

Overview of Evaluation Results on the Effectiveness of the Board of Directors

Furukawa Electric Co., Ltd.

Our Company has conducted an annual analysis and evaluation on the effectiveness of the Board of Directors since FY2015, aiming at improving the Board's functions through a continuous process where we verify whether the Board is functioning adequately, and based on the results, we take necessary measures to remedy issues and reinforce its strengths.

As we completed our analysis and evaluation for FY2023, we hereby disclose the overview as follows:

Method of analysis and evaluation	Upon conducting a questionnaire survey targeting all Directors and Audit & Supervisory Board Members, the effectiveness of the Board of Directors was discussed based on aggregated results at meetings of outside officers and the Board of Directors. For the purpose of obtaining deeper understanding of the aggregated results, the Chairman of the Board had interviews with all Directors and Audit & Supervisory Board Members on an individual basis (while the lead outside officer interviewed with the Chairman), and shared the results at the above-mentioned Board of Directors meeting.
Category of survey questions	I. Roles and responsibilities of the Board of Directors (general matters, mid- to long-term management plan, business execution, risk management and compliance, sustainability, and Nominating/Compensation Committee) II. Operation of the Board of Directors III. System to support and cooperate with outside officers IV. Roles of and expectations for Audit & Supervisory Board Members V. Relationships with shareholders and other stakeholders VI. Other (Board of Directors overall, individual evaluations)
Overview of analysis and evaluation results	As a result of the analysis and evaluation, we reconfirmed that our Board of Directors has worked on initiatives to enhance its effectiveness in consideration of the results of the last year's evaluation; the Board of Directors as a whole has had positive and active discussions and carried out adequate oversight the business execution from the perspective of achieving sustainable growth of the entire Group and increasing corporate value over mid- to long-term; and useful recommendations/inputs based on a wealth of experience and advanced knowledge of outside officers were reflected on business execution. Consequently, we analyzed/evaluated that the Board of Directors maintained its effectiveness this year as well.

[Policy for Initiatives and Evaluation Results for FY2022 and Policy for Initiatives for FY2023]

1. Significant issues and priority initiatives for FY2023

	FY2022		FY2023
	Policy for Initiatives	Evaluation Results	Policy for Initiatives
(1) Medium-term Management Plan (MTMP) and review of business portfolio	<ul style="list-style-type: none"> ➤ Promote progress checking of business portfolio and MTMP as well as consideration of relevant issues, and have discussion at the Board of Directors (BOD) meetings. ➤ Regularly conduct tours of our works/business facilities in order to provide outside officers with an opportunity to further deepen their understanding of our businesses. 	<ul style="list-style-type: none"> ➤ The BOD has reviewed the business portfolio and had fulfilling discussions on MTMP. In the future, it is necessary to implement valid initiatives in a speedy manner. ➤ Tour of our works/business facilities were conducted twice, which provided excellent opportunities for outside officers to understand our production sites. 	<ul style="list-style-type: none"> ➤ With respect to the business portfolio reform, we will ensure that the BOD will continue to receive regular reports on the implementation status as well as reports on initiatives for crystalizing portfolios of businesses/product families which the Company aims at realizing over mid- to long-term; and the BOD will have discussion for supporting the implementation of such initiatives. ➤ In accordance with the progress of MTMP, the BOD will receive reports on specific initiatives towards achieving financial targets, and have discussion for supporting the implementation of such initiatives.

(2) Operation of the Board of Directors	<ul style="list-style-type: none"> ➤ Increase opportunities to enhance communications between inside and outside officers, as well as among outside officers. 	<ul style="list-style-type: none"> ➤ Opportunities were provided for inside/outside officers to share information, so communications were enhanced. ➤ It is needed to further enhance opportunities for exchanging opinions. 	<ul style="list-style-type: none"> ➤ The BOD will reinforce discussions on fundamental management issues, and create a venue where the members can freely and frankly discuss/exchange opinions on significant management matters.
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2. Other issues/initiatives to be continuously addressed

	FY2022		FY2023
	Policy for Initiatives	Evaluation Results	Policy for Initiatives
(1) Board composition, and Nominating/Compensation Committee	<ul style="list-style-type: none"> ➤ Nominating/Compensation Committee discusses issues including the board composition and skills matrix, and reports the results or status to the Board of Directors (BOD). 	<ul style="list-style-type: none"> ➤ Nominating/Compensation Committee has been discussing various issues including the skills matrix. ➤ With respect to the board composition, continuous discussion is needed. 	<ul style="list-style-type: none"> ➤ The board composition, and skills matrix, etc. will be incorporated into agenda of Nominating/Compensation Committee as mid- to long-term issues so that the Committee will discuss such matters.
(2) Risk management	<ul style="list-style-type: none"> ➤ Continue to promote greater enterprise risk awareness. ➤ Encourage risk management activities at the Company and its affiliate companies in Japan and abroad. 	<ul style="list-style-type: none"> ➤ Greater enterprise risk awareness was developed; and risk control activities were expanded to affiliated companies in Japan and abroad and deepened. In this way, the system for risk management and compliance has been improved. ➤ It is necessary to constantly update our assumption of risks and preparation for such risks. 	<ul style="list-style-type: none"> ➤ Continue to update our risk recognition in order to address changes in the external environment. ➤ To prepare for any occurrence of risks in our priority areas, proactively formulate countermeasures.
(3) Sustainability (including ESG/SDGs)	<ul style="list-style-type: none"> ➤ Encourage discussions on risks and opportunities related to sustainability as well as the progress on each sustainability indicator, and ensure that outcomes are reported to the BOD. 	<ul style="list-style-type: none"> ➤ With respect to risks and opportunities, Purpose-setting, progress against the target for each sustainability indicator, content of integrated report, and other matters, active discussion took place. ➤ Continued efforts are needed in terms of setting our Purpose and familiarizing employees with the Purpose, and implementing measures to satisfy targets for sustainability indicators. 	<ul style="list-style-type: none"> ➤ Drive forward Purpose-setting and activities to familiarize employees with our Purpose and to ensure the penetration; and encourage discussions on other important sustainability issues. Ensure outcomes or status are reported to the BOD, which in turn discusses such matters.