[Translation for Reference Purpose Only]

June 2, 2021

Dear Shareholders:

Notice of the 199th Annual Shareholders Meeting

You are cordially invited to attend the 199th Annual Shareholders Meeting of Furukawa Electric Co., Ltd. to be held on June 24, 2021, at 10:00 a.m., at Tokyo Prince Hotel, 3-3-1 Shibakoen Minato-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 199th fiscal year (from April 1, 2020 to March 31, 2021)
2. Reports on Non-Consolidated Accounting Documents for the 199th fiscal year (from April 1, 2020 to March 31, 2021)

To consider and act on the following proposals,

Proposal One:	**Dividends from surplus**
Proposal Two:	**Election of eleven (11) Directors**
Proposal Three:	**Election of one (1) Audit & Supervisory Board Member**
Proposal Four:	**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 23, 2021 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, 2021, which consist of consolidated balance sheet, and consolidated statement of operation, non-consolidated balance sheet, non-consolidated statement of operation; hereinafter the same). Due to differences of accounting, legal, and other systems as well as language, etc., this English version might contain inaccuracies, and therefore, might be inconsistent with the original import intended in Japanese version. Certain parts of the translation may have been edited to accommodate differences in writing style and expression between English and Japanese version. In the event of any discrepancies between the Japanese and English version, the former shall prevail. Furukawa Electric Co., Ltd. shall accept no responsibility or liability for damage or loss caused by any error, inaccuracy, or misunderstanding with regard to this translation.

[Translation for Reference Purpose Only]

Proposal One: Dividends from surplus

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

Based on the policy, with the five-year management plan "Furukawa G Plan 2020", for the purpose of improving profitability and strengthening balance sheet, the Company will allocate its capital resources mainly to telecommunication and energy infrastructure and auto part market as the Furukawa group's focused business sector for its sustainable growth and capital expenditure and R&D for new business opportunity. 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.

(1) Matters concerning allotment of dividend assets to shareholders and total amount of dividends
60 yen per common share of the Company
Total amount: 4,237,026,780yen

(2) Effective date of the dividend from surplus
June 25, 2021

[Translation for Reference Purpose Only]

Proposal Two: Election of eleven (11) Directors

The term of office of all Directors (12 Directors) will expire at the close of the Annual Shareholders Meeting. We therefore request you to appoint 11 Directors, reducing the number of Directors by one (1) in order to expedite the Board's decision-making, and to enhance the Board's oversight function by increasing the percentage of Independent 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	Election Candidate for Outside Director, Independent Officer	Outside Audit & Supervisory Board Member
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	Election Candidate for Outside Director, Independent Officer	-
8	Hiroyuki Ogiwara	Re-election	Representative Director and Corporate Senior Executive Vice President, General Manager of Corporate Strategy & Direction Division
9	Osamu Kuroda	Re-election	Director and Corporate Senior Vice President, General Manager of Global

			Marketing Sales Division
10	Satoshi Miyamoto	Re-election	Director and Corporate Senior Vice President, General Manager of Business Basis Transformation Division
11	Akihiro Fukunaga	Re-election	Director and Corporate Senior Vice President, General Manager of Finance & Global Management Division

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

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

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]

■Brief history

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)

Number of shares in the Company 7,600 Shares

Number of Potential shares (*1) 31,080 Shares

The Number of Attendance at the Board of Directors Meetings 17 out of 17 times

The Number of Attendance at Nominating/ Compensation Committee 7 out of 7 times (*2)

■Important Concurrent Posts

Director (Outside) of ISUZU MOTORS LIMITED

Director (Outside) of TOBU RAILWAY CO., LTD.

Statutory Auditor (Outside) of Asahi Mutual Life Insurance Company

■Reasons for selection as a candidate for Director

Mr. Mitsuyoshi Shibata has been involved in management within the Furukawa Group for many years, holding positions including President and Representative Director. Since April 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.

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 7,000 Shares

Number of Potential shares (*1) 28,510 Shares

The Number of Attendance at the Board of Directors Meetings 17 out of 17 times

The Number of Attendance at Nominating/ Compensation Committee 7 out of 7 times (*2)

■Important Concurrent Posts

N/A

■Reasons for selection as a candidate for Director

Mr. Keiichi Kobayashi served as President & Representative Director. He has extensive experience and in-depth insight in business operations and marketing/sales, as well as excellent leadership skills. Toward achieving the Medium-term Management Plan “Furukawa G Plan 2020”, he has implemented various measures for strengthening key businesses, and reviewed the business portfolio by taking into account the synergy with such key businesses in a comprehensive manner. In the midst of the global COVID-19 pandemic, he demonstrated strong leadership in implementing various measures to minimize adverse effects on our businesses. He plays a role as the top management in powerfully advancing the Medium-Term Management Plan, and further increasing the corporate value to realize “Furukawa Electric Group Vision 2030” which was developed toward 2030. Therefore, the Company requests his re-election as a Director.

3.	**Osamu Tsukamoto**	[Date of Birth: June 11, 1953]

Candidate for outside Director and Independent Officer

■Brief history

April 1977	Joined the Ministry of International Trade & Industry (presently Ministry of Economy, Trade & Industry)
July 2003	Deputy Director-General for Regional Economic and Industrial Policy Group, and Agency for Natural Resources and Energy
June 2004	Director-General for Manufacturing Industries Bureau
July 2006	Deputy Director-General for Technology Policy Coordination
July 2008	Director-General, Kanto Bureau for Economy, Trade and Industry
July 2009	Director-General for Regional Economic and Industrial Policy
July 2010	Retire from office
Oct. 2010	Distinguished Professor of Tokyo University of Science
Oct. 2010	Advisor of Furukawa Electric Co., Ltd. (part-time)
June 2013	Director (Outside) of Furukawa Electric Co., Ltd. (present post)
Mar. 2014	Retire from Distinguished Professor of Tokyo University of Science
June 2014	President of Japan Coal Energy Center (presently JAPAN COAL FRONTIER ORGANIZATION, present post)

Number of shares in the Company 500 Shares

The Number of Attendance at the Board of Directors Meetings 17 out of 17 times

The Number of Attendance at Nominating/ Compensation Committee 7 out of 7 times (*2)

■Important Concurrent Posts

President of Japan Coal Energy Center

■Reasons for selection as a candidate for Director and expected roles

Mr. Osamu Tsukamoto has made comments on the field of research and development and directions of new businesses and has provided advice, etc. on administrative subsidy measures based on his many years of experience in the industrial policy field 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. We request the re-election of Mr. Tsukamoto as Outside Director so that he will supervise the progress in the mid-term management plan, among other tasks, given the group's renewed focus on developing new technologies and new businesses, and so that he will continue to provide us with such useful comments and advice in the future.

4.	Takashi Tsukamoto	[Date of Birth: Aug 2, 1950]

Candidate for outside Director and Independent Officer

■Brief history

April. 1974 Joined The Dai-Ichi Kangyo Bank., Ltd.（presently Mizuho Bank, Ltd.）
April. 2002 Executive Officer / General Manager of Human Resources Division of Mizuho Corporate Bank, Ltd. (presently Mizuho Bank, Ltd.）
Mar. 2003 Managing Executive Officer / Head of Risk Management Group and Head of Human Resources Group of Mizuho Financial Group, Inc.
April. 2004 Managing Executive Officer / Head of Europe, Middle East and Africa of Mizuho Corporate Bank, Ltd.
Mar. 2006 Managing Director / Chief Strategy Officer and Chief Financial Officer of Mizuho Corporate Bank, Ltd.
April. 2007 Deputy President of Mizuho Corporate Bank, Ltd.
April. 2008 Deputy President-Executive Officer / Head of Financial Control and Accounting Group of Mizuho Financial Group, Inc.
June. 2008 Deputy President / Head of Financial Control and Accounting Group of Mizuho Financial Group, Inc.
April. 2009 President & CEO of Mizuho Financial Group, Inc.
June. 2011 Chairman of Mizuho Financial Group, Inc. and President & CEO of Mizuho Bank, Ltd.
July. 2013 Chairman of Mizuho Financial Group, Inc. and Chairman of Mizuho Bank, Ltd.
Nov. 2013 Chairman of Mizuho Financial Group, Inc.
April. 2014 Senior Advisor of Mizuho Financial Group
April. 2017 Honorary Advisor of Mizuho Financial Group (present post)
June. 2017 Outside Audit & Supervisory Board Member of Furukawa Electric Co., Ltd. (present post)

Number of shares in the Company 2,300 Shares

The Number of Attendance at the Board of Directors Meetings 17 out of 17 times *Status of attendance as Audit & Supervisory Board Member

The Number of Attendance at Audit & Supervisory Board 8 out of 8 times

■Important Concurrent Posts

Honorary Advisor of Mizuho Financial Group

Director (Outside) of Asahi Mutual Life

Director (Outside) of AEON CO., LTD.

Director (Outside) of Internet Initiative Japan Inc.

■Reasons for selection as a candidate for Director and expected roles

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. Furthermore, since he assumed the position of Outside Audit & Supervisory Board Member of the Company in 2017, he has actively shared his views on the Group's business management and financial strategies from the perspective of risk management, and contributed to fair audits of the

Group. Upon the expiration of his term of office as Audit & Supervisory Board Member, the Company would like him to provide advice and recommendations on the Group's corporate governance system and global corporate management based on his experience and expertise, and contribute to strengthening the oversight function of the Board of Directors from an independent viewpoint. In such an expectation, the Company requests his election as an Outside Director.

5.	**Yoshiro Miyokawa**	[Date of Birth: December 28, 1952]

Candidate for outside Director and Independent Officer

■Brief history

April 1975	Joined Yamanouchi Pharmaceutical Co., Ltd. (presently Astellas Pharma Inc.)
Jan. 2003	General Manager, Business Process Innovation Promotion Department, Yamanouchi Pharmaceutical
Sept. 2004	Leader, Integration Secretariat, Merger Preparatory Committee, Group Strategy Planning Department, Yamanouchi Pharmaceutical
April 2005	General Manager, Integration Promotion Department, Astellas Pharma Inc.
Sept. 2005	Executive Officer and General Manager, Business Innovation Department, Astellas Pharma Inc.
April 2006	Executive Officer and General Manager, Human Resources Department, Astellas Pharma Inc.
April 2008	Executive Officer and Chief Administrative Officer, Astellas Pharma Inc.
June 2008	Senior Executive Officer and Chief Administrative Officer, Astellas Pharma Inc.
June 2011	Vice President and Executive Officer, Astellas Pharma Inc.
June 2013	Representative Director & Vice President, Chief Administrative Officer, and Chief Compliance Officer, Astellas Pharma Inc.
June 2017	Retired from Astellas Pharma Inc.
June 2019	Director (Outside) of Furukawa Electric Co., Ltd. (present post)

Number of shares in the Company 1,700 Shares

The Number of Attendance at the Board of Directors Meetings 17 out of 17 times

The Number of Attendance at Nominating/ Compensation Committee 7 out of 7 times (*2)

■Important Concurrent Posts

N/A

■Reasons for selection as a candidate for Director and expected roles

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, he has actively provided advice and recommendations on the medium to long-term business strategies, corporate governance, and human resources strategies, etc., and played a supervisory role concerning the progress of the Medium-Term Management Plan, etc.

While our Group will work on further improvement of the Group governance system, we expect that he will provide useful advice and recommendations based on his extensive experience in corporate management and supervise the management. Therefore, the Company requests his re-election as an Outside Director.

6.	**Yukiko Yabu**	[Date of Birth: June 23, 1958]

Candidate for outside Director and Independent Officer

■Brief history

April 1981	Joined Matsushita Electric Industrial Co., Ltd. (presently Panasonic Corporation)
Jan. 2006	Director of Lifestyle Value Research Laboratory, R&D Headquarters, Home Appliances Company, Matsushita Electric Industrial Co., Ltd.
Jan. 2011	Director of Global Consumer Research Center, Corporate Brand Strategy Division, Panasonic Corporation
April 2012	Director of Consumer Research Center, Global Consumer Marketing Sector, Panasonic Corporation
April 2013	Director and Group Manager responsible for consumer research at the Global Marketing Planning Center, Appliances Company, Panasonic Corporation
March 2014	Retired from Panasonic Corporation
June 2014	Director (Outside) of DUSKIN CO., LTD.
June 2015	Director (Outside) of TAKARA HOLDINGS INC.
June 2016	Director (Outside) of Daiwa House Industry Co., Ltd. (Present Post)
June 2017	Retired from the position of Outside Director, DUSKIN CO., LTD.
June 2018	Retired from the position of Outside Director, TAKARA HOLDINGS INC.
June 2019	Director (Outside) of Furukawa Electric Co., Ltd. (present post)

Number of shares in the Company 700 Shares

The Number of Attendance at the Board of Directors Meetings 17 out of 17 times

The Number of Attendance at Nominating/ Compensation Committee 7 out of 7 times (*2)

■Important Concurrent Posts

Director (Outside) of DAIWA HOUSE INDUSTRY CO., LTD.

■Reasons for selection as a candidate for Director and expected roles

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, she has actively provided advice and recommendations on marketing activities, human resources strategies, and other matters, and played a supervisory role concerning the progress of the Medium-Term Management Plan, etc. While our Group accelerates the global sales expansion,

we expect that she will provide advice and recommendations based on her insights into marketing, product development, etc. and supervise the management. Therefore, the Company requests her re-election as an Outside Director.

7.	Tamotsu Saito	[Date of Birth: July. 13, 1952)]

Candidate for outside Director and Independent Officer

■Brief history

April. 1975.	Joined Ishikawajima-Harima Heavy Industries Co., Ltd (presently IHI Corporation)
June. 2006	Executive Officer, Vice President of Aero-Engine & Space Operations of Ishikawajima-Harima Heavy Industries Co., Ltd.
Jan. 2008	Executive Officer, President of Aero-Engine & Space Operations of IHI Corporation
April. 2008	Director, Executive Officer, President of Aero Engine & Space Operations of IHI Corporation
April. 2009	Director, Managing Executive Officer, President of Aero-Engine & Space Operations of IHI Corporation
April. 2011	Executive Vice President of IHI Corporation
April. 2012	President, Chief Executive Officer of IHI Corporation
April. 2016	Chairman of the Board, Chief Executive Officer of IHI Corporation
April. 2017	Chairman of the Board of IHI Corporation
April. 2020	Director of IHI Corporation
June. 2020	Senior Counselor of IHI Corporation (present post)

Number of shares in the Company 0 Shares

The Number of Attendance at the Board of Directors Meetings N/A

The Number of Attendance at Nominating/ Compensation Committee N/A

■Important Concurrent Posts

Senior Counselor of IHI Corporation

Director (Outside) of JAPAN POST INSURANCE Co., Ltd.

Director (Outside) of Oki Electric Industry Co., Ltd.

■Reasons for selection as a candidate for Director and expected roles

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 (*monozukuri*). The Company requests his election as an Outside Director in the expectation that, with his experience and expertise, he will provide advice and recommendations on management of the Company which seeks further development as a manufacturer, and contribute to strengthening the Board's oversight function from an independent viewpoint

8.	**Hiroyuki Ogiwara**	[Date of Birth: February 18, 1961]

■Brief history

April 1983	Joined Furukawa Electric Co., Ltd.
Dec. 2003	Vice President and Chief Financial Officer of OFS Fitel, LLC
Nov. 2005	Manager, Tax & Accounting Department
June 2009	General Manager, Finance & Accounting Department
April 2013	General Manager, Finance & Accounting Department, Finance & Procurement Division
April 2014	Corporate Vice President and General Manager, Finance & Procurement Division
June 2014	Director and Corporate Vice President, General Manager, Finance & Procurement Division
April 2016	Director and Corporate Senior Vice President, General Manager, Finance & Procurement Division and General Manager, Global Group Management Division
April 2017	Director and Corporate Executive Vice President, General Manager, Finance & Procurement Division and General Manager, Global Group Management Division
April 2018	Director and Corporate Executive Vice President, General Manager, Finance & Procurement Division
April 2019	Representative Director and Corporate Senior Executive Vice President, General Manager, Transformation Division
April 2021	Representative Director and Corporate Senior Executive Vice President, General Manager, Corporate Strategy & Direction Division (present post)

Number of shares in the Company 5,300 Shares

Number of Potential shares (*1) 14,810 Shares

The Number of Attendance at the Board of Directors Meetings 17 out of 17 times

■Important Concurrent Posts

N/A

■Reasons for selection as a candidate for Director

Mr. Hiroyuki Ogiwara has a wealth of knowledge and experience in serving as CFO of an overseas subsidiary and General Manager of Finance & Procurement Division of the Company and supporting financial aspects of the Group's businesses over the years. Since April 2019, Mr. Ogiwara, as the leader of Transformation Division, has been promoting transformation activities toward increasing the entire Group's earnings power and reinforcing the organizational ability for execution. In addition to assisting President in decision-making in execution of operations as Corporate Senior Executive Vice President, Mr. Ogiwara has been leading Corporate Strategy & Direction Division since April 2021. The Company expects that he will contribute to revitalizing discussions on the Board from the perspective of developing management strategies and new

businesses towards the achievement of "Furukawa Electric Group Vision 2030", and requests his re-election as a Director.

9.	**Osamu Kuroda**	[Date of Birth: July 21, 1959]

■Brief history

April 1983	Joined Furukawa Electric Co., Ltd.
April 2007	General Manager of Sales Department of Telecommunication Division, Telecommunications Company, Furukawa Electric Co., Ltd.
Dec. 2009	Assistant Manager of Corporate Planning Department
April 2010	General Manger of Group Business Management Department
April 2012	Assistant Manager of Electronics & automotive Systems Company
April 2013	General Manager of Sales Planning & Marketing Department, Sales & Marketing Division
April 2015	Corporate Vice President, General Manager, Kansai Branch and Hokuriku Sub Branch, Sales & Marketing Division
April 2016	Corporate Vice President, Deputy General Manager, the Global Marketing Sales Division, General Manager of Kansai Branch and Hokuriku Sub Branch in the said division
April 2017	Corporate Senior Vice President, General Manager, the Global Marketing Sales Division
June 2017	Director and Corporate Senior Vice President, General Manager, the Global Marketing Sales Division
April 2020	Director and Corporate Senior Vice President, General Manager, the Global Marketing Sales Division (present post)

Number of shares in the Company 4,100 Shares
Number of Potential shares (*1) 7,460 Shares

The Number of Attendance at the Board of Directors Meetings 17 out of 17 times

■Important Concurrent Posts

N/A

■Reasons for selection as a candidate for Director

Mr. Osamu Kuroda has been engaged in product sales and corporate planning for many years, mainly in the infrastructure field of the power and telecommunication-related businesses, which are focus areas of the Company Group. He has extensive knowledge and experience in the Company Group's business, products, market and clients. From the standpoint of managing marketing and sales activities, he has been taking the lead in global marketing and sales activities towards the achievement of "Furukawa Electric Group Vision 2030". We request the re-election of Mr. Kuroda

as Director in the hope that he will contribute to discussions of the Board of Directors from a marketing and sales perspective.

10.	**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 (Present Post)

Number of shares in the Company 1,300 Shares

Number of Potential shares (*1) 3,720 Shares

The Number of Attendance at the Board of Directors Meetings 16 out of 17 times

■Important Concurrent Posts

N/A

■Reasons for selection as a candidate for Director

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, as General Manager, Administration & CSR Division, he has actively promoted measures for ESG management and SDGs, and the risk management system for the entire Group. Since April 2021, he has been leading Business Basis Transformation Division. The Company expects that Mr. Miyamoto will contribute to revitalizing discussions on the Board from the perspective of ESG management and SDGs towards the achievement of "Furukawa Electric Group Vision 2030", and requests his re-election as a Director.

11.	**Akihiro Fukunaga**	[Date of Birth: January 29, 1964]

■Brief history

April 1986	Joined Furukawa Electric Co., Ltd.
Nov. 2005	Senior Vice President and Chief Financial Officer, OFS Fitel, LLC
Aug. 2009	Manager, Accounting Section 2, Finance & Accounting Department
Aug. 2011	Manager, Accounting Section 1, Finance & Accounting Department
June 2013	Manager, Finance & Accounting Section, Finance & Accounting Department, Finance & Procurement Division
Nov. 2013	General Manager, Global Group Management Office, Global Group Management Division
April 2016	General Manager, Finance & Accounting Department, Finance & Procurement Division
April 2018	Corporate Vice President, and General Manager, Global Management Division
April 2019	Corporate Vice President, and General Manager, Finance & Global Management Division
June 2019	Director and Corporate Vice President, and General Manager, Finance & Global Management Division
April 2021	Director and Corporate Senior Vice President, and General Manager, Finance & Global Management Division (Present Post)

Number of shares in the Company 3,100 Shares

Number of Potential shares (*1) 2,460 Shares

The Number of Attendance at the Board of Directors Meetings 17 out of 17 times
■Important Concurrent Posts N/A
■Reasons for selection as a candidate for Director 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, as General Manager, Finance & Global Management Division, he has played a role in further improving the Group's balance sheet and promoting the Group's global management. The Company expects that his viewpoint as an expert on accounting regimes in Japan and overseas will contribute to strategic discussions on the Board towards the achievement of "Furukawa Electric Group Vision 2030", and therefore requests his re-election as a Director.

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

[Note] Matters concerning candidates for Directors

1. Mr. Osamu Tsukamoto, Mr. Yoshiro Miyokawa and Ms. Yukiko Yabu are currently Outside Directors of the Company and their term will be eight (8) years and two (2) year, two (2) year respectively at the close of the Annual shareholders meeting. Mr. Takashi Tsukamoto is the currently Outside Audit & Supervisory Board Member of the Company, and his term will be four (4) years 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.

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, 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.

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 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.

[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]

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

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

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

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

	Takao Shiomi	[Date of Birth: November 27, 1952]
Candidate for outside and Independent Audit & Supervisory Board Member		
■Brief history		
April. 1975	Joined ITOCHU Corporation	
April 2000	General Manager of Automotive Business Strategy Office of ITOCHU Corporation	
Feb 2001	General Manager of Corporate Planning Department, Finance/ Real Estate/ Insurance/ Logistics Company of ITOCHU Corporation	
June 2004	Executive Officer and General Manager of Logistics Division of ITOCHU Corporation	
April 2005	Executive Officer and General Manager of Finance Division of ITOCHU Corporation	
June 2006	Managing Director, and President, Finance /Real Estate / Insurance/ Logistics Company of ITOCHU Corporation	
May 2008	Retired from ITOCHU Corporation	
June 2008	Executive Vice President and Representative Director of Orient Corporation	
March 2012	Retired from Orient Corporation	
April 2012	Managing Executive Officer and President, Machinery Company of ITOCHU Corporation	
June 2012	Representative Director, Managing Executive Officer and President, Machinery Company of ITOCHU Corporation	
April 2014	Representative Director, Senior Managing Executive Officer and President, Machinery Company of ITOCHU Corporation	
March 2016	Retired from ITOCHU Corporation	
April 2016	Managing Executive Officer of ISUZU MOTORS LIMITED	
June 2016	Executive Vice President of ISUZU MOTORS LIMITED	
June 2018	Retired from ISUZU MOTORS LIMITED	
August 2018	President, ITOCHU Corporate Pension Fund（present post)	
Number of shares in the Company 0 Shares		
■Important Concurrent Posts President, ITOCHU Corporate Pension Fund		
■Reasons for selection as a candidate for Director Mr. Takao Shiomi has management experience in various industries, including a large general trade		

corporation, a financial institution, and a manufacturer. He has a wealth of experience and extensive expertise of overall corporate management, including finance and accounting. In expectation that his experience and expertise will contribute to strengthening the Company's audit system, the Company requests his election as an Outside Audit & Supervisory Board Member.

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

1. Concerning Mr. Takao Shiomi, in light of the independence Standards for outside officers specified by the Tokyo Stock Exchange and the Company, it is our judgement that he is independent from the Company. When his appointment is approved, the Company will register him as an independent Audit & Supervisory Board Member. In addition, there is a transaction between ITOCHU Corporation, where he was a director from June 2012 to March 2016, and the Company, in which the Company's subsidiary sells the subsidiary's products to overseas customers with ITOCHU Corporation as an agent. However, the total transaction amount in FY2020 is extremely small, about 3,364 million yen per year. There is a transaction between ISUZU MOTORS LIMITED, where he was a director from June 2016 to June 2018, and the Company in which the Company sells automobile parts to ISUZU MOTORS LIMITED. However, the total transaction amount for FY2020 is extremely small, about 6,138 million yen per year. Since June 2018, Mr. Mitsuyoshi Shibata, Chairman of the Board of the Company, has been appointed as an outside director of Directors of ISUZU MOTORS LIMITED.
2. 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.
3. 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. Takao Shiomi 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.
4. 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.

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

The effective terms of the resolution on the election of a substitute Audit & Supervisory Board Member at the 198th Annual Shareholders Meeting held on June 23, 2020, 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 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.

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 saw a rapid deterioration in the economic environment due to a significant impact of the global pandemic of Novel Coronavirus ("COVID-19"). In the U.S., although the government's major stimulus package in response to the COVID-19 pandemic underpinned the economy, the pace of economic recovery was only moderate. In Europe, the 'Stay-at-Home' restriction in the U.K. and other countries significantly limited consumer behavior as well as manufacturing activities of companies, and therefore the economy drastically shrank. In China, after experiencing a significant economic contraction, the economy was on a recovery path, yet the economic environment remained uncertain partly because of political tensions with Europe, the U.S. and other countries.

In Japan as well, the government declared the state of emergency over the COVID-19 pandemic, and economic activities were significantly affected. While the spread of COVID-19 had slowed down in the second half of FY2020, the number of COVID-19 cases sharply increased in January 2021, and it raised uncertainty about the economic outlook.

In the meantime, triggered by the COVID-19 pandemic, there were changes in the environment, looking ahead to a post-COVID world, including accelerated digitalization in the entire society, growing interest in the ESG management*/SDGs*, and progress in reviewing the supply chain on a global scale.

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

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

Under such circumstances, our Group moved ahead with measures under the Medium-term Management Plan "Furukawa G Plan 2020", and also took various actions to minimize adverse effects of COVID-19 by establishing the Emergency Response Team. It investigated impacts of the COVID-19 pandemic on each business area, formulated multiple recovery scenarios, and worked on the improvement of operating cash flow by thoroughly managing inventories, reducing cost of manufacturing and limiting expenses, and reviewing the capital investment plan, based on the forecast of a decline in earnings. Furthermore, the Group formulated guidelines concerning the prevention of COVID-19 infection and workstyles, and established the working system to ensure the safety of employees and their families by, for example, promoting remote working and ensuring infection control; and reviewed the layout of the new head office building, the relocation to which is scheduled in this year, looking ahead to new work styles in the post-COVID era.

With respect to the current year's financial results, net sales of the entire Group decreased due to the following reasons: all businesses of the Company, including Communications Solutions business, were affected by sluggish sales due to COVID-19; and the Group underwent the transfer of the copper tube business and the partial restructuring of the magnet wire business, followed by their subsequent removal from consolidation. In terms of income, while the Emergency Response Team achieved certain results in reducing cost of manufacturing and limiting expenses, stagnant economic activities due to COVID-19 on the global scale had a significant impact, and therefore the income declined.

As a result, the Company recorded consolidated net sales of 811.6 billion yen (down 11.2% year-on-year), consolidated operating income of 8.4 billion yen (down 64.2% yoy), and consolidated ordinary income of 5.2 billion yen (down 77.2% yoy). Furthermore, the profit of 33.4 billion yen, including the gain on sale of non-current assets, was recorded as extraordinary profit, and the loss of 17.3 billion yen, including net provision for product defect compensation, was recorded as extraordinary loss. Accordingly, net income attributable to owners of the parent company amounted to 10.0 billion yen (down 43.3% yoy). Overseas sales amounted to 376.4 billion yen (down 10.1% yoy), and the overseas sales ratio was 46.4% (up 0.6 percentage points yoy).

On a non-consolidated basis, the Company recorded net sales of 392.6 billion yen (down 10.9% yoy), operating loss of 6.9 billion yen (turned negative with a decline of 7.5 billion yoy),

ordinary income of 5.6 billion yen (down 53.4% yoy), and net income of 24.3 billion yen (up 33.9% yoy).

▪ Initiatives under the Medium-term Management Plan "Furukawa G Plan 2020"

In accordance with "Furukawa G Plan 2020", the Medium-term Management Plan for the period ending in FY2020, the Group has moved ahead with various initiatives to achieve the following financial targets.

【FY2020 financial targets under "Furukawa G Plan 2020"】

	Financial Targets of Furukawa G Plan 2020						
	Announced in May 2016	Revised in May 2018	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Consolidated operating income	40 billion yen or more	55 billion yen or more	38.6 billion yen	44.8 billion yen	40.8 billion yen	23.6 billion yen	8.4 billion yen
Net income attributable to owners of the parent company amounted to	20 billion yen or more	30 billion yen or more	17.6 billion yen	28.5 billion yen	29.1 billion yen	17.6 billion yen	10.0 billion yen
NET D/E ratio	-	Less than 0.8	0.99	0.88	0.81	0.82	0.79
Equity capital ratio	-	Exceeding 30%	27.6%	29.2%	30.3%	30.2%	31.2%
ROE	Exceeding 8%	Exceeding 10%	9.3%	12.9%	12.0%	7.2%	4.0%
Return on operating assets	10% or more	10% or more	12.1%	13.1%	11.2%	6.1%	2.2%

Under the current Medium-term Management Plan started in FY2016, the Group has worked on the following priority measures: (1) strengthening the priority areas, namely Infrastructure (Communications/Energy) and Automotive segments; (2) expanding sales in the global market; and (3) accelerating development of new businesses.

With respect to (1) strengthening the priority areas, in the area of Communications Solutions, we strove for expanding sales of optical fibers and optical fiber cables (hereinafter, "optical fibers, etc."), in which we have technological advantage, in North America, developing new digital coherent products, and expanding Solutions business in South America. Furthermore, we made capital investments mainly to increase the manufacturing capacity of the production base for optical fibers, etc. in North America. In the area of Energy, we focused on steadily capturing demand for extra-high voltage underground cables in Japan, and taking orders for submarine cables, the demand for which is expected to increase. And we also made capital investments for increasing the length of submarine cables and improving the productivity. In the Automotive area, we made efforts to capture orders for wire harnesses for global car models, and optimized the production system and increased the production capacity in the Asia region.

The Company worked on improving unprofitable businesses/product groups by using "return on operating assets*" as an indicator, and reviewed our business portfolio from a comprehensive perspective of the business synergy with our priority areas, etc.

* Return on operating assets: operating income / business property (where business property = inventory + property, plant and equipment / intangible assets)

<Key achievements in the review of the business portfolio>

- Sold all shares of our subsidiary, FCM Co., Ltd. (listed on JASDAQ at that time), held by the Company
- Restructured the sales and logistics functions in the general-purpose power cable business for construction and wholesalers markets (established a joint venture with SWCC Showa Holdings

Co., Ltd.)

- Transferred the Group's copper tube business (transferred to a special-purpose company under Japan Industrial Partners, Inc.)
- Partially restructured the Group's magnet wire business (established a joint venture with Superior Essex Group)

With respect to (2) expanding sales in the global market, for Communications Solutions business, we strove to establish the centralized system for managing global production and distribution of optical fibers, etc. Furthermore, we improved the framework for global business operations by providing the Thailand subsidiary with the function to manage operations in Southeast Asia; and also made inter-Group efforts for human resources development for senior management candidates, including those in overseas subsidiaries.

As for (3) accelerating development of new businesses, we accelerated growth investments in such priority areas as Infrastructure/Automotive segments; and focused on the following development: product development aiming at realizing low-loss, high-density optical fibers; development of element technology for submarine cables for renewable energy; and development of perimeter surveillance radars and aluminum wireless harnesses, etc. in response to the progress of CASE*.

*CASE…Connected, Autonomous, Shared & Services, and Electric

Furthermore, as an initiative for creating a new business model, we operationalized lasers for industrial use, which contribute to the electrification of mobility, taking advantage of our insights in fiber laser technology and element technology. In addition, we also focused on research and development in the following areas: power feeding system by using non-contact electric power transmission technology; bipolar storage battery that contributes to stable supply of power generated by renewable energy; and technology for producing LPG with the metal encapsulated zeolite™. Moreover, we were proactively engaged in open innovation initiatives that combine technologies we had developed over many years with external technologies and ideas, toward achieving "Furukawa Electric Group Vision 2030".

<Key open innovation initiatives>

- Established Fun Lab® in Yokohama Works as a venue for co-creation with external parties
- Set up an office in Silicon Valley in the U.S. for seeking opportunities for co-creation with local corporations and universities
- Provided courses for industry-academia collaboration at multiple national university corporations
- Concluded agreements with multiple local governments for disaster prevention and mitigation

When the implementation of the current Medium-term Management Plan had started, we had delivered strong financial results as we captured strong demand in North America for optical fibers, etc. in Infrastructure business, and increased sales of wire harness products in Automotive business. In FY2017, we recorded consolidated operating income of 44.8 billion yen, and net income attributable to owners of the parent company of 28.5 billion yen, thus achieving the initial financial targets earlier than planned. Therefore, in May 2018, the financial targets were revised upward. Then, income from Communications Solutions business declined, due to the deterioration in the demand-supply balance for optical fibers, etc. originated from China, and the loss of opportunity for expanding sales due to a delay in improving the productivity of optical fiber cables in North America. Furthermore, from 2020, globally stagnant economic activities due to the COVID-19 pandemic adversely affected our financial performance, and we could not achieve the revised targets. Nonetheless, we made certain achievements through our efforts to improve our balance sheet as well as Group-wide transformation activities to strengthen our management foundation. In March 2021, the Rating and Investment Information, Inc. (R&I) upgraded our credit rating back to "A-" after 19 years from June 2002.

The Company will reflect its analysis based on the initiatives and outcomes under the current Medium-term Management Plan to future planning. Although the next Medium-term

Management Plan was expected to start from FY2021, since the business environment surrounding the Group has significantly changed due to the COVID-19 pandemic, the formulation of the plan was suspended, and the start of implementing the plan was postponed. In FY2021, aiming at achieving "Vision 2030", we will lay groundwork for implementing the next Medium-Term Management Plan. The formulation of the next Medium-term Management Plan starting from FY2022 is now underway. We will publish the plan as soon as it is ready, and implement various measures under the plan.

(2) Changes in business outcomes and assets

(i) Changes in Group business outcomes and assets

Category	196th term Fiscal 2017	197th term Fiscal 2018	198th term Fiscal 2019	199th term (Current term) Fiscal 2020
Net sales (JPY millions)	967,333	991,590	914,439	811,600
Operating income (JPY million)	44,804	40,842	23,565	8,429
Ordinary income (JPY million)	46,908	39,078	22,771	5,189
Profit attributable to owners of parent (JPY million)	28,547	29,108	17,639	10,001
Net income per share (JPY)	405.05	412.98	250.25	141.88
Total assets (JPY millions)	808,632	818,021	794,616	832,044
Net assets (JPY millions)	272,071	279,911	273,030	291,617

(ii) Changes in Company business outcomes and assets

Category	196th term Fiscal 2017	197th term Fiscal 2018	198th term Fiscal 2019	199th term (Current term) Fiscal 2020
Net sales (JPY millions)	457,730	473,626	440,675	392,616
Operating income / loss (JPY million)	5,694	5,147	531	(6,919)
Ordinary income (JPY millions)	21,247	22,619	11,991	5,591
Net income (JPY million)	18,542	21,510	18,177	24,333
Net income per share (JPY)	263.03	305.11	257.82	345.10
Total assets (JPY millions)	463,387	469,013	473,935	570,121
Net assets (JPY millions)	151,504	164,075	167,901	190,070

(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	259,186	(21,745)	(2,129)	(3,839)
Electronics & Automotive Systems	433,039	(76,261)	5,858	(8,959)
Functional Products	114,680	(1,196)	6,298	(1,169)
Services and Developments etc.	38,712	(11,605)	(1,707)	(1,357)
Elimination	(34,018)	7,969	110	190
Total	811,600	(102,839)	8,429	(15,135)

Infrastructure

With respect to Communications Solutions, although demand for optical fibers, etc. in North America remained strong, the competitive environment continued to be challenging. Sales of network products and industrial lasers, etc. declined, partly because of a slowdown in construction starts in Japan and a reduction in clients' investments due to the impact of COVID-19, and partly because of foreign exchange impacts mainly in South America; and consequently, both net sales and profit declined. With respect to Energy Infrastructure business, net sales and profit from renewable energy-related products in Japan and underground cables in Japan and abroad remained strong. However, net sales and profit from general-purpose power cables for construction and wholesalers markets declined, because market conditions in Japan were adversely affected by COVID-19, and our subsidiaries in China were affected by delays in the start of construction and a slowdown in logistics due to Stay-at-Home restrictions, etc.

As a result, this segment recorded consolidated net sales of 259.2 billion yen (down 7.7% yoy), and consolidated operating loss of 2.1 billion yen (down 3.8 billion yen yoy). On a non-consolidated basis, the segment reported net sales of 88.3 billion yen (down 6.3% yoy)

As for Communications Solutions business, we will strive to improve the productivity in order to capture strong demand for optical fibers, etc. in North America, and also aim at expanding sales of high density multicore rollable ribbon cables, which the Company has technological advantages, as demand for space-saving, high workability products is increasing in the North American optical fiber cable market that is expected to further expand. With respect to digital coherent products as well, we will work on expanding sales of high-power products and accelerate a shift to next-generation products. 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 continue to enhance order-taking in our focus markets, including renewable energy segment in Japan, from which demand is expected to further grow.

Electronics & Automotive Systems

In the first half of the year, Automotive Products business was severely affected by the impact of COVID-19, including temporary shutdown of overseas subsidiaries followed by low operation rates after resuming operations, and both net sales and operating income declined. However, since the second half of the year, the recovery of the automotive market led to the overall recovery in earnings from this business, including wire harnesses, to the more-than-expected level.

With respect to Electronics Component Materials business, net sales from products for automotive and construction/wholesalers markets declined due to the impact of COVID-19 in the first half of the year, but from the second half of the year, we saw the recovery in demand mainly for auto components and electronics products. Nonetheless, both net sales and operating income declined due to the impact of the sales decline in the first half of the year, as well as the transfer of the copper tube business and the partial restructuring of the magnet wire business, followed by their subsequent removal from consolidation.

As a result, this segment recorded consolidated net sales of 433.0 billion yen (down 15.0% yoy), and consolidated operating income of 5.9 billion yen (down 60.5% yoy). On a non-consolidated basis, the segment reported net sales of 242.1 billion yen (down 14.9% yoy)

As for Automotive Products business, we will continue working on increasing order-taking of and developing the production capacity for aluminum wire harnesses and corrosion-proof terminals, which contribute to reducing the weight of automobiles. With respect to steering roll connectors being our core product, we will strive to capture demand in regions where market expansion is expected due to the tightening of airbag regulations, and develop new products with next-generation vehicles in mind. As for Electronics Component Materials business, we will develop markets by taking advantage of our strength in material development, and further expand sales of high-value added products.

Functional Products

With respect to Thermal Management Solution & Products and Memory Disk businesses, demand for products for data centers remained strong. As for AT & Functional Plastics business, demand for functional plastic products declined for the following reasons: construction commencement slowed down in Japan due to the impact of COVID-19; Copper Foil business was still in recovery from the fire which occurred in a subsidiary in Taiwan in 2019; and demand for copper foils for in-vehicle batteries weakened in the first half of the year. Consequently, both net sales and operating income from this segment as a whole declined.

As a result, this segment recorded consolidated net sales of 114.7 billion yen (down 1.0% yoy) and consolidated operating income of 6.3 billion yen (down 15.7% yoy). On a non-consolidated basis, the segment reported net sales of 60.1 billion yen (up 0.8% yoy).

As for AT & Functional Plastics business, we will work on proposing new use of tapes for manufacturing semiconductors, and developing new markets. As for Copper Foil business, we will strive to increase earnings through the optimum product mix between copper foils for circuits and copper foils for batteries.

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.

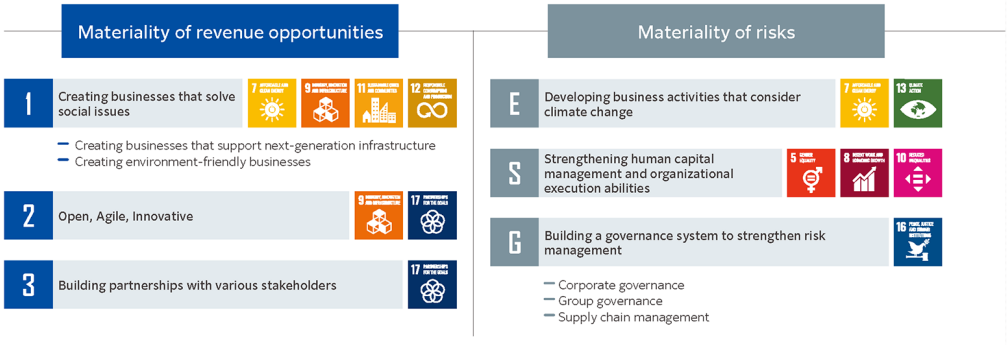
As a result, this segment recorded consolidated net sales of 38.7 billion yen (down 23.1% yoy) and consolidated operating loss of 1.7 billion yen (down 1.4 billion yen yoy). On a non-consolidated basis, the segment reported net sales of 2.1 billion yen (down 5.7% yoy).

It was already decided in April 2021 that the Company will transfer a part of shares of its subsidiary, Furukawa Logistics Corp. to SBS Holdings, Inc.

(4) Issues to be addressed

1. <u>Promoting ESG management to achieve the Furukawa Electric Group Vision 2030</u>

From the perspective of addressing social issues raised by Sustainable Development Goals (SDGs) adopted by the United Nations, the Group formulated "Furukawa Electric Group Vision 2030" (hereinafter, "Vision 2030") which specifies target timeline and scope of business areas. Towards its achievement, we have been promoting ESG management, aiming at not only increasing mid- to long-term corporate value of the Group, but also enhancing its social value, through collaboration with all stakeholders of the Group. We 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. By addressing the materiality to achieve "Visions 2030", we will also contribute to achieving SDGs.



In terms of revenue opportunities, in order to solve various social issues through the Group's

business activities, we considered it is essential to make the shift from the conventional product-out approach to the outside-in approach, and identified the "creation of businesses that solve social issues" as materiality. Specific initiatives include "creating businesses that support next-generation infrastructure" which will be the foundation of the society envisaged in "Vision 2030", and "creating environment-friendly businesses" which contribute to realizing a decarbonized society and a sound material-cycle society. We also identified such materiality as "Open, Agile, Innovative," which reflects our aspiration to become a company that proactively transforms itself, and "building partnerships with various stakeholders," focusing on collaboration with external parties, through which we will create businesses that solve social issues. On April 1 this year, we established a department for promoting creation of new businesses of the Group to accelerate such initiatives.

In terms of materiality associated with risks, we identified such materiality as "developing business activities that consider climate change", and conducted scenario analyses in accordance with TCFD Recommendations* for our three businesses, which we focus on under "Furukawa G Plan 2020". With an awareness of the importance of capturing revenue opportunities associated with climate change and appropriately addressing risks, we will expand the scope of businesses subject to the scenario analysis, and make a more specific analysis for future disclosure of financial impacts.

Furthermore, in March 2021, we published "Furukawa Electric Group Environmental Vision 2050". We set a challenge target of realizing zero greenhouse gas emissions from business activities* in 2050. Through the provision of environment-conscious products/services and recycling-based production activities, we will contribute, throughout the entire value chain, to ensuring a sustainable society. Since the Group's initiatives concerning climate change-related risks and opportunities in 2020 were recognized, we were selected by CDP* as a "Climate Change A List" company, the highest ranking, and "Supplier Engagement Leaderboard".

*TCFD…Abbreviation of Task Force on Climate-related Financial Disclosers, which is a private sector-led task force that makes recommendations to corporations, etc. on financial disclosures related to climate change-related risks and opportunities

* Greenhouse gas emissions from business activities…direct emissions from the Company's plants and offices, as well as indirect emissions from the use of electric power and heat purchased by the Company

*CDP…International non-profit organization working on disclosures of environmental information

As initiatives for "strengthening human capital management and organizational execution abilities", in accordance with "Furukawa Electric Group People Vision" formulated in November 2018, we have been working on developing human resources and reforming the organizational culture. We promoted the Group-wide "Workstyle Reform", looking ahead of the post-COVID society, and also formulated "Furukawa Electric 7 Principles for Leaders in the Workplace (Furukawa Seven)" which stipulates a mindset and principles of conduct to become a leader who builds a high-performing team. In order to ensure that the human resource development and strengthening the organizational ability of execution will take root in the Group's culture, we will proceed with the initiative by gradually expanding target layers. In terms of external evaluations, as our efforts for promoting women's participation and advancement in the workplace were recognized, we were included in "MSCI Japan Empowering Women (WIN) Select Index", and awarded "Eruboshi" certification (the highest rank) by the Minister of Health, Labour and Welfare. Moreover, as our health management initiatives were recognized, we were certified as an "Outstanding Enterprise in Health and Productivity Management" from the Ministry of Economy, Trade and Industry. We will continue proceeding with our initiatives for enhancing health of our employees.

As initiatives for "building a governance system to strengthen risk management", we have been striving to strengthen corporate governance, aiming at achieving sustainable growth and increasing corporate value over the mid- to long-term. At the annual shareholders meeting held in June 2020, a female certified public accountant was elected as Outside Audit & Supervisory Board Member. Her appointment contributed to enhancing knowledge and experience of the Board of Directors and the Audit & Supervisory Board as a whole, and ensuring diversity. In FY2020, we conducted an evaluation of the board effectiveness, and it was pointed out as significant issues that the Board of Directors should enhance its discussion on the mid- to

long-term growth strategy by taking into account changes in the business environment, and the quality and quantity of information provided to outside officers should be improved. By addressing such issues, we will continue to work on improving the effectiveness of the Board of Directors. Furthermore, as the initiative for strengthening group governance, we will continue to work on sophisticating the risk assessment of the entire Group. In Furukawa Battery Co., Ltd. and Totoku Electric Co., Ltd., which are listed subsidiaries of the Company, considering that there is a structural risk of conflicts of interest between the Company and minority shareholders of the listed subsidiaries, the percentage of independent directors on their boards was increased to more than one-third of board members; and "Conflict of Interest Management Committee" comprising a majority of independent directors was established and screens the rationality and fairness of transactions with the parent company. In February 2021, we revised "Furukawa Electric Group's CSR Procurement Guidelines" and have striven to strengthen the supply chain from the perspective of CSR as well.

We implemented various ESG initiatives, and proactively disclosed relevant information. As a result, the Company was selected for the first time as a constituent of "FTSE4Good Index Series*" and "FTSE Blossom Japan Index*".

* FTSE4Good Index Series and FTSE Blossom Japan Index: …Equity indices provided by FTSE Russell, a subsidiary of London Stock Exchange Group in the U.K.

2. Establishing the foundation for the next Medium-term Management Plan

With respect to the next Medium-term Management Plan which was supposed to start from FY2021, since the management environment surrounding the Group significantly changed due to the COVID-19 pandemic, we suspended the formulation of the Plan, and postponed the start of the Plan. Towards the achievement of "Vision 2030", in FY2021, we will establish the foundation for implementing the next Medium-term Management Plan by transforming businesses ahead of changes in the environment, establishing/developing new businesses, and also continuing to strengthen the management focusing on capital efficiency. We are currently formulating the next Medium-term Management Plan for 4 years from FY2022 to FY2025, and will publish the Plan upon assessing the COVID-19 situation and the business environment.

(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	Expansion of optical fiber manufacturing equipment, etc.	10,329	(8,098)
Electronics & Automotive Systems	new establishment of winding wire manufacturing equipment for automobiles	15,492	(6,013)
Functional Products	Expansion of copper foil manufacturing facilities, etc.	6,708	1,936
Services and Developments etc.	—	1,940	(658)

Elimination	Replacement of ERP systems, etc.	5,492	(346)
Total	—	39,963	(13,180)

(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 fiscal year, consolidated interest-bearing debt at the end of the period was 290.6 billion yen, increased by 39.5 billion yen from the end of the previous fiscal year, mainly due to an increase in long-term debt.

(7) Main loan creditor (as of March 31, 2021）

Name of creditor	Amount of loan credit (JPY millions)
Mizuho Bank, Ltd.	56,215
The Bank of Mitsubishi UFJ, Ltd.	33,914
The Norinchukin Bank	17,287
The Bank of Yokohama, Ltd.	15,441

(8) Main offices, plants, and Subsidiaries (as of March 31, 2021)

1) Furukawa Electric Co., Ltd.

Head office	2-3, Marunouchi 2-chome, Chiyoda-ku, Tokyo

(Notes) The Company plans to relocate to "6-4, Otemachi 2-chome, Chiyoda-ku, Tokyo" by the end of this year.

Type of facility	Name	Location
Branch offices	Hokkaido Branch	Sapporo
	Tohoku Branch	Sendai
	Chubu Branch	Nagoya
	Kansai Branch	Osaka
	Chugoku Branch	Hiroshima
	Kyusyu Branch	Fukuoka
Plant	Nikko Works	Nikko, Tochigi Pref.
	Chiba Works	Ichihara, Chiba Pref.

	Yokohama Works Hiratsuka Works Mie Works Copper foil Division	Yokohama Hiratsuka, Kanagawa Pref. Kameyama, Mie Pref. Nikko, Tochigi Pref.
R&D Laboratories	Laboratories for Fusion of Core Technologies Advanced Technologies R&D Laboratories Automotive Products & Electronics Laboratories Telecommunications & Energy Laboratories	Yokohama Yokohama Hiratsuka, Kanagawa Pref. Ichihara, Chiba Pref.

(Notes) At April 1,2021, the company integrates Laboratories for Fusion of Core Technologies and Advanced Technologies R&D Laboratories into Sustainable Technology Laboratory.

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	57.33%	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	49.16%	Manufacture and sales of optical fiber cables and optical parts
Furukawa Electric Industrial Cable Co., Ltd. (Arakawa-ku, Tokyo / Hiratsuka, Kanagawa Pref.)	JPY 450 million	100%	Manufacture and sales of electric cables and other cables
FURUKAWA ELECTRIC POWER	JPY 450 million	100%	Manufacture and sales of equipment

SYSTEMS CO., LTD. (Yokohama/ Nagai, Yamagata Pref.)			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 Logistics Corp. (Chiyoda-ku, Tokyo)	JPY 292 million	100%	Logistics services
FURUKAWA NETWORK SOLUTION CORPORATION (Hiratsuka, Kanagawa Pref./ Hiratsuka, Kanagawa Pref.)	JPY 150 million	100%	Manufacture 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./ Yamato,	JPY 90 million	100%	Manufacturing and sales of broadcasting antennas,

Kanagawa Pref.)			communication antennas, and line monitoring systems

(Notes) In April of this year, the Company decided to transfer a portion of its shares in Furukawa Logistics Corp. to SBS Holdings, Inc.

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 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 860,668 million	51%	Manufacture of Lead battery for automobiles

[Notes] 1. The figures in the bracket include the ratio of indirectly ownership.
2. In fiscal 2020, the Company had 109 consolidated subsidiaries and 13 equity-method affiliates.

(9) Employee Data (as of March 31, 2021)

Segment	Number of employees of the Group	Number of employees of Furukawa Electric Co., Ltd.
Infrastructure	9,895	1,434
Electronics & Automotive Systems	33,389	538
Functional Products	2,896	694
Services and Developments etc.	2,269	1,418
Total	48,449(-1,783)	4,084(+159)

[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 43.6 years old, and the average years of service is 18.8 years. (Temporary employees and loan employees are not included.)

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

A recall had been issued for vehicles equipped with parts manufactured by our subsidiary, and our subsidiary in the U.S. had been sued by companies, to which it had sold the parts in question, for bearing part of the expenses. After the lawsuit had been pending, both parties reached a settlement in August 2020. As for the settlement money paid in this connection, with the above, an allowance was already provided. In addition to the above case, with respect to the automotive parts manufactured by our subsidiary, another recall was issued for vehicles equipped with the parts, but a settlement was already reached with the car manufacturer. Currently, negotiations are underway with the supplier who delivered the parts to our subsidiary, concerning a claim for recovery. An allowance was already provided for losses from the recall.

Furthermore, the Company has been investigated by the Brazilian Anti-trust Authority with respect to trading of automotive parts. In a class action filed in the U.S., claiming for damage resulting from cartel activities pertaining to automotive parts, and lawsuits filed by judicial authorities of some states against violations of relevant state laws, 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, 2021)

(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	49,322

(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)	6,864,600	9.72%
Custody Bank of Japan, Ltd. (Trust Account)	4,664,400	6.61%
Custody Bank of Japan, Ltd. (Trust Account 4)	2,484,100	3.52%
Custody Bank of Japan, Ltd. (Mizuho Trust & Banking; Employee Retirement Benefit Trust, Mizuho Bank Account)	2,413,500	3.42%
Asahi Mutual Life Insurance Company	1,365,050	1.93%
FURUKAWA CO., LTD.	1,329,045	1.88%
Custody Bank of Japan, Ltd. (Trust Account 9)	1,225,600	1.74%
Fuji Electric Co., Ltd.	1,100,000	1.56%
Custody Bank of Japan, Ltd. (Mizuho Trust & Banking; Employee Retirement Benefit Trust, FURUKAWA CO., LTD. Account)	1,091,900	1.55%
Credit Suisse Securities (Japan) Limited	1,054,500	1.49%

[Notes] 1. Shareholding ratio is calculated with the number which deducted 49,804 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. In addition to the 1,365,050 shares mentioned above, Asahi Mutual Life Insurance Company has a further 1,050,000 shares in a retirement benefits trust .

3. Corporate Officers (as of March 31, 2021)

(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	
Sumitaka Fujita	Outside Director (part-time)	Advisory Member of, ITOCHU Corporation Outside Director, Olympus Corporation Chairman, Japan Association for Chief Financial Officers
Osamu Tsukamoto	Outside Director (part-time)	Chairman, Japan Coal Energy Center

Akira Nakamoto	Outside Director (part-time)	Representative Director & Chairman, SHIMADZU CORPORATION
Yoshiro Miyokawa	Outside Director (part-time)	
Yukiko Yabu	Outside Director (part-time)	Outside Director, DAIWA HOUSE INDUSTRY CO., LTD.
Hiroyuki Ogiwara	Representative Director and Corporate Executive Vice President (General Manager of Transformation 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 Administration & CSR Division)	
Ken Maki	Director and Corporate Vice President (General Manager of Strategy Division)	
Akihiro Fukunaga	Director and Corporate Vice President (General Manager of Finance & Global Management Division)	
Nozomu Amano	Audit & Supervisory Board Member (full-time)	Outside Director, AICHI ELECTRIC Co., Ltd.
Takahiro Kashiwagi	Audit & Supervisory Board Member (full-time)	Outside Audit & Supervisory Board Member, FUJI FURUKAWA ENGINEERING & CONSTRUCTION CO.LTD.
Yoshiaki Mizota	Audit & Supervisory Board Member (full-time)	Outside Director, Asahi- Seiki Manufacturing Co., Ltd.
Takashi Tsukamoto	Audit & Supervisory Board Member (outside, part-time)	Honorary Advisor, Mizuho Financial Group Outside Director, Asahi Mutual Life Insurance Company Outside Director, Aeon Co., Ltd. Outside Director, Internet Initiative Japan Inc.

Kunihiko Sakai	Audit & Supervisory Board Member (outside, part-time)	Advisor (Attorney), TMI Associates Outside Director (Audit and Supervisory Committee Member), 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

[Notes]1. Five (5) Directors, namely Mr. Sumitaka Fujita, Mr. Osamu Tsukamoto, Mr. Akira Nakamoto, Mr. Yoshiro Miyokawa and Ms. Yukiko Yabu 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.
   - Mr. Takashi Tsukamoto, Audit & Supervisory Board Member, has experience as Representative Director of a financial institution and Director in charge of finance. Consequently, he 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.

3. Ms. Sayaka Sumida, Audit & Supervisory Board Members were newly elected as the position at the 198th Annual Shareholders Meeting held on June 23, 2020. And, Mr. Yuzuru Fujita, Audit & Supervisory Board Members retired from the position due to the expiry of their terms at the end of the 198th Annual Shareholders Meeting.

4. The Company is a member of the Japan Association for Chief Financial Officers, where Mr. Sumitaka Fujita serves as Chairman, and pays an annual membership fee. The Company is also a supporting member of the Japan Coal Energy Center (presently JAPAN COAL FRONTIER ORGANIZATION), where Mr. Osamu Tsukamoto serves as President, and pays an annual membership fee. Furthermore, the Company has a trade relationship with SHIMADZU CORPORATION, where Mr. Akira Nakamoto serves as Representative Director and Chairman, to sell radiators, etc.

5. There is a transaction between the Company and Olympus Corporation, for which Mr. Sumitaka Fujita is the Outside Director, in which the Company sells radiators to Olympus Corporation.

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 temporary transaction between the Company and TMI Associates, for which Mr. Kunihiko Sakai is the Advisor Attorney, regarding legal advice. The transaction is not a continuous transaction such as an advisory contract, and he is not involved in this transaction. There is a transaction between the company and Honda Motor Co., Ltd., where he is Outside Director (Audit and Supervisory Committee Member), in which the Company sells automobile parts to Honda Motor Co., Ltd.

There is a transaction between the Company and ADVANTEST CORPORATION, for which Ms. Sayaka Sumida is the Outside Director (Audit and Supervisory Committee

Member), in which the Company sells communication related products to ADVANTEST CORPORATION.

6. Outline of the limited liability agreements

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

7. Overview of 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.

(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
Sumitaka Fujita	17 out of 17 (100%)	Based on his extensive knowledge/experience as a business manager of a trading firm, Mr. Fujita actively speaks mainly on corporate governance, business strategy, finance and accounting, the Group's business management and more from the Group's global management perspective, and he fulfils expected role. He serves as Chairman of the Outside Officer's Meeting (Note) as a lead outside director. Moreover, he is also active as Chairman of the Nomination/Compensation Committee.
Osamu Tsukamoto	17 out of 17 (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. Tsukamoto actively speaks mainly

		on R&D, business strategy, and product quality and he fulfils expected role. Moreover, he is also active as a member of the Nomination/Compensation Committee.
Akira Nakamoto	17 out of 17 (100%)	Based on his extensive knowledge/experience as a business manager of a leading a precision equipment maker, Mr. Nakamoto actively speaks mainly on business strategy and risk management from the Group's global management perspective and he fulfils expected role. Moreover, he is also active as a member of the Nomination/Compensation Committee.
Yoshiro Miyokawa	17 out of 17 (100%)	Based on his extensive knowledge/experience as a manager of a major pharmaceutical company, Mr. Miyokawa 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	17 out of 17 (100%)	Based on her extensive knowledge/experience in marketing and product development at a major electronics manufacturer, Ms. Yabu 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.

[Note] The Company holds regular Outside Officers' Meetings in order to give opportunities to Outside Officers to exchange opinions and establish a shared understanding of the Company from an objective viewpoint, and to enable the resulting opinions to be reported to the Board of Directors if necessary. The Company held two (2) Outside Officers' Meetings during the year under review.

② Outside Audit & Supervisory Board Members

Name	Attendance		Comments and Remarks
	Board of Directors Meeting (Attendance rate)	Audit & Supervisory Board Meeting (Attendance rate)	

Takashi Tsukamoto	17 out of 17 (100.0%)	8 out of 8 (100%)	Based on his extensive knowledge/experience as a business manager of a financial institution, Mr. Tsukamoto actively speaks mainly on the Group's corporate management, financial policy, and IR from a risk management perspective at the Board of Directors Meeting and the Audit & Supervisory Board Meeting. Additionally, 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 Meeting.
Kunihiko Sakai	17 out of 17 (100.0%)	8 out of 8 (100%)	Based on his extensive knowledge and expertise through long years of experience in the judicial field, Mr. Sakai has actively shared his views mainly on the legal restrictions and responses to possible lawsuits from the perspective of risk management at the Board of Directors meetings as well as the Audit & 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.
Sayaka Sumida	12 out of 12(Note) (100.0%)	7 out of 7(Note) (100%)	Based on her extensive knowledge and expertise through long years of experience as a CPA holder, Ms. Sumida has actively shared her views mainly on the Group's corporate management and finance and accounting from the perspective of risk management at the Board of Directors meetings as well as the Audit & Supervisory Board meetings. In addition 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.

[Note] Ms. Sayaka Sumida were newly elected at the 198th Annual Shareholders Meeting, their 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.

(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

(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

	appropriately and clearly reflects the Company's performance in a relevant fiscal year.
Mid-to-long-term performance-linked remuneration (Payment ratio: 0~130%)	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. 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. 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.

☒ 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%

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
Sumitaka Fujita	Outside Director（Chairman of Nominating/Compensation Committee）
Osamu Tsukamoto	Outside Director
Akira Nakamoto	Outside Director
Yoshiro Miyokawa	Outside Director
Yukiko Yabu	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

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
184th 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)
197th Annual Shareholders Meeting (held on June 27, 2019)	The maximum amount, which the Company can additionally contribute to the Trust established under the performance-linked stock remuneration program for Directors (excluding Outside Directors) as well as Corporate Vice Presidents and Senior Fellows who are not directors, shall be 450 million yen in every 3 fiscal years. During the current year,	26 (7 Directors, 17 Corporate Vice Presidents, and 2 Senior Fellows)	Mid- to long-term performance-linked remuneration

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

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

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	24 (6 Directors, 17 Corporate Vice Presidents, and 1 Senior Fellows)

[Audit & Supervisory Board Member]

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

	amount of remuneration for each Audit & Supervisory Board Member is determined by mutual agreement of the Board of Audit & Supervisory Board Members.	

[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)	Total remuneration by type(JPY millions)				Number of subject officers (persons)
		Base salary	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)	358	267	37	-	53	7
Audit & Supervisory Board Members (excluding outside Audit & Supervisory Board Members)	91	91	-	-	-	3
Outside Officers	101	101	-	-	-	9
Outside directors	74	74	-	-	-	5
Outside Audit & Supervisory Board Members	36	36	-	-	-	4

[Notes]1. The amount and the number of subject officers in the above table include one (1) Audit & Supervisory Board Members who retired in the fiscal year under review.

2.In addition to those stated in the above table, the Company paid retirement benefits of 0.9 million yen in total to an Outside Audit & Supervisory Board Member, who retired in the current fiscal year. The Company already abolished the retirement benefit plan based on the resolution of the 184th annual shareholders meeting held on June 29, 2006, and this amount represents the plan termination payment.

3. 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, and makes an evaluation based on the total score.

4. 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 2021: 8,429 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	-

5. 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
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]

0.70 (reference value calculated by using figures in the year ending March 2021)

〔Rate correspondence table for each degree of deviation〕

Deviation（Scope）	Rate（%）
X≧1.3	130
1.2≦X＜1.3	120
1.1≦X＜1.2	110
0.95≦X＜1.1	100
0.85≦X＜0.95	90
0.75≦X＜0.85	80
0.65≦X＜0.75	70
0.55≦X＜0.65	60
0.2≦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.

☒ 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 11, 2020 Nominating/Compensation Committee	・Discussed/evaluated performance of officers during the fiscal year ended March 2020
June 23, 2020 Board of Directors	・Resolved on delegating the decision on a remuneration amount for each Director and Corporate Vice President to Nominating/ Compensation Committee
June 23, 2020 Nominating/Compensation Committee	・Determined the remuneration amount for each Director and Corporate Vice President for the fiscal year ending March 2021
Feb 25, 2021 Board of Directors	・Resolution on the Policy for Determining Individual Remuneration of Directors

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 294 million
(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 249 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 t 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 to provide advisory services and other services related to accounting which do not fall under the scope of Article 2, Paragraph 1 of the Certified Public Accountants Act.

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

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

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

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

5. The Company's Systems and Policies

(1) Systems for ensuring sound operations

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

<Basic Policy>

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

(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 CSR and Risk Management Committee and the Risk Management Division.

② To ensure ongoing compliance activities throughout the Group, General Manager of each

division has overall responsibility for compliance for that division and in some main divisions, Compliance management officers will be appointed to effectively promote compliance activities.

③ To prevent any future involvement in cartels, the Company will ensure thorough monitoring functions through ongoing educational and enlightening activities relating to the Antimonopoly Act of Japan and competition laws of various countries, strengthening of controls on contacts with industry peers and pricing processes, and advice from external professionals to be received on a regular basis.

④ To enable early discovery of and correction to compliance infringements, active use shall be made of the whistle blowing system. In response to any notice of suspected violation, Risk Management Department in the Risk Management Division and related divisions shall promptly take the appropriate action consistent with the protection of the whistle blower and submit a report to the Board of Directors as appropriate.

⑤ Serving as the section for internal auditing, the Auditing Division shall monitor the execution of duties in individual segments, verify whether the international control framework including the internal control system is operating properly and report the findings to the management team.

⑥ With a basic philosophy of adopting a resolute approach and cutting out all relations with antisocial individuals or groups as stated in Item 7-4 of "Furukawa Electric Group CSR Code of Conduct", comprehensive compliance with the provisions is ensured under the supervision of Administration Department in the Risk Management Division.

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

① Records and documents relating to critical decisions made by the Board of Directors, management committee and under the *ringi* decision-making system shall be stored in accordance with "Regulations on Document Storage" and other internal regulations.

② Information relating to directors' execution of duties shall be controlled in accordance with the Basic Regulations on Information Security and other internal regulations and appropriately treated from the perspective of its importance as information assets and necessity of protection.

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

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

② Risk control conducted by individual divisions that perform business operations shall be subject to internal audit performed by the Auditing Division. The findings thereof shall be periodically

reported to the Board of Directors.

③ The Company's risk management system and management method will be established in "Basic Regulations on Risk Management and Internal Controls". In addition, to build more systematic and comprehensive risk management system, a CSR/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 grasps the Group's risks in general operations, and verify the appropriateness of its evaluation and management methods.

④ The CSR and Risk Management Committee shall establish special committees such as quality management, safety, environment, disaster prevention, business continuity management among the risks to strengthen the risk management system.

(4) The system for securing appropriateness of financial reporting

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

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

① The mid-term management plan and the single-year budget shall set specific targets. General Managers of Business Divisions etc. shall execute their duties to attain the target and report the progress to the Board of Directors on a regular basis. The evaluation for remuneration and other purposes shall appropriately reflect the result.

② The standards for referring matters to the Board of Directors and the ringi system for making decisions shall be established in detail and specifically. The "Regulations on Duties, Powers and the Like of Operating Officers" shall ensure a clear allocation of duties and powers to General Managers of Business Divisions etc.

③ With respect to the division of duties for division heads, a system to constantly review the division with organizational changes will be established based on "Basic Regulations on Segregation of Duties and the Regulations Regarding Positional Responsibilities and Authority".

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

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

② Concrete management goals that subsidiary companies should achieve shall be set out in

mid-term management plans as well as budgets for single fiscal years, and administrative representatives shall report on the progress toward such goals at Board of Directors' meetings on a regular basis.

③ A risk management system and method shall be provided for in the "Rule of Risk Management and Basic Rule of Internal Control." In addition, the CSR and Risk Management Committee will assess the risk for the Group in operating businesses and verify the reasonableness of the management method.

④ According to "Furukawa Electric Group 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 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

① The CSR and 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 CSR and 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 fiscal year under review, the Board of Directors met 17 times. At the meetings, Directors made decisions on the execution of important operations and assessed the level of attainment of management targets, including the mid-term management plan and annual budget. The Board also deliberated on basic management matters such as corporate governance.

② A director remuneration system is in place and in operation so the ratio of performance-linked compensation to total remuneration, including the stock compensation system, will increase to more appropriately reflect the performance of the execution of duties compensated for executive directors and executive officers, based on the decisions of the Nomination/Compensation Committee, the majority of whose members are outside directors.

3) Matters concerning the appropriateness of financial reporting

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

4) Matters concerning the soundness of operations of the Group

① Budgets for single fiscal years were set out and managed for each subsidiary company, and

matters specified in the Standards for referral/ reporting to the Company as important matters relating to the management of subsidiary companies were deliberated by the Board of Directors and the Management Committee. The Company also provided support to help overseas subsidiaries in particular to improve their management foundations in relation to personnel/labor, accounting and IT.

② The Group Compliance Committee met to share information on activities relating to important aspects of internal control in Japan. 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 Singapore.

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 CSR and Risk Management 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..

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 199th Fiscal Year

Consolidated Balance Sheet

(As of March 31, 2021)

(Unit: JPY millions)

Account title	Amount	Account title	Amount
(Assets)		**(Liabilities)**	
Current assets	**429,812**	**Current liabilities**	**315,204**
Cash and deposits	84,362	Notes and accounts payable	111,502
Notes and accounts receivable - trade	191,930	Short-term loans payable	103,523
		Commercial paper	30,000
securities	2,923	Income taxes payable	2,033
Merchandise and finished goods	38,210	Provision for product defect compensation	4,022
Work in process	34,512	Other	60,121
Raw materials and supplies	48,114	**Long-term liabilities**	**225,222**
Other	30,653	Straight bonds	30,000
Allowance for doubtful accounts	(894)	Long-term debt	127,094
Fixed assets	**402,231**	Provision for environmental measures	10,229
Property, plant and equipment	**246,744**	Net defined benefit liability	44,514
Buildings and structures	235,399	Asset retirement obligations	1,323
Machinery, equipment and delivery equipment	446,936	Other	12,061
Tools, furniture and fixtures	74,520		
Land	35,127	**Total liabilities**	**540,426**
Lease assets	1,257	**(Net assets)**	
right-of-use asset	11,390		
Construction in progress	27,108	**Shareholders' equity**	**260,388**
Accumulated depreciation	(584,996)	Capital stock	69,395
Intangible assets	**20,250**	Capital surplus	23,028
Goodwill	1,450	Retained earnings	168,542
Other	18,799	Treasury stock	(576)
Investments and other assets	**135,236**	**Valuation and translation adjustments**	**(518)**
Investment securities	101,708	Valuation difference on available-for-sale securities	13,929
Investments	8,965	Deferred gains or losses on hedges	2,677
Deferred tax assets	6,948	Foreign currency translation adjustment	(13,295)
Net defined benefit asset	6,859	Re-measurements of defined benefit plans	(3,829)
Others	11,788	**Minority interests**	**31,747**
Allowance for doubtful accounts	(1,034)	**Total net assets**	**291,617**
Total assets	**832,044**	**Total liabilities and net assets**	**832,044**

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

[Translation for Reference Purpose Only]

Consolidated Statement of Operation

(From April 1, 2020 to March 31, 2021)

(Unit: JPY millions)

Account title	Amount
Net sales	**811,600**
Cost of sales	**682,288**
Gross profit	**129,311**
Selling, general and administrative expenses	120,881
Operating profit	**8,429**
Non-operating income	**4,723**
Interest income and dividends income	2,302
Foreign exchange gains	502
Other	1,918
Non-operating expenses	**7,963**
Interest expenses	3,586
Share of loss of entities accounted for using equity method	893
Loss on valuation of derivatives	1,167
Other	2,316
Ordinary income	**5,189**
Extraordinary income	**33,430**
Gain on disposal of noncurrent assets	22,144
Gain on sales of investment securities	9,521
Other	1,763
Extraordinary loss	**17,303**
Loss on disposal of noncurrent assets	1,303
Impairment loss	2,542
Product warranty provisions	4,820
Loss on change in equity	490
Loss on transfer of business	3,770
Loss on COVID-19	1,385
Other	2,991
Profit before income taxes	**21,316**
Total income taxes	**9,219**
Income taxes-current	6,047
Income taxes-deferred	3,171
Profit before minority interests	**12,097**
Minority interests	2,095
Profit attributable to owners of parent	**10,001**

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

[Translation for Reference Purpose Only]

Non-Consolidated Financial Statements for the 199th Fiscal Year

Non-Consolidated Balance Sheet

(As of March 31, 2021) (Unit: JPY millions)

Account title	Amount	Account title	Amount
(Assets)		**(Liabilities)**	
Current assets	**260,836**	**Current liabilities**	**196,958**
Cash and deposits	40,757	Notes payable - trade	787
Notes receivable-trade	2,074	Accounts payable - trade	77,659
Electronically recorded monetary claims	4,950	Short-term loans payable	57,416
Accounts receivable - trade	94,043	Commercial paper	30,000
Accrued income taxes	101	Accounts payable-other	12,561
Merchandise and finished goods	5,876	Accrued expenses	15,540
Work in process	16,916	Advances received	1,480
Raw materials and supplies	9,448	Provision for product warranties	387
Prepaid expenses	1,487	Provision for loss on construction contract	127
Short-term loans receivable	60,783	Other	998
Accounts receivable-other	21,773	**Long-term liabilities**	**183,092**
Other	2,640	Straight bonds	30,000
Allowance for doubtful accounts	(18)	Long-term loans payable	119,050
Fixed assets	**309,284**	Provision for retirement benefits	21,567
Property, plant and equipment	**77,089**	Provision for environmental measures	10,208
Buildings	31,684	Provision for loss on business of subsidiaries and affiliates	638
Structures	3,491	Allowance for stock benefit for directors	440
Machinery and equipment	18,433	Asset retirement obligations	514
Vehicles and delivery equipment	125	Other	673
Tools, furniture and fixtures	3,235		
Land	12,489	**Total liabilities**	**380,051**
Lease assets	71	**(Net assets)**	
Construction in progress	7,556	**Shareholders' equity**	**176,755**
Intangible assets	**11,706**	Capital stock	69,395
Software	11,456	Capital surplus	21,467
Other	249	Other capital surplus	21,467
Investments and other assets	**220,489**	Retained earnings	86,430
Investment securities	26,845	Legal retained earnings	3,071
Stock of subsidiaries and affiliates	100,947	Other retained earnings	83,358
Investments in capital of subsidiaries and affiliates	45,182	Retained earnings carried forward	83,358
Long-term loans receivable from Subsidiaries and affiliates	50,294	Treasury stock	(537)
Prepaid pension cost	4,843	**Valuation and translation adjustments**	**13,314**
Deferred tax assets	4,331	Unrealized gains on available-for-sales securities	11,743
other	5,576	Deferred gains on derivatives under hedge accounting	1,570
Allowance for doubtful accounts	(17,532)	**Total net assets**	**190,070**
Total assets	**570,121**	**Total liabilities and net assets**	**570,121**

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

[Translation for Reference Purpose Only]

Non-Consolidated Statement on Operation

(From April 1, 2020 to March 31, 2021)

(Unit: JPY millions)

Account title	Amount
Net sales	**392,616**
Cost of sales	**359,618**
Gross profit	**32,998**
Selling, general and administrative expenses	39,917
Operating loss	**(6,919)**
Non-operating income	**16,663**
Interest and dividends income	15,696
Other	967
Non-operating expenses	**4,153**
Interest expenses	1,009
Reversal of allowance for doubtful accounts	2,338
Provision for loss on business of subsidiaries and affiliates	386
Other	418
Ordinary income	**5,591**
Extraordinary income	**33,492**
Gain on disposal of noncurrent assets	22,082
Gain on sales of subsidiaries and affiliates' stocks	3,033
Gain on sales of investment securities	8,316
Other	58
Extraordinary loss	**6,208**
Loss on disposal of noncurrent assets	777
Impairment loss	988
Loss on valuation of stocks of subsidiaries and affiliates	3,821
Expenses for products warranties	35
Loss on disaster	12
Other	571
Net income before income taxes	**32,875**
Income taxes and others	7,455
Adjustment to deferred income taxes	1,086
Net income	**24,333**

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