	13%	11%	2%	8%	100%
Corporate Vice Presidents / Senior Fellows	71%	16%	6%	2%	5%	100%

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

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

**【Matters to be deliberated by Nominating/Compensation Committee】**

- (1) Nominating/Compensation Committee deliberates the following matters in response to inquiries from the Board of Directors, and reports the results to the Board:
  - ① Proposal for shareholders' meeting concerning election/removal of Directors and Audit & Supervisory Board Members
  - ② Appointment/dismissal of Representative Director, Chairman of the Board, and President
  - ③ Appointment/removal of Corporate Vice Presidents
  - ④ Appointment/dismissal of senior Corporate Vice Presidents (Corporate Senior Executive Vice President, Corporate Executive Vice President, and Corporate Senior Vice President)
  - ⑤ Policy about Remuneration of Directors and Corporate Vice Presidents
- (2) Nominating/Compensation Committee deliberates and determines the following matters delegated by the Board of Directors:
  - ① Evaluation of Directors and Corporate Vice Presidents
  - ② System concerning remuneration, etc. for Directors and Corporate Vice Presidents based on the policy decided by the Board of Directors following the report set forth in item ⑤ of the above section (1)
  - ③ Details of remuneration, etc. for individual Directors and Corporate Vice Presidents based on the policy decided by the Board of Directors following the report set forth in item ⑤ of the above section (1)
  - ④ Proposal for shareholders' meeting concerning remuneration, etc. for Directors and Audit & Supervisory Board Members
  - ⑤ Guidelines on remuneration, etc. for representatives of affiliated companies
  - ⑥ Policy on the term of office for Directors and Corporate Vice Presidents and the

*[Translation for Reference Purpose Only]*

treatment after they leave office
⑦ Content of draft proposal on appointment/removal of Special Advisers/Honorary Advisers and their remuneration
⑧ Content of succession plans for the management
(3) Nominating/Compensation Committee deliberates and determines program details and policies on training for Directors, Audit & Supervisory Board Members, and Corporate Vice Presidents, taking into account opinions of Audit & Supervisory Board.

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

The following table shows the Committee composition as of the date when remuneration for individual Directors and Corporate Vice Presidents was determined for the current fiscal year (June 23, 2023).

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

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

Meeting Date / Body	Overview
June 8, 2023 Nominating/Compensation Committee	• Discussed/evaluated performance of officers during the fiscal year ended March 2023
June 23, 2023 Board of Directors	• Resolved on delegating the decision on a remuneration amount for each Director and Corporate Vice President to Nominating/ Compensation Committee

*[Translation for Reference Purpose Only]*

June 23, 2023 Nominating/Compensation Committee	• Determined the remuneration amount for each Director and Corporate Vice President for the fiscal year ending March 2024
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The Board of Directors has received a report from the Nomination and Compensation Committee that the content and method of determining individual director remuneration, etc. determined by the committee are in line with the decision policy. We have determined that the content of remuneration for each individual is in line with the decision policy.

[Translation for Reference Purpose Only]

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

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

Officer classification	Total remuneration (JPY millions)	Total remuneration by type(JPY millions)				Number of subject officers (persons)
		Base Salary (JPY millions)	Short-term performance-linked remuneration (individual divisions) (JPY millions)	Short-term performance-linked remuneration (the entire Company) (JPY millions)	Mid-to-long-term performance-linked remuneration (JPY millions)	
Directors (excluding outside directors)	340	229	11	24	74	7
Audit & Supervisory Board Members (excluding outside Audit & Supervisory Board Members)	92	92	-	-	-	4
Outside Officers	110	110	-	-	-	8
Outside directors	74	74	-	-	-	5
Outside Audit & Supervisory Board Members	36	36	-	-	-	3

Notes:1. The amounts and numbers of officers in the above table include one Directors and one Audit & Supervisory Board Member who retired from the positions due to the expiry of their terms at the end of the 201th Annual Shareholders Meeting held on June 23, 2023 as well as amounts of their remuneration.

2. The column of short-term performance-linked remuneration (company level) shows the payment amount which was determined in June 23 as compensation for execution of duties in FY2022. The amount for the current fiscal year is not yet fixed at the time of preparing this business report, and therefore not included in the above table.

3. The column of Mid-to-long-term performance-linked remuneration shows the amount corresponding to the number of shares granted in the form of points under the stock compensation system for the current fiscal year, which is deemed as compensation for the current fiscal year.

4. Short-term performance-linked remuneration (on the company level) falls under the category of performance-linked remuneration. For this remuneration, the Company adopted consolidated



*[Translation for Reference Purpose Only]*

operating income as an indicator to appropriately and clearly reflect the Company's business performance during a relevant fiscal year to the remuneration. The Company's consolidated operating income in FY2022 was 15,441 million yen.

5. Mid-to-long-term performance-linked remuneration falls under the categories of performance-linked remuneration as well as non-monetary remuneration. For this remuneration, the Company adopted its stock price, in order to appropriately reflect increased corporate value to remuneration amounts, and to share incentives for increasing corporate value with shareholders. Actual deviation was 0.82 (a reference value calculated by using numerical value in FY2023).

6. With respect to ESG-linked remuneration (introduced in July 2023), the compensation amount for the current fiscal year is not yet determined, and therefore not included in the above table.

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

determination of remuneration of directors at annual meeting is below.

[Directors and Officers]

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

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

2. the number of eligible directors about each Remuneration type at the end of 202nd Annual Shareholders Meeting is blow.

*[Translation for Reference Purpose Only]*

Remuneration type under the current system	the number of eligible directors about each Remuneration type at the end of 199th Annual Shareholders Meeting
Base salary Short-term performance-linked remuneration (individual) Short-term performance-linked remuneration (entire company)	11
Mid- to long-term performance-linked remuneration	32 (6 Directors, 24 Corporate Vice Presidents, and 2 Senior Fellows)

[Audit & Supervisory Board Member]

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

[Note] The number of eligible Audit & Supervisory Board Members about Remuneration at the end of 202nd Annual Shareholders Meeting is 6.

*[Translation for Reference Purpose Only]*

#### **4. Accounting Auditor**

##### **(1) Name of accounting auditors**

**Deloitte Touche Tohmatsu LLC**

##### **(2) Remuneration of accounting auditors to be paid**

(i) Total amount of monetary and other property benefits to be paid by Furukawa Electric and its subsidiaries	JPY 241million
(ii) Of the amount stated in (i) above, remuneration for auditing services stipulated in Paragraph 1, Article 2 of the Certified Public Accountant Act	JPY 241 million
(iii) Of the amount stated in (ii) above, remuneration to be paid by Furukawa Electric to the accounting auditor	JPY 129 million

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

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

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

Audit & Supervisory Board received explanations from accounting auditors regarding the overview of their audit plan, including estimated audit time and audit fees, and checked the adequacy and appropriateness of the estimated audit time and estimated unit price of audit fees. Consequently, the Board judged that sufficient audit time is secured for high-quality auditing services, and that audit fees and the level of the unit price are rational and appropriate in light of the fees paid in the previous fiscal year, and therefore, expressed agreement as set forth in Article 399, Paragraph 1 of the Companies Act.

##### **(4) Contents of non-audit services**

The Company has not engaged the accounting auditor for any services other than audit certification

*[Translation for Reference Purpose Only]*

work under the scope of Article 2, Paragraph 1 of the Certified Public Accountants Act.

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

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

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

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

**5. The Company's Systems and Policies**

**(1) Systems for ensuring sound operations**

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

**<Basic Policy>**

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

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

- ① Upholding the basic philosophy of compliance with ethics and prevailing laws as laid out in "Furukawa Electric Group Purpose", "Core Values" and "Furukawa Electric Group CSR Code of Conduct", the Company, with the President assuming the highest responsibility, promotes compliance activities including in-house education and efforts to prevent and detect legal

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violations through the Risk Management Committee and the Risk Management Division.

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

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

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

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

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

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

**4) The system for securing appropriateness of financial reporting**

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

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

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

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

- ① In accordance with "Regulations on Group Management Control", administrative managers of individual subsidiaries shall be appointed, and they shall require own subsidiaries reporting subsidiaries' business conditions on a regular basis, and offer management guidance to subsidiaries.

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Predetermined matters shall require approval of the Company.

- ② Concrete management goals that subsidiary companies should achieve shall be set out in mid-term management plans as well as budgets for single fiscal years, and administrative representatives shall report on the progress toward such goals at Board of Directors' meetings on a regular basis.
- ③ A risk management system and method shall be provided for in the "Rule of Risk Management and Basic Rule of Internal Control." In addition, the CSR and Risk Management Committee will assess the risk for the Group in operating businesses and verify the reasonableness of the management method.
- ④ According to "Furukawa Electric Group Purpose", "Core Values" and "Furukawa Electric Group CSR Code of Conduct", the placement of representatives for administering compliance will be made obligatory for subsidiary companies in "Compliance Manual". In addition, under the leadership of the Risk Management Division, education, advice and guidance on risk management, internal control and compliance will be provided to subsidiary companies.
- ⑤ Part-time officers shall be dispatched to major subsidiaries to monitor their overall management status, including compliance and risk control. The Auditing Division shall perform an audit of subsidiaries from the standpoint of the auditing section of their parent company.

**7) Provisions concerning assistant employees requested by the Audit & Supervisory Board Members for assistance in their duties**

At the request of Audit & Supervisory Board Member for any assistant employee, appropriate personnel shall be appointed after consultation with the Audit & Supervisory Board Member.

**8) Provisions concerning independence of the employees stipulated in the preceding item from Directors, and secureness of effective instructions for them**

- ① The assistant employee shall be appointed as assistant to the Audit & Supervisory Board Member by an order of appointment and shall assist the Audit & Supervisory Board Member in fulfilling his or her duties and in operating the Audit & Supervisory Board.
- ② Pursuant to the Internal Regulations on Assistant Employees to Audit & Supervisory Board Members, assistant employees shall be guaranteed independence from Directors. Transfer, appraisal, disciplinary action and other matters involving assistant employees shall require the approval of the Audit & Supervisory Board Member.

**9) Systems for reporting from directors and employees to Audit & Supervisory Board Members and other systems relating to notification to Audit & Supervisory Board Members**

- ① It shall be ensured that Audit & Supervisory Board Members have constant access to any meeting or any material they deem necessary for auditing purposes.
- ② Directors or division managers shall report to Audit & Supervisory Board Members the Group's status of development and operation of internal control, compliance and risk control as appropriate.

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

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

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

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

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

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

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

They shall be made known throughout the entire Company. The status of auditing shall also be reported to the president and the Board of Directors on a regular basis.
- ② The standards for audits performed by Audit & Supervisory Board Members shall be made known to Directors and employees to deepen internal awareness and understanding of the importance of auditing performed by Audit & Supervisory Board Members.
- ③ The division responsible for internal audits shall be strengthened and it shall have closer ties with Audit & Supervisory Board Members.
- ④ When Audit & Supervisory Board Members make any request for ensuring effectiveness of their audit, Directors and employees shall respond sincerely.



*[Translation for Reference Purpose Only]*

(Note) The Company's policy was revised as above by the resolution of the Board of Directors held on March 21, 2024 (effective from April 19, 2024). The details of the revisions are as follows (underlined parts):

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

- ① Upholding the basic philosophy of compliance with ethics and prevailing laws as laid out in "Furukawa Electric Group Philosophy" and "Furukawa Electric Group CSR Code of Conduct", the Company, with the President assuming the highest responsibility, promotes compliance activities including in-house education and efforts to prevent and detect legal violations through the Risk Management Committee and the Risk Management Division.

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

- ④ According to "Furukawa Electric Group Philosophy" and "Furukawa Electric Group CSR Code of Conduct", the placement of representatives for administering compliance will be made obligatory for subsidiary companies in "Compliance Manual". In addition, under the leadership of the Risk Management Division, education, advice and guidance on risk management, internal control and compliance will be provided to subsidiary companies.

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

**1) Matters concerning compliance and risk management**

- ① The Risk Management Committee, chaired by the President, met two times in the current fiscal year. Its deliberation and decisions include the following matters: the Committee recognized risks of the Group on the management level, and addressed the need for expanding and deepening the relevant control by monitoring the action plan for each risk and the implementation of the plan; and the Committee recommended that compliance should be maintained by sharing problematic cases (examples), operating a whistleblowing system, and providing training. The Committee's activities are reported to the Board of Directors.
- ② The Quality Control Committee of Furukawa Electric Group, a special committee under the Risk Management Committee, was held two times during the current fiscal year. The special committee collects information on the occurrence of serious quality issues and claims from clients and provides guidance on improvement measures for a quality control system for business divisions and subsidiaries/affiliated companies as necessary. It also conducted a study on product inspections and public standards.
- ③ During the current fiscal year, each Group company implemented E-learning on compliance with

*[Translation for Reference Purpose Only]*

the prevention of discrimination and harassments and we held a seminar on the competition law, prohibition of bribes, and trade secret leakage prevention for our company and domestic affiliated companies. In addition, matters informed by whistleblowers were dealt with appropriately upon consultation with outside experts where necessary.

- ④ The results of operational audits of operating departments by the Internal Audit Department were reported to the managers of the audited departments, and a summary of the results was also reported to the management, including the President, and Audit & Supervisory Board members.

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

- ① During the current fiscal year, the Board of Directors met 16 times. At the meetings, Directors made decisions on the execution of important operations, checked the progress of the Medium-term Management Plan, assessed the level of achievements of management targets, including annual budget. The Board also deliberated on corporate governance and other basic management matters.
- ② A director remuneration system is in place and in operation so the ratio of performance-linked compensation to total remuneration, including the stock compensation system, will increase to more appropriately reflect the performance of the execution of duties compensated for executive directors and executive officers, based on the decisions of the Nomination/Compensation Committee, the majority of whose members are outside directors.

**3) Matters concerning the appropriateness of financial reporting**

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

**4) Matters concerning the soundness of operations of the Group**

- ① Budgets for single fiscal years were set out and managed for each subsidiary company, and matters specified in the Standards for referral/ reporting to the Company as important matters relating to the management of subsidiary companies were deliberated by the Board of Directors and the Management Committee. The Company also provided support to help overseas subsidiaries in particular to improve their management foundations in relation to personnel/labor, accounting and IT.
- ② The Group Compliance Committee met to share information on activities relating to important aspects of internal control in Japan. In addition to distributing the casebook of compliance issues to Group companies in Japan and abroad, the Company has hosted compliance seminars for affiliates in Taiwan covering such topics as compliance with the competition law, protection of intellectual properties/trade secrets, and compliance with labor law, so as to enhance internal control within the Group.

*[Translation for Reference Purpose Only]*

- ③ Installment and enhancement of an internal reporting system at the Company Group is advancing.
- ④ In light of the scale and importance of some subsidiaries, officers and employees of the Company were sent to such subsidiaries as Directors and Audit & Supervisory Board Members to supervise the execution of their operations.

**5) Matters concerning the effectiveness of auditing**

- ① Audit & Supervisory Board Members attended meetings of the Board of Directors as well as meetings of the Management Committee, the Risk Management Committee, the Sustainability Committee and other important meetings to assess the status of development and operation of internal control systems.

Audit & Supervisory Board Members reported the audit policies and audit plans established by the Audit & Supervisory Board as well as their audit results to the Board of Directors. Audit & Supervisory Board Members work on improving the effectiveness and efficiency of audits through close cooperation with the Company's audit department, etc. as well as audit & supervisory board members and the internal audit departments of affiliated companies in Japan. In addition, they conducted on-site audits (including remote auditing by using Web meeting system) of affiliated companies in Japan and abroad.

- ② In the fiscal year under review, the Audit & Supervisory Board met nine (9) times and exchanged opinions and shared information.
- ③ The Audit & Supervisory Board received reports about the audit plan by the Accounting Auditor and discussed important audit items and key audit matters (KAMs), etc. Furthermore, with respect to quarterly and annual financial results, the Audit & Supervisory Board received a report from Account Auditor on quarterly review results and audit results for the fiscal year as well as the audit quality management, and exchanged opinions..
- ④ At the request of Audit & Supervisory Board members, two (2) employees were appointed as assistants to Audit & Supervisory Board Members.

End

*[Translation for Reference Purpose Only]*  
Consolidated Financial Statements for the 202<sup>nd</sup> Fiscal Year  
**Consolidated Balance Sheet**  
(As of March 31, 2024)

(Unit: JPY millions)

Account title	Amount	Account title	Amount
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Current assets</b>	<b>517,767</b>	<b>Current liabilities</b>	<b>400,894</b>
Cash and deposits	48,895	Notes and accounts payable - trade	128,780
Notes and accounts receivable - trade, and contract assets	245,712	Short-term borrowings	137,371
Securities	4,747	Commercial papers	35,500
Merchandise and finished goods	73,088	Income taxes payable	4,451
Work in process	43,899	Provision for product warranties	5,264
Raw materials and supplies	66,659	Other	89,526
Other	35,974	<b>Non-current liabilities</b>	<b>226,074</b>
Allowance for doubtful accounts	(1,210)	Bonds payable	40,000
<b>Non-current assets</b>	<b>467,240</b>	Long-term borrowings	120,168
<b>Property, plant and equipment</b>	<b>278,640</b>	Provision for environmental measures	9,224
Buildings and structures	263,129	Retirement benefit liability	29,239
Machinery, equipment and vehicles	517,262	Lease liabilities	12,517
Tools, furniture and fixtures	80,522	Asset retirement obligations	1,717
Land	33,971	Other	13,207
Leased assets	1,072	<b>Total liabilities</b>	<b>626,968</b>
Right-of-use assets	25,144	<b>(Net assets)</b>	
Construction in progress	20,788	<b>Shareholders' equity</b>	<b>284,738</b>
Accumulated depreciation	(663,250)	Share capital	69,395
<b>Intangible assets</b>	<b>20,284</b>	Capital surplus	23,178
Goodwill	50	Retained earnings	192,856
Other	20,234	Treasury shares	(691)
<b>Investments and other assets</b>	<b>168,315</b>	<b>Accumulated other comprehensive income</b>	<b>43,383</b>
Investment securities	131,694	Valuation difference on available-for-sale securities	12,218
Investments in capital	1,290	Deferred gains or losses on hedges	1,195
Deferred tax assets	8,563	Foreign currency translation adjustment	25,286
Retirement benefit asset	11,241	Remeasurements of defined benefit plans	4,682
Other	16,464	<b>Non-controlling interests</b>	<b>29,916</b>
Allowance for doubtful accounts	(939)	<b>Total net assets</b>	<b>358,038</b>
<b>Total assets</b>	<b>985,007</b>	<b>Total liabilities and net assets</b>	<b>985,007</b>

[Note] 1. Figures above are rounded off to the nearest JPY millions.

2. Since the equity-method affiliate of the Company adopted International Financial Reporting Standards (IFRS) in place of the Japanese Accounting Standards from the 202<sup>nd</sup> term, the related figures in the 201<sup>st</sup> term are retrospectively adjusted to reflect the change in accounting policy.

*[Translation for Reference Purpose Only]*  
**Consolidated Statement of Income**  
(From April 1, 2023 to March 31, 2024)

(Unit: JPY millions)

Account title	Amount
<b>Net sales</b>	<b>1,056,528</b>
<b>Cost of sales</b>	<b>897,535</b>
<b>Gross profit</b>	<b>158,993</b>
Selling, general and administrative expenses	147,821
<b>Operating profit</b>	<b>11,171</b>
<b>Non-operating profit</b>	<b>11,940</b>
Interest and dividend income	3,025
Share of profit of entities accounted for using equity method	6,323
Other	2,592
<b>Non-operating expenses</b>	<b>12,844</b>
Interest expenses	9,238
Foreign exchange losses	96
Other	3,509
<b>Ordinary profit</b>	<b>10,267</b>
<b>Extraordinary income</b>	<b>14,908</b>
Gain on change in equity	1,247
Gain on disposal of non-current assets	592
Gain on sale of investment securities	11,983
Other	1,084
<b>Extraordinary losses</b>	<b>5,110</b>
Loss on disposal of non-current assets	1,453
Loss on sale of investment securities	714
Loss on valuation of investment securities	771
Extra retirement payments	540
Other	1,631
<b>Profit before income taxes</b>	<b>20,064</b>
<b>Total income taxes</b>	<b>11,587</b>
Income taxes-current	9,262
Income taxes-deferred	2,325
<b>Profit</b>	<b>8,476</b>
Profit attributable to non-controlling interests	1,968
<b>Profit attributable to owners of parent</b>	<b>6,508</b>

[Note] 1. Figures above are rounded off to the nearest JPY millions.

2. Since the equity-method affiliate of the Company adopted International Financial Reporting Standards (IFRS) in place of the Japanese Accounting Standards from the 202nd term, the related figures in the 201st term are retrospectively adjusted to reflect the change in accounting policy.

*[Translation for Reference Purpose Only]*  
Non-Consolidated Financial Statements for the 202<sup>nd</sup> Fiscal Year  
**Non-Consolidated Balance Sheet**  
(As of March 31, 2024)

(Unit: JPY millions)

Account title	Amount	Account title	Amount
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Current assets</b>	<b>305,827</b>	<b>Current liabilities</b>	<b>246,096</b>
Cash and deposits	3,797	Notes payable - trade	156
Notes receivable - trade	356	Electronically recorded obligations – operating	16,224
Electronically recorded monetary claims - operating	11,767	Accounts payable - trade	76,171
Accounts receivable - trade	111,610	Short-term borrowings	73,913
Contract assets	4,888	Commercial papers	35,500
Income taxes refund receivable	1,465	Accounts payable - other	15,255
Merchandise and finished goods	14,197	Accrued expenses	17,294
Work in process	20,560	Contract liabilities	5,556
Raw materials and supplies	16,546	Provision for product warranties	387
Prepaid expenses	1,189	Provision for loss on construction contracts	211
Short-term loans receivable	80,278	Other	5,425
Accounts receivable - other	36,447	<b>Non-current liabilities</b>	<b>187,138</b>
Other	2,742	Bonds payable	40,000
Allowance for doubtful accounts	(23)	Long-term borrowings	112,500
<b>Non-current assets</b>	<b>326,619</b>	Provision for retirement benefits	20,844
<b>Property, plant and equipment</b>	<b>90,518</b>	Provision for environmental measures	9,223
Buildings	38,049	Provision for loss on business of subsidiaries and associates	2,960
Structures	3,984	Provision for share awards for directors and other officers	380
Machinery and equipment	22,617	Asset retirement obligations	500
Vehicles	127	Other	730
Tools, furniture and fixtures	3,416	<b>Total liabilities</b>	<b>433,235</b>
Land	11,961		
Leased assets	90	<b>(Net assets)</b>	
Construction in progress	10,270	<b>Shareholders' equity</b>	<b>189,159</b>
<b>Intangible assets</b>	<b>12,002</b>	Share capital	69,395
Software	11,788	Capital surplus	21,466
Other	214	Other capital surplus	21,466
<b>Investments and other assets</b>	<b>224,098</b>	Retained earnings	98,946
Investment securities	24,814	Legal retained earnings	4,484
Shares of subsidiaries and associates	91,956	Other retained earnings	94,462
Investments in capital of subsidiaries and associates	42,056	Retained earnings brought forward	94,462
Long-term loans receivable from subsidiaries and associates	76,302	Treasury shares	(648)
Prepaid pension costs	6,692	<b>Valuation and translation adjustments</b>	<b>10,052</b>
Deferred tax assets	3,964	Valuation difference on available-for-sale securities	9,718
Other	5,478	Deferred gains or losses on hedges	333
Allowance for doubtful accounts	(27,167)	<b>Total net assets</b>	<b>199,212</b>
<b>Total assets</b>	<b>632,447</b>	<b>Total liabilities and net assets</b>	<b>632,447</b>

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

*[Translation for Reference Purpose Only]*  
**Non-Consolidated Statement of Income**  
(From April 1, 2023 to March 31, 2024)

(Unit: JPY millions)

Account title	Amount
<b>Net sales</b>	<b>296,766</b>
<b>Cost of sales</b>	<b>260,271</b>
<b>Gross profit</b>	<b>36,494</b>
Selling, general and administrative expenses	45,581
<b>Operating loss</b>	<b>(9,087)</b>
<b>Non-operating profit</b>	<b>16,778</b>
Interest and dividend income	15,141
Other	1,636
<b>Non-operating expenses</b>	<b>7,360</b>
Interest expenses	2,701
Foreign exchange losses	117
Provision of allowance for doubtful accounts	4,235
Other	306
<b>Ordinary profit</b>	<b>330</b>
<b>Extraordinary income</b>	<b>11,489</b>
Gain on disposal of non-current assets	473
Gain on sale of shares of subsidiaries and associates	7,742
Gain on sale of investment securities	3,273
Other	0
<b>Extraordinary losses</b>	<b>8,845</b>
Loss on disposal of non-current assets	713
Provision for loss on business of subsidiaries and associates	2,524
Loss on valuation of shares of subsidiaries and associates	4,576
Loss on valuation of investment securities	771
Other	260
<b>Profit before income taxes</b>	<b>2,974</b>
Income taxes-current	351
Income taxes-deferred	709
<b>Profit</b>	<b>1,913</b>

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