

June 3, 2025

Dear Shareholders:

### **Notice of the 203<sup>rd</sup> Annual Shareholders Meeting**

You are cordially invited to attend the 203<sup>rd</sup> Annual Shareholders Meeting of Furukawa Electric Co., Ltd. to be held on June 25, 2025, 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 203<sup>rd</sup> fiscal year (from April 1, 2024 to March 31, 2025)
2. Reports on Non-Consolidated Accounting Documents for the 203<sup>rd</sup> fiscal year (from April 1, 2024 to March 31, 2025)

To consider and act on the following proposals,

- |                        |   |
|------------------------|---|
| <b>Proposal One:</b>   | <b>Dividends from surplus</b>   |
| <b>Proposal Two:</b>   | <b>Partial Amendment to the Articles of Incorporation</b>   |
| <b>Proposal Three:</b> | <b>Election of eight (8) Directors (excluding those who serve as Audit &amp; Supervisory Committee Members)</b>             |
| <b>Proposal Four:</b>  | <b>Election of three (3) Directors who serve as Audit &amp; Supervisory Committee Members</b>                               |
| <b>Proposal Five:</b>  | <b>Election of two (2) Directors who are Substitute Audit &amp; Supervisory Committee Members</b>                           |
| <b>Proposal Six:</b>   | <b>Determination of Remuneration for Directors (excluding those who serve as Audit &amp; Supervisory Committee Members)</b> |
| <b>Proposal Seven:</b> | <b>Determination of Remuneration for Directors who serve as Audit &amp; Supervisory Committee Members</b>                   |
| <b>Proposal Eight:</b> | <b>Partial Revision of Performance-Linked Stock Remuneration System for Directors</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 24, 2025 would be a void vote.

Sincerely  
Hideya Moridaira  
President

*[Translation for Reference Purpose Only]*

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, 2025, which consist of consolidated balance sheet, and consolidated statement of operation, non-consolidated balance sheet, non-consolidated statement of operation; hereinafter the same). Due to differences of accounting, legal, and other systems as well as language, etc., this English version might contain inaccuracies, and therefore, might be inconsistent with the original import intended in Japanese version. Certain parts of the translation may have been edited to accommodate differences in writing style and expression between English and Japanese version. In the event of any discrepancies between the Japanese and English version, the former shall prevail. Furukawa Electric Co., Ltd. shall accept no responsibility or liability for damage or loss caused by any error, inaccuracy, or misunderstanding with regard to this translation.

*[Translation for Reference Purpose Only]*

**Proposal One: Dividends from surplus**

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

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

It is proposed that the year-end dividends for the current fiscal year be 120 yen per share.

- (1) Matters concerning allotment of dividend assets to shareholders and total amount of dividends
  - 120 yen per common share of the Company
  - Total amount: 8,473,925,400yen
- (2) Effective date of the dividend from surplus
  - June 26, 2025

**Proposal Two: Partial Amendment to the Articles of Incorporation**

1. Reasons for the amendments

The Company intends to partially amend its Articles of Incorporation for the following reasons:

- (1) For the transition to a Company with an Audit & Supervisory Committee, the Company will newly establish provisions concerning the Audit & Supervisory Committee and directors who serve as the Audit & Supervisory Committee Members, and delete/amend provisions concerning the Audit & Supervisory Board and its Members (Article 4, etc. of the proposed amendments).
- (2) On the occasion of the transition to a Company with an Audit & Supervisory Committee, the Company will reduce the maximum number of directors (board size) to ensure the optimal size of the Board of Directors from the perspective of ensuring the effectiveness of the Board of Directors (Article 16 of the proposed amendments).
- (3) To enable agile decision-making and business execution, the Company will newly establish provisions concerning the delegation of authority from the Board of Directors to directors (Article 24 of the proposed amendments).
- (4) To enable the return of value to shareholders in an agile manner, a new provision is established to allow the Board of Directors, in addition to the Shareholders Meeting, to resolve a decision on distribution from surplus (Article 30 of the proposed amendments). With this amendment, Articles 7 and 35 of the current Articles of Incorporation will be deleted, and Paragraphs 2 and 3, Article 31 of the proposed amendments will be added.
- (5) Due to the foregoing amendments in the above (1) to (4), some Articles are renumbered, Supplementary Provision is newly established, and the relevant wording is modified.

2. Details of amendments

The amendments are shown below;

The amendments to the Articles of Incorporation in this proposal will become effective at the conclusion of this General Meeting of Shareholders.

*[Translation for Reference Purpose Only]*

(The underlined parts are amended)

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">CHAPTER 1 GENERAL PROVISIONS</p> <p>Articles 1 to 3. (Text omitted)</p> <p>(Organs)</p> <p>Article 4. The Company shall establish the following organs in addition to the general meeting of shareholders and directors:</p> <p>(1) Board of Directors</p> <p>(2) <u>Audit &amp; Supervisory Board Members</u></p> <p>(3) <u>Audit &amp; Supervisory Board</u></p> <p>(4) <u>Accounting Auditor(s)</u></p> <p>Article 5. (Text omitted)</p> <p style="text-align: center;">CHAPTER 2 SHARES</p> <p>Articles 6. (Text omitted)</p> <p>(Purchase of own shares)</p> <p>Articles 7. <u>In accordance with the provisions of Paragraph 2, Article 165 of the Corporation Law, the Company shall be entitled to acquire its own shares through market transactions and other methods by resolution of the Board of Directors pursuant to Paragraph 1 of the said Article.</u></p> <p>Articles <u>8</u> to <u>9</u> (Text omitted)</p> <p>(Transfer Agent and Share Handling Regulations)</p>	<p style="text-align: center;">CHAPTER 1 GENERAL PROVISIONS</p> <p>Articles 1 to 3. (Unchanged)</p> <p>(Organs)</p> <p>Article 4. The Company shall establish the following organs in addition to the general meeting of shareholders and directors:</p> <p>(1) Board of Directors</p> <p>(2) <u>Audit &amp; Supervisory Committee</u></p> <p>(Deleted)</p> <p>(3) <u>Accounting Auditor(s)</u></p> <p>Article 5. (Unchanged)</p> <p style="text-align: center;">CHAPTER 2 SHARES</p> <p>Articles 6. (Unchanged)</p> <p style="text-align: center;">(Deleted)</p> <p>Articles <u>7</u> to <u>8</u> (Unchanged)</p> <p>(Transfer Agent and Share Handling Regulations)</p>

*[Translation for Reference Purpose Only]*

Current Articles of Incorporation	Proposed Amendments
<p>Articles <u>10</u>. (Text omitted)</p> <p>2. (Text omitted)</p> <p>3. (Text omitted)</p> <p>4. Procedures concerning shares and fees of the Company shall be governed by the Share Handling Regulations established by the Board of Directors unless otherwise provided for in laws or ordinances or by <u>these</u> Articles of Incorporation.</p> <p style="text-align: center;">CHAPTER 3 SHAREHOLDERS MEETING</p> <p>Articles <u>11</u> to <u>12</u>. (Text omitted)</p> <p>(Person who convenes and presides over a shareholders meeting)</p> <p>Article <u>13</u>. The Company's shareholders meeting shall be convened and presided over by the director appointed beforehand by the Board of Directors, unless otherwise provided for in laws or ordinances.</p> <p>2. In case the director in the above Section 1 becomes unable to so act, one of the other directors shall take his place in such order as determined beforehand by the Board of Directors.</p> <p>Article <u>14</u>. (Text omitted)</p> <p>(Method of resolution)</p> <p>Article <u>15</u>. All resolutions of a general meeting of shareholders shall be adopted by a majority of votes of the shareholders present who are able to exercise their voting rights unless otherwise provided for in laws or ordinances or by <u>these</u> Articles of Incorporation.</p> <p>2. (Text omitted)</p>	<p>Articles <u>9</u>. (Unchanged)</p> <p>2. (Unchanged)</p> <p>3. (Unchanged)</p> <p>4. Procedures concerning shares and fees of the Company shall be governed by the Share Handling Regulations established by the Board of Directors unless otherwise provided for in laws or ordinances or by <u>the</u> Articles of Incorporation.</p> <p style="text-align: center;">CHAPTER 3 SHAREHOLDERS MEETING</p> <p>Articles <u>10</u> to <u>11</u>. (Unchanged)</p> <p>(Person who convenes and presides over a shareholders meeting)</p> <p>Article <u>12</u>. The Company's shareholders meeting shall be convened and presided over by the director appointed beforehand by the Board of Directors, unless otherwise provided for in laws or ordinances.</p> <p>2. In case the director in the above Section 1 becomes unable to so act, one of the other directors shall take his place in such order as determined beforehand by the Board of Directors.</p> <p>Article <u>13</u>. (Unchanged)</p> <p>(Method of resolution)</p> <p>Article <u>14</u>. All resolutions of a general meeting of shareholders shall be adopted by a majority of votes of the shareholders present who are able to exercise their voting rights unless otherwise provided for in laws or ordinances or by <u>the</u> Articles of Incorporation.</p> <p>2. (Unchanged)</p>

*[Translation for Reference Purpose Only]*

Current Articles of Incorporation	Proposed Amendments
<p>Article <u>16</u>. (Text omitted)</p> <p style="text-align: center;">CHAPTER 4 DIRECTORS AND BOARD OF DIRECTORS</p> <p>(Number of directors)</p> <p>Article <u>17</u>. The Company shall have <u>no more than twenty (20)</u> directors.</p> <p style="text-align: center;">(Newly established)</p> <p>(Election of directors)</p> <p>Article <u>18</u>. Directors of the Company shall be elected at a general meeting of shareholders.</p> <p>2. (Text omitted)</p> <p>3. Election of directors shall not be made by cumulative vote.</p> <p>(Term of office of directors)</p> <p>Article <u>19</u>. The term of office of each director shall expire at the close of the ordinary general meeting of shareholders relating to the last of the business term to end within one (1) year of their appointment.</p> <p style="text-align: center;">(Newly established)</p>	<p>Article <u>15</u>. (Unchanged)</p> <p style="text-align: center;">CHAPTER 4 DIRECTORS AND BOARD OF DIRECTORS</p> <p>(Number of directors)</p> <p>Article <u>16</u>. The Company shall have <u>no more than ten (10)</u> directors <u>(excluding directors who serve as Audit &amp; Supervisory Committee Members)</u>.</p> <p><u>2. The Company shall have no more than four (4) directors who serve as Audit &amp; Supervisory Committee Members.</u></p> <p>(Election of directors)</p> <p>Article <u>17</u>. Directors of the Company shall be elected at a general meeting of shareholders, <u>by distinguishing directors (excluding directors who serve as Audit &amp; Supervisory Committee Members) who serve as Audit &amp; Supervisory Committee Members from other directors.</u></p> <p>2. (Unchanged)</p> <p>3. Election of directors shall not be made by cumulative vote.</p> <p>(Term of office of directors)</p> <p>Article <u>18</u>. The term of office of each director <u>(excluding directors who serve as Audit &amp; Supervisory Committee Members)</u> shall expire at the close of the ordinary general meeting of shareholders relating to the last of the business term to end within one (1) year of their appointment.</p> <p><u>2. The term of office of each director who serves as an Audit &amp; Supervisory Committee Member shall expire at the close of the ordinary general meeting of shareholders relating to the last of the business term to</u></p>

*[Translation for Reference Purpose Only]*

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">(Newly established)</p> <p>(Remuneration, etc. for directors)</p> <p>Article <u>20</u>. Remuneration, bonus and other property benefits received from the Company as compensation for performance of duties ("<u>Remuneration, etc.</u>") for directors shall be decided by resolution of a general meeting of shareholders.</p> <p>(Representative director)</p> <p>Article <u>21</u>. The Board of Directors shall appoint the directors to represent the Company by its resolution.</p> <p>(Person who convenes and presides over a meeting <u>of the Board of Directors</u>)</p> <p>Article <u>22</u>. The meetings of the Board of Directors shall be convened and presided over by the director appointed by mutual vote from among the members of Board of Directors, unless otherwise provided for in laws or ordinances.</p> <p>2. In case the director in the above Section 1 becomes unable to so act, one of the other directors shall take their place in such order as determined beforehand by</p>	<p><u>end within two (2) years of their appointment.</u></p> <p><u>3. When a director who serves as an Audit &amp; Supervisory Committee Member is elected as a substitute for another director who served as an Audit &amp; Supervisory Committee Member and retired before expiry of his/her term of office, the term of office of the newly elected director shall be until the time when the term of office of the retired director expires.</u></p> <p>(Remuneration, etc. for directors)</p> <p>Article <u>19</u>. Remuneration, bonus and other property benefits received from the Company as compensation for performance of duties for directors shall be decided by resolution of a general meeting of shareholders, <u>by distinguishing directors (excluding directors who serve as Audit &amp; Supervisory Committee Members) who serve as Audit &amp; Supervisory Committee Members from other directors.</u></p> <p>(Representative director)</p> <p>Article <u>20</u>. The Board of Directors shall, by its resolution, appoint the director(s) to represent the Company <u>from among directors (excluding directors who serve as Audit &amp; Supervisory Committee Members).</u></p> <p>(Person who convenes and presides over a meeting)</p> <p>Article <u>21</u>. The meetings of the Board of Directors shall be convened and presided over by the director appointed by mutual vote from among the members of Board of Directors, unless otherwise provided for in laws or ordinances.</p> <p>2. In case the director in the above Section 1 becomes unable to so act, one of the other directors shall take their place in such order as determined beforehand by</p>



*[Translation for Reference Purpose Only]*

Current Articles of Incorporation	Proposed Amendments
<p>the Board of Directors.</p> <p>(Notice of convocation of the Board of Directors)</p> <p>Article <u>23</u>. Notice of convening a meeting of the Board of Directors together with the agenda shall be dispatched to each director <u>and Audit &amp; Supervisory Board Member</u> at least three (3) days prior to the date of the meeting, except where the date thereof is fixed beforehand by the Board of Directors. In case of urgency, this period may be shortened if the notice is given in an appropriate manner.</p> <p>2. If all directors <u>and Audit &amp; Supervisory Board Members</u> approve, a meeting of the Board of Directors may be convened without following the procedure for convocation.</p> <p>Article <u>24</u>. (Text omitted)</p> <p style="text-align: center;">(Newly established)</p> <p>Article 25. (Text omitted)</p> <p style="text-align: center;">CHAPTER 5 <u>AUDIT &amp; SUPERVISORY BOARD MEMBERS AND</u> <u>AUDIT &amp; SUPERVISORY BOARD</u></p> <p>(Number of Audit &amp; Supervisory Board Members and full</p>	<p>the Board of Directors.</p> <p>(Notice of convocation of the Board of Directors)</p> <p>Article <u>22</u>. Notice of convening a meeting of the Board of Directors together with the agenda shall be dispatched to each director at least three (3) days prior to the date of the meeting, except where the date thereof is fixed beforehand by the Board of Directors. In case of urgency, this period may be shortened if the notice is given in an appropriate manner.</p> <p>2. If all directors approve, a meeting of the Board of Directors may be convened without following the procedure for convocation.</p> <p>Article <u>23</u>. (Unchanged)</p> <p><u>(Delegation of decisions on execution of important operations)</u></p> <p>Article <u>24</u>. Pursuant to Paragraph 6, Article 399-13 of the <u>Companies Act</u>, the Board of Directors may delegate to a director(s) all or part of decisions on execution of important operations which should be made by the Board of Directors (excluding matters listed in items of Paragraph 5 of the above-mentioned Article) by its <u>resolution</u>.</p> <p>Article <u>25</u>. (Unchanged)</p> <p style="text-align: center;">CHAPTER 5 <u>AUDIT &amp; SUPERVISORY COMMITTEE</u></p> <p>(Directors who are full time Audit &amp; Supervisory</p>

*[Translation for Reference Purpose Only]*

Current Articles of Incorporation	Proposed Amendments
<p>time <u>Audit &amp; Supervisory Board Members</u>)</p> <p>Article 26. <u>The Company shall have not more than six (6) Audit &amp; Supervisory Board Members.</u></p> <p>2. <u>Audit &amp; Supervisory Board shall appoint a full time Audit &amp; Supervisory Board Member(s) by its resolution.</u></p> <p><u>(Election of Audit &amp; Supervisory Board Members)</u></p> <p>Article 27. <u>Audit &amp; Supervisory Board Members shall be elected at a general meeting of shareholders.</u></p> <p>2. <u>The resolutions for the election provided for in the preceding paragraph shall be adopted when shareholders who are able to exercise their voting rights possessing one-third or more of total voting rights are present, and by the votes of a majority of voting rights of shareholders present.</u></p> <p><u>(Term of office of Audit &amp; Supervisory Board Members)</u></p> <p>Article 28. <u>The term of office of each Audit &amp; Supervisory Board Member shall expire at the close of the ordinary general meeting of shareholders relating to the last of the business term to end within four (4) years of their appointment.</u></p> <p>2. <u>The term of an Audit &amp; Supervisory Board Member elected to fill a vacancy shall expire upon expiration of the remainder of the term of the resigned Audit &amp; Supervisory Board Member.</u></p> <p><u>(Remuneration, etc. of Audit &amp; Supervisory Board Members)</u></p> <p>Article 29. <u>Remuneration, etc. for Audit &amp; Supervisory Board Members shall be decided by resolution of a general meeting of shareholders.</u></p> <p><u>(Notice of convocation of the Audit &amp; Supervisory Board)</u></p>	<p><u>Committee Member</u>)</p> <p>Article 26. (Deleted)</p> <p><u>Audit &amp; Supervisory Committee may appoint a full time Audit &amp; Supervisory Committee Member(s) by its resolution.</u></p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Notice of convocation of <u>the Audit &amp; Supervisory</u></p>

*[Translation for Reference Purpose Only]*

Current Articles of Incorporation	Proposed Amendments
<p>Article <u>30</u>. Notice of convening a meeting of <u>the Audit &amp; Supervisory Board</u> shall be dispatched to <u>each Audit &amp; Supervisory Board Member</u> at least three (3) days prior to the date of the meeting. In case of urgency, this period may be shortened if the notice is given in an appropriate manner.</p> <p>2. If all <u>Audit &amp; Supervisory Board Members</u> approve, a meeting of <u>the Audit &amp; Supervisory Board</u> may be convened without following the procedure for convocation.</p> <p>(Method of resolution)</p> <p>Article <u>31</u>. Resolutions of the <u>Audit &amp; Supervisory Board</u> shall be adopted by a majority of the Audit &amp; Supervisory Board Members, <u>unless otherwise provided for in laws or ordinances</u>.</p> <p>(Indemnification of Audit &amp; Supervisory Board Members)</p> <p>Article <u>32</u>. Pursuant to the provisions of Paragraph 1, <u>Article 426 of the Corporation Law, the Company shall have the right to indemnify Audit &amp; Supervisory Board Members (including those who have served as Audit &amp; Supervisory Board Members in the past) for liabilities for damages for dereliction of duty within the scope permitted by laws and upon a resolution by the Board of Directors.</u></p> <p>2. Pursuant to the provisions of Paragraph 1, Article 427 of the Corporation Law, the Company shall have <u>the right to conclude a contract with an outside Audit &amp; Supervisory Board Member that limits liabilities for damages for dereliction of duty; provided, however, that the maximum amount of such liability shall be the</u></p>	<p><u>Committee</u>)</p> <p>Article <u>27</u>. Notice of convening a meeting of <u>the Audit &amp; Supervisory Committee</u> shall be dispatched to <u>each director who serves as Audit &amp; Supervisory Committee Member</u> at least three (3) days prior to the date of the meeting. In case of urgency, this period may be shortened if the notice is given in an appropriate manner.</p> <p>2. If all <u>directors who serve as Audit &amp; Supervisory Committee Members</u> approve, a meeting of <u>the Audit &amp; Supervisory Committee</u> may be convened without following the procedure for convocation.</p> <p>(Method of resolution)</p> <p>Article <u>28</u>. A resolution of the <u>Audit &amp; Supervisory Committee</u> shall be adopted, <u>when a majority of directors who serve as Audit &amp; Supervisory Committee Members and are entitled to participate in the vote are present, by a majority of such directors present.</u></p> <p style="text-align: center;">(Deleted)</p>

*[Translation for Reference Purpose Only]*

Current Articles of Incorporation	Proposed Amendments
<p><u>amount provided in the law.</u></p> <p style="text-align: center;">CHAPTER 6 ACCOUNTS</p> <p>Article <u>33</u>. (Text omitted)</p> <p style="text-align: center;">(Newly established)</p> <p>(Distribution of surplus)</p> <p>Article <u>34</u>. <u>Distribution of surplus on shares shall be paid to such shareholders and registered share pledgees as are entered or recorded in the latest register of shareholders on March 31 of each year.</u></p> <p style="text-align: center;">(Newly established)</p> <p style="text-align: center;">(Newly established)</p> <p>(Interim dividends)</p> <p>Articles <u>35</u>. <u>Interim dividends may be paid by resolution of the Board of Directors to such shareholders and registered share pledgees as are entered or recorded in the latest register of shareholders on September 30 of each year.</u></p> <p>(Period of exclusion for <u>dividends, etc.</u>)</p> <p>Articles <u>36</u>. (Text omitted)</p>	<p style="text-align: center;">CHAPTER 6 ACCOUNTS</p> <p>Article <u>29</u>. (Unchanged)</p> <p><u>(Decision-making body of distribution of surplus)</u></p> <p>Article <u>30</u>. <u>Items stipulated in Paragraph 1, Article 459 of the Companies Act, including distribution of surplus, may be determined by resolution of the Board of Directors of the Company, unless otherwise provided for in laws or ordinances.</u></p> <p><u>(Record date for distribution of surplus)</u></p> <p>Article <u>31</u>. <u>The record date for the Company's year-end dividends shall be March 31st of each year.</u></p> <p><u>2 The record date for the Company's interim dividends shall be September 30th of each year.</u></p> <p><u>3 In addition to the preceding two paragraphs, dividends of surplus may be paid on a record date determined separately.</u></p> <p style="text-align: center;">(Deleted)</p> <p>( Period of exclusion for <u>cash dividends</u>)</p> <p>Articles <u>32</u>. (Unchanged)</p>

*[Translation for Reference Purpose Only]*

Current Articles of Incorporation	Proposed Amendments
(Newly established)	<p><u>Supplementary Provision</u></p> <p><u>(Transitional measure concerning indemnification of Audit &amp; Supervisory Board Members)</u></p> <p><u>Article 1. Pursuant to the provisions of Paragraph 1, Article 426 of the Companies Act, the Company may indemnify Audit &amp; Supervisory Board Members (including those who have served as Audit &amp; Supervisory Board Members in the past) for liabilities for damages caused by negligence of their duties before the partial amendments to the Articles of Incorporation resolved at the 203rd Annual Shareholders Meeting of the Company comes into effect, within the scope permitted by laws and upon a resolution by the Board of Directors.</u></p>

*[Translation for Reference Purpose Only]*

**Proposal Three: Election of eight (8) Directors (excluding those who serve as Audit & Supervisory Committee Members)**

The term of office of all Directors (11 Directors) will expire at the close of the Annual Shareholders Meeting. Once Proposal Two “Partial amendments to the Articles of Incorporation” is approved as proposed, the Company will transition to a Company with an Audit & Supervisory Committee.

We therefore request you to appoint eight Directors (excluding Directors who serve as Audit & Supervisory Committee Members; hereinafter, the same shall apply in this proposal) after the transition to a Company with Audit & Supervisory Committee.

The candidates for Directors are as shown below.

Please note that this proposal will come into effect, subject to the effectuation of the amendments set forth in Proposal Two “Partial Amendments to the Articles of Incorporation.”

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	Yukiko Yabu (Female)	Re-election Candidate for Outside Director, Independent Officer	Outside Director
5	Tamotsu Saito (Male)	Re-election Candidate for Outside Director, Independent Officer	Outside Director
6	Takeo Hoshino (Male)	Re-election Candidate for Outside Director, Independent Officer	Outside Director

*[Translation for Reference Purpose Only]*

7	Satoshi Miyamoto (Male)	Re-election	Director and Corporate Executive Vice President General Manager, Strategy Division
8	Koji Aoshima (Male)	Re-election	Director and Corporate Senior 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 10,000 Shares Number of Potential shares (*1) 59,348 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, Director (Outside) of JFE Holdings, Inc.		
<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 believes that his wealth of experience in managing our Group and his advanced knowledge of technologies in our core business areas are indispensable for 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 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 6,600 Shares Number of Potential shares (*1) 27,707 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. 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		
<p><b>■Brief history</b></p> <p>April 1974    Joined The Dai-Ichi Kangyo Bank., Ltd. (presently Mizuho Bank, Ltd.)</p> <p>April 2002    Executive Officer / General Manager of Human Resources Division of Mizuho Corporate Bank, Ltd. (presently Mizuho Bank, Ltd.)</p> <p>Mar. 2003    Managing Executive Officer / Head of Risk Management Group and Head of Human Resources Group of Mizuho Financial Group, Inc.</p> <p>April 2004    Managing Executive Officer / Head of Europe, Middle East and Africa of Mizuho Corporate Bank, Ltd.</p> <p>Mar. 2006    Managing Director / Chief Strategy Officer and Chief Financial Officer of Mizuho Corporate Bank, Ltd.</p> <p>April 2007    Deputy President of Mizuho Corporate Bank, Ltd.</p> <p>April 2008    Deputy President-Executive Officer / Head of Financial Control and Accounting Group of Mizuho Financial Group, Inc.</p> <p>June 2008    Deputy President / Head of Financial Control and Accounting Group of Mizuho Financial Group, Inc.</p> <p>April 2009    President &amp; CEO of Mizuho Financial Group, Inc.</p> <p>June 2011    Chairman of Mizuho Financial Group, Inc. and President &amp; CEO of Mizuho Bank, Ltd.</p> <p>July 2013    Chairman of Mizuho Financial Group, Inc. and Chairman of Mizuho Bank, Ltd.</p> <p>Nov. 2013    Chairman of Mizuho Financial Group, Inc.</p> <p>April 2014    Senior Advisor of Mizuho Financial Group</p> <p>April 2017    Honorary Advisor of Mizuho Financial Group</p> <p>June 2017    Outside Audit &amp; Supervisory Board Member of Furukawa Electric Co., Ltd.</p> <p>June 2021    Director (Outside) of Furukawa Electric Co., Ltd. (present post)</p> <p>July 2023    Senior Advisor of Mizuho Financial Group, Inc. (present post)</p>		
Number of shares in the Company 5,800 Shares		
The Number of Attendance at the Board of Directors Meetings 15 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 Mizuho Financial Group, Inc.    /    Director (Outside) of Asahi Mutual Life</p> <p>Director (Outside) of AEON CO., LTD.    /    Director (Outside) of Internet Initiative Japan Inc.</p>		
<p><b>■Reasons for selection as a candidate for Director and expected roles</b></p> <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</p>		

*[Translation for Reference Purpose Only]*

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 believes that his advice and recommendations are indispensable for strengthening the oversight function of the Board of Directors from an independent viewpoint. Therefore, the Company requests his re-election as an Outside Director.

*[Translation for Reference Purpose Only]*

4.	<b>Yukiko Yabu (Female)</b>	[Date of Birth: June 23, 1958]
Candidate for outside Director and Independent Officer		
<b>■Brief history</b> <div> <div>April 1981</div> <div>Joined Matsushita Electric Industrial Co., Ltd. (presently Panasonic Corporation)</div> </div> <div> <div>Jan. 2006</div> <div>Director of Lifestyle Value Research Laboratory, R&amp;D Headquarters, Home Appliances Company, Matsushita Electric Industrial Co., Ltd.</div> </div> <div> <div>Jan. 2011</div> <div>Director of Global Consumer Research Center, Corporate Brand Strategy Division, Panasonic Corporation</div> </div> <div> <div>April 2012</div> <div>Director of Consumer Research Center, Global Consumer Marketing Sector, Panasonic Corporation</div> </div> <div> <div>April 2013</div> <div>Director and Group Manager responsible for consumer research at the Global Marketing Planning Center, Appliances Company, Panasonic Corporation</div> </div> <div> <div>Mar. 2014</div> <div>Retired from Panasonic Corporation</div> </div> <div> <div>June 2014</div> <div>Director (Outside) of DUSKIN CO., LTD.</div> </div> <div> <div>June 2015</div> <div>Director (Outside) of TAKARA HOLDINGS INC.</div> </div> <div> <div>June 2016</div> <div>Director (Outside) of Daiwa House Industry Co., Ltd.</div> </div> <div> <div>June 2019</div> <div>Director (Outside) of Furukawa Electric Co., Ltd. (present post)</div> </div> <div> <div>June 2021</div> <div>Director (Outside), Audit and Supervisory Committee Member of IBIDEN CO., LTD (present post)</div> </div>		
Number of shares in the Company 2,400 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), 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 believes that her advice and recommendations are indispensable for 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>5.</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 1,500 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 believes that his advice and recommendations are indispensable for 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]*

6.	<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 June 2024    Director (Outside) of Furukawa Electric Co., Ltd. (present post)		
Number of shares in the Company 100 Shares		
Number of Attendance at the Board of Directors Meetings 12 out of 12 times(*2)		
The Number of Attendance at Nominating/ Compensation Committee 5 out of 5 times (*3)		
<b>■Important Concurrent Posts</b> Project Professor, Graduate School of The University of Tokyo		
<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		

*[Translation for Reference Purpose Only]*

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 officer. Since he assumed the position of Outside Director of the Company, he has actively provided advice and recommendations mainly on agenda items related to research & development from a broad perspective. The Company believes that his advice and recommendations based on his experience and expertise in industrial policy and materials engineering are extremely useful while the Group further focuses on promoting climate-conscious business activities and developing new businesses, and indispensable for strengthening the Board's oversight function from an independent viewpoint. Therefore, the Company requests his re-election as an Outside Director.

*[Translation for Reference Purpose Only]*

7.	<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 4,400 Shares		
Number of Potential shares (*1) 18,731 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 believes that his perspectives of ESG management and sustainability are indispensable for strategic discussions at the Board of Directors meetings for “strengthening the foundation for ESG management”</p>		



*[Translation for Reference Purpose Only]*

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

*[Translation for Reference Purpose Only]*

8.	<b>Koji Aoshima (Male)</b>	[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 June 2024      Director and Corporate Vice President, General Manager, Finance & Accounting Division April 2025      Director and Corporate Senior Vice President, General Manager, Finance & Accounting Division(present post)		
Number of shares in the Company 1,100 Shares		
Number of Potential shares (*1) 1,703 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. 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 believes that his experience and knowledge in finance &amp; accounting and risk management are indispensable for 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 FY2024, the Board of Directors met 16 times. Because Mr. Takeo Hoshino and Mr. Koji Aoshima were newly appointed as Directors at the 202st Annual Shareholder Meeting held on June 26, 2024, 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. Takashi Tsukamoto, Ms. Yukiko Yabu, Mr. Tamotsu Saito and Mr. Takeo Hoshino are currently Outside Directors of the Company and their term will be four (4) years, six (6) years, four (4) years and one (1) years respectively at the close of the Annual shareholders meeting.
2. 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 69,699 million yen per year as of the end of FY2024.
  - 2) 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.
  - 3) 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 FY2024 was less than 1 million yen per year, and therefore, the amount is quite small.
  - 4) Concerning Mr. Takeo Hoshino, in light of the independence Standards for outside officers

*[Translation for Reference Purpose Only]*

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.

3. 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.
4. 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 served as an outside director of Daiwa House Industry Co., Ltd. (hereinafter "Daiwa House") from June 2016 to June 2024. 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. Furthermore, in March 2025, IHI disclosed that another subsidiary was found by the Japan Fair Trade Commission (JFTC) to have engaged in conduct in violation of the Anti-Monopoly Act. This subsidiary has voluntarily reported the violation to JFTC by applying for leniency program, ceased the misconduct, and consistently cooperated with the JFTC's investigation, which resulted in the exemption from surcharges and a cease and desist order. In July 2024, IHI announced that yet another subsidiary was found to have delivered certain rotary snowplows which it manufactured and sold with specifications different from those presented to customers. Based on results of investigations for finding facts and causes, the company has been working on developing recurrence prevention measures.

*[Translation for Reference Purpose Only]*

5. 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, Ms. Yukiko Yabu, Mr. Tamotsu Saito and Mr. Takeo Hoshino, as Outside Directors, concluded the limited liability agreements with the Company. Once Proposal Two and this proposal are approved as proposed, the Company will conclude limited liability agreements with them with the same content as above. The limit of liabilities under the agreements is the minimum amount provided for in laws and regulations.

6. Overview of Indemnity Agreement

The Company has concluded an indemnity agreement set forth in Article 430-2, Paragraph 1 in the Companies Act with each of the Directors and Audit & Supervisory Board Members. Once Proposal Two and this proposal are approved as proposed, the Company will conclude an indemnity agreement with each Director with the same content as above.

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.

7. 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.

The candidates for Directors are already insured under the D&O insurance policy. In case Proposal Two and this proposal are approved as proposed, they will continue to 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 2025.

*[Translation for Reference Purpose Only]*

**Proposal Four: Election of three (3) Directors who serve as Audit & Supervisory Committee Members**

Once Proposal Two “Partial amendments to the Articles of Incorporation” is approved as proposed, the Company will transition to a Company with Audit & Supervisory Committee.

We therefore request you to appoint three Directors who serve as Audit & Supervisory Committee Members.

The candidates for Directors who serve as Audit & Supervisory Committee Members are as shown below. We have obtained a prior approval of the Audit & Supervisory Board Members for submission of this proposal.

Please note that this proposal will come into effect, subject to the effectuation of the amendments set forth in Proposal Two “Partial Amendments to the Articles of Incorporation.”

Candidate no.	Name		Position/responsibilities
1	Hiroyuki Ogiwara (Male)	Election	Audit & Supervisory Board Member (full-time)
2	Sayaka Sumida (Female)	Election Candidate for Outside Director, Independent Officer	Outside Audit & Supervisory Board Member
3	Takao Shiomi (Male)	Election Candidate for Outside Director, Independent Officer	Outside Audit & Supervisory Board Member

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.

1.	<b>Hiroyuki Ogiwara(Male)</b>	[Date of Birth: February 18, 1961]
Candidate for Directors who serve as Audit & Supervisory Committee Members		
<b>■Brief history</b>		
April 1983	Joined Furukawa Electric Co., Ltd.	
April 2014	Corporate Vice President, General Manager of the Finance & Procurement Division	
June 2014	Director and Corporate Vice President, General Manager of the Finance & Procurement Division	
April 2016	Director and Corporate Senior Vice President, General Manager of the Finance & Procurement Division and General Manager of Global Group Management Division	
April 2017	Director and Corporate Executive Vice President, General Manager of the Finance & Procurement	

*[Translation for Reference Purpose Only]*

April 2018	Division and General Manager of Global Group Management Division
April 2019	Director and Corporate Executive Vice President, General Manager, Finance & Procurement Division
April 2021	Representative Director and Corporate Senior Executive Vice President, Chief of Transformation Division
April 2022	Representative Director and Corporate Senior Executive Vice President, General Manager, Corporate Strategy & Direction Division
June 2022	Director and Corporate Senior Executive Vice President
April 2023	Corporate Senior Executive Vice President
June 2023	Advisor
June 2023	Outside Audit & Supervisory Board Member (full-time) of Furukawa Electric Co., Ltd. (present post)
Number of shares in the Company 20,000 Shares	
The Number of Attendance at the Board of Directors Meetings 16 out of 16 times	
Number of Attendance at Audit & Supervisory Board 11 out of 11 times	
<b>■Important Concurrent Posts</b>	
Director (Outside), Asahi-Seiki Manufacturing Co., Ltd.	
<b>■Reasons for selection as a candidate for Director who serve as an Audit &amp; Supervisory Committee Member</b>	
<p>Mr. Hiroyuki Ogiwara assumed various positions in the Group, including CFO of our U.S. subsidiary as well as General Manager of the Finance &amp; Accounting Department and Finance and Procurement Division of the Company. Furthermore, he was in charge of the Group's transformation activities, and served as Corporate Senior Executive Vice President. Thus, he has a wealth of experience and high level of knowledge in finance/accounting and the Group management. The Company believes that his experience and knowledge are essential for further cooperating with accounting auditors, maintaining and strengthening our auditing system from the perspectives of the legality of our Group management and adequate risk management, and further enhancing strategic discussion at Board meetings and strengthening the oversight function of the Board. Therefore, the Company requests his election as a new Director who also serves as an Audit &amp; Supervisory Committee Member.</p>	

2.	Sayaka Sumida (Female)	[Date of Birth: January 28, 1961]
Candidate for outside and Independent Directors who serve as Audit & Supervisory Committee Members		
■Brief history		
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 1,900 Shares		

*[Translation for Reference Purpose Only]*

The Number of Attendance at the Board of Directors Meetings 16 out of 16 times Number of Attendance at Audit & Supervisory Board 11 out of 11 times
<b>■Important Concurrent Posts</b>
Director (Outside), Audit & Supervisory Committee Member of ADVANTEST CORPORATION Director (Outside), Japan Exchange Group, Inc.
<b>■Reasons for selection as a candidate for Outside Director who serves as an Audit &amp; Supervisory Committee Member and expected roles</b>
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 high level of knowledge in finance & 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 & Supervisory Board Member of the Company, she has actively expressed her opinions mainly on the Group company management and finance & accounting from the perspective of risk management at the Board of Directors and Audit & Supervisory Board meetings. The Company believes that her experience and expertise are essential for maintaining/strengthening our auditing system, enhancing strategic discussion at Board meetings, and strengthening the oversight function of the Board of Directors from an independent standpoint, and therefore requests her election as an Outside Director who serves as an Audit & Supervisory Committee Member.

3.	<b>Takao Shiomi (Male)</b>	[Date of Birth: November 27, 1952]
Candidate for outside and Independent Directors who serve as Audit & Supervisory Committee Members		
<b>■Brief history</b>		
April. 1975	Joined ITOCHU Corporation	
April 2000	General Manager of Automotive Business Strategy Office of ITOCHU Corporation	
Feb 2001	General Manager of Corporate Planning Department, Finance/ Real Estate/ Insurance/ Logistics Company of ITOCHU Corporation	
June 2004	Executive Officer and General Manager of Logistics Division of ITOCHU Corporation	
April 2005	Executive Officer and General Manager of Finance Division of ITOCHU Corporation	
June 2006	Managing Director, and President, Finance /Real Estate / Insurance/ Logistics Company of ITOCHU Corporation	
May 2008	Retired from ITOCHU Corporation	
June 2008	Executive Vice President and Representative Director of Orient Corporation	
March 2012	Retired from Orient Corporation	



*[Translation for Reference Purpose Only]*

April 2012	Managing Executive Officer and President, Machinery Company of ITOCHU Corporation
June 2012	Representative Director, Managing Executive Officer and President, Machinery Company of ITOCHU Corporation
June 2014	Representative Director, Senior Managing Executive Officer and President, Machinery Company of ITOCHU Corporation
March 2016	Retired from ITOCHU Corporation
April 2016	Managing Executive Officer of ISUZU MOTORS LIMITED
June 2016	Executive Vice President of ISUZU MOTORS LIMITED
June 2018	Retired from ISUZU MOTORS LIMITED
August 2018	President, ITOCHU Corporate Pension Fund
June 2021	Outside Audit & Supervisory Board Member of Furukawa Electric Co., Ltd. (present post)
August 2021	Retired from ITOCHU Corporate Pension Fund
Number of shares in the Company 0 Shares	
The Number of Attendance at the Board of Directors Meetings 16 out of 16 times	
Number of Attendance at Audit & Supervisory Board 11 out of 11 times	
<b>■Important Concurrent Posts</b> N/A	
<b>■Reasons for selection as a candidate for Outside Director who serve as an Audit &amp; Supervisory Committee Member and expected roles</b> Mr. Takao Shiomi has management experience in various industries, including a large general trade corporation, a financial institution, and a manufacturer. He has a wealth of experience and extensive expertise of overall corporate management, including finance and accounting. Since he assumed the position of Outside Audit & Supervisory Board Member of the Company, he has actively expressed his opinions mainly on Group management from the perspectives risk management at the Board of Directors and Audit & Supervisory Board meetings. The Company believes that his experience and expertise are essential for maintaining/strengthening our auditing system, enhancing strategic discussion at Board meetings, and strengthening the oversight function of the Board of Directors from an independent standpoint, and therefore requests his election as an Outside Director who serves as an Audit & Supervisory Committee Member.	

[Notes] Matters concerning candidates for Directors who serve as Audit & Supervisory Committee Members

1. Among candidates for Outside Directors, Ms. Sayaka Sumida and Mr. Takao Shiomi currently serve as Outside Audit & Supervisory Board Members, and their term will be five (5) years and four (4) years, respectively, at the close of this Annual Shareholders Meeting.

2. The relationship between the Company and Outside Director candidates or entities from which they came are as follows:

(1) 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, and the Company has registered her as an independent officer. When her

*[Translation for Reference Purpose Only]*

appointment is approved, the Company will continue to register her as an independent officer. She had served as Partner of KPMG AZSA LLC (“KPMG”) until March 2020. There is a business relationship between KPMG and the Company, where KPMG provides the Company with finance & accounting consulting services. However, the total trading amount in FY2024 was approx. 25 million yen, which is less than the threshold stipulated in our independence standards. KPMG, to which Ms. Sumida belonged, has never been our accounting auditor, and she had never been engaged in our accounting audits during her career at KPMG. She has never been involved in transactions between the Company and KPMG with respect to finance & accounting consulting.

Since she was last elected as Outside Audit & Supervisory Board Member of the Company, there have been no specific facts of inappropriate business execution in the Company during her term.

(2) Concerning Mr. Takao Shiomi, 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 appointment is approved, the Company will continue to register him as an independent officer. He assumed the position of director of ITOCHU Corporation from June 2012 to March 2016. Between ITOCHU and the Company, there is a business relationship, where our subsidiary sells its products to overseas customers through ITOCHU as an agent. The total trading amount in FY2024 was 5,167 million yen. He also assumed the position of director of Isuzu Motors Limited (“Isuzu”) from June 2016 to June 2018. Between Isuzu and the Company, there is a business relationship, where the Company sells automotive parts, among others, to Isuzu. The total trading amount in FY2024 was 8,738 million yen. Furthermore, as for Isuzu where Mr. Shiomi served as an Outside Director, Mr. Mitsuyoshi Shibata (who served as Director of the Company from June 2010 to June 2023) is currently serving as an Outside Director.

Since Mr. Shiomi was last elected as Outside Audit & Supervisory Board Member of the Company, there have been no specific facts of inappropriate business execution in the Company during his term.

3. 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.

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 Directors and Outside Audit & Supervisory Board Members to bring qualified human resources capable of fulfilling expected roles in performing their duties.

Accordingly, Ms. Sayaka Sumida and Mr. Takao Shiomi, each in the capacity of Outside Audit & Supervisory Board Member, concluded the limited liability agreement with the Company. Once Proposal Two and this proposal are approved as proposed, the Company will conclude limited liability agreements with them with the same content as above. 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 in the Companies Act with each of the Directors and Audit & Supervisory Board Members. Once Proposal Two and this proposal are approved as proposed, the Company will conclude an indemnity agreement with each Director with the same content as above.

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.

*[Translation for Reference Purpose Only]*

The candidates for Directors are already insured under the D&O insurance policy. In case Proposal Two and this proposal are approved as proposed, they will continue to 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 2025.

*[Translation for Reference Purpose Only]*

**Proposal Five: Election of two (2) Directors who are Substitute Audit & Supervisory Committee Members**

Once Proposal Two “Partial amendments to the Articles of Incorporation” is approved as proposed, the Company will transition to a Company with an Audit & Supervisory Committee.

Therefore, to ensure that the Company will not lack the statutory number of Directors who serve as Audit & Supervisory Committee Members, we request the election of two Directors who are substitute Audit & Supervisory Committee Members.

Subject to approval of Proposal Four “Election of three (3) Directors who serve as Audit & Supervisory Committee Members” as proposed, we request you to elect Mr. Masao Terauchi as a substitute for Director who serves as an Audit & Supervisory Committee Member (excluding Outside Director), and Mr. Kunihiko Sakai as a substitute for Outside Director who serves as an Audit & Supervisory Committee Member.

Details of the candidates for Directors who are substitute Audit & Supervisory Committee Members are as shown below.

We have obtained a prior approval of the Audit & Supervisory Board Members for submission of this proposal.

Please note that this proposal will come into effect, subject to the effectuation of the amendments set forth in Proposal Two “Partial Amendments to the Articles of Incorporation.”

1.	Masao Terauchi	[Date of Birth: October 28, 1961]
Candidate for Directors who serve as Audit & Supervisory Committee Members		
■Brief history		
April 1984	Joined Furukawa Electric Co., Ltd.	
April 2017	Corporate Vice President, President of PT Tembaga Mulia Semanan Tbk	
June 2017	Corporate Vice President, General Manager of Electric Conductor Division, Electronics Component Materials Division	
April 2018	Corporate Vice President, General Manager of Electric Conductor Division, Electronics Component Division	
April 2020	Corporate Vice President, General Manager of Electronics Component Materials Division	
April 2022	Advisor, Electronics Component Materials Division	
June 2022	Outside Audit & Supervisory Board Member (full-time)of Furukawa Electric Co., Ltd. (present post)	
Number of shares in the Company 4,900 Shares		
The Number of Attendance at the Board of Directors Meetings 16 out of 16 times		
Number of Attendance at Audit & Supervisory Board 11 out of 11 times		
■Important Concurrent Posts		
N/A		

*[Translation for Reference Purpose Only]*

2. <b>Kunihiko Sakai</b>	[Date of Birth: March 4, 1954]
Candidate for outside and Independent Directors who serve as Audit & Supervisory Committee Members	
<b>■Brief history</b>	
April 1979	Public Prosecutor ,Tokyo District Public Prosecutors' Office
July 1998	Senior Counsel, Minister's Secretariat of Ministry of Justice
April 2000	Public Prosecutor of Tokyo High Public Prosecutors Office and Assistant Director, Public Security Department of Tokyo District Public Prosecutors' Office
April 2002	Director, the United Nations Asia And Far East Institute for Crime Prevention
July 2005	Director, Trial Department of Tokyo High Public Prosecutors' Office
July 2006	Public Prosecutor, Supreme Public Prosecutors' Office
June 2007	Chief Public Prosecutor, Nara District Public Prosecutors' Office
July 2008	Director-General, General Affairs Department of Supreme Public Prosecutors' Office
June 2010	Director, Lay Judge Trial Department of Supreme Public Prosecutors' Office
Oct. 2010	Chief Public Prosecutor of Nagoya District Public Prosecutors' Office
June 2012	President, Research and training Institute, Ministry of Justice
July 2014	Superintending Prosecutor, Takamatsu District Public Prosecutors' Office
Sept.2016	Superintending Prosecutor, Hiroshima District Public Prosecutors' Office
Mar. 2017	Resigned Above
April 2017	Advisor Attorney, TMI Associates (present post)
June 2018	Audit & Supervisory Board Member (Outside) of Furukawa Electric Co., Ltd. (present post)
June 2019	Director (Outside) of HONDA MOTOR CO., LTD. (Audit & Supervisory Committee Member )
June 2021	Director (Outside) of HONDA MOTOR CO., LTD. (present post)
Number of shares in the Company 2,600 Shares	
The Number of Attendance at the Board of Directors Meetings 16 out of 16 times	
The Number of Attendance at Audit & Supervisory Board 11 out of 11 times	
<b>■Important Concurrent Posts</b>	
Advisor Attorney of TMI Associates	
Director (Outside) of HONDA MOTOR CO., LTD.	

[Notes] Matters related to candidates for Directors who are substitute Audit & Supervisory Committee Members:

- Reasons for nominating Mr. Masao Terauchi as a Director who is a substitute Audit & Supervisory Committee Member are as follows:  
Mr. Masao Terauchi has worked for the product management/business planning and procurement divisions in the Company, and also has experience and expertise in overseas business management and energy segment through his experience as President of our listed subsidiary in Asia and General Manager of Electronics Component Materials Division. Thus, the Company believes that his above-mentioned experience and expertise are essential for maintaining/strengthening our auditing system from the perspectives of the legality of our Group management and adequate risk management, enhancing strategic discussion at Board meetings, and strengthening the oversight function of the Board of Directors, and therefore requests his election as a Director who is a substitute Audit & Supervisory Committee Member.
- Reasons for nominating Mr. Kunihiko Sakai as an Outside Director who is a substitute Audit & Supervisory Committee Member as well as his expected role are as follows:  
Although he has so far engaged in corporate management only in the capacity of

*[Translation for Reference Purpose Only]*

outside officer, Mr. Kunihiro Sakai has a long experience as a legal professional both in Japan and abroad, and has a wealth of experience and high level of expertise in corporate governance, legal risk management and compliance, among others. Thus, the Company believes that his experience and expertise are essential for maintaining/strengthening our auditing system, enhancing strategic discussion at Board meetings, and strengthening the oversight function of the Board of Directors from an independent viewpoint, and therefore requests his election as an Outside Director who is a substitute Audit & Supervisory Committee Member.

3. The relationships between the Company and entities from which the candidate for Outside Director who is a substitute Audit & Supervisory Committee Member came are as follows:

Concerning Mr. Kunihiro Sakai, 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. If he assumes the position of Outside Director who serves as Audit & Supervisory Committee Member, the Company will register him as an independent officer. He has served as Advisor Attorney of TMI Associates (“TMI”) since April 2017. There is a business relationship between the two companies, where the Company paid attorney’s fee to TMI. The total trading amount in FY2024 was approx. 5 million yen, which is less than the threshold stipulated in our independence standards. This transaction was a one-time transaction for legal consultation, instead of continuous transactions under an advisory contract or the like, and Mr. Sakai was not at all involved in this transaction.

Mr. Sakai has also assumed the position of outside director of Honda Motor Co., Ltd., which is a specified associated business operator for the Company, since June 2019. There is a business relationship between the two companies, where the Company sells automotive parts to Honda Motor.

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 Directors and Outside Audit & Supervisory Board Members to bring qualified human resources capable of fulfilling expected roles in performing their duties. Once Proposal Two and Proposal Four are approved as proposed, the Company will conclude limited liability agreements with Outside Directors who serve as Audit & Supervisory Committee Members. If Mr. Kunihiro Sakai assumes the position of Outside Director who serves as an Audit & Supervisory Committee Member, the Company will conclude such a limited liability agreement with him with the same content as above. 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 in the Companies Act with each of the Directors and Audit & Supervisory Board Members. Upon the appointment of Mr. Masao Terauchi and Mr. Kunihiro Sakai as directors who are members of the Audit and Supervisory Committee, the Company will enter into such compensation agreement 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.

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

*[Translation for Reference Purpose Only]*

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.

If Mr. Masao Terauchi and Mr. Kunihiro Sakai assume the position of Director who serves as an Audit & Supervisory Committee Member, they will also 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 2025.

【Reference】

Policy on Nomination of Candidates for Board of Directors and Executive Officers and Skill Matrix

1. Policy on Nomination of Candidates for Board of Directors and Executive Officers

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

2. Skill Matrix of Board of Directors

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.

In order to resolve these materialities, we have selected eight key areas (skillsets) of experience and knowledge that we expect our directors to possess: 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



*[Translation for Reference Purpose Only]*

	Building partnerships with various stakeholders	⇒	Technology/IT International experience/knowledge
Risks	【E】Developing business activities that consider climate change	⇒	Environment/Energy
	【S】Strengthening human capital and organizational execution abilities	⇒	Personnel policy/Organizational development
	【G】Building a governance system to strengthen risk management	⇒	Legal affairs/Risk management

●Details of skillsets

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

*[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
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

\*4 core technologies : Metals, Polymers, Photonics, High Frequency

*[Translation for Reference Purpose Only]*

**【Directors (excluding those who serve as Audit & Supervisory Committee Members)】**

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)	★	○	○					○	
Yukiko Yabu (Female)	★					○	○		○
Tamotsu Saito (Male)	★	○				○			
Takeo Hoshino (Male)	★				○	○		○	
Satoshi Miyamoto (Male)				○				○	○
Koji Aoshima (Male)			○	○					

**【Directors who serve as Audit & Supervisory Committee Members】**

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

(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] ) and with respect to whom the Company has submitted independent officer notifications to the TSE.

**Proposal Six: Determination of Remuneration for Directors (excluding those who serve as Audit & Supervisory Committee Members)**

At the 184th Annual Shareholders Meeting held on June 29, 2006, it was resolved that remuneration of the Company's Directors shall not exceed 600 million yen per year (not including salaries for employees who serve as Directors), and this policy has been maintained until today. However, once Proposal Two "Partial amendments to the Articles of Incorporation" is approved as proposed, the Company will transition to a Company with an Audit & Supervisory Committee. Accordingly, we propose that the current policy on the Directors' remuneration amount should be abolished and a new maximum amount of remuneration for Directors after the transition to a Company with an Audit & Supervisory Committee (excluding those who serve as Audit & Supervisory Committee Members; hereinafter in this proposal, the same shall apply) should be set at 500 million yen per year (and within 75 million yen out of the total amount for Outside Directors). The remuneration amount pertaining to this proposal does not include salaries for employees who serve as Directors, as in the past.

Specific remuneration amount for each Director and the timing of payment shall be determined by resolution of the Board of Directors.

Subject to approval of Proposal Two "Partial Amendments to the Articles of Incorporation," as well as this Proposal, Proposal Seven "Determination of Remuneration for Directors who serve as Audit & Supervisory Committee Members" and Proposal Eight "Partial Revision of Performance-Linked Stock Remuneration System" as proposed, the Company's Board of Directors has resolved a policy for determining remuneration for individual Directors. The remuneration amount in this proposal is in line with the revised policy.

The remuneration amount stated in this proposal was determined by the Board of Directors, by considering the Board composition going forward, officers' remuneration levels at other similar-sized companies, recent economic environment and various other factors, and upon deliberation at the voluntary Nominating/Compensation Committee to ensure the objectivity, fairness and transparency of the process to determine remuneration.

Consequently, the Company's Board of Directors deemed that the content of this proposal is adequate.

The Company currently has 11 Directors, but once Proposal Two "Partial Amendments to the Articles of Incorporation" and Proposal Three "Election of eight (8) Directors (excluding those who serve as Audit & Supervisory Committee Members)" are approved as proposed, the number of Directors within the scope of this proposal will be eight (including 4 Outside Directors).

Please note that this proposal will come into effect, subject to the effectuation of the amendments set forth in Proposal Two "Partial Amendments to the Articles of Incorporation."

*[Translation for Reference Purpose Only]*

**Proposal Seven: Determination of Remuneration for Directors who serve as Audit & Supervisory Committee Members**

Once Proposal Two “Partial amendments to the Articles of Incorporation” is approved as proposed, the Company will transition to a Company with Audit & Supervisory Committee. Accordingly, we propose that, after the transition to a Company with an Audit & Supervisory Committee, a new maximum amount for Directors who serve as Audit & Supervisory Committee Members should be 85 million yen per year.

Specific remuneration amount for each Director who serves as an Audit & Supervisory Committee Member and the timing of payment, among others, shall be determined by deliberation of Directors who serve as Audit & Supervisory Committee Members.

Subject to approval of Proposal Two “Partial Amendments to the Articles of Incorporation,” as well as Proposal Six “Determination of Remuneration for Directors (excluding those who serve as Audit & Supervisory Committee Members),” this Proposal, and Proposal Eight “Partial Revision of Performance-Linked Stock Remuneration System for Directors” as proposed, the Company’s Board of Directors has resolved a policy for determining remuneration for individual Directors. The remuneration amount in this proposal is in line with the revised policy.

The remuneration amount stated in this proposal was determined by the Board of Directors, by considering the fact that Directors who serve as Audit & Supervisory Committee Members will conduct auditing, which used to be conducted by Audit & Supervisory Board Members, and be responsible for overseeing other Directors’ execution of duties, as well as officers’ remuneration levels at other similar-sized companies, recent economic environment and various other factors, and upon deliberation at the voluntary Nominating/Compensation Committee to ensure the objectivity, fairness and transparency of the process to determine remuneration.

Consequently, the Company’s Board of Directors deemed that the content of this proposal is adequate.

In case Proposal Two “Partial amendments to the Articles of Incorporation” and Proposal Four “Election of three (3) Directors who serve as Audit & Supervisory Committee Members” are approved as proposed, the number of Directors who serve as Audit & Supervisory Committee Members will be three (including two Outside Directors).

Please note that this proposal will come into effect, subject to the effectuation of the amendments set forth in Proposal Two “Partial Amendments to the Articles of Incorporation.”

*[Translation for Reference Purpose Only]*

**Proposal Eight: Partial Revision of Performance-Linked Stock Remuneration System for Directors**

1. Reasons for this proposal and reasons why such remuneration is considered adequate

The Company has been implementing the Performance-Linked Stock Remuneration System (hereinafter the “System”) for Directors (excluding Outside Directors), as well as Corporate Vice Presidents (excluding Directors) and Senior Fellows, upon the resolution of the 194th Annual Shareholders Meeting on June 27, 2016 on the introduction of the System and the 197th Annual Shareholders Meeting on June 27, 2019 on the partial revision of the System.

Once Proposal Two “Partial amendments to the Articles of Incorporation” is approved as proposed, the Company will transition to a Company with an Audit & Supervisory Committee. Accordingly, in order to revise maximum amounts of remuneration under the System for the purposes of reflecting the officer structure to the System after the transition to a Company with Audit & Supervisory Committee, and motivating Directors and other officers to further contribute to increasing corporate value of the Group over the mid- to long-term, we request you to approve the continuation of the System and partial revision to the System.

With respect to details of the System after the revision, we request you to leave them to the Board of Directors within the scope described in section 2 below.

Please note that remuneration under this System is provided separately from the maximum amount of remuneration for Directors (excluding those who serve as Audit & Supervisory Committee Members) for 500 million yen (including up to 75 million yen for Outside Directors) per year, as we requested your approval for Proposal Six “Determination of Remuneration for Directors (excluding those who serve as Audit & Supervisory Committee Members).”

Subject to approval of Proposal Two “Partial amendments to the Articles of Incorporation” as well as Proposal Six “Determination of Remuneration for Directors (excluding those who serve as Audit & Supervisory Committee Members),” Proposal Seven “Determination of Remuneration for Directors who serve as Audit & Supervisory Committee Members” and this proposal as proposed, the Company’s Board of Directors has resolved a policy for determining remuneration for individual Directors. The remuneration in this proposal is in line with the revised policy. Moreover, the Board of Directors made a decision on the continuation of the System and its partial revision, upon deliberation at the voluntary Nominating/Compensation Committee to ensure the objectivity, fairness and transparency of the process to determine remuneration.

Consequently, the Company’s Board of Directors deemed that the content of this proposal is adequate.

Currently, 35 officers are eligible for the System. Once Proposal Two “Partial amendments to the Articles of Incorporation” and Proposal Three “Election of eight (8) Directors (excluding those who serve as Audit & Supervisory Committee Members)” are approved as proposed, the number of eligible officers after this

*[Translation for Reference Purpose Only]*

revision will be 35: 4 Directors (excluding Outside Directors, and Directors who serve as Audit & Supervisory Committee members), and 27 Corporate Vice Presidents (excluding those who are Directors) and 4 Senior Fellows.

Please note that this proposal will come into effect, subject to the effectuation of the amendments set forth in Proposal Two “Partial Amendments to the Articles of Incorporation.”

## 2.Details of the System after the Revision

### (1) Overview of the System

The System adopted a structure where the Company’s shares (common stock) (hereinafter the “Company’s Shares”) are acquired through a trust using the money which the Company contributed to the trust (hereinafter the “Trust” referring to the trust established under the System). And the Company’s Shares and the amount of money equivalent to the market value of the Company’s Shares (hereinafter the “Company’s Shares, etc.”) are granted to eligible persons of the System through the Trust in accordance with the “Stock Benefit Regulations for Executives” predetermined by the resolution of the Board of Directors. One target period under the System consists of three fiscal years (hereinafter the “target period”; the initial target period of the System introduced in June 2016 is three fiscal years from April 1, 2016 to March 31, 2019; the target periods after the partial revision in June 2019 are three fiscal years from April 1, 2019 to March 31, 2022 and three fiscal years from April 1, 2022 to March 31, 2025; and the first target period after the Revision is three fiscal years from April 1, 2025 to March 31, 2028). A predetermined number of points shall be granted to eligible persons of the System based on their ranks every year, as a basis of their entitlement to receive the Company’s Shares, etc., and the granted points shall be adjusted by the method stipulated in (4) below after each target period to finalize the number of points for receiving the Company’s Shares, etc. Eligible persons of the System will receive the Company’s Shares, etc. in an amount corresponding to the final number of points granted while they are in office from the Trust, in principle, at the time of their retirement.

### (2) Eligible Persons under the System after the revision

Eligible persons are Directors (excluding Outside Directors, and Directors who serve as Audit & Supervisory Committee Members), Corporate Vice Presidents excluding Directors who concluded a mandate agreement with the Company, and Senior Fellows (hereinafter the “Directors, etc.”), who are in office during the period the System remains in effect. However, non-residents of Japan are not eligible for receiving stock remuneration under the System: instead, they are paid in cash equivalent to the amount of remuneration under the System at the time of retirement.

*[Translation for Reference Purpose Only]*

(3) Maximum amount of the Company's contribution

The Company established the Trust, where its beneficiaries are retired eligible persons of the System who fulfill beneficiary requirements under the "Stock Benefit Regulations for Executives". At the time of establishing the Trust, the Company contributed 347 million yen to the Trust as monetary assets for acquiring an appropriate number of the Company's Shares deemed reasonably necessary for providing remuneration for eligible persons of the System in the form of the Company's Shares, etc. for the initial target period (three fiscal years from April 1, 2016 to March 31, 2019). The Trust used entrusted money to acquire the Company's Shares from the stock market.

After the elapse of the initial target period, the Company has made an additional contribution of no more than 450 million yen to the Trust in every three fiscal years for the subsequent three fiscal years (hereinafter the "next target period"). After the Revision, the maximum amount of the Company's additional contribution will be no more than 1,450 million yen per three fiscal years. However, when an additional contribution is to be made, if there remain the Company's Shares (excluding the Company's Shares corresponding to the number of points granted and adjusted in accordance with (4) below, which have not yet been allotted to eligible persons of the System) and money (hereinafter such Company's Shares and money are collectively referred to as the "Remaining Shares, etc.") in the Trust account as of the date preceding to the start of the next target period, for which the contribution is to be made, such Remaining Shares, etc. shall be used for payments under the System during the next target period, and the maximum amount of the Company's contribution for the next target period shall be calculated by deducting the amount of the Remaining Shares, etc. (the value of the Company's Shares is calculated at market value as of the preceding date of the start of the next target period) from 1,450 million yen.

For the first target period after the Revision, it is intended that the Trust shall acquire the Company's Shares up to 168,000 shares (except for those cases where the payment to the recipients under this system has not yet been completed, this number corresponds to the number of points to be granted in every target period as described in (4) below) through the stock market or the disposal of treasury shares of the Company promptly after the additional contribution. The maximum number of the Company's Shares to be acquired by the Trust in every subsequent target period shall also be 168,000 shares (the number of shares corresponding to the maximum number of points granted for each target period as specified in the following (4)).

(4) Calculation method and maximum number/amount of the Company's Shares, etc. to be granted to Directors and Officers

Directors and Officers shall be granted a predetermined number of points, depending on their



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ranks, every year, which serves as the basis of their entitlement to receive the Company's Shares, etc. However, the maximum number of total points to be granted to Directors and Officers during each target period is limited to 168,000 points. After the elapse of each target period, in accordance with the predetermined standards (standards for comparison between the volatility of the Company's share prices and the volatility of Tokyo Stock Price Index (TOPIX) during the target period), upon adjusting the number of points in certain cases, the number of points eligible for receiving the Company's Shares by converting one point to one share is determined. In case a stock split or reverse stock split that is carried out during the period the System remains in effect, necessary adjustment will be made according to the ratio of split or reverse split.

As for Directors and Officers who retired at the expiration of their terms before the target period ends, they are entitled to receive the Company's Shares, etc. in an amount corresponding to the number of points calculated by the above-mentioned method. As for Directors and Officers who retired for other reasons, the Board of Directors shall make a decision depending on their specific circumstances.

(5) Granting of the Company's Shares, etc.

On condition that Directors and Officers fulfill the Trust's beneficiary requirements under the "Stock Benefit Regulations for Executives", by completing procedures for determining eligibility at the time of retirement, Directors and Officers are entitled to receive, from Trust, the Company's Shares in a number corresponding to an aggregate number of points earned during their services. The number is determined by the method stipulated in the above (4) by converting one point to one share. However, if Directors and Officers satisfy separate requirements in the "Stock Benefit Regulations for Executives" in addition to the above mentioned beneficiary requirements, they will receive an amount of money equivalent to the market value of the Company's Shares at that time, for a certain proportion of their points in lieu of the Company's Shares. The Trust may sell the Company's Shares to make such monetary payments.

(6) Trust term

The Trust term shall be from August 8, 2016 to the termination of the System.

\* An expiry date is not set for the Trust term, and the Trust will be maintained as long as the System is maintained. The System will be terminated in such events as delisting of the Company's Shares and the termination of the "Stock Benefit Regulations for Executives".

(7) Voting rights of the shares held in the Trust

In accordance with instructions of the trust administrator, the Trust shall not exercise its voting rights of the Company's Shares held in the Trust. Through this arrangement, the

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Company aims at ensuring neutrality toward the Company's management with respect to voting rights of its shares in the Trust.

(8) Dividends

With respect to dividends from the Company's Shares held in the Trust, the Trust shall receive such dividends, which are to be allocated to the capital for the acquisition of the Company's Shares and/or payments of trust fees to the trustees associated with this Trust. In the event of the termination of the Trust, dividends remaining as residual assets of the Trust shall be donated to an organization in which the Company and its executives have no interest, or paid to Directors and Officers in office at the time of the termination

(9) Termination of the Trust

With respect to the Company's Shares remaining as residual assets of the Trust at the time of its termination, it is intended that all such shares shall be transferred to the Company free of charge and retired based on the resolution of the Board of Directors. With respect to money remaining as residual assets of the Trust at the time of its termination, the remaining balance after making the donation to the organization as stipulated in the above (8) or payments to Directors and Officers, shall belong to the Company.

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 slowing inflation, an improved income environment, and a gradual increase in employment, the US economic outlook has become more uncertain, as evidenced by a slowdown in consumer spending reflecting concern over inflation due to additional tariff measures. In Europe, despite monetary relaxation, benign inflation data, and an improved income environment, the economic recovery remained limited due to sluggish growth of consumer spending and capital expenditure as well as export slowdown. In China, despite the positive impact of the government's stimulus measures, consumer spending was depressed by the impact of a prolonged downturn in the real estate market, and the Chinese economy remained sluggish. Moreover, the global economic environment has remained uncertain due to the Russia-Ukraine situation and the military clash in the Middle East, among others.

In Japan, on the back of high level of corporate earnings, capital expenditures, mainly based on IT-related demands, remained steady. However, an increase in wages/income did not stably exceed a rise in prices and consumer spending lacked momentum, thus, the pace of economic recovery has been moderate.

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

With respect to "maximizing revenue from existing businesses by focusing on capital efficiency," the Group has strived to generate profit by advancing initiatives for optimizing its business portfolio. Key initiatives include: restructuring optical fiber and cable business and metal wire business in order to increase efficiency of business operation under the unified strategy and enhance competitiveness through efficient allocation of resources; and in order to build an advantage of the Company in the growing market through synergy, the acquisition of shares of a company with strong development capability and cost competitiveness of optical connectors and a company which has the world's top-level share in the high-speed optical modulators market, to make them our subsidiaries. Furthermore, in the datacenter/AI-related market, the Group has strengthened the product supply system mainly in the Functional Products-related business, aiming at increasing sales. Especially, with respect to heat radiation/cooling products, the Group has worked on expanding its revenue base by differentiating such products from competitors and offering more sophisticated products to customers.

With respect to "strengthening the foundation for the creation of new businesses by strengthening development and proposal capabilities," while Japan's social infrastructure, such as roads and railroads, are aging and labor population is declining, the Group has contributed to saving labor and manpower by offering digital solutions for operation and maintenance of social infrastructure. The Group has also focused on developing a laser treatment system for rust and coating removal without using chemical agents, etc. which are deemed problematic from the perspective of environmental burden and occupational health. In addition, to strengthen the business related to photonics technologies in the non-communication application fields centered around life science, we acquired shares of a company which manufactures optical fibers and optical active components for medical/industrial equipment, and made it our subsidiary.

With respect to "strengthening the foundation for ESG management," we revised "Furukawa Electric Group Environmental Vision 2050" with the aim of further contributing to a

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carbon-free society by achieving net-zero greenhouse gas emissions across the entire value chain. Moreover, with respect to Furukawa Electric Group Purpose “Composing the core of a brighter world,” which articulates the meaning of the Group’s existence (hereinafter, the “Purpose”; established in March 2024), we have carried out activities for promoting employees’ understanding and raising empathy. As such, we strived to ensure that employees are proud of working for the Group, thus improving employee engagement. Furthermore, concerning risks newly identified through re-assessment of human rights risks among the employees and throughout the supply chain, we have implemented measures to reduce such risks, and established such rules as Responsible Minerals Sourcing Policy.

With regard to the current year’s financial results, net sales of the entire Group increased due to increased sales of automotive parts such as wire harnesses from Electronics & Automotive Systems business, increased sales of products for datacenters from Functional Products business, and favorable fluctuation of copper metal price/exchange rate. As for profitability, operating profit increased as a result of expanding high-value-added product line-up, improving the productivity, and ensuring right selling prices.

As a result, the Company recorded consolidated net sales of 1,201.8 billion yen (up 13.7% year-on-year), consolidated operating profit of 47.1 billion yen (up 321.6% yoy), and consolidated ordinary profit of 48.6 billion yen (up 373.1% yoy). Furthermore, a gain on sales of investment securities of 10.4 billion yen, etc. was recorded as extraordinary income, and provision for product warranties of 6.1 billion yen, etc. was recorded as extraordinary loss. Accordingly, profit attributable to owners of the parent amounted to 33.4 billion yen (up 412.7% yoy). Overseas sales amounted to 637.8 billion yen (up 17.0% yoy), and the overseas sales ratio was 53.1% (up 1.5 percentage points yoy).

On a non-consolidated basis, the Company recorded net sales of 353.5 billion yen (up 19.1% yoy), operating profit of 1.5 billion yen (improved by 10.6 billion yoy), ordinary profit of 13.0 billion yen (up 3,853.9% yoy), and profit of 32.4 billion yen (up 1,593.2% yoy).

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

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

Category	200 <sup>th</sup> term Fiscal 2021	201 <sup>st</sup> term Fiscal 2022	202 <sup>nd</sup> term Fiscal 2023	203 <sup>rd</sup> term (Current term) Fiscal 2024
Net sales (JPY millions)	930,469	1,066,326	1,056,528	1,201,762
Operating profit (JPY million)	11,428	15,441	11,171	47,097
Ordinary income (JPY million)	19,666	17,258	10,267	48,571
Profit attributable to owners of parent (JPY million)	10,093	15,894	6,508	33,366
Net income per share (JPY)	143.40	225.80	92.40	473.49
Total assets (JPY millions)	935,876	933,469	985,007	987,016
Net assets (JPY millions)	314,269	329,302	358,245	373,336

(Notes) 1. UACJ Corporation, which was an equity-method affiliate of the Company, adopted IFRS instead of the Japanese Accounting Standard from the 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.

2. The Company has adopted “Accounting Standard for Current Income Taxes, etc.” (ASBJ

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Statement No.27, issued on October 28, 2022) from the 203<sup>rd</sup> term, and the above figures for the 202<sup>nd</sup> or earlier term are reported upon retroactive application of the above-mentioned Standard.

(ii) Changes in Company business outcomes and assets

Category	200 <sup>th</sup> term Fiscal 2021	201 <sup>st</sup> term Fiscal 2022	202 <sup>nd</sup> term Fiscal 2023	203 <sup>rd</sup> term (Current term) Fiscal 2024
Net sales (JPY millions)	292,424	305,835	296,766	353,520
Operating profit / loss (JPY million)	501	(1,761)	(9,087)	1,513
Ordinary income (JPY millions)	6,461	8,686	330	13,048
Net income / loss (JPY million)	(525)	25,235	1,913	32,390
Net income / loss per share (JPY)	(7.47)	358.40	27.15	459.52
Total assets (JPY millions)	608,376	593,768	632,447	642,568
Net assets (JPY millions)	183,515	201,845	199,212	239,517

**(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	309,403	31,218	4,528	15,781
Electronics & Automotive Systems	736,433	82,732	32,295	13,593
Functional Products	147,030	31,607	13,957	8,448
Services and Developments etc.	33,829	2,254	(3,629)	(1,724)
Elimination	(24,933)	(2,578)	(55)	(171)
Total	1,201,762	145,233	47,097	35,926

## **Infrastructure**

With respect to Communications Solutions business, on the background of the growth of datacenter/AI-related market, we strived to increase sales by expanding product line-up, including high-value-added products such as rollable ribbon cables, and strengthening our supply system. In the telecommunication market in North America, demand for optical fibers, etc. has been gradually recovering from the slump caused by reduced customer investments and inventory adjustments, and we have continuously strengthened marketing activities and improved the production system, while striving to improve the productivity. Consequently, both net sales and profit increased.

With respect to Energy Infrastructure business, on the background of strong demand for extra-high voltage underground cables, submarine and underground cables for renewable energy in Japan, Power Cable division has worked on enhancing cable manufacturing capacity and construction capacity. In Industrial Cable & Power Cable Accessories division, with steady demand for functional cables, such as light-weight and flexible aluminum CV cables that contribute to labor saving and increased efficiency at construction sites as well as demand for power transmission and distribution components, we have strived to expand net sales by promoting marketing activities. Furthermore, we have placed an emphasis on the profitability in order-taking activities, and worked on price optimization. Consequently, both net sales and profit increased.

As a result, this segment recorded consolidated net sales of 309.4 billion yen (up 11.2% yoy), and consolidated operating profit of 4.5 billion yen (improved by 15.8 billion yen yoy). On a non-consolidated basis, the segment reported net sales of 97.9 billion yen (up 26.4% yoy).

As for Communications Solutions business, in the midst of rapid changes in the external environment, we will expand net sales by reforming the operating structure of Optical Fiber and Cable business, and operating business while ensuring efficient and speedy decision-making under the globally unified strategy. For the datacenter/AI-related market which is expected to continue growing, we will also build a competitive advantage in the market by strengthening the supply system for optical fibers, acquiring a company with strong optical connector technologies which are indispensable for high-speed, high-volume communications and demonstrating synergy in product development capability and cost competitiveness. In addition, to prepare for a full-fledged economic recovery of demand in the telecommunication market, we will continue improving the production system and the productivity. Furthermore, by acquiring, as a subsidiary, a company which has the world's top-level share in the high-speed optical modulators market, we will advance the development of integrated device, etc. for optical networks in the B5G\* era.

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

As for Energy Infrastructure business, in Power Cable division, we will continue to capture demand for replacing extra-high voltage underground cables in Japan and demand for renewable energy-related products, aiming at expanding sales. In Industrial Cable & Power Cable Accessories division, we will work on expanding sales of strategic products including functional cables, such as aluminum CV cables, and plug-in connectors for datacenters. Furthermore, by integrating metal wire business in the Group, we will aim at maximizing synergy effect such an increase in sales channels through integration of trade areas/commercial distribution, and higher competitiveness through efficient allocation of resources.

## **Electronics & Automotive Systems**

Automotive Products business recorded steady growth of sales mainly by expanding car models equipped with aluminum wire harnesses which contribute to car weight reduction. We have also worked on developing and increasing sales of products such as wire harnesses, which can carry high voltage, for the electric vehicles market. Although import prices of products manufactured by overseas subsidiaries increased due to weak yen, the productivity improved as a result of

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order-taking based on customers' stable production plans, and we have worked on optimization of selling prices. Consequently, both net sales and profit increased.

With respect to Electronics Component Material business, although the electronics-related market has remained sluggish, we have worked on increasing the range and sales of high-value-added products, such as heat-resistant, oxygen-free copper strips for power semiconductors and heat radiation components, and improving the product mix including the optimization of selling prices. Due to the impact of rising copper metal prices and the weak yen in addition to the above-mentioned factors, both net sales and profit increased.

As a result, this segment recorded consolidated net sales of 736.4 billion yen (up 12.7% yoy), and consolidated operating profit of 32.3 billion yen (up 72.7% yoy). On a non-consolidated basis, the segment reported net sales of 159.7 billion yen (up 12.8% yoy).

As for Automotive Products business, we will continue to develop products for the electric vehicle market and improve the productivity through automated production, aiming at increasing revenue.

As for Electronics Component Material business, we will continue to secure revenue by improving the product mix including the optimization of selling prices, and expand the range and sales of high-value-added products.

### **Functional Products**

With respect to Functional Products business, we have implemented various measures to capture demand accompanying the growth of datacenter/AI-related market. Especially, as for heat radiation/cooling products, we have improved the supply system for air-cooled heat sink in high demand. As for aluminum blanks for hard disc drives, we have captured demand which was recovered upon completion of customers' inventory adjustments. Consequently, both net sales and profit increased.

As a result, this segment recorded consolidated net sales of 147.0 billion yen (up 27.4% yoy), and consolidated operating profit of 14.0 billion yen (up 153.3% yoy). On a non-consolidated basis, the segment reported net sales of 91.9 billion yen (up 25.1% yoy).

As for Functional Products business, for the datacenter/AI-related market which is expected to continue growing, we will continue to develop next-generation products, improve the production system, and strengthen customer-facing capability. Regarding tapes for semi-conductor production, a new plant established within Mie Works will start mass production from FY2025. As such, we will ensure stable supply of high-performance, high-quality products. Regarding heat radiation/cooling products for datacenters, in addition to traditional air-cooled method, we plan to start mass production of water-cooled modules. To this end, we will improve the production system, including construction of a new plant.

### **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 part in achieving our sustainability target "ratio of renewable energy use to total consumption: 30%" defined in the MTMP 2025.

This segment recorded consolidated net sales of 33.8 billion yen (up 7.1% yoy), and consolidated operating loss of 3.6 billion yen (deteriorated by 1.7 billion yen yoy). On a non-consolidated basis, the segment reported net sales of 4.0 billion yen (down 7.0% 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 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.

##### **① Maximizing revenue from existing businesses by focusing on capital efficiency**

To achieve targets set in this Medium-term Management Plan, aiming to increase revenues of each business, we will continuously review the business portfolio from the perspective of leveraging the Company’s strengths by each product group to articulate added value proposition, thus advancing the transformation to the profit-generating product groups and business model.

With respect to Communications Solution business, we will expand net sales by reforming the operating structure of Optical Fiber and Cable business, and operating business while ensuring efficient and speedy decision-making under the integrated global management. As for Energy Infrastructure business, we will promote the restructuring of metal wire business, and demonstrate synergy effect by increasing efficiency of business operation, to promptly address increasingly diverse and sophisticated needs. In addition, we will expand sales by promoting marketing activities, enhancing cable production capacity and construction capacity, and taking orders with emphasis on profitability. With respect to Automotive Products business, we will work on developing products for the electric vehicle market, such as high-voltage wire harnesses and automating the production. As for Electronics Component Materials business, we will strive to expand the range of high-value-added products and increase sales. With respect to Functional Products business, we will develop next-generation heat radiation/cooling products for the datacenter/AI-related market which is expected to continue growing, and improve supply systems for tapes for semi-conductor production as well as electrolytic copper foil for high-frequency boards.

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

The Group will develop a foundation for creating new businesses designed to solve social issues through development and provision of products and services, by drawing on 4 core technologies, namely, metal, polymer, photonics, and high-frequency technologies based on our



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long-standing expertise in the development and fabrication of advanced materials, moving ahead with co-creation with external partners, and promoting the use of digital technologies and data.

To reduce environmental burden and improve occupational health, the Group will accelerate the development of laser treatment system, where materials such as metals and polymers are processed by using photonics technologies. Furthermore, while a response to increasing data traffic volume is required to adapt to B5G society, and data centers need to achieve higher speed, higher capacity, and energy saving, we will contribute to realizing “all optical network” and a society where energy use is highly efficient, by developing sophisticated photonics products realizing photonics-electronics convergence, taking advantage of our core technologies, namely photonics and high-frequency technologies. Moreover, towards realizing a decarbonized/recycle-oriented society, we will continue development/production of green LP gas\* that does not rely on fossil resources. We will also advance development of products related to nuclear fusion\* power generation that contributes to supplying safe and sustainable energy. As for life science products for minimally invasive therapies where we can take advantage of our photonics and metal technologies, we will promote value proposition to customers, and also aim at sophisticating such products. Furthermore, by utilizing the base for co-creation with startup companies, we will develop products for satellite use and for environmental observation equipment.

\*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).

\*Nuclear fusion: The energy is released from nuclear fusion reactions by trapping high-temperature plasma (at several hundred million degrees), using a 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 and with reduced environmental burdens. Therefore, nuclear fusion power generation is attracting expectations as a next-generation energy source.

③ Strengthening the foundation for ESG management

In this Medium-term Management Plan, we defined the ideal state in FY2025 for each identified material issue, formulated measures to realize them, and set sustainability indicators with numerical targets to measure the progress. On that premise, we measure the progress of various initiatives, including the formulation of a climate transition plan toward realizing carbon neutrality, activities to strengthen human capital and organizational execution abilities including dissemination of the Purpose, and the incorporation of employee engagement scores into evaluation criteria for officers' remuneration system, thereby strengthening the foundation for ESG management.

Through such initiatives, we will measure achievement level of each financial target and sustainability target set in this Medium-term Management Plan in its final year.

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%
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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	(*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) The target was to achieve 100%, which would mean implementing all of the themes set for FY2022, and this target was already achieved in FY2024.

(\*2) In FY2023, the scope was expanded in a way to cover Group companies in Japan and abroad, and the target is changed from the Company's target to the Group's target.

While the international situation has been uncertain due to the impact of changes in the US trade policy along with various regulations, the Russia-Ukraine situation and the military clash in the Middle East, among others, the Group will steadily implement various measures, aiming at increasing its corporate value. We would appreciate your understanding and continued support.

*[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	Establishing additional production facility for optical semiconductor devices; enhancing construction capability to set electric cables, etc.	11,266	1,509
Electronics & Automotive Systems	new establishment of winding wire manufacturing equipment for automobiles	13,490	(2,033)
Functional Products	Constructing new factory for tapes for producing semiconductors and water-cooled modules	8,891	(226)
Services and Developments etc.	—	1,610	(287)
Elimination	Replacement of ERP systems, etc.	3,341	685
Total	—	38,600	(352)

## **(6) Fund procurement**

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

Consolidated interest-bearing debts as of the end of the year decreased by 26.9 billion yen from the previous year to 306.2 billion yen.

## **(7) Main loan creditor (as of March 31, 2025)**

Name of creditor	Amount of loan credit (JPY millions)
Mizuho Bank, Ltd.	69,699
The Norinchukin Bank	23,513
MUFG Bank, Ltd.	22,979
The Bank of Yokohama, Ltd.	17,022

*[Translation for Reference Purpose Only]*

**(8) Main offices, plants, and Subsidiaries (as of March 31, 2025)**

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 Office	Sapporo
	Tohoku Branch Office	Sendai
	Chubu Branch Office	Nagoya
	Kansai Branch Office	Osaka
	Chugoku Branch Office	Hiroshima
	Kyusyu Branch Office	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 Technology Laboratory	Yokohama
	Electronics Laboratory	Hiratsuka, Kanagawa Pref.
	Photonics Laboratory	Ichihara, Chiba Pref.
	Material Laboratory	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	100%	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 2024, the Company had 116 consolidated subsidiaries and 10 equity-method affiliates.

3. With respect to The Furukawa Battery Co., Ltd., it is already decided that our Company will transfer all shares of Furukawa Battery owned by the Company to Furukawa Battery as treasury shares.

4. On April 1, 2025, an absorption-type merger was implemented, where KANZACC CO., LTD. disappeared and Furukawa Electric Industrial Cable Co., Ltd. survived. On the same date, Furukawa Electric Industrial Cable Co., Ltd. changed its name to Furukawa Electric Metal Cable Co., Ltd.

An absorption-type company split, where the Company's business related to development, manufacturing, and sale of metal wires is to be succeeded by Furukawa Electric Metal Cable Co., Ltd., is scheduled on October 1, 2025. On the same date, absorption-type company splits are scheduled, where Furukawa Electric Metal Cable Co., Ltd. will succeed Riken Electric Wire Co., Ltd.'s metal wire business, as well as shares of subsidiaries of Riken Electric Wire Co., Ltd. and Okano Cable Co., Ltd., which operate metal wire business.

5. On April 1, 2025, Lightera Japan Co., Ltd., which is newly established as the Company's wholly owned subsidiary, succeeded the Company's optical fiber and cable business, as well as shares of its subsidiary related to optical fiber and cable business, through an absorption-type company split. On the same date, all outstanding shares (equity) of Lightera Japan Co., Ltd., OFS Fitel, LLC (hereinafter, "OFS") and Furukawa Electric LatAm S.A. (hereinafter, "FEL") were contributed in kind to Lightera Holding, the intermediary holding company which was established as the Company's wholly owned subsidiary. On the same date, OFS changed its name to Lightera, LLC, and FEL changed its name to Lightera LatAm S.A.

*[Translation for Reference Purpose Only]*

**(9) Employee Data (as of March 31, 2025)**

Segment	Number of employees of the Group	Number of employees of Furukawa Electric Co., Ltd.
Infrastructure	9,127	1,522
Electronics & Automotive Systems	37,265	515
Functional Products	2,425	775
Services and Developments etc.	2,350	1,621
Total	51,167(-1,590)	4,433(+98)

[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 43.5 years old, and the average years of service is 19.1 years. (Temporary employees and loan employees are not included.)

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

The Company has been examined by Brazil's competition law authority, with respect to trading of automotive products. In class actions filed in the U.S., claiming for damage resulting from cartel activities pertaining to automotive parts, the Company or its subsidiary was named as the defendant. 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, 2025)

### (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	51,423

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

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

### (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 194<sup>th</sup> 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 4,200 shares of common stocks to one Director (other than Outside Director) in the current year.

(Note) For more details of the System, please refer to "(3) Remuneration for officers in the current fiscal year" under Section 3 "The Company's officers".

*[Translation for Reference Purpose Only]*

## **【Reference】Cross-Shareholdings**

The Company's Policy for Cross-Shareholdings, progress in reducing of cross-shareholdings, and the status of cross-shareholdings are as follows:

### ■ Policy for Cross-Shareholdings

With respect to cross-shareholdings, we hold shares which we deemed of significance from the perspective of improving capital efficiency and the necessity for business activities; and reduce shares which we deemed not appropriate for holding. For all cross-held listed shares, our Board of Directors annually verifies whether such shareholdings are appropriate or not. Such verification is implemented from the comprehensive viewpoint, including not only the comparison between quantitative benefits from shareholdings and holding costs which are calculated based on market value of such shares and cost of capital, but also contribution to creating business opportunities, and maintaining/strengthening trading relationships and collaborative relationships in doing businesses.

\* The Company defines "cross-shareholdings" as "investments in equity securities held for other than pure investment" as in securities reports.

### ■ Progress in reducing cross-shareholdings

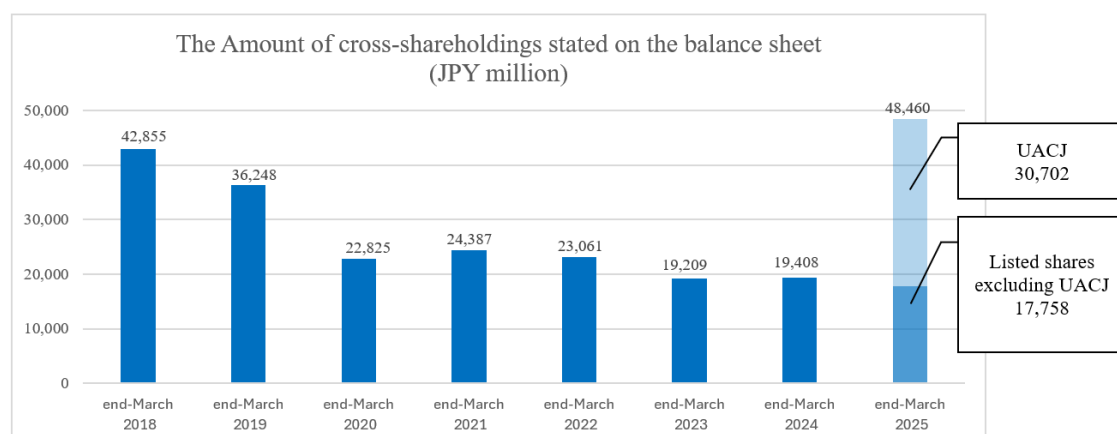
In accordance with "the Policy for Cross-Shareholdings," the Board of Directors verifies the appropriateness of cross-shareholdings on an annual basis, and the Company reduces shares which are deemed not appropriate for holding.

In the current fiscal year, as to whether it is appropriate to maintain each cross-shareholding, the verification was conducted at the Board of Directors meeting held in December 2024. The number of holdings for listed companies, which were sold during the current fiscal year, was 6 (1,646 million yen).

### ■ Status of cross-shareholdings

As of end-March 2025, out of all cross-shareholdings, the number of holdings for listed companies was 16 (48,460 million yen).

In the current fiscal year, as a result of selling part of shares held in UACJ, which used to be an equity-method affiliate, the Company recognized shares of UACJ as cross-shareholdings. Later on, the Company sold some more shares of UACJ, but the amount of cross-shareholdings stated on the balance sheet as of end-March 2025 increased by 29,052 million yen, compared to end-March 2024.



The Company will continue to work on reducing cross-shareholdings, promoting management that is conscious of capital efficiency, and increasing corporate value.

*[Translation for Reference Purpose Only]*

### 3. Corporate Officers (as of March 31, 2025)

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

Name	Position/responsibilities	Other significant positions
Keiichi Kobayashi	Chairman and Director	Outside Director, NTT DATA Japan Corporation Outside Director, JFE Holdings, Inc.
Hideya Moridaira	President and Representative Director	
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 (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)
Takeo Hoshino	Outside Director (part-time)	Project Professor, Graduate School of The University of Tokyo
Satoshi Miyamoto	Director and Corporate Executive Vice President (General Manager, Strategy Division)	
Yoshio Masutani	Director and Corporate Senior Vice President (General Manager, Global	

*[Translation for Reference Purpose Only]*

	Marketing Sales Division)	
Toshio Yanagi	Director and Corporate Vice President (General Manager, Risk Management Division)	
Koji Aoshima	Director and Corporate Vice President (General Manager, Finance & Accounting 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 Director (Audit and Supervisory Committee Member), ADVANTEST CORPORATION Outside Director, Japan Exchange Group, Inc.
Takao Shiomi	Audit & Supervisory Board Member (Outside, part-time)	

[Notes]

1. Mr. Takeo Hoshino and Mr. Koji Aoshima were newly elected as Director, at the 202<sup>nd</sup> general shareholders' meeting held on June 26, 2024, and assumed the said positions.
2. Five (5) Directors, namely Mr. Takashi Tsukamoto, Mr. Yoshiro Miyokawa, Ms. Yukiko Yabu, Mr. Tamotsu Saito and Mr. Takeo Hoshino 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 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.
  - 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.

*[Translation for Reference Purpose Only]*

4. 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. Kunihiro 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. Takashi Tsukamoto, Mr. Yoshiro Miyokawa, Ms. Yukiko Yabu, Mr. Tamotsu Saito, Mr. Takeo Hoshino, Mr. Satoshi Miyamoto, Mr. Yoshio Masutani, Mr. Toshio Yanagi and Mr. Koji Aoshima) and Audit & Supervisory Board Members (Mr. Nozomu Amano, Mr. Masao Terauchi, Mr. Hiroyuki Ogiwara, Mr. Kunihiro Sakai, Ms. Sayaka Sumida, and Mr. Takao Shiomi).

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

8. Overview of Directors and Officers Liability Insurance agreement

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

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
Takashi Tsukamoto	15 out of 16 (93.8%)	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>(Note1)</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.
Yukiko Yabu	16 out of 16 (100%)	Based on her extensive knowledge/experience in marketing and product development at a major electronics manufacturer, Ms. Yabu appropriately oversees the management, actively speaks mainly on topics such as business strategy, marketing and diversity from a wide range of perspectives and he fulfils expected role.  Moreover, she is also active as a member of the Nomination/Compensation Committee.
Tamotsu Saito	16 out of 16 (100%)	Based on his extensive knowledge/experience as a business manager of a leading heavy manufacturer, Mr. Saito appropriately oversees the management, actively speaks mainly on business strategy, manufacturing, economic policies from a perspective of Group's global management, and fulfills the expected role.

*[Translation for Reference Purpose Only]*

		Moreover, he is also active as a member of the Nomination/Compensation Committee.
Takeo Hoshino	12 out of 12 <sup>(Note2)</sup> (100%)	Based on his extensive knowledge/experience in the industrial policy of the Ministry of Economy, Trade and Industry, Mr. Hoshino appropriately oversees the management, actively speaks mainly on R&D, taking into account economic policies and market trend, and he fulfils expected role.  Moreover, he is also active as a member of the Nomination/Compensation Committee.

[Note] 1. The Company holds regular Outside Officers' Meetings in order to give opportunities to Outside Officers to exchange opinions and establish a shared understanding of the Company from an objective viewpoint, and to enable the resulting opinions to be reported to the Board of Directors if necessary. The Company held four (4) Outside Officers' Meetings during the year under review.

2. Since Mr. Takeo Hoshino was newly elected as Outside Director at the 202<sup>nd</sup> Annual Shareholders Meeting, the number of Board of Directors meetings he was eligible to attend differs from that for other Outside Directors.

## 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%)	11 out of 11 (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.

*[Translation for Reference Purpose Only]*

Sayaka Sumida	16 out of 16 (100%)	11 out of 11 (100%)	<p>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 &amp; Supervisory Board meetings.</p> <p>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 &amp; Supervisory Board.</p>
Takao Shiomi	16 out of 16 (100%)	11 out of 11 (100%)	<p>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 &amp; Supervisory Board meetings.</p> <p>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 &amp; Supervisory Board.</p>

**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 for officers in the current fiscal year

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

The Company has the policy for determining remuneration for individual Directors and other officers (hereinafter, "Individual Remuneration Policy"), which was established by resolution of the Board of Directors. Details are as shown below. Nominating/Compensation Committee confirms adequacy, effectiveness, and appropriateness of plan design and level of remuneration every year, by means of outside survey that is comparing the Company's remuneration level with those of other similar size 30 manufacturing companies.

##### ➤ Policy for determining remuneration for officers

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

##### ➤ Policy for determining remuneration for individual officer by element

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 Medium-to-long-term performance-linked remuneration; and the Individual Remuneration Policy for determining an amount of each remuneration element is as follows:

Element of remuneration	Overview	Recipient			
		Director except Outside Director	Outside Director	Corporate Vice President and Senior Fellow, except Director	Audit & Supervisory Board Member
Base salary	This element is paid in cash in a fixed amount every month, and the amount is determined depending on 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 is determined by the Nominating/Compensation Committee upon comprehensively evaluating achievements of the relevant business plan in the previous fiscal year, such as operating income and Economic Value Added in the division(s) he/she is in charge of, and the status of relevant measures.	●	—	●	—
Short-term performance-linked remuneration (company level)	This element is paid in cash once a year, and the amount is fixed according to the evaluation criterion based on consolidated operating income, as defined by the Nominating/Compensation Committee.	●	—	●	—
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.	●	—	●	—

*[Translation for Reference Purpose Only]*

Mid-to-long-term performance-linked remuneration	This is the stock remuneration system, which provides the Company's stocks acquired by the Trust that was funded by the Company.	●	—	●	—
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- 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.

- Matters concerning determination of details of remuneration for individual Directors

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

## 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 treatment after they leave office
- ⑦ Content of draft proposal on appointment/removal of Special Advisers/Honorary Advisers and their remuneration

*[Translation for Reference Purpose Only]*

- 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 other officers was determined for the current fiscal year (June 26, 2024).

name	position
Takashi Tsukamoto	Outside Director (Chairman of Nominating/Compensation Committee)
Yoshiro Miyokawa	Outside Director
Yukiko Yabu	Outside Director
Tamotsu Saito	Outside Director
Takeo Hoshino	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 Nominating/Compensation Committee in the process of determining the amount of remuneration of Directors and other officers during the fiscal year under review are as follows

Meeting Date / Body	Overview
June 6, 2024 Nominating/Compensation Committee	Discussed/evaluated performance of officers during the fiscal year ended March 2024
June 26, 2024 Board of Directors	Resolved on delegating the decision on a remuneration amount for Directors and other officers to Nominating/Compensation Committee
June 26, 2024 Nominating/Compensation Committee	Determined the remuneration amount for Directors and other officers for the fiscal year ending March 2025

The Board of Directors has received a report from the Nomination and Compensation Committee that the content and method of determining remuneration for individual Directors and other officer, 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.

**③ Overview of performance indicators selected as the basis for calculating performance-linked remuneration and calculation method for remuneration**

*[Translation for Reference Purpose Only]*

Under the Company's remuneration system, this section applies to short-term performance-linked remuneration (company level), ESG-linked remuneration, and medium- to long-term performance-linked remuneration.

● Short-term performance-linked remuneration (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.

(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	-
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 President / Senior Fellow	4,200	3,465	2,730	2,100	1,680	1,050	-

● ESG-linked remuneration

To ensure this element works as an appropriate incentive for achieving sustainability targets, sustainability indicators are used to evaluate achievements. Nominating/Compensation Committee evaluates achievements of targets for sustainability indicators, and judges whether this remuneration element should be paid or not. The table below shows the remuneration amount by official position (title). As for targets selected to make an evaluation for ESG-linked remuneration, Nominating/Compensation Committee regularly confirms/reviews such targets.

Officer classification	Amount of Money
Chairman of the Board	2,200
President (Representative)	2,200
Corporate Senior Executive Vice President (Director)	1,400

*[Translation for Reference Purpose Only]*

Corporate Senior Executive Vice President	1,200
Corporate Executive Vice President (Director)	1,200
Corporate Executive Vice President	1,000
Corporate Senior Vice President (Director)	900
Corporate Senior Vice President	800
Corporate Vice President (Director)	600
Corporate Vice President / Senior Fellow	600

● 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 eligible officers. Eligible 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 eligible 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 eligible officers retire from the position during the period, in principle, an adjustment is to be made in a similar manner.

■ Point table by official position (from April 1, 2022 to March 31, 2025)

The maximum total number of points granted to an eligible officer 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	3,930	15,327

*[Translation for Reference Purpose Only]*

President (Director)		
Corporate Executive Vice President	3,060	11,934
Corporate Senior Vice President(Director)	2,190	8,541
Corporate Senior Vice President	1,310	5,109
Corporate Vice President (Director)	1,310	5,109
Corporate Vice President / Senior Fellow	660	2,574

■ 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

■ 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

■ Formula for calculating each eligible officer's points during the evaluation period

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

*[Translation for Reference Purpose Only]*

“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, eligible officers receive the Company’s stocks and money calculated by the following formula as the mid- to long-term performance-linked remuneration from the Trust.

- Number of the Company’s shares to be granted = (cumulative total points as of the vesting date x payout ratio – number of points corresponding to a fraction of shares) x 0.7
  - If there is a fraction of shares of the Company upon calculation by the above formula, such shares will be disregarded.
- Amount of money to be paid = (Number of points convertible into share units x 0.3 + number of points corresponding to a fraction of shares) x market value of the Company’s stock as of the vesting date
  - “The number of points convertible into share units” is defined as (cumulative total points as of the vesting date x payout ratio – the number of points corresponding to a fraction of shares).
  - If there are any points corresponding to a fraction of shares upon calculation by the formula “the number of points convertible into share units x 0.3”, such a fraction will be rounded up to a share unit and added to the number of share units.
  - The vesting date is defined as the first end date of June after the retirement of eligible officer, and after the closing of the last fiscal year, in which he/she is eligible for receiving points.

**④Matters concerning the determination of remuneration of officers at annual meeting**

[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) ESG-linked remuneration
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.

*[Translation for Reference Purpose Only]*

2. The number of Directors and Officers in the above table is at the end of the shareholders meeting in the above respectively.

[Audit & Supervisory Board Member]

Date of resolution of shareholders meeting	Detail of resolution	Resolution about Audit & Supervisory Board Members numbers
192 <sup>nd</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 Audit & Supervisory Board Members in the above table is at the end of the shareholders meeting in the above.

**⑤ Amount of remuneration for officers for the current fiscal year**

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)	ESG-linked remuneration (JPY millions)	Mid-to-long-term performance-linked remuneration (JPY millions)	
Directors (excluding outside directors)	359	226	19	-	5	108	7
Audit & Supervisory Board Members (excluding outside Audit & Supervisory Board Members)	91	91	-	-	-	-	3
Outside Officers	108	108	-	-	-	-	9
Outside directors	72	72	-	-	-	-	6
Outside Audit & Supervisory Board Members	36	36	-	-	-	-	3

Notes:1. The amounts and numbers of officers in the above table include two Directors who retired from the positions due to the expiry of their terms at the end of the 202<sup>nd</sup> Annual Shareholders Meeting held on June 26, 2024 as well as amounts of their remuneration.

2. The column of short-term performance-linked remuneration (company level) shows the payment amount which was determined in June 2024 as compensation for execution of duties in FY2023. 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



*[Translation for Reference Purpose Only]*

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 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 FY2023 was 11,171 million yen.
5. ESG-linked remuneration (payment started from July 2024) falls under the category of performance-linked remuneration. To ensure this remuneration works as an appropriate incentive for achieving sustainability targets, sustainability indicators are used to evaluate achievements. Nominating/Compensation Committee evaluates achievements of targets for sustainability indicators, and judges whether this remuneration elements should be paid or not. For the payment in the current fiscal year, greenhouse gas (GHG) emissions reduction target (Scopes 1, 2)(compared to FY2017) set at 21.2% was used for the evaluation, but we actually reduced GHG emissions by 45.4% (in FY2023).
6. 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 1.35 (an actual value calculated by using numerical value in FY2024).

*[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 250million
(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 250 million
(iii) Of the amount stated in (ii) above, remuneration to be paid by Furukawa Electric to the accounting auditor	JPY 152 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).

(Note) Furukawa Electric LatAm S.A. changed the company name to Lightera LatAm S.A. effective on April 1, 2025.

##### **(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.

*[Translation for Reference Purpose Only]*

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

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

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

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

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

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

## 5. The Company's Systems and Policies

### (1) Systems for ensuring sound operations

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

#### <Basic Policy>

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

#### 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 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

*[Translation for Reference Purpose Only]*

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.
- 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. 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**

*[Translation for Reference Purpose Only]*

**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.
- 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

*[Translation for Reference Purpose Only]*

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.

(Note) Provided that the proposal “Partial revision to the Article of Incorporation” is approved as proposed by resolution of the 203<sup>rd</sup> Annual Shareholders Meeting to be held on June 25, 2025, the Company will undergo a transition from a Company with an Audit & Supervisory Board to a Company with an Audit & Supervisory Committee. Accordingly, at the Board of Directors meeting to be held after the close of the Annual Shareholders Meeting, the basic policy concerning the structure to ensure adequate operations will be revised.

**(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 Committee has collected information on occurrence of any significant quality problem and customer complaints,



*[Translation for Reference Purpose Only]*

and instructed relevant department and/or subsidiary/associated company about remediation measures for quality management, as necessary. In addition, the Committee conducted surveys on product inspections and public standards, etc.

- ③ During the current fiscal year, E-learning was implemented in the Company and subsidiaries/associated companies in Japan and abroad, concerning compliance with competition law, prevention of bribery, and prevention of discrimination/harassment. In addition, as for matters reported via whistleblowing, appropriate responses have been taken, if necessary, upon consulting with external experts.
- 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 Board of Directors.

**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.

(Note) In addition to the above-mentioned number of Board of Directors meetings, there was an occasion where agreement in writing to a proposal was deemed that it was resolved at a Board of Directors meeting in accordance with Article 370 of the Companies Act and Article 24, Paragraph 2 of the Articles of Incorporation.

- 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 Company's Standards for referral/ reporting 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

*[Translation for Reference Purpose Only]*

particular to improve their management foundations in relation to personnel/labor, accounting and IT.

- ② In Japan, we held a meeting for subsidiaries/affiliated companies' compliance review, and shared information on their activities concerning significant matters on internal control. Furthermore, we distributed case study booklets on compliance issues to subsidiaries/affiliated companies in Japan and abroad, and also hosted a compliance seminar for subsidiaries/affiliated companies in China, covering compliance with competition law, prevention of bribery, and labor issues. As such, the Company has strived to strengthen internal control of the Group.
- 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 eleven (11) 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 half-year and annual financial results, the Audit & Supervisory Board received a report from Account Auditor on results of an interim review 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 203<sup>rd</sup> Fiscal Year  
**Consolidated Balance Sheet**  
(As of March 31, 2025)

(Unit: JPY millions)

Account title	Amount	Account title	Amount
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Current assets</b>	<b>556,437</b>	<b>Current liabilities</b>	<b>394,461</b>
Cash and deposits	59,967	Notes and accounts payable - trade	136,673
Notes and accounts receivable - trade, and contract assets	260,565	Short-term borrowings	153,296
Securities	6,813	Commercial papers	1,500
Merchandise and finished goods	76,450	Income taxes payable	13,322
Work in process	48,660	Provision for product warranties	5,354
Raw materials and supplies	69,930	Other	84,313
Other	35,300	<b>Non-current liabilities</b>	<b>219,219</b>
Allowance for doubtful accounts	(1,251)	Bonds payable	40,000
<b>Non-current assets</b>	<b>430,578</b>	Long-term borrowings	111,354
<b>Property, plant and equipment</b>	<b>277,017</b>	Provision for product warranties	4,338
Buildings and structures	269,894	Provision for environmental measures	9,105
Machinery, equipment and vehicles	529,647	Retirement benefit liability	31,559
Tools, furniture and fixtures	81,229	Lease liabilities	12,478
Land	34,679	Asset retirement obligations	2,053
Leased assets	1,348	Other	8,328
Right-of-use assets	25,294	<b>Total liabilities</b>	<b>613,680</b>
Construction in progress	27,323	<b>(Net assets)</b>	
Accumulated depreciation	(692,401)	<b>Shareholders' equity</b>	<b>291,491</b>
<b>Intangible assets</b>	<b>22,872</b>	Share capital	69,395
Goodwill	1,477	Capital surplus	23,907
Other	21,395	Retained earnings	198,840
<b>Investments and other assets</b>	<b>130,688</b>	Treasury shares	(651)
Investment securities	98,794	<b>Accumulated other comprehensive income</b>	<b>49,948</b>
Investments in capital	465	Valuation difference on available-for-sale securities	24,084
Deferred tax assets	6,703	Deferred gains or losses on hedges	94
Retirement benefit asset	11,924	Foreign currency translation adjustment	23,905
Other	13,763	Remeasurements of defined benefit plans	1,863
Allowance for doubtful accounts	(962)	<b>Non-controlling interests</b>	<b>31,896</b>
<b>Total assets</b>	<b>987,016</b>	<b>Total net assets</b>	<b>373,336</b>
		<b>Total liabilities and net assets</b>	<b>987,016</b>

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

*[Translation for Reference Purpose Only]*  
**Consolidated Statement of Income**  
(From April 1, 2024 to March 31, 2025)

(Unit: JPY millions)

Account title	Amount
<b>Net sales</b>	<b>1,201,762</b>
<b>Cost of sales</b>	<b>1,000,044</b>
<b>Gross profit</b>	<b>201,717</b>
Selling, general and administrative expenses	154,620
<b>Operating profit</b>	<b>47,097</b>
<b>Non-operating income</b>	<b>16,318</b>
Interest and dividend income	3,369
Share of profit of entities accounted for using equity method	10,602
Other	2,346
<b>Non-operating expenses</b>	<b>14,844</b>
Interest expenses	9,222
Foreign exchange losses	2,210
Other	3,411
<b>Ordinary profit</b>	<b>48,571</b>
<b>Extraordinary income</b>	<b>19,821</b>
Gain on share exchange	4,791
Gain on disposal of non-current assets	1,614
Gain on sale of investment securities	10,406
Insurance claim income	2,025
Other	984
<b>Extraordinary losses</b>	<b>14,303</b>
Loss on disposal of non-current assets	1,224
Impairment losses	2,648
Loss on sale of investment securities	2,601
Provision for product warranties	6,082
Other	1,746
<b>Profit before income taxes</b>	<b>54,089</b>
<b>Total income taxes</b>	<b>16,758</b>
Income taxes-current	18,566
Income taxes-deferred	(1,807)
<b>Profit</b>	<b>37,331</b>
Profit attributable to non-controlling interests	3,964
<b>Profit attributable to owners of parent</b>	<b>33,366</b>

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

*[Translation for Reference Purpose Only]*  
Non-Consolidated Financial Statements for the 203<sup>rd</sup> Fiscal Year  
**Non-Consolidated Balance Sheet**  
(As of March 31, 2025)

(Unit: JPY millions)

Account title	Amount
<b>(Assets)</b>	
<b>Current assets</b>	<b>302,744</b>
Cash and deposits	8,035
Notes receivable - trade	438
Electronically recorded monetary claims - operating	9,292
Accounts receivable - trade	114,929
Contract assets	4,513
Merchandise and finished goods	15,646
Work in process	22,745
Raw materials and supplies	18,116
Prepaid expenses	1,369
Short-term loans receivable	69,914
Accounts receivable - other	33,103
Other	4,661
Allowance for doubtful accounts	(23)
<b>Non-current assets</b>	<b>339,824</b>
<b>Property, plant and equipment</b>	<b>93,065</b>
Buildings	37,341
Structures	4,007
Machinery and equipment	22,459
Vehicles	148
Tools, furniture and fixtures	3,217
Land	11,957
Leased assets	151
Construction in progress	13,782
<b>Intangible assets</b>	<b>11,696</b>
Software	11,487
Other	209
<b>Investments and other assets</b>	<b>235,062</b>
Investment securities	55,119
Shares of subsidiaries and associates	75,378
Investments in capital of subsidiaries and associates	42,057
Long-term loans receivable from subsidiaries and associates	74,497
Prepaid pension costs	7,216
Deferred tax assets	3,461
Other	5,800
Allowance for doubtful accounts	(28,468)
<b>Total assets</b>	<b>642,568</b>

Account title	Amount
<b>(Liabilities)</b>	
<b>Current liabilities</b>	<b>219,845</b>
Notes payable - trade	151
Electronically recorded obligations – operating	12,028
Accounts payable - trade	82,946
Short-term borrowings	78,812
Commercial papers	1,500
Accounts payable - other	11,503
Accrued expenses	17,133
Contract liabilities	5,618
Provision for product warranties	569
Provision for loss on construction contracts	124
Income taxes payable	5,687
Other	3,768
<b>Non-current liabilities</b>	<b>183,206</b>
Bonds payable	40,000
Long-term borrowings	104,500
Provision for retirement benefits	19,816
Provision for product warranties	4,170
Provision for environmental measures	9,104
Provision for loss on business of subsidiaries and associates	3,445
Provision for share awards for directors and other officers	550
Asset retirement obligations	849
Other	768
<b>Total liabilities</b>	<b>403,501</b>
<b>(Net assets)</b>	
<b>Shareholders' equity</b>	<b>217,353</b>
Share capital	69,395
Capital surplus	21,466
Other capital surplus	21,466
Retained earnings	127,099
Legal retained earnings	4,907
Other retained earnings	122,191
Retained earnings brought forward	122,191
Treasury shares	(608)
<b>Valuation and translation adjustments</b>	<b>22,163</b>
Valuation difference on available-for-sale securities	22,229
Deferred gains or losses on hedges	(65)
<b>Total net assets</b>	<b>239,517</b>
<b>Total liabilities and net assets</b>	<b>632,568</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, 2024 to March 31, 2025)

(Unit: JPY millions)

Account title	Amount
<b>Net sales</b>	<b>353,520</b>
<b>Cost of sales</b>	<b>302,714</b>
<b>Gross profit</b>	<b>50,805</b>
Selling, general and administrative expenses	49,291
<b>Operating profit</b>	<b>1,513</b>
<b>Non-operating income</b>	<b>20,593</b>
Interest and dividend income	18,473
Other	2,119
<b>Non-operating expenses</b>	<b>9,058</b>
Interest expenses	2,767
Foreign exchange losses	2,165
Provision of allowance for doubtful accounts	2,497
Other	1,628
<b>Ordinary profit</b>	<b>13,048</b>
<b>Extraordinary income</b>	<b>28,066</b>
Gain on share exchange	12,155
Gain on disposal of non-current assets	102
Gain on sale of shares of subsidiaries and associates	5,846
Gain on sale of investment securities	9,864
Other	98
<b>Extraordinary losses</b>	<b>6,197</b>
Loss on disaster	47
Loss on disposal of non-current assets	680
Loss on sale of investment securities	678
Loss on valuation of investment securities	319
Provision for product warranties	4,170
Other	301
<b>Profit before income taxes</b>	<b>34,918</b>
Income taxes-current	6,032
Income taxes-deferred	(3,503)
<b>Profit</b>	<b>32,390</b>

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