

[Translation for Reference Purpose Only]

June 1, 2022

Dear Shareholders:

Notice of the 200th Annual Shareholders Meeting

You are cordially invited to attend the 200th Annual Shareholders Meeting of Furukawa Electric Co., Ltd. to be held on June 23, 2022, at 10:00 a.m., at the conference room of Furukawa Electric Co., Ltd. on the 18th 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 200th fiscal year (from April 1, 2021 to March 31, 2022)
2. Reports on Non-Consolidated Accounting Documents for the 200th fiscal year (from April 1, 2021 to March 31, 2022)

To consider and act on the following proposals,

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|------------------------|---|
| Proposal One: | Dividends from surplus |
| Proposal Two: | Partial Amendment to the Articles of Incorporation |
| Proposal Three: | Election of eleven (11) Directors |
| Proposal Four: | Election of three (3) Audit & Supervisory Board Members |
| Proposal Five: | Election of one (1) Reserve Audit & Supervisory Board Member |

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 22, 2022 would be a void vote.

Sincerely
Keiichi Kobayashi
President

DISCLAIMER: This translation may be used only for reference purposes. This English version is not an official translation of the original Japanese version (including Reference Documents for Annual Shareholders Meeting, the Business Report, Financial Statements for the fiscal year ended March 31, 2022, which consist of consolidated balance sheet, and consolidated statement of operation, non-consolidated balance sheet, non-consolidated statement of operation; hereinafter the same). Due to differences of accounting, legal, and other systems as well as language, etc., this English version might contain inaccuracies, and therefore, might be inconsistent with the original import intended in Japanese version. Certain parts of the translation may have been edited to accommodate differences in writing style and expression between English and Japanese version. In the event of any discrepancies between the Japanese and English version, the former shall prevail. Furukawa Electric Co., Ltd. shall accept no responsibility or liability for damage or loss caused by any error, inaccuracy, or misunderstanding with regard to this translation.

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Proposal One: Dividends from surplus

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

Based on this policy, the Company preferentially allocates its management resources to its priority business segments (infrastructure/automotive market), that supports the Group's sustainable growth, to invest in capital expenditures and R&D to increase profits and to create new businesses, thus enhancing the Group's earning power and ensuring sound financial base. For the return to shareholders, stable and continuous dividends distribution is the most priority under the management policy. It is proposed that the year-end dividends for the current fiscal year be 60 yen per share, in order to increase the return to shareholders.

(Reference)

As its basic policy during the period of the new Medium-term Management Plan (4 years 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 net income attributable to owners of the parent company.

- (1) Matters concerning allotment of dividend assets to shareholders and total amount of dividends
 - 60 yen per common share of the Company
 - Total amount: 4,237,027,860yen
- (2) Effective date of the dividend from surplus
 - June 24, 2022

Proposal Two: Partial Amendment to the Articles of Incorporation

1. The purpose of the proposal

The revised provision set forth in the proviso to Article 1 of the Supplementary Provisions of “the Act Partially Amending the Companies Act” (Act No. 70 of 2019) will come into force on September 1, 2022. Accordingly, to prepare for the implementation of the electronic provision system for reference materials for general meeting of shareholders (hereinafter, “electronic provision system”), the Company proposed to amend its Articles of Incorporation as follows:

- (1) The proposed amendment in Article 14, Paragraph 1 stipulates that the Company takes measures for electronic provision for information contained in reference materials for general meeting of shareholders stipulated in Article 325-2 of the Companies Act.

From the first general meeting of shareholders on or after March 1, 2023 when the electronic provision system is introduced, in principle, shareholders will access reference materials for general meeting of shareholders uploaded on a website and browse content online, and the Company will notify the shareholders in writing of how to access the website to find such information.

- (2) The proposed amendment in Article 14, Paragraph 2 newly establishes a provision to limit the scope of matters to be included in reference materials in paper-based format to be delivered to shareholders upon their request as stipulated in Article 325-5 of the Companies Act.

From the first general meeting of shareholders on or after March 1, 2023 when the electronic provision system is introduced, in principle, reference materials for general meeting of shareholders will be provided in electronic format. However, if shareholders request the delivery of reference materials in paper-based format in accordance with the Act, the Company will provide the materials in traditional paper-based format, yet it stipulates that the Company can still maintain the electronic provision method to the extent allowed by law.

- (3) By the proposed new establishment of Article 14, Paragraph 2, the provision of “Internet disclosure and deemed provision of materials concerning general meeting of shareholders” (Article 14 of the current Articles of Incorporation) will become unnecessary, so it will be deleted.

- (4) Due to the above-mentioned new establishment/deletion of provisions, Supplementary Provisions concerning effective dates are established.

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2. Contents of the Proposal

The point of the proposal is shown below;

(Changed part is underlined)

Current Articles of Incorporation	Draft Articles of Incorporation
<p>Article 1. ∫ (Omitted)</p> <p>Article 13. <u>(Internet disclosure and deemed provision of materials concerning general meeting of shareholders)</u></p> <p>Article 14. The Company may disclose <u>information to be indicated or represented in reference materials for a general meeting of shareholders, business reports, financial documents and consolidated financial documents through the internet in accordance with the ordinance of the Ministry of Justice and this shall be deemed as provision to the shareholders</u></p> <p>(New established)</p>	<p>Article 1. ∫ (Unchanged)</p> <p>Article 13.</p> <p>(Delete)</p> <p><u>(Measures for electronic provision)</u></p> <p>Article 14 <u>When convening a general meeting of shareholders, the Company shall take measures for electronic provision of information that constitutes the content of reference materials for the general meeting of shareholders.</u></p> <p><u>2. Among the matters to be provided electronically as stipulated in the preceding Paragraph, the Company may not include all or part of the matters as set forth in the Ordinance of the Ministry of Justice in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents as</u></p>

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<p>Article 15. ∫ (Omitted)</p> <p>Article 36. (New established)</p>	<p><u>stipulated in Article 325-5 of the Companies Act by the record date of voting rights.</u></p> <p>Article 15. ∫ (Unchanged)</p> <p>Article 36. <u>Supplementary Provisions</u></p> <p><u>1. The deletion of Article 14 of the Articles of Incorporation before the amendment (Internet disclosure and deemed provision of materials concerning general meeting of shareholders) and establishment of Article 14 after the amendment (Measures for electronic provision) shall come into force on September 1, 2022 when the proviso to Article 1 of the Supplementary Provisions of “the Act Partially Amending the Companies Act” (Act No. 70 of 2019) comes into force (hereinafter, the “Effective Date”).</u></p> <p><u>2. Notwithstanding the provision in the preceding Paragraph, Article 14 of the Articles of Incorporation before amendment shall remain in force for a general meeting of shareholders to be held on a date within six (6) months from the Effective Date, and Article 14 of the Articles of Incorporation after amendment shall not apply.</u></p> <p><u>3. These supplementary provisions shall be deleted after the lapse of six (6) months from the Effective Date or three (3) months from the date of the general meeting of shareholders set forth in the preceding Paragraph, whichever is later.</u></p>
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[Translation for Reference Purpose Only]

Proposal Three: Election of eleven (11) Directors

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

The candidates for Directors are as shown below.

Candidate no.	Name		Position/responsibilities
1	Mitsuyoshi Shibata	Re-election	Chairman and Director
2	Keiichi Kobayashi	Re-election	President and Representative Director
3	Osamu Tsukamoto	Re-election Candidate for Outside Director, Independent Officer	Outside Director
4	Takashi Tsukamoto	Re-election Candidate for Outside Director, Independent Officer	Outside Director
5	Yoshiro Miyokawa	Re-election Candidate for Outside Director, Independent Officer	Outside Director
6	Yukiko Yabu	Re-election Candidate for Outside Director, Independent Officer	Outside Director
7	Tamotsu Saito	Re-election Candidate for Outside Director, Independent Officer	Outside Director
8	Satoshi Miyamoto	Re-election	Director and Corporate Executive Vice President General Manager, Strategy Division
9	Akihiro Fukunaga	Re-election	Director and Corporate Senior Vice President General Manager, Finance & Accounting Division

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10	Hideya Moridaira	Election	Corporate Senior Vice President General Manager, Communications Solutions Division
11	Yoshio Masutani	Election	Corporate Senior Vice President General Manager, Global Marketing Sales 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.	Mitsuyoshi Shibata	[Date of Birth: November 5, 1953]
<p>■Brief history</p> <p>April 1977 Joined Furukawa Electric Co., Ltd. June 2008 Corporate Vice President, General Manager of Corporate Planning Department Jan. 2009 Corporate Vice President and Vice President of Metals Company June 2009 Corporate Senior Vice President and President of Metals Company June 2010 Director and Corporate Senior Vice President, President of Metals Company April 2012 President and Representative Director Nov. 2013 President and Representative Director, General Manager of Global Group Management Division April 2016 President and Representative Director April 2017 Chairman and Director (present post)</p>		
<p>Number of shares in the Company 7,700 Shares Number of Potential shares (*1) 36,610 Shares</p>		
<p>The Number of Attendance at the Board of Directors Meetings 16 out of 16 times The Number of Attendance at Nominating/ Compensation Committee 8 out of 8 times (*3)</p>		
<p>■Important Concurrent Posts</p> <p>Director (Outside) of ISUZU MOTORS LIMITED Director (Outside) of TOBU RAILWAY CO., LTD. Statutory Auditor (Outside) of Asahi Mutual Life Insurance Company</p>		
<p>■Reasons for selection as a candidate for Director</p> <p>Mr. Mitsuyoshi Shibata has been involved in management within the Furukawa Group for many years, holding positions including President and Representative Director. Since 2017, he has been overseeing the performance of duties by management staff from the President downwards and he plays a central role in improving the effectiveness of the Board of Directors, such as promoting measures to improve the management of the Board of Directors, in a non-executive as Chairman and Director. We request the re-election of Mr. Shibata as Director so that the Company expects that Mr. Shibata, with his wealth of management experience with the Group, will contribute to further enhancing strategic discussions on the Board towards the achievement of “Furukawa Electric Group Vision 2030” as well as corporate governance. Accordingly.</p>		

[Translation for Reference Purpose Only]

2.	Keiichi Kobayashi	[Date of Birth: June 24, 1959]
■Brief history		
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 (present post)	
Number of shares in the Company 8,300 Shares		
Number of Potential shares (*1) 34,350 Shares		
The Number of Attendance at the Board of Directors Meetings 16 out of 16 times		
The Number of Attendance at Nominating/ Compensation Committee 8 out of 8 times (*3)		
■Important Concurrent Posts		
N/A		
■Reasons for selection as a candidate for Director		
<p>Mr. Keiichi Kobayashi has extensive experience and in-depth insight in business operations and marketing/sales. During the global pandemic of COVID-19, in the capacity of Representative Director of the Company, he has demonstrated strong leadership in implementing various measures to minimize adverse effects on our businesses. In FY2021, he formulated the new Medium-term Management Plan (MTMP) “Road to Vision 2030: Transformation and Challenges”. For the purpose of building the foundation for implementing the new MTMP, he has strongly promoted the business transformation to stay ahead of the changing environment, the creation/development of new businesses, and various measures for strengthening management with a focus on capital efficiency. He plays a role as the top management in moving forward with the new MTMP by taking advantage of achievements under the former MTMP and outcomes of measures implemented in FY2021, and further increasing the corporate value to realize “Furukawa Electric Group Vision 2030”. Therefore, the Company requests his re-election as a Director.</p>		

[Translation for Reference Purpose Only]

3.	Osamu Tsukamoto	[Date of Birth: June 11, 1953]
Candidate for outside Director and Independent Officer		
<p>■Brief history</p> <p>April 1977 Joined the Ministry of International Trade & Industry (presently Ministry of Economy, Trade & Industry)</p> <p>July 2003 Deputy Director-General for Regional Economic and Industrial Policy Group, and Agency for Natural Resources and Energy</p> <p>June 2004 Director-General for Manufacturing Industries Bureau</p> <p>July 2006 Deputy Director-General for Technology Policy Coordination</p> <p>July 2008 Director-General, Kanto Bureau for Economy, Trade and Industry</p> <p>July 2009 Director-General for Regional Economic and Industrial Policy</p> <p>July 2010 Retire from office</p> <p>Oct. 2010 Distinguished Professor of Tokyo University of Science</p> <p>Oct. 2010 Advisor of Furukawa Electric Co., Ltd. (part-time)</p> <p>June 2013 Director (Outside) of Furukawa Electric Co., Ltd. (present post)</p> <p>Mar. 2014 Retire from Distinguished Professor of Tokyo University of Science</p> <p>June 2014 President of Japan Coal Energy Center (presently JAPAN COAL FRONTIER ORGANIZATION, present post)</p>		
Number of shares in the Company 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 8 out of 8 times (*3)		
<p>■Important Concurrent Posts</p> <p>President of JAPAN COAL FRONTIER ORGANIZATION</p>		
<p>■Reasons for selection as a candidate for Director and expected roles</p> <p>Mr. Osamu Tsukamoto has many years of experience especially in the environment and energy fields at the Ministry of Economy, Trade and Industry as well as his extensive knowledge since he appointed outside Director, despite the fact that he has not been directly involved in corporate management. Since he assumed the position of Outside Director of the Company, he has actively provided advice and suggestions mainly on research & development, business strategy, and product quality, taking into account the government's economic policies and market trends. While the Group will further focus on developing new technologies and new businesses, his advice and recommendations backed by his in-depth insights into industry policies, especially in the environment and energy areas, will be extremely useful. In addition, the Company expects that he will contribute to strengthening the oversight function of the Board of Directors from an independent viewpoint. Therefore, the Company requests his re-election as an Outside Director.</p>		

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4.	Takashi Tsukamoto	[Date of Birth: Aug 2, 1950]
Candidate for outside Director and Independent Officer		
■Brief history		
<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 & CEO of Mizuho Financial Group, Inc.</p> <p>June 2011 Chairman of Mizuho Financial Group, Inc. and President & 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 (present post)</p> <p>June 2017 Outside Audit & Supervisory Board Member of Furukawa Electric Co., Ltd.</p> <p>June 2021 Director (Outside) of Furukawa Electric Co., Ltd. (present post)</p>		
Number of shares in the Company 3,200 Shares		
The Number of Attendance at the Board of Directors Meetings 12 out of 12 times(*2)		
The Number of Attendance at Nominating/ Compensation Committee 7 out of 7 times (*3*4)		
■Important Concurrent Posts		
<p>Honorary Advisor of Mizuho Financial Group / Director (Outside) of Asahi Mutual Life</p> <p>Director (Outside) of AEON CO., LTD. / Director (Outside) of Internet Initiative Japan Inc.</p>		
■Reasons for selection as a candidate for Director and expected roles		
<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 & Supervisory Board (Members). As such, he has significantly contributed to improving the Company's corporate governance. As the Group will work on strengthening the corporate governance system and promoting global corporate management, his advice and recommendations on corporate management and finance/accounting based on his experience and expertise, as well as his leadership will be extremely beneficial for the Company. In addition, the Company expects that he will contribute to strengthening the oversight function of the Board of Directors from an independent viewpoint. Therefore, the Company requests his re-election as an Outside Director.</p>		

[Translation for Reference Purpose Only]

5.	Yoshiro Miyokawa	[Date of Birth: December 28, 1952]
Candidate for outside Director and Independent Officer		
■Brief history		
<p>April 1975 Joined Yamanouchi Pharmaceutical Co., Ltd. (presently Astellas Pharma Inc.)</p> <p>Jan. 2003 General Manager, Business Process Innovation Promotion Department, Yamanouchi Pharmaceutical</p> <p>Sept. 2004 Leader, Integration Secretariat, Merger Preparatory Committee, Group Strategy Planning Department, Yamanouchi Pharmaceutical</p> <p>April 2005 General Manager, Integration Promotion Department, Astellas Pharma Inc.</p> <p>Sept. 2005 Executive Officer and General Manager, Business Innovation Department, Astellas Pharma Inc.</p> <p>April 2006 Executive Officer and General Manager, Human Resources Department, Astellas Pharma Inc.</p> <p>April 2008 Executive Officer and Chief Administrative Officer, Astellas Pharma Inc.</p> <p>June 2008 Senior Executive Officer and Chief Administrative Officer, Astellas Pharma Inc.</p> <p>June 2011 Vice President and Executive Officer, Astellas Pharma Inc.</p> <p>June 2013 Representative Director & Vice President, Chief Administrative Officer, and Chief Compliance Officer, Astellas Pharma Inc.</p> <p>June 2017 Retired from Astellas Pharma Inc.</p> <p>June 2019 Director (Outside) of Furukawa Electric Co., Ltd. (present post)</p>		
Number of shares in the Company 2,100 Shares		
The Number of Attendance at the Board of Directors Meetings 16 out of 16 times		
The Number of Attendance at Nominating/ Compensation Committee 8 out of 8 times (*3)		
■Important Concurrent Posts		
N/A		
■Reasons for selection as a candidate for Director and expected roles		
<p>Mr. Yoshiro Miyokawa assumed prominent administrative positions and served as Representative Director & Vice President at a large pharmaceutical company and has extensive experience and in-depth insight in corporate management, compliance, and corporate governance. Since he assumed the position of Outside Director of the Company, he has actively provided advice and recommendations mainly on corporate governance, business strategy, and human resource development to improve governance of the entire Group. While the Company will work on enhancing the group governance system for the entire Group, his advice and recommendations on corporate management and compliance based on his experience and expertise will be extremely useful. In addition, the Company expects that he will contribute to strengthening the oversight function of the Board of Directors from an independent viewpoint. Therefore, the Company requests his re-election as an Outside Director.</p>		

[Translation for Reference Purpose Only]

6.	Yukiko Yabu	[Date of Birth: June 23, 1958]
Candidate for outside Director and Independent Officer		
<p>■Brief history</p> <p>April 1981 Joined Matsushita Electric Industrial Co., Ltd. (presently Panasonic Corporation)</p> <p>Jan. 2006 Director of Lifestyle Value Research Laboratory, R&D Headquarters, Home Appliances Company, Matsushita Electric Industrial Co., Ltd.</p> <p>Jan. 2011 Director of Global Consumer Research Center, Corporate Brand Strategy Division, Panasonic Corporation</p> <p>April 2012 Director of Consumer Research Center, Global Consumer Marketing Sector, Panasonic Corporation</p> <p>April 2013 Director and Group Manager responsible for consumer research at the Global Marketing Planning Center, Appliances Company, Panasonic Corporation</p> <p>Mar. 2014 Retired from Panasonic Corporation</p> <p>June 2014 Director (Outside) of DUSKIN CO., LTD.</p> <p>June 2015 Director (Outside) of TAKARA HOLDINGS INC.</p> <p>June 2016 Director (Outside) of Daiwa House Industry Co., Ltd. (Present Post)</p> <p>June 2019 Director (Outside) of Furukawa Electric Co., Ltd. (present post)</p> <p>June 2021 Director (Outside), Audit and Supervisory Committee Member of IBIDEN CO., LTD (present post)</p>		
Number of shares in the Company 1,100 Shares		
The Number of Attendance at the Board of Directors Meetings 16 out of 16 times		
The Number of Attendance at Nominating/ Compensation Committee 8 out of 8 times (*3)		
<p>■Important Concurrent Posts</p> <p>Director (Outside) of DAIWA HOUSE INDUSTRY CO., LTD.</p> <p>Director (Outside), Audit and Supervisory Committee Member of IBIDEN CO., LTD</p>		
<p>■Reasons for selection as a candidate for Director and expected roles</p> <p>Ms. Yukiko Yabu has served as outside director of several listed companies, 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. While the Group will accelerate global sales expansion, her advice and recommendations based on her experience and expertise in marketing and product development, among others, will be extremely useful. In addition, the Company expects that she will contribute to strengthening the oversight function of the Board of Directors from an independent viewpoint. Therefore, the Company requests her re-election as an Outside Director.</p>		

[Translation for Reference Purpose Only]

7.	Tamotsu Saito	[Date of Birth: July. 13, 1952)]
Candidate for outside Director and Independent Officer		
<p>■Brief history</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 & Space Operations of Ishikawajima-Harima Heavy Industries Co., Ltd.</p> <p>Jan. 2008 Executive Officer, President of Aero-Engine & Space Operations of IHI Corporation</p> <p>April 2008 Director, Executive Officer, President of Aero Engine & Space Operations of IHI Corporation</p> <p>April 2009 Director, Managing Executive Officer, President of Aero-Engine & 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 (present post)</p> <p>June 2021 Director (Outside) of Furukawa Electric Co., Ltd. (present post)</p>		
Number of shares in the Company 200 Shares		
The Number of Attendance at the Board of Directors Meetings 12 out of 12 times(*2)		
The Number of Attendance at Nominating/ Compensation Committee 7 out of 7 times (*3*4)		
<p>■Important Concurrent Posts</p> <p>Senior Counselor of IHI Corporation</p> <p>Director (Outside) of JAPAN POST INSURANCE Co., Ltd.</p> <p>Director (Outside) of Oki Electric Industry Co., Ltd.</p>		
<p>■Reasons for selection as a candidate for Director and expected roles</p> <p>Mr. Tamotsu Saito has held several leadership positions including President & 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. While the Group plans to further expand business as a manufacturer in the future, his advice and recommendations based on his experience and expertise in corporate management and manufacturing will be extremely useful. In addition, the Company expects that he will contribute to strengthening the oversight function of the Board of Directors from an independent viewpoint. Therefore, the Company requests his re-election as an Outside Director.</p>		

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8.	Satoshi Miyamoto	[Date of Birth: February 20, 1962]
■Brief history		
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 2,300 Shares		
Number of Potential shares (*1) 5,300 Shares		
The Number of Attendance at the Board of Directors Meetings 16 out of 16 times		
■Important Concurrent Posts		
N/A		
■Reasons for selection as a candidate for Director		
<p>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 departments related to legal affairs and compliance, human resources, sustainability, and group management strategy, while promoting various measures. Toward realizing “Furukawa Electric Group Vision 2030”, the Company expects that his perspectives of ESG management and sustainability will contribute to strategic discussions at the Board of Directors meetings for “strengthening the foundation for ESG management” under new Medium-term Management Plan. Therefore, the Company requests his re-election as a Director.</p>		

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9.	Akihiro Fukunaga	[Date of Birth: January 29, 1964]
<p>■Brief history</p> <p>April 1986 Joined Furukawa Electric Co., Ltd.</p> <p>Nov. 2005 Senior Vice President and Chief Financial Officer, OFS Fitel, LLC</p> <p>Aug. 2009 Manager, Accounting Section 2, Finance & Accounting Department</p> <p>Aug. 2011 Manager, Accounting Section 1, Finance & Accounting Department</p> <p>June 2013 Manager, Finance & Accounting Section, Finance & Accounting Department, Finance & Procurement Division</p> <p>Nov. 2013 General Manager, Global Group Management Office, Global Group Management Division</p> <p>April 2016 General Manager, Finance & Accounting Department, Finance & Procurement Division</p> <p>April 2018 Corporate Vice President, and General Manager, Global Management Division</p> <p>April 2019 Corporate Vice President, and General Manager, Finance & Global Management Division</p> <p>June 2019 Director and Corporate Vice President, and General Manager, Finance & Global Management Division</p> <p>April 2021 Director and Corporate Senior Vice President, and General Manager, Finance & Global Management Division</p> <p>April 2022 Director and Corporate Senior Vice President, and General Manager, Finance & Accounting Division (Present Post)</p>		
<p>Number of shares in the Company 4,000 Shares</p> <p>Number of Potential shares (*1) 4,040 Shares</p>		
<p>The Number of Attendance at the Board of Directors Meetings 16 out of 16 times</p>		
<p>■Important Concurrent Posts</p> <p>N/A</p>		
<p>■Reasons for selection as a candidate for Director</p> <p>Mr. Akihiro Fukunaga assumed the position of CFO of our U.S. subsidiary and leadership positions in the accounting division, and also directed and improved business management of affiliated companies in Japan and overseas as General Manager of Global Group Management Division. As such, he has considerable experience and knowledge in finance and accounting as well as group management. Since 2019, he has led Finance and Global Management Division and then, Finance & Accounting Division as General Manager, and has worked on further strengthening the Group's financial position and promoted the Group's global management. Toward realizing "Furukawa Electric Group Vision 2030", the Company expects that his perspectives based on his extensive knowledge of finance and accounting in Japan and abroad will contribute to strategic discussions at the Board of Directors meetings for "maximizing revenue from existing businesses by focusing on capital efficiency" under new Medium-term Management Plan. Therefore, the Company requests his re-election as a Director.</p>		

[Translation for Reference Purpose Only]

10.	Hideya Moridaira	[Date of Birth: July 13, 1965]
■Brief history		
April 1990	Joined Furukawa Electric Co., Ltd.	
Mar. 2011	Manager, Strategic Planning Group, Intellectual Property Department	
April 2013	Assistant Section Chief, Corporate Planning Section, Strategy Division	
April 2014	Section Chief, Corporate Planning Section, Strategy Division	
April 2016	General Manager, Planning & Administration Department, Communications Solutions Division	
April 2017	Deputy General Manager of Communications Solutions Division, General Manager of Planning & Administration Department (concurrent posts)	
Feb. 2020	General Manager of Optical Fiber & Cable Products Division in Communications Solutions Division	
April 2020	Corporate Vice President, General Manager of Optical Fiber & Cable Products Division in Communications Solutions Division	
April 2021	Corporate Vice President, General Manager of Communications Solutions Division, General Manager of Optical Fiber & Cable Products Division (concurrent posts)	
May 2021	Corporate Vice President, General Manager of Communications Solutions Division	
April 2022	Corporate Senior Vice President, General Manager of Communications Solutions Division (present post)	
Number of shares in the Company 1,500 Shares		
Number of Potential shares (*1) 960 Shares		
Number of Attendance at the Board of Directors Meetings N/A		
■Important Concurrent Posts		
N/A		
■Reasons for selection as a candidate for Director		
<p>Mr. Hideya Moridaira has significant experience in production technologies and intellectual properties, and led Corporate Planning Section in preparing the previous Medium-term Management Plan. Since 2016, he has served as General Manager of Communications Solutions Division (global business) to promote the transformation of overall Communications Solutions business, thus he has extensive experience and advanced knowledge of business operations. He continues to serve as General Manager of Communications Solutions Division to promote the expansion and growth of the business in “Information” segment, which is one of the segments where the Company aims at solving social issues under “Furukawa Electric Group Vision 2030”. In addition, the Company expects that his presence in the Board of Directors as a person in charge of business operations will contribute to stimulating strategic discussions at Board meetings. Therefore, the Company requests his election as a new Director.</p>		

[Translation for Reference Purpose Only]

11.	Yoshio Masutani	[Date of Birth: September 29, 1965]
<p>■Brief history</p> <p>April 1989 Joined Okura & Co., Ltd. July 1993 Okura & Co. UK Ltd. Oct. 1998 Joined Furukawa Electric Co., Ltd. April 2011 General Manger of Overseas Sales Department, Communications Company April 2013 General Manager of Overseas Sales Department, Environment/Infrastructure Sales Division, Sales Marketing Division April 2015 General Manager of Overseas Sales Department, Global Business Division, and General Manager of Overseas Sales Department, Environment/Infrastructure Sales Division, Sales Marketing Division July 2015 Deputy General Manager of Copper Foil Division, and General Manager of Sales Department, Copper Foil Division April 2017 General Manager of Planning & Administration Department, Global Marketing Sales Division April 2018 General Manager of Group Marketing Department, Global Marketing Sales Division April 2020 Corporate Vice President, General Manager of Business Innovation Design Department, Global Marketing Sales Division April 2021 Corporate Vice President, Deputy General Manager of Corporate Strategy & Direction Division, General Manager of Social Design & New Business Development Department, General Manager of OneF Mobility Business Development Team April 2022 Corporate Senior Vice President, General Manager of Global Marketing Sales Division (present post)</p>		
Number of shares in the Company 2,000 Shares		
Number of Potential shares (*1) 960 Shares		
Number of Attendance at the Board of Directors Meetings N/A		
<p>■Important Concurrent Posts</p> <p>N/A</p>		
<p>■Reasons for selection as a candidate for Director</p> <p>Mr. Yoshio Masutani has long experience in product sales and business planning mainly in Infrastructure segment, which is one of the focus areas of the Group. Since 2020, he has been leading the division in charge of creating new businesses: he has not only engaged in sales expansion, but also worked on strengthening our ability to make proposals to customers and developing a new business model, thus has extensive experience and advanced knowledge of sales and marketing. In April 2022, he assumed the leadership position in Global Marketing Sales Division, and has been leading efforts for promoting the Group’s business expansion in the global market. Toward realizing “Furukawa Electric Group Vision 2030”, the Company expects that his extensive experience and expertise in sales and marketing will contribute to strategic discussions at the Board of Directors meetings for “strengthening the foundation for the creation of new businesses by strengthening development and proposal capabilities” under new Medium-term Management Plan. Therefore, the Company requests his election as a new Director.</p>		

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(*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 FY2021, the Board of Directors met 16 times. Because Mr. Takashi Tsukamoto and Mr. Tamotsu Saito were newly appointed as Outside Directors at the 199th Annual Shareholder Meeting held on June 24, 2021, 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.

(*4) In FY2021, the Nomination/Compensation Committee met 16 times. Because Mr. Takashi Tsukamoto and Mr. Tamotsu Saito were newly appointed as Outside Directors at the 199th Annual Shareholder Meeting held on June 24, 2021 and then appointed as members of Nominating/Compensation Committee, the number of eligible Committee meetings is different from that for other committee members.

[Note] Matters concerning candidates for Directors

1. Mr. Osamu Tsukamoto, Mr. Takashi Tsukamoto, Mr. Yoshiro Miyokawa, Ms. Yukiko Yabu and Mr. Tamotsu Saito are currently Outside Directors of the Company and their term will be nine (9) years, one (1) year, three (3) years, three (3) years and one (1) year 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. Osamu 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, and the Company has registered him as an independent officer. When his re-election is approved, the Company will continue to register him as an independent officer. An advisory contract was entered into between Mr. Tsukamoto and the Company in October 2010. Since then, the Company has been receiving professional advice from him on the business fields of the Company Group. After he became an Outside Director in June 2013, the Company continued to pay compensations for his advice in his area of expertise in addition to the remuneration for Outside Director and will continue to do so after he is re-elected as a Director. The amount of the compensation which the Company has paid to him so far and will pay this year is less than 5 million yen, which is lower than the threshold specified in the Company's Independence Standards. Furthermore, the Company is a supporting member of the Japan Coal Energy Center (presently JAPAN COAL FRONTIER ORGANIZATION), where he serves as President, and pays an annual membership fee. The amount of the annual membership fees which the Company has paid so far and will pay this year is approx. 1 million yen per year, which is lower than the threshold specified in the Company's Independence Standards.

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- 2) 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 56,215 million yen per year as of the end of FY2020. Mr. Tsukamoto, however, retired from the executive position in June 2013. He served as an executive or officer of Mizuho Bank, Ltd., which is a specified associated company of the Company in the past years.
 - 3) Concerning Mr. Yoshiro Miyokawa, in light of the independence Standards for outside officers specified by the Tokyo Stock Exchange and the Company, it is our judgement that he is independent from the Company, and the Company has registered him as an independent officer. When his re-election is approved, the Company will continue to register him as an independent officer. There is no special interest between Mr. Miyokawa and the Company.
 - 4) 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, and the Company has registered him as an independent officer. When his re-election is approved, the Company will continue to register him as an independent officer. Between the Company and Panasonic Corporation, for which Ms. Yabu worked until March 2014, there is a business relationship where the Company sells metal products to Panasonic Corporation. However, the total trading amount in FY2020 was approx. 1,558 million yen, and therefore, the amount is quite small.
 - 5) 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. There is no special interest between Mr. Saito 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 has served as an outside director of DAIWA HOUSE INDUSTRY CO., LTD. (hereinafter "Daiwa House") since June 2016. In March 2019, Daiwa House disclosed that its fund for approx. 1,415 million Chinese Yuan (23,400 million yen) was fraudulently withdrawn at its affiliate company in China. Furthermore, as a result of its internal investigation in response to a whistleblowing claim, Daiwa House found some of houses and apartment buildings to rent do not conform to the Building Regulations, and reported the fact to the Ministry of Land, Infrastructure,

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Transport and Tourism (MLIT) in April 2019. Moreover, as a result of its internal investigation triggered by a whistleblowing claim, Daiwa House found that some employees took certification exams even though they had not met the requirement of certain work experience, and acquired the certification of construction managing engineer, and that some of such employees were assigned as technical experts at construction sites. Daiwa House reported such facts to the MLIT in December 2019. Consequently, in November 2021, Daiwa House received instructions and 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, Joint Member Council, 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. During his term of office, it was found that, in IHI’s Civil Aero Engines Maintenance business, airplane engines were improperly inspected. In March 2019, IHI received an order from the Ministry of Economy, Trade and Industry to repair the engines using the repair method approved in accordance with the Aircraft Manufacturing Industry Act. In April 2019, IHI also received a business improvement order based on the Civil Aeronautics Act from the Ministry of Land, Infrastructure, Transport and Tourism.

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

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. Osamu Tsukamoto, Mr. Yoshiro Miyokawa and Ms. Yukiko Yabu, as Outside Directors, concluded the limited liability agreements with the Company, which will continue to be effective. If their re-election are approved and they assume the positions of Outside Directors, The Company will conclude limited liability agreements with them. In addition, Mr. Takashi Tsukamoto has concluded the limited liability agreements with

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the Company as an Outside Audit & Supervisory Board Member. If Mr. Takashi Tsukamoto and Mr. Tamotsu Saito are appointed and assume the positions of Outside Directors, the Company will conclude limited liability agreements with them. The limit of liabilities under the agreements is the minimum amount provided for in laws and regulations.

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

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

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

The term of the policy is one year, and the Company will renew the policy in December 2021.

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Proposal Four: Election of three (3) Audit & Supervisory Board Members

The term of office of three Audit & Supervisory Board Member, Mr. Nozomu Amano, Mr. Takahiro Kashiwagi and Mr. Kunihiko Sakai, will expire at the close of this shareholders meeting. Therefore, the Company requests the election of three Audit & Supervisory Board Member, in order to maintain/strengthen its auditing system.

The candidates for Audit & Supervisory Board Member are as follows.

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

1.	Nozomu Amano	[Date of Birth: July 15, 1956]
Candidate for Audit & Supervisory Board Member (full-time)		
■Brief history		
April 1980 June 2004 June 2008 Mar. 2009 June 2010 April 2012 April 2013 April 2014 April 2018 June 2018	Joined Furukawa Electric Co., Ltd. General Manager of Legal Department General Manager of HR & Administration Department General Manager of HR & Administration Department and General Manager of Corporate Business Research Department Director and Corporate Vice President and CSO Director and Corporate Vice President, CSRO Director and Corporate Vice President, General Manager of the Administration & CSR Division Director and Corporate Senior Vice President, General Manager of the Administration & CSR Division Director of Furukawa Electric Co., Ltd. Audit & Supervisory Board Member of Furukawa Electric Co., Ltd. (present post)	
Number of shares in the Company 6,200 Shares		
The Number of Attendance at the Board of Directors Meetings 16 out of 16 times The Number of Attendance at Audit & Supervisory Board 8 out of 8 times		
■Important Concurrent Posts		
N/A		
■Reasons for selection as a candidate for Audit & Supervisory Board Member		
<p>Mr. Nozomu Amano has held key posts such as General Manager of Legal Department and General Manager of Administration & CSR Division. He has facilitated the reinforcement of corporate governance, and strived to enhance the compliance structure, including compliance with competition laws of Japan and overseas, thus he has significant insight into the Company's corporate governance and compliance. He also has extensive expertise in finance and accounting based on his experience in accounting services. Furthermore, since 2018 when he was appointed as a full-time Audit & Supervisory Board Member, he has supervised the establishment and implementation of the internal control system, and attended Board of Directors meetings and other important meetings where he actively expressed his opinions from the perspective of legal compliance audit and adequacy audit, thus fulfilled his role in auditing the execution of Directors' duties. Based on his experience and expertise, the Company expects that he will continue to audit the legal compliance of the Group's management and the appropriateness of risk management, thus contributing to further enhancement of our audit system. Therefore, the Company requests his re-election as an Audit & Supervisory Board Member.</p>		

[Translation for Reference Purpose Only]

2.	Masao Teratani	[Date of Birth: October 28, 1961]
Candidate for Audit & Supervisory Board Member (full-time)		
■Brief history		
<p>April 1984 Joined Furukawa Electric Co., Ltd.</p> <p>Oct. 2006 Production Control Group Manager, Semiconductor Devices Department, FITEL Products Division, Communications Company</p> <p>May 2009 Assistant Manager, Procurement Department</p> <p>June 2009 General Manager, Procurement Department</p> <p>April 2013 Assistant Manager, Planning Unit, Electric Conductor Division</p> <p>June 2013 President, PT Tembaga Mulia Semanan Tbk</p> <p>April 2017 Corporate Vice President, President of PT Tembaga Mulia Semanan Tbk</p> <p>June 2017 Corporate Vice President, General Manager of Electric Conductor Division, Electronics Component Materials Division</p> <p>April 2018 Corporate Vice President, General Manager of Electric Conductor Division, Electronics Component Division</p> <p>April 2020 Corporate Vice President, General Manager of Electronics Component Materials Division</p> <p>April 2022 Advisor, Electronics Component Materials Division (present post)</p>		
Number of shares in the Company 2,700 Shares		
Number of Potential shares (*) 2,420 Shares		
Number of Attendance at the Board of Directors Meetings N/A		
Number of Attendance at Audit & Supervisory Board N/A		
■Important Concurrent Posts		
N/A		
■Reasons for selection as a candidate for Audit & Supervisory Board Member		
<p>Mr. Masao Terauchi has worked in divisions in charge of production control/business planning and procurement, and also served as President of a listed subsidiary in Asia and General Manager of Electronics Component Materials Division. As such, he has experience and expertise in overseas business management as well as energy segment. While doing business with diverse product families on a global scale, the Company expects that his extensive experience and expertise will contribute to further enhancement of its audit system. Therefore, the Company requests his election as a new Audit & Supervisory Board Member.</p>		

(*) 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.

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3. Kunihiko Sakai	[Date of Birth: March 4, 1954]
Candidate for outside and Independent Audit & Supervisory Board Member	
■Brief history	
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. (present post)
Number of shares in the Company 1,300 Shares	
The Number of Attendance at the Board of Directors Meetings 16 out of 16 times	
The Number of Attendance at Audit & Supervisory Board 8 out of 8 times	
■Important Concurrent Posts	
Advisor Attorney of TMI Associates Director (Outside) of HONDA MOTOR CO.,LTD.	
■Reasons for selection as a candidate for Outside Audit & Supervisory Board Member	
<p>Mr. Kunihiko Sakai has no experience of engaging directly in corporate management, he has advanced knowledge in areas such as corporate governance and risk management in legal affairs and compliance through years of experience including overseas experience in the legal profession. Furthermore, through his experience as an Outside Audit & Supervisory Board Member of the Company, he has profound knowledge of how our Group's compliance system was established and the current situation of our business operations. Accordingly, the Company expects that he will make appropriate points and express appropriate opinions for maintaining/improving its internal control system, including risk management, and maintaining sound management. Therefore, the Company requests his re-election as an Outside Audit & Supervisory Member.</p>	

[Translation for Reference Purpose Only]

Notes: Matters concerning the candidate for Outside Audit & Supervisory Board Member

1. Mr. Kunihiko Sakai is currently Outside Audit & Supervisory Board Member of the Company and his term will be four (4) years respectively at the close of the Annual shareholders meeting.

2. Concerning Mr. Kunihiko 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. When his appointment is approved, the Company will register him as an independent Audit & Supervisory Board Member. In addition, he is a Director (Outside) of HONDA MOTOR CO.,LTD. which is a specified associated company of the Company in the past years.

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 Audit & Supervisory Board Member to bring qualified human resources capable of fulfilling expected roles in performing their duties. Mr. Kunihiko Sakai, as Outside Audit & Supervisory Member, concluded a limited liability agreement with the Company. If and when he is re-elected and comes back into office, the said agreement will remain in force. The limit of liabilities under the agreements is the minimum amount provided for in laws and regulations.

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

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

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

The term of the policy is one year, and the Company will renew the policy in December 2021.

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

The effective terms of the resolution on the election of a substitute Audit & Supervisory Board Member at the 199th Annual Shareholders Meeting held on June 24, 2021, will expire at the beginning of this Shareholders Meeting. Therefore, to ensure that the Company will not lack the mandatory number of outside Audit & Supervisory Board Members, we request the election of one substitute outside Audit & Supervisory Board Member.

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

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

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

- Notes: 1. Mr. Kenji Koroyasu is a candidate for substitute Outside Audit & Supervisory Board Member.
2. Reasons for nominating him as a substitute Outside Audit & Supervisory Board Member are as follows:
 Mr. Kenji Koroyasu has not directly engaged in corporate management in any other capacity than outside officer, but he has long experience as a legal professional, and is familiar with legal affairs of companies through his experience as outside officer. He has sufficient expertise and extensive knowledge of corporate management, and therefore, the Company judged that he is capable of properly carrying out auditing of the Company’s business execution, and requests his election as a substitute Audit & Supervisory Board Member.
3. The relationship between the company for which the substitute Outside Audit & Supervisory Board Member previously worked and the Company is as follows:
 Concerning Mr. Kenji Koroyasu, the Company judged that he satisfies the independence criteria for outside officers stipulated by the Tokyo Stock Exchange and the Company’s Independence Standard, and therefore, he is independent from the Company. When his appointment is approved, the Company will register him as an independent officer. Mr. Koroyasu served as Outside Audit & Supervisory Board

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Member of the Company from June 2010 to June 2018. Furthermore, there is a transaction between TMI Associates, where Mr. Koroyasu works as Advisor Attorney from July 2008, and the company in which the Since July 2008, he has served as General Counsel at TMI Associates, with which the Company conducted a transaction for 3 million yen in FY2020. The transaction was a one-time transaction concerning legal consultation, not a continuing transaction such as an advisory contract. He was not involved in the transaction.

4. Overview of limited liability agreement

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

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

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

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

The term of the policy is one year, and the Company will renew the policy in December 2021.

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

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

[Independence Standards for outside officers specified by the Company]

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

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

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

[Translation for Reference Purpose Only]

【Reference】 Skill matrix for Directors and Audit & Supervisory Board Members (projected)

Taking into account expected roles and responsibilities of the Board of Directors (i.e. (1) establishing corporate philosophy/business principles and setting strategic direction; (2) establishing an environment that supports appropriate risk-taking; and (3) effectively overseeing the management from an independent and objective standpoint), and toward realizing new Medium-term Management Plan “Road to Vision 2030” which covers a period ending in fiscal year 2025 as well as “Furukawa Electric Group Vision 2030”, the Company identified the following 7 key areas of experience and expertise the Company expects from Directors and Audit & Supervisory Board Members: corporate management, finance/accounting, legal affairs/compliance, environment/energy, technology/ IT, sales/marketing, and international experience/knowledge. The Company will review and update these key areas, as necessary, in response to changes in the external environment/business environment, etc.

The following skill matrix shows skills of Directors and Audit & Supervisory Board Members in case their appointments are approved by resolution as per Proposal No. 3 and Proposal No. 4. The Company selected Directors and Audit & Supervisory Board Members (including candidates) by ensuring the balance between areas of expertise and experience.

【Directors】

Name	Independent	Corporate management	Finance/accounting	Legal affairs/compliance	Environment/energy	Technology/IT	Sales/marketing	International experience/knowledge
Mitsuyoshi Shibata		○				○		
Keiichi Kobayashi		○				○	○	
Osamu Tsukamoto	★				○	○		
Takashi Tsukamoto	★	○	○					○
Yoshiro Miyokawa	★	○		○				
Yukiko Yabu	★					○	○	
Tamotsu Saito	★	○				○		
Satoshi Miyamoto				○				○
Akihiro Fukunaga			○					○
Hideya Moridaira						○		○
Yoshio Masutani							○	○

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【Audit & Supervisory Board Members】

Name	Independent	Corporate management	Finance/accounting	Legal affairs/compliance	Environment/energy	Technology/IT	Sales/marketing	International experience/knowledge
Nozomu Amano			○	○				
Yoshiaki Mizota						○		○
Masao Terauchi		○						○
Kunihiko Sakai	★			○				○
Sayaka Sumida	★		○					○
Takao Shiomi	★	○	○					○

(Note) The above table does not list all of the areas of experience or expertise each person has but shows the areas the Company highly expects in particular.

■ Details of skillsets

Corporate management	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	Have experience/expertise in finance/accounting; have significant experience as the person in charge of finance/accounting division
Legal affairs/compliance	Have experience/expertise in establishing legal/compliance system, etc.; have significant experience as the person in charge of legal affairs/compliance division
Environment/energy	Have extensive experience, expertise and/or network in the area of environment/energy
Technology/IT	Have experience/expertise in R&D, IT, DX, etc.; have significant experience as the person in charge of technology/IT division
Sales/marketing	Have experience/expertise in sales/marketing; have significant experience as the person in charge of sales/marketing division
International experience/knowledge	Have experience in running a company abroad or have international knowledge of international trade or a relevant specialized area

End.

Business Report

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

In the current fiscal year, the global economy has been on a recovery path, as the progress in measures to combat the global pandemic of Novel Coronavirus ("COVID-19") as well as vaccinations in each country resulted in gradual removal of restrictions on social and economic activities. On the other hand, since the end of the last year, the pace of the recovery has slowed down mainly due to the resurgence of new COVID-19 variants. In addition, since the situation in Russia and Ukraine in February 2022, there have been concerns over impacts of the instability of supplies of oil, natural gas, and various raw materials along with the price hikes, as well as impacts of economic sanctions on Russia imposed by many countries and Russia's countermeasures.

The U.S. economy has been in a strong upturn, due to an increase in consumer spending and the recovery of capital expenditures on the back of the economic packages and the improved employment/income environment. In Europe, although affected by the resurgence of COVID-19 in winter, the economy has shown a recovery trend, backed by the recovery of consumer spending. In China, its COVID-19 containment policy in certain regions curbed consumer spending, and, furthermore, the government's policy to discourage investments resulted in a decline in investments in infrastructure and real estate development. Accordingly, the pace of economic recovery has remained moderate in China.

In Japan during the first half of the year, as a state of emergency due to COVID-19 was declared and quasi-emergency measures were implemented, the pace of recovery in the employment environment and consumer spending was moderate, and, thus, the economy was basically flat. In the second half of the year, backed by the easing of restrictions on socio-economic activities, the Japanese economy has shown a recovery trend in terms of capital expenditures and consumer spending. It did not, however, enter a full-fledged recovery due to the impact of the semiconductor supply constraints since last year and the resurgence of COVID-19 as new variants emerged this January.

Under such circumstances, the Group has continued to work on various measures to strengthen its focus businesses, namely, Communications, Energy, and Automotive segments. Specifically, in order to cope with rising costs of raw materials and transportation, Communications segment has strived to improve the productivity in North America and reduce costs; Energy segment has promoted order-taking activities focusing on securing profits, and Automotive segment has strived to address low operation rates attributable to COVID-19 at its plants.

Furthermore, to realize "Furukawa Electric Group Vision 2030" (hereinafter, "Vision 2030"), while promoting ESG management*, the Company has worked on establishing a solid foundation for implementing its new Medium-term Management Plan by transforming its businesses to keep ahead of the changing environment, launching/developing new businesses, and strengthening its management with a focus on capital efficiency.

As measures for promoting ESG management, toward achieving "Furukawa Electric Group Environmental Vision 2050" with a challenge target of realizing zero greenhouse gas emissions from business activities by 2050, the Company revised "Furukawa Electric Group Environmental Targets 2030" by setting a higher target for reducing greenhouse gas emissions as well as new targets for reducing the amount of water used, etc. Toward strengthening human capital management and organizational execution abilities, the Company worked on building high-performing teams, provided employees with training programs so that they can obtain necessary skills for promoting/maintaining transformation, and promoted the reform of organization culture. Furthermore, in order to promote CSR activities, including those related to human rights, in the entire supply chain, the Company ensured that "Furukawa Electric Group's CSR Procurement Guidelines" are observed by Group companies in Japan and abroad as well as the Company's key suppliers. With respect to business transformation ahead of changes in the environment, the Company strived to establish a mechanism for reviewing its business portfolio. Furthermore, while working on creating new businesses for the entire Group, the Company

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promoted a transition in target management focusing on cost of capital, to strengthen its management with a focus on capital efficiency.

*ESG management...Management approach which takes into account Environmental, Social and Governance factors

With respect to the current year's financial results, net sales of the entire Group increased due to the following factors: as for Communications Solutions business, sales recovered from the last year's decline mainly due to an increase in sales of optical fiber cables in North America; as for Electronics Component Materials business, strong demand was captured for auto components and electronics products, along with the effect of rising price of copper metal. In terms of profits and losses, despite efforts for improving the productivity as well as improving the product category mix, such as sales expansion of strategic products, the year-on-year improvement of profit remained limited due to rising costs of raw material and transportation, among others.

As a result, the Company recorded consolidated net sales of 930.5 billion yen (up 14.6% year-on-year), consolidated operating income of 11.4 billion yen (up 35.6% yoy), and consolidated ordinary income of 19.7 billion yen (up 279.0% yoy). Furthermore, the profit of 9.6 billion yen, including the gain on sale of non-current assets, was recorded as extraordinary profit, and the loss of 8.8 billion yen, including impairment loss, was recorded as extraordinary loss. Accordingly, net income attributable to owners of the parent company amounted to 10.1 billion yen (up 0.9% yoy). Overseas sales amounted to 469.0 billion yen (up 24.6% yoy), and the overseas sales ratio was 50.4% (up 4.0 percentage points yoy).

On a non-consolidated basis, the Company recorded net sales of 292.4 billion yen (down 25.5% yoy), operating income of 0.5 billion yen (improved by 7.4 billion yoy), ordinary income of 6.5 billion yen (up 15.6% yoy), and net loss of 0.5 billion yen (turned negative with a decline of 24.9 billion yoy).

Please note that the adoption of the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, issued on March 31, 2020), etc. resulted in the following decreases: consolidated net sales by 52.5 billion yen, consolidated operating income by 0.4 billion yen, and consolidated ordinary income by 0.4 billion yen. On a non-consolidated basis, net sales decreased by 168.6 billion yen, operating income by 0.1 billion yen, and ordinary income by 0.1 billion yen.

Situation in Russia and Ukraine along with sanctions imposed by other countries had a limited impact on the current year's business results, yet the Company will continue to watch the development.

(2) Changes in business outcomes and assets

(i) Changes in Group business outcomes and assets

Category	197 th term Fiscal 2018	198 th term Fiscal 2019	199 th term Fiscal 2020	200 th term (Current term) Fiscal 2021
Net sales (JPY millions)	991,590	914,439	811,600	930,496
Operating income (JPY million)	40,842	23,565	8,429	11,482
Ordinary income (JPY million)	39,078	22,771	5,189	19,666
Profit attributable to owners of parent (JPY million)	29,108	17,639	10,001	10,093
Net income per share (JPY)	412.98	250.25	141.88	143.40
Total assets (JPY millions)	818,021	794,616	832,044	935,876

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Net assets (JPY millions)	279,911	273,030	291,617	314,062
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(ii) Changes in Company business outcomes and assets

Category	197 th term Fiscal 2018	198 th term Fiscal 2019	199 th term Fiscal 2020	200 th term (Current term) Fiscal 2021
Net sales (JPY millions)	473,626	440,675	392,616	292,424
Operating income / loss (JPY million)	5,147	531	(6,919)	501
Ordinary income (JPY millions)	22,619	11,991	5,591	6,461
Net income / loss (JPY million)	21,510	18,177	24,333	(525)
Net income / loss per share (JPY)	305.11	257.82	345.10	(7.47)
Total assets (JPY millions)	469,013	473,935	570,121	608,386
Net assets (JPY millions)	164,075	167,901	190,070	183,515

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

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

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

Segment	Net sales	Increase/ decrease from the previous year-end	Operating income / loss	Increase/ decrease from the previous year-end
Infrastructure	296,950	37,764	5,184	7,313
Electronics & Automotive Systems	500,713	67,673	123	(5,734)
Functional Products	129,998	15,318	7,583	1,285
Services and Developments etc.	34,479	(4,233)	(1,368)	338
Elimination	(31,645)	2,373	(94)	(204)
Total	930,496	118,895	11,428	2,998

Infrastructure

With respect to Communications Solutions business, our subsidiaries in North America strived to improve the productivity at optical fiber cable plants, and expand sales of high-value added products, including specialty fibers; South America saw an increase in sales of products for the FTTH and LAN solutions market; and Japan saw strong sales of network products. Beyond that, demand for digital coherent products recovered. Therefore, the business as a whole achieved an increase in both net sales and profit. However, partly due to a delay in improving the productivity and upsurge of raw material and transportation costs, net sales did not reach the level prior to the decline due to the impact of COVID-19 in the last year.

With respect to Energy Infrastructure business, Power Cable division saw steady sales growth in underground cable business in Japan, including those for renewable energy; and Industrial Cable & Power Cable Accessories division recovered from the impact of COVID-19 in the last year, and achieved an increase in both net sale and profit.

As a result, this segment recorded consolidated net sales of 297.0 billion yen (up 14.6% yoy), and consolidated operating income of 5.2 billion yen (increased by 7.3 billion yen yoy). On a non-consolidated basis, the segment reported net sales of 84.8 billion yen (down 3.9% yoy).

Due to the adoption of the Accounting Standard for Revenue Recognition, etc., consolidated net sales decreased by 7.2 billion yen.

As for Communications Solutions business, we will continue to improve the productivity at existing facilities in order to capture strong demand in the optical fiber cable market in North America, and work on further expanding sales of rollable ribbon cables, for which order-taking has been increasing. Furthermore, we will strive to ensure appropriate staffing levels to meet demand, quality improvement, and cost saving, thus increasing profit. As for Energy Infrastructure business, we will promote order-taking activities focusing on securing profits, improve manufacturing and construction capabilities, including securing necessary human resources, and steadily take orders for products with the demand for which is expected to further grow, including those for renewable energy segment and extra-high voltage underground cables in Japan, as well as submarine cables in Asia.

Electronics & Automotive Systems

Although affected by the reduction in worldwide automotive production mainly due to the shortage of semi-conductors and resin, Automotive Products business saw a recovery of net sales as a result of strong sales of wire harnesses, and the progress in installing aluminum wire harnesses, which contribute to making vehicles lighter and reducing environmental burdens, in new car lines. Meanwhile, profit decreased due to the following factors which adversely affected profit: some locations in Southeast Asia were subject to lock-down due to the impact of COVID-19 in the first half of the year; the plant operation rate has declined since the last autumn due to the resurgence of COVID-19; and expenses increased for emergency transportation which was implemented to fulfill our responsibility to supply products to customers.

With respect to Electronics Component Materials business, both net sales and profit increased, mainly because of strong demand for auto components and electronics products, among others, the improvement of its product category mix through sales expansion of high-value added products, the improvement of productivity, and the effect of rising price of copper metal.

As a result, this segment recorded consolidated net sales of 500.7 billion yen (up 15.6% yoy) and consolidated operating income of 0.1 billion yen (down 97.9% yoy). On a non-consolidated basis, the segment reported net sales of 146.5 billion yen (down 39.5% yoy).

Due to the adoption of the Accounting Standard for Revenue Recognition, etc., consolidated net sales decreased by 38.8 billion yen.

As for Automotive Products business, we will continue to work on securing multiple supply chains at the wire harnesses production sites, and promote the automation of the wire harnesses manufacturing process for the purpose of further improving the quality. With respect to Electronics

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Component Materials business, we will continue to work on improving the productivity and capturing strong demand for auto components and electronics products.

Functional Products

With respect to AT & Functional Plastics, Thermal Management Solution & Products, and Memory Disk businesses, although sales of products for data centers remained strong in the first half of the year, the demand declined in the second half because of the shortage of semi-conductors on the client side. Copper Foil business saw an increase in orders for copper foils for circuits as a result of the recovery from the fire which occurred in a subsidiary in Taiwan in 2019, and steadily captured the recovery of demand for copper foils for batteries. Accordingly, despite the impact of rising costs of certain transportation and raw materials, the segment as a whole achieved an increase in both net sales and profit.

As a result, this segment recorded consolidated net sales of 130.0 billion yen (up 13.4% yoy) and consolidated operating income of 7.6 billion yen (up 20.4% yoy). On a non-consolidated basis, the segment reported net sales of 58.8 billion yen (down 2.1% yoy).

Due to the adoption of the Accounting Standard for Revenue Recognition, etc., consolidated net sales decreased by 6.2 billion yen.

We will steadily capture demand and expand sales in the semi-conductor market, which is expected to continuously grow, and continue to work on various measures for securing profits.

Services and Developments etc.

This segment supports the Group's businesses through logistics, real estate leasing, hydraulic power generation, R&D of new products, and various services.

As a result, this segment recorded consolidated net sales of 34.5 billion yen (down 10.9% yoy) and consolidated operating loss of 1.4 billion yen (improved by 0.3 billion yen yoy). On a non-consolidated basis, the segment reported net sales of 2.2 billion yen (up 6.7% yoy).

Due to the adoption of the Accounting Standard for Revenue Recognition, etc., consolidated net sales decreased by 0.4 billion yen.

Furthermore, in order to strengthen the Group's logistic function, the Company transferred a part of shares of its subsidiary, Furukawa Logistics Corp., to SBS Holdings, Inc. in December 2021, and changed its trade name to SBS Furukawa Logistics Corp., which is now an equity method affiliate of the Company. SBS Furukawa Logistics Corp. will provide the Group with high-value added, comprehensive logistics services.

(4) Issues to be addressed

1. Furukawa Electric Group Vision 2030

Under the Group's corporate philosophy, "Drawing on more than a century of expertise in the development and fabrication of advanced materials, we will contribute to the realization of a sustainable society through continuous technological innovation", from the perspective of addressing social issues raised by "Sustainable Development Goals (SDGs*)" adopted by the United Nations, 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 follows from the perspective of revenue opportunities and risks. Considering recent changes in the business environment and growing demand from the society, the Group added "human rights and labor practices" to "building a governance system to strengthen risk management" as its sub-materiality. By addressing the materiality to achieve "Vision 2030", we will also contribute to achieving SDGs.

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*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 state articulated in Vision 2030, the Company defined the target state in 2025 which is a halfway point. To realize that, the Company formulated a new Medium-term Management Plan “Road to Vision 2030: Transformation and Challenges” for 4 years ending in FY2025 (hereinafter, “New MTMP”).

We consider that the business environment surrounding the Company, which is a premise of New MTMP, will be changing in a discontinuous and irreversible manner. For example, expected changes include the following: ESG/SDGs will become a management challenge which is critical for the survival of companies; in the era of the 100-year life, a new lifestyle will emerge and become common; the domestic market will shrink due to a declining and aging population; and we will see the rapid progress of digital transformation (DX).

In such an environment, there will be growing expectations for addressing social issues, including the realization of Beyond 5G*; realization of carbon neutrality; realization of the next-generation infrastructure enabling free flow of people and goods in a safe, secure and comfortable manner; an increase in healthy life span; and the realization of the circular economy.

Under New MTMP, we place an emphasis on enhancing/creating businesses that solve social issues in each or combination of Information, Energy and Mobility areas; and, as initiatives to increase revenue, we will work 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.” We will also work on “strengthening the foundation for ESG management” to support the above-mentioned initiatives.

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

① Maximizing revenue from existing businesses by focusing on capital efficiency

We will further proceed with the optimization of investment allocation through selection and concentration, and each business segment will implement measures to further improve capital efficiency, aiming at improving/expanding revenue of the entire Group. Specifically, in order to respond to changes in our business environment in a prompt and flexible manner, we will define the positioning of each business from the perspective of profitability and growth potential, among others, and make decisions on the allocation of management resources accordingly, to optimize our business portfolio. Furthermore, for the purpose of improving the profitability of products, we will reduce low-profit products and focus on high-value added products, and ensure our competitive advantage through cost reduction by reviewing the cost structure as well as co-creation with external partners. For the purpose of strengthening our ability to supply products, we will focus on increasing the efficiency by improving production technologies, and enhancing production capacity. That way, we will work on initiatives for improving the capital efficiency, and improve/enhance revenue from existing businesses, aiming at “maximizing earning power”.

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

We will enhance the foundation for the creation of new businesses that contribute to building next-generation infrastructure and addressing environmental concerns, through co-creation with external partners (outside the Group), where both parties share their technologies and ideas, etc. Furthermore, we will not only enhance our manufacturing by increasing added value of

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products through strengthening their functions and/or improving the quality, and by improving the competitiveness of products through cost reduction, etc., but also develop and offer products and services (where providing solutions for the issues is the starting point) by utilizing digital technologies and data. As such, we will aim at creating and offering new value.

③ Strengthening the foundation for ESG management

We will work on strengthening our ability to respond to changes in the environment surrounding the Group in a prompt and flexible manner, and undergo a transformation to be a sustainably growing company. As a part of such efforts, we set sustainability indicators and target values, and incorporate ESG factors into the core of business management. Furthermore, we will strive to enhance corporate functions, and build an operating foundation that supports business growth and transformation.

In New MTMP, in addition to the following financial targets, we set targets for sustainability indicators, which are designed for helping us realize the target state in FY2025 for each materiality (percentage of reducing greenhouse gas emissions, percentage of women in managerial positions, enhancement of human rights education, etc.). To achieve such targets, we will implement initiatives for increasing corporate value from the perspectives of both revenue opportunities and risks.

FY2025 Financial Targets

ROIC	6.0% 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 income	58.0 billion yen or more
Net income attributable to owners of the parent company	37.0 billion yen or more

While the world is increasingly becoming uncertain due to situation in Russia and Ukraine and consequent economic sanctions imposed by other countries, the Group will steadily implement various measures to increase its corporate value. We would appreciate it, if you would understand the situation and provide your continued support and guidance to us.

(5) Capital investments

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

Segment	Detail of key investments	Amount (JPY millions)	Increase/ decrease from the previous year-end (JPY millions)
Infrastructure	Rationalization of optical fiber manufacturing equipment, etc.	11,384	1,055
Electronics &	new establishment of winding wire	15,494	2

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Automotive Systems	manufacturing equipment for automobiles		
Functional Products	Expansion of copper foil manufacturing facilities, etc.	5,790	(918)
Services and Developments etc.	—	1,415	(525)
Elimination	Replacement of ERP systems, etc.	4,059	(1,433)
Total	—	38,144	(1,818)

(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.

In the current year, the Company issued corporate bonds amounting to 10 billion yen in total. In addition, mainly due to an increase in the outstanding balance of commercial paper, consolidated interest-bearing debts as of the end of the year increased by 51.5 billion yen from the previous year to 342.1 billion yen.

(7) Main loan creditor (as of March 31, 2022)

Name of creditor	Amount of loan credit (JPY millions)
Mizuho Bank, Ltd.	68,549
The Bank of Mitsubishi UFJ, Ltd.	34,245
The Norinchukin Bank	20,750
The Bank of Yokohama, Ltd.	15,999

(8) Main offices, plants, and Subsidiaries (as of March 31, 2022)

1) Furukawa Electric Co., Ltd.

Head office	6-4, Otemachi 2-chome, Chiyoda-ku, Tokyo
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(Notes) The Head Office was relocated to the above-mentioned address from "2-3, Marunouchi 2-chome, Chiyoda-ku, Tokyo" on July 19, 2021.

Type of facility	Name	Location
Branch offices	Hokkaido Branch	Sapporo
	Tohoku Branch	Sendai

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	Chubu Branch Kansai Branch Chugoku Branch Kyusyu Branch	Nagoya Osaka Hiroshima Fukuoka
Plant	Nikko Works Chiba Works Yokohama Works Hiratsuka Works Mie Works Copper foil Division	Nikko, Tochigi Pref. Ichihara, Chiba Pref. Yokohama Hiratsuka, Kanagawa Pref. Kameyama, Mie Pref. Nikko, Tochigi Pref.
R&D Laboratories	Sustainable Technologies Laboratories Automotive Products & Electronics Laboratories Telecommunications & Energy Laboratories	Yokohama Hiratsuka, Kanagawa Pref. Ichihara, Chiba Pref.

2) Subsidiaries in Japan

Company name (Head office / Plant)	Capital	% of the FEC's share	Scope of business
TOTOKU ELECTRIC CO., LTD. (Minato-ku, Tokyo / Ueda, Nagano Pref.)	JPY 1,925 million	57.30%	Manufacture and sales of electric cables and device products
The Furukawa Battery Co., Ltd. (Yokohama /Nikko, Tochigi Pref, Iwaki, Fukushima Pref.)	JPY 1,640 million	58.06%	Manufacture and sales of batteries (for automotive and industry)
KANZACC CO., LTD. (Osaka /Sakai, Fukui Pref)	JPY 720 million	99.92%	Manufacture and sales of electric cables and non-ferrous metal products
Furukawa Sangyo Kaisha, Ltd. (Minato-ku, Tokyo)	JPY 700 million	100%	Sales of electric cables and non-ferrous metal products
Okano Cable Co., Ltd. (Yamato, Kanagawa Pref. / Yamato, Kanagawa Pref.)	JPY 489 million	49.17%	Manufacture and sales of optical fiber cables and optical parts
Furukawa Electric Industrial Cable Co., Ltd. (Arakawa-ku, Tokyo /	JPY 450 million	100%	Manufacture and sales of electric cables and other cables

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Hiratsuka, Kanagawa Pref.)			
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
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
Furukawa Precision Engineering Co.,Ltd. (Nikko, Tochigi Pref./ Nikko, Tochigi Pref.)	JPY 100 million	100%	Manufacture and sales of electronic components
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
FURUKAWA C&B CO., LTD. (Hiratsuka, Kanagawa Pref./	JPY 90 million	100%	Manufacturing and sales of broadcasting antennas,

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Yokohama)			communication antennas, and line monitoring systems
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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
Furukawa Precision (Thailand) Co., Ltd.	THB 169 million	100%	Manufacture and sales of electronic components
Thai Furukawa Unicomm 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 2021, the Company had 109 consolidated subsidiaries and 14 equity-method affiliates.

[Translation for Reference Purpose Only]

(9) Employee Data (as of March 31, 2022)

Segment	Number of employees of the Group	Number of employees of Furukawa Electric Co., Ltd.
Infrastructure	10,020	1,477
Electronics & Automotive Systems	35,451	519
Functional Products	3,005	708
Services and Developments etc.	2,391	1,497
Total	50,867 (+2,418)	4,201 (+117)

- [Notes]1. Temporary employees and loan employees assigned to companies outside the Group are not included.
2. Brackets () in the above table show changes compared to the end of the previous period.
3. Number of employees in the segment of Services and Developments segment includes personnel engaged in country-wide operations such as the Head Office departments of the Company.
4. The average age of employees of the Company is 43.8 years old, and the average years of service is 18.4 years. (Temporary employees and loan employees are not included.)

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

The Company has been investigated by the Brazilian Anti-trust Authority with respect to trading of automotive parts. In class actions filed in the U.S., claiming for damage resulting from cartel activities pertaining to automotive parts, the Company or its subsidiary was named as the defendant. In addition, some clients claimed damages for the alleged violation of the Competition Act to the Company and its subsidiary. All of the above have arisen from conduct in the past, and there is no such conduct at present.

2. Shares (as of March 31, 2022)

(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	48,302

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

Name of major shareholders	Number of shares	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	11,103,100	15.72%
Custody Bank of Japan, Ltd. (Trust Account)	3,999,200	5.66%
Custody Bank of Japan, Ltd. (Mizuho Trust & Banking; Employee Retirement Benefit Trust, Mizuho Bank Account)	2,413,500	3.42%
Custody Bank of Japan, Ltd. (Trust Account 4)	2,278,000	3.23%

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BNYMSANV AS AGENT/CLIENTS LUX UCITS NON TREATY 1	1,699,900	2.41%
Asahi Mutual Life Insurance Company	1,365,050	1.93%
FURUKAWA CO., LTD.	1,329,045	1.88%
DFA INTL SMALL CAP VALUE PORTFOLIO	1,269,310	1.80%
Custody Bank of Japan, Ltd. (Mizuho Trust & Banking; Employee Retirement Benefit Trust, FURUKAWA CO., LTD. Account)	1,091,900	1.55%
Custody Bank of Japan, Ltd. (Mizuho Trust & Banking; Employee Retirement Benefit Trust, Asahi Mutual Life Insurance Company Account)	1,050,000	1.49%

[Notes] 1. Shareholding ratio is calculated with the number which deducted 49,786 shares of the Company's treasury stock.

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

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

In accordance with the resolution of the 194th Annual Shareholders Meeting held on June 27, 2016, the Company introduced the performance-linked stock remuneration system for Directors (except Outside Directors), Corporate Vice Presidents (except Directors), and Senior Fellows (partly revised at the 197th 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 3,570 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) Remunerations of the Company's officers" under Section 3 "The Company's officers".

3. Corporate Officers (as of March 31, 2022)

(1) Directors and Audit & Supervisory Board Members

Name	Position/responsibilities	Other significant positions
Mitsuyoshi Shibata	Chairman and Director	Outside Director of Isuzu Motors Limited Outside Director of TOBU RAILWAY CO., LTD. Outside Statutory Auditor of Asahi Mutual Life Insurance Company
Keiichi Kobayashi	President and Representative Director	
Osamu Tsukamoto	Outside Director (part-time)	Chairman, JAPAN COAL FRONTIER ORGANIZATION
Takashi	Outside Director (part-time)	Honorary Advisor, Mizuho Financial Group

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Tsukamoto		Outside Director, Asahi Mutual Life Insurance Company Outside Director, Aeon Co., Ltd. Outside Director, Internet Initiative Japan Inc.
Yoshiro Miyokawa	Outside Director (part-time)	
Yukiko Yabu	Outside Director (part-time)	Outside Director, DAIWA HOUSE INDUSTRY CO., LTD. Outside Director (Audit and Supervisory Committee Member), IBIDEN Co., Ltd.
Tamotsu Saito	Outside Director (part-time)	Senior Counselor of IHI Corporation Director (Outside) of JAPAN POST INSURANCE Co., Ltd. Director (Outside) of Oki Electric Industry Co., Ltd.
Hiroyuki Ogiwara	Representative Director and Corporate Executive Vice President (General Manager of Corporate Strategy & Direction Division)	
Osamu Kuroda	Director and Corporate Senior Vice President (General Manager of Global Marketing Sales Division)	
Satoshi Miyamoto	Director and Corporate Senior Vice President (General Manager of Business Basis Transformation Division)	
Akihiro Fukunaga	Director and Corporate Vice President (General Manager of Finance & Global Management Division)	
Nozomu Amano	Audit & Supervisory Board Member (full-time)	
Takahiro Kashiwagi	Audit & Supervisory Board Member (full-time)	Outside Audit & Supervisory Board Member, FUJI FURUKAWA ENGINEERING & CONSTRUCTION CO.LTD.
Yoshiaki	Audit & Supervisory Board Member	Outside Director, Asahi- Seiki Manufacturing

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Mizota	(full-time)	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 Audit & Supervisory Board Member, The Nisshin Oillio Group, Ltd
Takao Shiomi	Audit & Supervisory Board Member (outside, part-time)	

- [Notes]1. Five (5) Directors, namely Mr. Osamu Tsukamoto, Mr. Takashi Tsukamoto, Mr. Yoshiro Miyokawa, Ms. Yukiko Yabu and Mr. Tamotsu Saito as well as three (3) Audit & Supervisory Board Members, namely Mr. Takashi Tsukamoto, Mr. Kunihiko Sakai and Sayaka Sumida are registered with the Tokyo Stock Exchange as independent officers.
2. Each Audit & Supervisory Board Member has the following expertise in finance and accounting:
- Mr. Nozomu Amano, Audit & Supervisory Board Member, held managerial positions in the legal, human resources, and finance and accounting divisions of the Company, and has considerable expertise in finance and accounting.
 - 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.
3. Mr. Takashi Tsukamoto, Director and Mr. Takao Shiomi, Audit & Supervisory Board Members were newly elected as the position at the 199th Annual Shareholders Meeting held on June 24, 2021. And, Mr. Takashi Tsukamoto, Audit & Supervisory Board Members retired from the position due to the expiry of their terms at the end of the 199th Annual Shareholders Meeting.
4. The Company is a supporting member of the JAPAN COAL FRONTIER ORGANIZATION, where Mr. Osamu Tsukamoto serves as President, and pays an annual membership fee.
5. The Company contributed to the amount equivalent to 2.20% 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.
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 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

[Translation for Reference Purpose Only]

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 Directors and Officers Liability Insurance agreement

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

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

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

1) Principal activities of outside directors

① Outside Directors

Name	Attendance to Board of Directors Meeting (Attendance rate)	Comments and Remarks/ Outline of duties performed in light of expected roles
Osamu Tsukamoto	16 out of 16 (100%)	Based on his extensive knowledge/experience in industrial policy at the Ministry of Economy, Trade and Industry, following economic policies and market trends, Mr. Osamu Tsukamoto appropriately oversees the management, actively speaks mainly on R&D, business strategy, and product quality and he fulfills expected role. Moreover, he is also active as a member of the Nomination/Compensation Committee.
Takashi Tsukamoto	12 out of 12 ^(Note) (100%)	Based on his extensive knowledge/experience as a business manager of a financial institution, Mr. Takashi Tsukamoto appropriately oversees the management, actively speaks mainly on business strategy, Group company management, financial policy, and investor relations from the Group's global management perspective, and fulfills the expected role. He serves as Chairman of the Outside Officer's Meeting ^(Note) as a

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		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	12 out of 12 ^(Note) (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, finance and accounting from a perspective of Group's global management, and fulfills the 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. As Mr. Takashi Tuskamoto was newly appointed as Outside Director at the 199th Annual Shareholders Meeting, the number of his attendance to Board meetings represents his attendance after he assumed the position of Outside Director. For your information, Mr. Tsukamoto had served as Outside Audit & Supervisory Board Member until the end of the above-mentioned Annual Shareholders Meeting, and until that date, he had attended 4 out of 4 Board of Directors meetings, and 1 out of 1 Audit & Supervisory Board meeting in the capacity of Outside Audit & Supervisory Board Member.

3. Mr. Tamotsu Saito were newly elected at the 199th Annual Shareholders Meeting, his meeting attendance numbers differ from those of other Outside Director..

② Outside Audit & Supervisory Board Members

Name	Attendance	Comments and Remarks
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	Board of Directors Meeting (Attendance rate)	Audit & Supervisory Board Meeting (Attendance rate)	
Kunihiko Sakai	16 out of 16 (100.0%)	8 out of 8 (100%)	<p>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 responses to possible lawsuits from the perspective of risk management at the Board of Directors meetings as well as the Audit & Supervisory Board meetings.</p> <p>In addition to the above, he actively speaks on such topics as questioning and confirming an audit and results of a quarterly review by an accounting auditor at the Audit & Supervisory Board.</p>
Sayaka Sumida	16 out of 16 (100.0%)	8 out of 8 (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 & Supervisory Board meetings.</p> <p>In addition to the above, she actively speaks on such topics as questioning and confirming an audit and results of a quarterly review by an accounting auditor at the Audit & Supervisory Board.</p>
Takao Shiomi	16 out of 16 ^(Note) (100.0%)	7 out of 7 ^(Note) (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 &</p>

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			Supervisory Board meetings. In addition to the above, he actively speaks on such topics as questioning and confirming an audit and results of a quarterly review by an accounting auditor at the Audit & Supervisory Board.
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[Note] Mr. Takao Shiomi were newly elected at the 199th Annual Shareholders Meeting, his meeting attendance numbers differ from those of other Outside Audit & Supervisory Board Members.

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.

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(3) Remuneration of the Company's officers

(i) Nominating/Compensation Committee

A Nominating/Compensation Committee including two outside officers deliberates and makes decisions on policies, framework and other matters related to remuneration of officers and other issues under the authorization from the Company's Board of Directors. Deliberates and determines of the Committee is the followings:

【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
 - 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.

(ii) Policy for Determining the Content of Remuneration for Individual Directors and Corporate Vice Presidents of the Company

The Company has the policy for officers' remuneration, which stipulates that "the remuneration of Directors and other officers shall be determined in a way that encourages each officer to exert his/her abilities to the maximum level and proactively fulfill his/her duties, so that the Group will increase its corporate value and achieve sustainable growth while contributing to the society through its business activities." In accordance with this policy, the Board of Directors, on February 25, 2021, resolved to approve the Policy for Determining Remuneration for Individual Directors and Officers

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(hereinafter, “Individual Remuneration Policy”), as shown in “(iii) Outline of Directors’ and Officers’ Remuneration”.

Based on the policy, the committee confirms validity, 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.

(iii) Outline of Determining each Remuneration System of the Directors and Corporate Vice Presidents remuneration

The remuneration of the Company’s directors and officers is comprised of base salary, short-term performance-linked remuneration and mid-to-long-term performance-linked remuneration. A summary of each type of remuneration is shown below.

Outline of the Policy for Determining Remuneration for Individual Directors and Officers

Remuneration plan	Summary
Base salary (Fixed amount)	Basic salary is paid in cash in the fixed amount every month to Directors, Audit & Supervisory Board Members as well as Executive Officers and Senior Fellows who are not Directors. A paid amount for each person differs depending on its roles i.e. management supervision role or business execution role, and each officers position.
Short-term performance-linked remuneration (individual divisions) (Payment ratio: 0~200%)	This remuneration is paid to Directors excluding Outside Directors and Corporate Vice Presidents and Senior Fellows who are not Directors. A remuneration amount for each individual officer is determined by the Nominating/Compensation Committee upon evaluating actual performance versus the business plan (*) of a division in charge and the progress of implementing measures during the previous fiscal year, and the determined amount is paid in cash every month. (*) Actual performance is evaluated by using key performance indicators defined in accordance with the Mid-term Management Plan. However, for Chairman, President, and Directors/Officers in charge of Head Office divisions, the performance is evaluated by using indicators linked to the performance of the Company.
Short-term performance-linked remuneration (the entire Company) (Payment ratio: 0~200%)	This remuneration is paid to Directors excluding Outside Directors as well as Corporate Vice Presidents and Senior Fellows who are not Directors. A remuneration amount is fixed according to the threshold of consolidated operating income defined by Nominating/Compensation Committee as the basis for evaluation, and the determined amount is paid in cash once a year. (*) We adopted consolidated operating income as the indicator, which

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	appropriately and clearly reflects the Company's performance in a relevant fiscal year.
Mid-to-long-term performance-linked remuneration (Payment ratio: 0~130%)	<p>This remuneration is provided to Directors excluding Outside Directors as well as Corporate Vice Presidents and Senior Fellows who are not Directors (collectively, "Directors and Officers" in this column) under the stock remuneration program ("the Program" in this column). Under the Program, Directors and Officers are compensated with the Company's stocks, which are acquired by the Trust that is funded by the Company for the acquisition of stocks.</p> <p>In the Program, three fiscal years constitute a performance period (the current period is from April 1, 2019 to March 31, 2022), and the Company contributes funds up to the maximum amount of 450 million yen per performance period to the Trust as remuneration for Directors and Officers. Directors and Officers are granted a pre-determined number of points depending on their titles/positions every year as the basis of their rights to receive the Company's stocks. After the end of each performance period, the number of points qualifying Directors and Officers for receiving the Company's stocks are finalized after an adjustment for certain cases, according to the criteria for comparing changes in the Company's stock prices with those of TOPIX during the period. In case any of Directors and Officers retire from the position during the period, an adjustment is to be made in a similar manner.</p> <p>In principle, upon their retirement, Directors and Officers receive the Company's stocks from the Trust, and the number of such stocks corresponds to the number of points finalized during their term of office.</p>

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

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

Officer classification	Base salary	Short-term performance-linked remuneration		Mid-to-long-term performance-linked remuneration	Total
		(individual divisions)	(the entire Company)		
Chairman of the Board	55%	12%	12%	21%	100%
President (Representative)	55%	14%	14%	18%	100%

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Representative Director and Corporate Senior Executive Vice President	60%	13%	13%	15%	100%
Director and Corporate Executive Vice President	62%	12%	12%	14%	100%
Director and Corporate Senior Vice President	68%	11%	11%	11%	100%
Corporate Executive Vice President	60%	14%	14%	12%	100%
Corporate Senior Vice Presidents	67%	13%	13%	8%	100%
Corporate Vice Presidents / Senior Fellows	71%	16%	8%	5%	100%

- Matters concerning the determination of the content of individual remuneration, etc., of Directors

In accordance with the Policy for Determining Remuneration for Individual Directors and Officers determined by the Board of Directors, the Company has delegated to the Nominating/Compensation Committee the deliberation and decision on the system and details of remuneration, etc. for Directors as well as Corporate Vice Presidents (other than Directors) and Senior Fellows. The Committee comprises 7 members, and 5 members including the chair are Outside Directors. The composition of the Committee is as follows:

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

(iv) Matters concerning the delegation of the determination of remuneration by resolution of the Board of Directors

The Company's Board of Directors determines the Policy for Determining Remuneration for Individual Directors and Officers. From the perspective of ensuring the objectivity, fairness and transparency, as stated in "Matters concerning determining remuneration, etc. for individual Directors" in "(iii) Outline of Directors' and Officers' Remuneration", the Board of Directors delegated the following authorities to the Nominating/Compensation Committee comprising a majority of Outside Directors: the authorities specified in "(i) Nominating/ Compensation Committee 【Matters to be deliberated by Nominating/Compensation Committee】 (2) Matters to be deliberated/determined as delegated by the Board of Directors", including the determination

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of remuneration, etc. for individual officers. It was reported to the Board of Directors by the Nominating/Compensation Committee that remuneration for individual Directors determined by the Committee as well as the determining method were consistent with the Individual Remuneration Policy. Accordingly, the Board of Directors judged that the remuneration, etc. for individual Directors during the current fiscal year was consistent with the Individual Remuneration Policy.

(v) Matters concerning the determination of remuneration of directors and Audit & Supervisory Board Members at annual meeting

determination of remuneration of directors at annual meeting is below.

[Directors and Officers]

Date of resolution of shareholders meeting	Detail of resolution	Resolution about Directors numbers	Remuneration type under the current system
184 th Annual Shareholders Meeting (held on June 29, 2006)	Directors' remuneration shall not exceed 600 million yen per year. The above-mentioned maximum amount does not include salaries for employees who serve as Director.	11	Base salary Short-term performance-linked remuneration (individual) Short-term performance-linked remuneration (entire company)
197 th 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. <u>During the current year,</u>	26 (7 Directors, 17 Corporate Vice Presidents, and 2 Senior Fellows)	Mid- to long-term performance-linked remuneration

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

2. the number of eligible directors about each Remuneration type at the end of 199th Annual Shareholders Meeting is below.

Remuneration type under the current system	the number of eligible directors about each Remuneration type at the end of 199th Annual Shareholders Meeting
Base salary Short-term performance-linked remuneration (individual) Short-term performance-linked remuneration (entire company)	11
Mid- to long-term performance-linked remuneration	26 (6 Directors, 17 Corporate Vice Presidents, and 3 Senior Fellows)

[Audit & Supervisory Board Member]

Date of resolution of shareholders meeting	Detail of resolution	Resolution about Audit & Supervisory Board Members numbers
192 th Annual Shareholders Meeting (held on June 25, 2014)	Directors' remuneration shall not exceed 130 million yen per year, and an	6

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	amount of remuneration for each Audit & Supervisory Board Member is determined by mutual agreement of the Board of Audit & Supervisory Board Members.	
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[Note] the number of eligible Audit & Supervisory Board Members about Remuneration at the end of 199th Annual Shareholders Meeting is 6.

(vi) Remuneration for Directors and Audit & Supervisory Board Members in the fiscal year under review

Officer classification	Total remuneration (JPY millions)	Base salary	Total remuneration by type(JPY millions)			Number of subject officers (persons)
			Short-term performance-linked remuneration (individual divisions)	Short-term performance-linked remuneration (the entire Company)	Mid-to-long-term performance-linked remuneration	
Directors (excluding outside directors)	340	248	36	-	55	7
Audit & Supervisory Board Members (excluding outside Audit & Supervisory Board Members)	91	91	-	-	-	3
Outside Officers	110	110	-	-	-	11
Outside directors	74	74	-	-	-	7
Outside Audit & Supervisory Board Members	36	36	-	-	-	4

[Notes]1. The amounts and numbers of officers in the above table include three (3) Directors and one (1) Audit & Supervisory Board Member who retired from the positions due to the expiry of their terms at the end of the 199th Annual Shareholders Meeting held on June 24, 2021 as well as amounts of their remuneration. As for Mr. Takashi Tsukamoto, who retired from the position of Audit & Supervisory Board Member due to the expiry of his term at the end of the above-mentioned Shareholders Meeting, and was appointed as Outside Director at the above-mentioned Shareholders Meeting, the above table includes amounts of his remuneration during his term as Audit & Supervisory Board Member and during his term as Director separately in the respective columns.

2. Short-term performance linked remuneration (individual divisions) for 7 Directors (excluding Outside Directors) refers to the remuneration paid to Directors (excluding Outside Directors), Corporate Vice Presidents (excluding Directors), and Senior Fellows. A remuneration amount for each individual officer is determined by the Nominating/Compensation Committee upon comprehensively evaluating actual performance versus the business plan of a division in charge and the progress of implementing measures (*) during the previous fiscal year, and the determined amount is paid in cash every month.
- (*) For the purpose of a comprehensive evaluation of achievements of individual businesses, the Committee scores degrees of achievement versus the target operating income and the target reduction of inventories, the targets of safety and quality, etc., and risk-preparedness,

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and makes an evaluation based on the total score.

3. Short-term performance linked remuneration (the entire Company) refers to the remuneration to be paid to Directors (excluding Outside Directors). In the current fiscal year, this remuneration is not paid because the performance did not meet the qualification for payment. To appropriately and clearly reflect the performance during the relevant fiscal year, we adopted consolidated operating income (actual result in the fiscal year ended in March 2022: 11,428 million yen) as the performance indicator. The Nominating/Compensation Committee regularly checks and revises the table of remuneration depending on the level of consolidated operating income as the performance indicator and the position, in order to ensure the appropriateness of the remuneration level, taking into account consolidated operating income in the past several years. The above-mentioned table is provided below. This remuneration plan falls under the category of performance-linked remuneration, etc.

(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	19,500	16,088	12,675	9,750	7,800	4,875	-
President (Representative)	28,200	23,265	18,330	14,100	11,280	7,050	-
Corporate Senior Executive Vice President	20,800	17,160	13,520	10,400	8,320	5,200	-
Corporate Executive Vice President	13,900	11,468	9,035	6,950	5,560	3,475	-
Corporate Senior Vice President	10,000	8,250	6,500	5,000	4,000	2,500	-
Corporate Vice Presidents / Senior Fellows	5,400	4,455	3,510	2,700	2,160	1,350	-

4. The amount of mid- to long-term performance linked remuneration is calculated by deeming the number of shares equivalent to the points granted for the current fiscal year under the Stock Remuneration Plan as the remuneration for the current fiscal year. The total points granted to Directors and Officers during each period is limited to 180,000 points, and 1 point corresponds to 1 share of the Company's common stock. Points granted to each position during the period from April 1, 2019 to March 31, 2022 are shown in the table below. This remuneration plan falls under the categories of performance-linked remuneration as well as non-monetary remuneration.

Officer classification	Number of Point Granted	Number of Stock Granted per period
Chairman of the Board	5,530	21,567
President (Representative)	5,840	22,776
Corporate Senior Executive Vice President	3,480	13,572

[Translation for Reference Purpose Only]

Corporate Executive Vice President	2,530	9,867
Corporate Senior Vice President	1,580	6,162
Corporate Vice Presidents / Senior Fellows	950	3,705

In order to appropriately reflect increase in corporate value to the remuneration amount, and to share the incentive for increasing corporate value with shareholders, we adopted the Company's stock price as the performance indicator. The specific number of points to be granted (finalized points) is calculated by multiplying the cumulative total points granted in the evaluation period by the payout ratio which is determined on the basis of the degree of divergence between the volatility of the Company's stock price and the volatility of TOPIX (Tokyo Stock Price Index).

[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

[Actual degree of divergence]

0.59

[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 officer's points during the evaluation period]

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

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

[Translation for Reference Purpose Only]

- ☒ 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 Director or Officer, and after the closing of the last fiscal year, in which he/she is eligible for receiving points.

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

Meeting Date / Body	Overview
June 10, 2021 Nominating/Compensation Committee	• Discussed/evaluated performance of officers during the fiscal year ended March 2021
June 24, 2021 Board of Directors	• Resolved on delegating the decision on a remuneration amount for each Director and Corporate Vice President to Nominating/ Compensation Committee
June 24, 2021 Nominating/Compensation Committee	• Determined the remuneration amount for each Director and Corporate Vice President for the fiscal year ending March 2022

[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 253million
(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 251 million
(iii) Of the amount stated in (ii) above, remuneration to be paid by Furukawa Electric to the accounting auditor	JPY 119 million

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

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

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

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

(4) Contents of non-audit services

The Company has engaged the accounting auditor for the preparation of comfort letters, which does not fall under the scope of Article 2, Paragraph 1 of the Certified Public Accountants Act.

[Translation for Reference Purpose Only]

(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.

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

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

[Translation for Reference Purpose Only]

- ② To ensure ongoing compliance activities throughout the Group, General Manager of each division has overall responsibility for compliance for that division and in some main divisions, Compliance management officers will be appointed to effectively promote compliance activities.
 - ③ To prevent any future involvement in cartels, the Company will ensure thorough monitoring functions through ongoing educational and enlightening activities relating to the Antimonopoly Act of Japan and competition laws of various countries, strengthening of controls on contacts with industry peers and pricing processes, and advice from external professionals to be received on a regular basis.
 - ④ To enable early discovery of and correction to compliance infringements, active use shall be made of the whistle blowing system. In response to any notice of suspected violation, Risk Management Department in the Risk Management Division and related divisions shall promptly take the appropriate action consistent with the protection of the whistle blower and submit a report to the Board of Directors as appropriate.
 - ⑤ Serving as the section for internal auditing, the Auditing Division shall monitor the execution of duties in individual segments, verify whether the international control framework including the internal control system is operating properly and report the findings to the management team.
 - ⑥ With a basic philosophy of adopting a resolute approach and cutting out all relations with antisocial individuals or groups as stated in Item 7-4 of "Furukawa Electric Group CSR Code of Conduct", comprehensive compliance with the provisions is ensured under the supervision of Administration Department in the Risk Management Division.
- (2) Systems for storage and control of information on directors' execution of duties
- ① Records and documents relating to critical decisions made by the Board of Directors, management committee and under the *ringi* decision-making system shall be stored in accordance with "Regulations on Document Storage" and other internal regulations.
 - ② Information relating to directors' execution of duties shall be controlled in accordance with the Basic Regulations on Information Security and other internal regulations and appropriately treated from the perspective of its importance as information assets and necessity of protection.
- (3) Regulations and other systems relating to control of possibilities of making losses (hereinafter referred to as "risks")
- ① When any critical decision is made by the Board of Directors, management committee or under the *ringi* system, any risk that may be expected to be associated with the matter with which the decision is concerned shall be stated in materials and the decision shall be made after developing awareness of the risk. If any risk is recognized that may have a serious impact on the Company, a system shall be established to ensure that its details and countermeasures against it are reported to the Board of Directors as needed.
 - ② Risk control conducted by individual divisions that perform business operations shall be subject

[Translation for Reference Purpose Only]

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.

[Translation for Reference Purpose Only]

- 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 Philosophy" and "Furukawa Electric Group CSR Code of Conduct", the placement of representatives for administering compliance will be made obligatory for subsidiary companies in "Compliance Manual". In addition, under the leadership of the Risk Management Division, education, advice and guidance on risk management, internal control and compliance will be provided to subsidiary companies.
- ⑤ Part-time officers shall be dispatched to major subsidiaries to monitor their overall management status, including compliance and risk control. The Auditing Division shall perform an audit of subsidiaries from the standpoint of the auditing section of their parent company.
- (7) Provisions concerning assistant employees requested by the Audit & Supervisory Board Members for assistance in their duties
At the request of Audit & Supervisory Board Member for any assistant employee, appropriate personnel shall be appointed after consultation with the Audit & Supervisory Board Member.
- (8) Provisions concerning independence of the employees stipulated in the preceding item from Directors, and secureness of effective instructions for them
 - ① The assistant employee shall be appointed as assistant to the Audit & Supervisory Board Member by an order of appointment and shall assist the Audit & Supervisory Board Member in fulfilling his or her duties and in operating the Audit & Supervisory Board.
 - ② Pursuant to the Internal Regulations on Assistant Employees to Audit & Supervisory Board Members, assistant employees shall be guaranteed independence from Directors. Transfer, appraisal, disciplinary action and other matters involving assistant employees shall require the approval of the Audit & Supervisory Board Member.
- (9) Systems for reporting from directors and employees to Audit & Supervisory Board Members and other systems relating to notification to Audit & Supervisory Board Members
 - ① It shall be ensured that Audit & Supervisory Board Members have constant access to any meeting or any material they deem necessary for auditing purposes.
 - ② Directors or division managers shall report to Audit & Supervisory Board Members the Group's status of development and operation of internal control, compliance and risk control as appropriate.
 - ③ Directors or division managers shall provide swift notification to Audit & Supervisory Board

[Translation for Reference Purpose Only]

Members should they discover any fact with the potential to severely damage the Company or any critical fact that constitutes a breach of laws, regulations or the Articles of Incorporation committed by a director or a division manager among the Group, should they conduct an investigation into the notification under the whistle blowing system or should government authorities issue any caution or take disciplinary action against the Company.

④ Audit & Supervisory Board Members may request that the directors and employees of the Company, as well as its subsidiaries, report on matters concerning the execution of their duties.

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

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

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

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

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

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

They shall be made known throughout the entire Company. The status of auditing shall also be reported to the president and the Board of Directors on a regular basis.

② The standards for audits performed by Audit & Supervisory Board Members shall be made known to Directors and employees to deepen internal awareness and understanding of the importance of auditing performed by Audit & Supervisory Board Members.

③ The division responsible for internal audits shall be strengthened and it shall have closer ties with Audit & Supervisory Board Members.

④ When Audit & Supervisory Board Members make any request for ensuring effectiveness of their audit, Directors and employees shall respond sincerely.

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

1) Matters concerning compliance and risk management

[Translation for Reference Purpose Only]

- ① The Risk Management Committee, chaired by the President, met two (2) times in the fiscal year under review. The Committee assessed risks of the Group, and considered a direction of activities for mitigating risks based on the results of the assessment. The Committee checked the status of risk management through such activities as sharing examples of compliance issues, operating the whistleblowing system, providing compliance training, proceeding with the business continuity plan, including responses to COVID-19, and implementing cyber/information security measures; and deliberated and determined countermeasures for matters to be improved. The Committee's activities are reported to the Board of Directors.
- ② The Quality Control Committee of Furukawa Electric Group, a special committee for the Risk Management Committee, was held four (4) times for the fiscal year under review and investigated on product inspections. The special committee collects information on the occurrence of serious quality issues and claims from clients and provides guidance on improvement measures for a quality control system as necessary.
- ③ During the fiscal year under review, seminars on competition law and bribery regulations were held at Head Office, branch companies and other facilities. A publication outlining examples of compliance issues distributed to management and related admin divisions. Whistleblowing disclosures were dealt with appropriately upon consultation with outside experts where necessary.
- ④ The results of operational audits of operating departments by the Internal Audit Department were reported to the managers of the audited departments, and a summary of the results was also reported to the management, including the President, and Audit & Supervisory Board members.

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

- ① During the current fiscal year, the Board of Directors met 16 times. At the meetings, Directors made decisions on the execution of important operations and assessed the level of attainment of management targets, including annual budget. The Board also deliberated on the formulation of the next Medium-term Management Plan which starts from FY2022 as well as corporate governance and other basic management matters.
- ② A director remuneration system is in place and in operation so the ratio of performance-linked compensation to total remuneration, including the stock compensation system, will increase to more appropriately reflect the performance of the execution of duties compensated for executive directors and executive officers, based on the decisions of the Nomination/Compensation Committee, the majority of whose members are outside directors.

3) Matters concerning the appropriateness of financial reporting

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

[Translation for Reference Purpose Only]

4) Matters concerning the soundness of operations of the Group

- ① Budgets for single fiscal years were set out and managed for each subsidiary company, and matters specified in the Standards for referral/ reporting to the Company as important matters relating to the management of subsidiary companies were deliberated by the Board of Directors and the Management Committee. The Company also provided support to help overseas subsidiaries in particular to improve their management foundations in relation to personnel/labor, accounting and IT.
- ② The Group Compliance Committee met to share information on activities relating to important aspects of internal control in Japan. The Company has worked on strengthening the internal control within the Group by distributing the casebook of compliance issues to Group companies in Japan and overseas and holding compliance seminars on compliance with the competition law and prohibition of bribery in Japan and Malaysia.
- 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.
- ② 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.
- ③ In the fiscal year under review, the Audit & Supervisory Board met eight (8) times and exchanged opinions and shared information.
- ④ The Audit & Supervisory Board received reports about the audit plan by the Accounting Auditor and discussed important audit items and key audit matters (KAMs), etc. Furthermore, with respect to quarterly and annual financial results, the Audit & Supervisory Board received a report from Account Auditor on quarterly review results and audit results for the fiscal year as well as the audit quality management, and exchanged opinions..

[Translation for Reference Purpose Only]

- ⑤ 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 200th Fiscal Year
Consolidated Balance Sheet
(As of March 31, 2022)

(Unit: JPY millions)

Account title	Amount	Account title	Amount
(Assets)		(Liabilities)	
Current assets	502,963	Current liabilities	379,716
Cash and deposits	65,153	Notes and accounts payable	127,988
Notes, accounts receivable – trade and contract assets	230,326	Short-term loans payable	115,000
securities	3,257	Commercial paper	54,000
Merchandise and finished goods	59,932	Income taxes payable	2,649
Work in process	40,116	Provision for product defect compensation	3,045
Raw materials and supplies	64,067	Other	77,033
Other	41,157	Long-term liabilities	242,097
Allowance for doubtful accounts	(1,048)	Straight bonds	40,000
Fixed assets	432,912	Long-term debt	133,120
Property, plant and equipment	260,163	Provision for environmental measures	9,343
Buildings and structures	246,887	Net defined benefit liability	43,806
Machinery, equipment and delivery equipment	475,919	Asset retirement obligations	1,485
Tools, furniture and fixtures	75,229	Other	14,340
Land	35,935	Total liabilities	621,813
Lease assets	1,273	(Net assets)	
right-of-use asset	15,078	Shareholders' equity	266,018
Construction in progress	20,074	Capital stock	69,395
Accumulated depreciation	(610,235)	Capital surplus	23,178
Intangible assets	20,520	Retained earnings	174,346
Goodwill	573	Treasury stock	(901)
Other	19,947	Valuation and translation adjustments	13,201
Investments and other assets	152,228	Valuation difference on available-for-sale securities	12,446
Investment securities	116,767	Deferred gains or losses on hedges	2,963
Investments	6,082	Foreign currency translation adjustment	817
Deferred tax assets	7,899	Re-measurements of defined benefit plans	(3,024)
Net defined benefit asset	8,127	Minority interests	34,843
Others	14,264	Total net assets	314,062
Allowance for doubtful accounts	(912)	Total liabilities and net assets	935,876
Total assets	935,876		

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

[Translation for Reference Purpose Only]
Consolidated Statement of Operation
(From April 1, 2021 to March 31, 2022)

(Unit: JPY millions)

Account title	Amount
Net sales	930,496
Cost of sales	791,804
Gross profit	138,691
Selling, general and administrative expenses	127,263
Operating profit	11,428
Non-operating income	14,510
Interest income and dividends income	2,160
Share of profit of entities accounted for using equity method	9,045
Foreign exchange gains	1,496
Gain on valuation of derivatives	72
Other	1,735
Non-operating expenses	6,272
Interest expenses	3,375
Other	2,897
Ordinary income	19,666
Extraordinary income	9,580
Gain on disposal of noncurrent assets	2,082
Gain on sales of investment securities	1,859
Insurance income	2,051
Gain on refund of PIS/COFINS for prior periods	2,722
Other	864
Extraordinary loss	8,816
Loss on disposal of noncurrent assets	1,296
Impairment loss	1,489
Business restructuring expenses	2,303
Product warranty provisions	703
Loss on sale of businesses	120
Loss on COVID-19	780
Other	2,123
Profit before income taxes	20,430
Total income taxes	7,190
Income taxes-current	5,673
Income taxes-deferred	1,517
Profit before minority interests	13,239
Minority interests	3,145
Profit attributable to owners of parent	10,093

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

[Translation for Reference Purpose Only]
Non-Consolidated Financial Statements for the 200th Fiscal Year

Non-Consolidated Balance Sheet

(As of March 31, 2022)

(Unit: JPY millions)

Account title	Amount	Account title	Amount
(Assets)		(Liabilities)	
Current assets	285,565	Current liabilities	225,824
Cash and deposits	15,832	Notes payable - trade	947
Notes receivable-trade	2,354	Accounts payable - trade	80,685
Electronically recorded monetary claims	7,780	Short-term loans payable	52,954
Accounts receivable - trade	101,984	Commercial paper	54,000
Contract assets	6,968	Accounts payable-other	14,319
Accrued income taxes	1,194	Accrued expenses	16,318
Merchandise and finished goods	9,150	Contract liabilities	1,205
Work in process	18,392	Provision for product warranties	387
Raw materials and supplies	13,296	Provision for environmental measures	214
Prepaid expenses	1,384	Provision for loss on construction contract	53
Short-term loans receivable	79,391	Other	4,737
Accounts receivable-other	25,428	Long-term liabilities	199,036
Other	2,426	Straight bonds	40,000
Allowance for doubtful accounts	(21)	Long-term loans payable	127,100
Fixed assets	322,811	Provision for retirement benefits	20,715
Property, plant and equipment	80,621	Provision for environmental measures	9,333
Buildings	31,706	Provision for loss on business of subsidiaries and affiliates	234
Structures	3,459	Allowance for stock benefit for directors	468
Machinery and equipment	20,114	Asset retirement obligations	508
Vehicles and delivery equipment	135	Other	677
Tools, furniture and fixtures	3,112	Total liabilities	424,861
Land	12,391	(Net assets)	
Lease assets	84	Shareholders' equity	171,685
Construction in progress	9,618	Capital stock	69,395
Intangible assets	12,780	Capital surplus	21,466
Software	12,532	Other capital surplus	21,466
Other	247	Retained earnings	81,684
Investments and other assets	229,409	Legal retained earnings	3,495
Investment securities	28,483	Other retained earnings	78,188
Stock of subsidiaries and affiliates	99,432	Retained earnings carried forward	78,188
Investments in capital of subsidiaries and affiliates	44,899	Treasury stock	(860)
Long-term loans receivable from Subsidiaries and affiliates	64,059	Valuation and translation adjustments	11,829
Prepaid pension cost	5,517	Unrealized gains on available-for-sales securities	10,833
Deferred tax assets	4,129	Deferred gains on derivatives under hedge accounting	996
other	5,054	Total net assets	183,515
Allowance for doubtful accounts	(22,167)	Total liabilities and net assets	608,376
Total assets	608,376		

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

[Translation for Reference Purpose Only]
Non-Consolidated Statement on Operation
(From April 1, 2021 to March 31, 2022)

(Unit: JPY millions)

Account title	Amount
Net sales	292,424
Cost of sales	250,922
Gross profit	41,501
Selling, general and administrative expenses	41,000
Operating income	501
Non-operating income	12,520
Interest and dividends income	10,343
Foreign exchange gains	1,504
Other	671
Non-operating expenses	6,560
Interest expenses	964
Reversal of allowance for doubtful accounts	4,810
Other	785
Ordinary income	6,461
Extraordinary income	3,074
Gain on disposal of noncurrent assets	1,761
Gain on sales of subsidiaries and affiliates' stocks	623
Gain on sales of investment securities	427
Other	261
Extraordinary loss	8,406
Loss on disposal of noncurrent assets	555
Loss on valuation of stocks of subsidiaries and affiliates	6,485
Expenses of business structure improvement	759
Other	605
Net income before income taxes	1,129
Income taxes and others	805
Adjustment to deferred income taxes	849
Net loss	(525)

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