

[Translation for Reference Purpose Only]

Furukawa Electric Co., Ltd.

Summary of Q&A Session at the 200th Annual Shareholders Meeting

* In disclosing this summary, we provided supplemental explanations in brackets to clarify the intent.

* In this Annual Shareholders Meeting, aside from questions taken at the meeting venue, we took questions online in advance, and answered questions of high interest at the venue.

Date & Time: June 23, 2022 (Thu.) 10:00-11:17

Q (Question submitted in advance):

Regarding executive management's view of the company's share price and market capitalization compared to other companies in the same industry, and the goals for our group based on the details of the new medium-term management plan

A: Concerning the share price, executive management is also strongly aware that the current level is an issue. Indicators such as the P/E ratio, price-book value ratio, as well as the dividend amount and yield, are comparable with other companies in the same industry. The recent weakness in the share price is believed to be related to our lower earnings in the past several years and uncertain outlook for the future. On the other hand, we are confident in our ability to achieve the forecast for this year. In addition, we are working to reinforce the facilities needed to achieve "Furukawa Electric Group Vision 2030", further refine our technology and create new businesses. Going forward, through the achievement of the profit plan and proactive IR activities, we will increase the trust from the capital markets and improve the assessment of our group. Concerning the future business developments at the group, during the 4 years covered by the new medium-term management plan, we will build a strong foundation for achieving "Furukawa Electric Group Vision 2030". Without changing our main pillar of "monozukuri" based on material capabilities centered on 4 core technologies (metals, polymers, photonics and high-frequency), we will decisively work to optimize the business portfolio. In addition to our existing businesses (Information, Energy and Mobility), we will become a company that operates businesses designed to solve social issues in new domains and is an essential part of society.

Q (Question submitted in advance):

Regarding the initiatives implemented and status of employee engagement, including "harassment" and work style reforms

A: Of the "three valuables" set forth by Mr. Ichibei Furukawa, the founder of Furukawa Group, we constantly strive to "value employees". Also, "Furukawa Electric Group CSR Code of Conduct" for corporate officers and employees requires respect for human rights, prohibits discrimination and prohibits harassment. Furthermore, we are providing compliance education, including through an annual compliance month. At the same time, employees are encouraged through posters and other methods to report suspected compliance violations using the internal whistle blowing system. Although some cases have involved power harassment, most cases are poor communication between supervisors and their subordinates. For supervisors, we have implemented Furukawa Seven,

Furukawa Electric's seven principles for supervisors that set forth the key mindsets and actions for building good teamwork and showing strong leadership. Initiatives for work style reform are being advanced through the example set by the responsible person in each division.

Q: Regarding the financial results of OFS (subsidiary in the United States)

A: The financial results of OFS (subsidiary in the United States) greatly affect the overall earnings in the Communications Solutions segment. Profits at OFS declined due to the global drop in optical fiber prices and changing demand, but recently, along with shifting to higher value added and highly profitable products and services, efforts are being made to improve and increase productivity.

Q: Regarding the plan of the next television commercial

A: In light of the low awareness of the company and lack of a firm image, a concentrated advertising campaign centered on television commercials and incorporating other media was conducted from the end of 2021 through early 2022 with the aim of increasing employee motivation and strengthening the company's recruiting ability. The results of the survey conducted following the advertising campaign confirmed that the awareness and image as a cutting-edge company greatly increased particularly among university students who were a main target audience. However, in order to firmly establish the awareness and image of our company, it is necessary to regularly conduct advertising campaigns. Therefore, we will continue to consider advertising campaigns using television, the Internet and other mass media in order to further increase awareness of our company and enhance our image.

Q: Regarding DX (digital transformation) initiatives and training DX personnel

A: At Furukawa Electric, we believe DX (digital transformation) is transforming the businesses through the use of digital. Without simply pursuing digitalization, we are aiming to become a truly agile company by undertaking multiple challenges to achieve impactful transformation and reformation of the businesses through the digitalization of data. In the new medium-term management plan, we have set forth the promotion of both "monozukuri" DX and "kotozukuri" DX. Through this, we intend to thrive within the industry by making the ability to increase profits in all market environments one of our strengths. In addition, by promoting DX aimed at solving social issues, planning new products and developing new materials through the use of AI and expanding into the service and maintenance domains leveraging digital capability, we will work to establish a broad position extending from the upstream to downstream areas of the value chain.

Also, our group believes that educating our employees and investing in human capital are extremely important, and in particular, training DX personnel has become an important theme in today's world. We have established a business partnership with Aidemy Inc., a company that supports DX businesses and training DX personnel, and we are actively incorporating Aidemy's e-learning. Through these initiatives, we will proactively work to train DX personnel.

Q: Regarding handling of compliance cases and initiatives for compliance

A: Respect for human rights, prohibition of discrimination and prohibition of harassment have been set forth in "Furukawa Electric Group CSR Code of Conduct", and efforts are being made to increase awareness through the designation of a compliance month and other measures. In particular, we are implementing a strong response based on the so-called "Power harassment prevention act". Under the internal whistle blowing system, we are accepting reports of suspected compliance violations and conducting investigations and corrective action as required. Also, in order to improve communication between supervisors and their subordinates, which is highly likely to be a factor behind power harassment, we are implementing focused initiatives to transform leadership and reform the work styles, as well as conducting activities to increase employee engagement. In addition, we have set human rights education, including the prevention of power harassment, and the status of initiatives for employee engagement as sustainability targets, and through the disclosure of these targets, we will work to prevent power harassment and increase employee engagement.

Q: Regarding the effect of changing the Accounting Auditor

A: Concerning the Accounting Auditor, the main reason for changing from ShinNihon LLC (currently Ernst & Young ShinNihon LLC) to Deloitte Touche Tohmatsu LLC is due to the long tenure of ShinNihon LLC as the company's Accounting Auditor. As one of the benefits and merits of this change, we believe the audits of our subsidiaries located around the world are being enhanced through the global member firms affiliated with Deloitte Touche Tohmatsu LLC. Also, the communication between the Accounting Auditor and Audit & Supervisory Board Members is excellent, and recently, efforts are being made to enhance the three-way audit system that include Internal Audit Department (the Auditing Department). These initiatives, too, are being advanced while receiving a wide range of advice from Deloitte Touche Tohmatsu LLC. Thus, we believe Deloitte Touche Tohmatsu LLC is conducting thorough audits as an Accounting Auditor.

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