



March 6, 2025

Name of Company	Furukawa Electric Co., Ltd.
Name of Representative	Hideya Moridaira, President
	(Code: 5801 Prime Market of the Tokyo Stock Exchange)
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## Notice regarding the transition to a Company with an Audit & Supervisory Committee

Furukawa Electric resolved at the Board of Directors Meeting held today to transition from a “Company with an Audit & Supervisory Board” to a “Company with an Audit & Supervisory Committee” pending approval at the 203<sup>rd</sup> Annual Shareholders Meeting planned to be held in June of this year.

### 1. Purpose of the transition

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

In accordance with this basic policy, the Company selected the “Company with an Audit & Supervisory Board” structure, and since the 2000s, continuous efforts have been made to strengthen the corporate governance function. With the current resolution, the Company will transition to a “Company with an Audit & Supervisory Committee” and aim to further enhance corporate governance.

Under the “Company with an Audit & Supervisory Committee” structure following the transition, the Audit & Supervisory Committee members, who will be responsible for auditing and supervising directors’ execution of the work duties, will be part of the Board of Directors. In addition, the Company will ensure that a majority of directors are

independent outside directors, in principle.

Based on this structure, the Board of Directors will broadly delegate authority for decision making concerning business execution to executive management, and along with further accelerating decision making as a company, efforts will be made to strengthen the business execution capabilities. In addition, the Board of Directors will hold more substantive discussions on topics centered on the management policy and management strategy, and by strengthening and enhancing the supervisory function of the Board of Directors, the Company will strive to increase overall corporate value.

## 2. Transition schedule

It is planned to transition to a Company with an Audit & Supervisory Committee upon receiving approval for the changes to the Article of Incorporation concerning the transition at the 203<sup>rd</sup> Annual Shareholders Meeting to be held in June of this year.

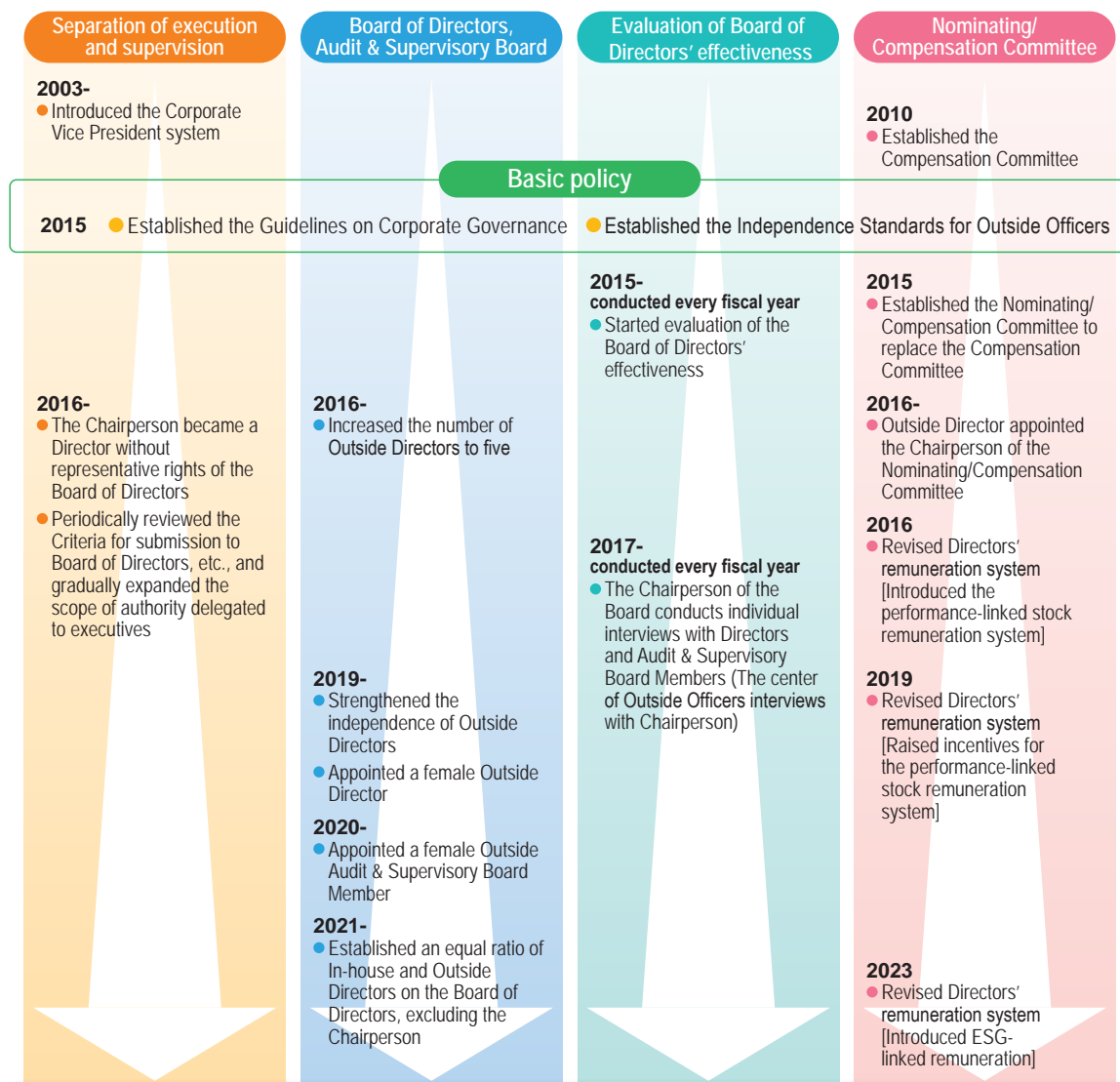
## 3. Others

- (1) Concerning the new structure after transitioning to a Company with an Audit & Supervisory Committee, please refer to the “Notice of Transfer of Representative Directors, Directors, and Audit & Supervisory Board Members and New Duties” issued today.
- (2) Concerning the details of the changes to the Articles of Incorporation in relation to the transition, an announcement will be made promptly after the changes are decided.

End

## Evolution of Corporate Governance of Furukawa Electric

Furukawa Electric selected the “Company with an Audit & Supervisory Board” structure, and since the 2000s, continuous efforts have been made to strengthen the corporate governance function. With the current resolution, the Company will transition to a “Company with an Audit & Supervisory Committee” and aim to further enhance corporate governance.



In June 2025, the Company will transition to a Company with an Audit & Supervisory Committee.

### Points of the Transition 1

**A majority of the Directors shall be Independent Outside Directors.**

➔ Further strengthen the supervisory function of the Board of Directors.

### Points of the Transition 2

**Execution and supervision shall be separated.**

(1) Expand the scope of authority delegation to management in execution of business decisions ➔ Accelerate decision making.

(2) Effective business execution system ➔ Strengthen business execution capabilities.

(3) More substantive discussions at Board of Directors' meetings ➔ Strengthen and enhance the supervisory function of the Board of Directors.

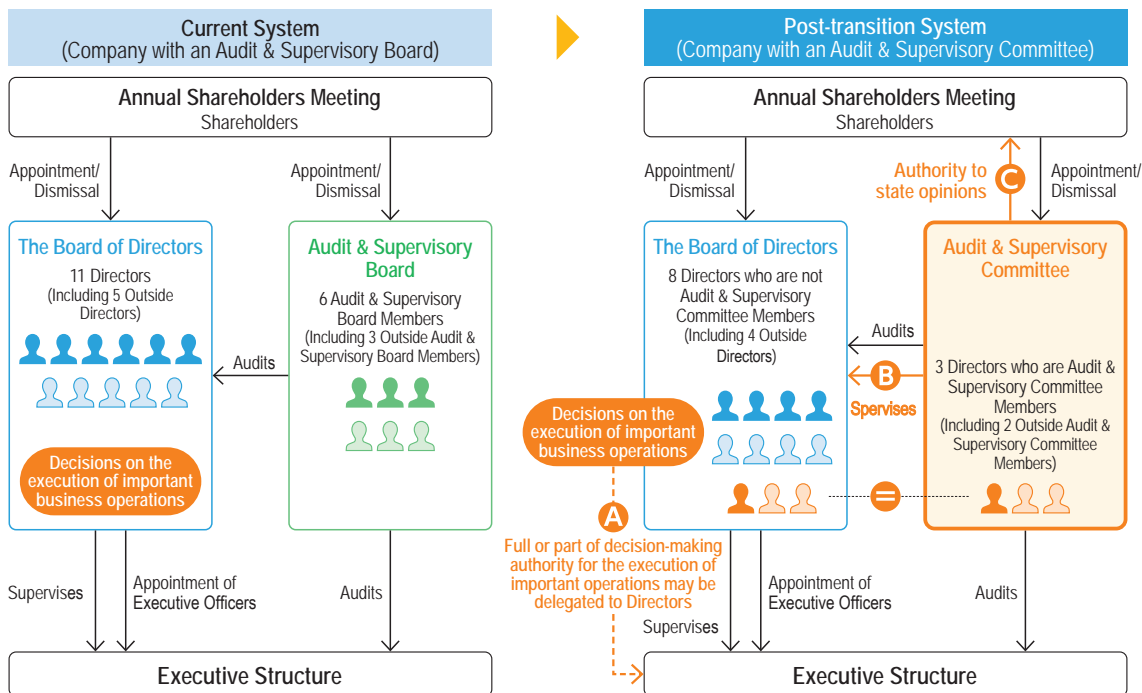
**Strive to further increase overall corporate value**

## Outline of the transition

Furukawa Electric resolved at the Board of Directors Meeting held today to transition from a “Company with an Audit & Supervisory Board” to a “Company with an Audit & Supervisory Committee” pending approval at the 203rd Annual Shareholders Meeting planned to be held in June of this year. The outline of the transition is as follows.

### ● Illustration of Transition to a Company With An Audit & Supervisory Committee

Inside Outside



### ● Comparison Between Current and Post-transition Systems

	Current System (Company with an Audit & Supervisory Board)	Post-transition System (Company with an Audit & Supervisory Committee)
Organization	Board of Directors + Audit & Supervisory Board and its Members	Board of Directors + Audit & Supervisory Committee
Scale and composition	17 Members 11 Directors (Including 5 Outside Directors) 6 Audit & Supervisory Board Members (Including 3 Outside Audit & Supervisory Board Members)	11 Members 8 Directors who are not Audit & Supervisory Committee Members (Including 4 Outside Audit & Supervisory Committee Members) 3 Directors who are Audit & Supervisory Committee Members (Including 2 Outside Audit & Supervisory Committee Members)
Terms	Directors : 1 year Audit & Supervisory Board Members: 4 years	Directors who are not Audit & Supervisory Committee Members : 1 year Directors who are Audit & Supervisory Committee Members : 2 years
Decisions on the execution of important business operations	The Board of Directors may not delegate any authority.	The Board of Directors may delegate full or part of its Decision-making authority to Directors (excluding Directors who are Audit & Supervisory Committee Members) - (A)
Audits and supervision	Audits performed by the Audit & Supervisory Board Members	Audits and supervision performed by the Audit & Supervisory Committee - (B)
Right to state opinions on nomination and remuneration, etc. of Directors	None	At the Annual Shareholders Meeting, appointed Audit & Supervisory Committee Members may state the opinions of the Audit & Supervisory Committee on nomination, remuneration, etc. of Directors who are not Audit & Supervisory Committee Members. - (C)