

June 7, 2006

Furukawa Electric Industrial Cable Co.,Ltd

Notice Concerning Introduction of the Executive Officer System

Furukawa Electric Industrial Cable Co., Ltd (the “Company”) is pleased to announce that it will be placing on the agenda of the Annual General Meeting of Shareholders and subsequent meeting of the Board of Directors, both to be held on June 30, 2006, the following proposed reforms to its management structure, centering on reforms to the Board of Directors and the introduction of the executive officer system. The reforms will be introduced after the meetings.

1. Purpose of Reforming the Management Structure

In a rapidly changing management environment, it is essential to respond to changes quickly and flexibly and to optimize the decision-making and executive functions. To this end, the Company is further separating management functions into decision-making and supervisory functions and business execution functions, clearly defining each role and strengthening each function.

2. Reform of the Board of Directors

To accelerate the management decision-making process and strengthen the executive and supervisory functions of the management, a number of structural and other changes will be made to the Board of Directors, as follows:

- (1) At the upcoming general meeting of shareholders, the number of Board members (inside Directors) will be reduced from six to four.
- (2) To clearly define the management responsibilities of the Board of Directors, the Articles of Incorporation of the Company will be amended, and the present two-year term of directors will be reduced to one year.

3. Introduction of the Executive Officer System

The executive officer system will be introduced for the purpose of building a speedy and flexible executive system. The duties and other aspects of executive officers are to be as follows:

- (1) Executive officers are to be positioned as the highest ranking employees of the Company, appointed by resolution of the Board of Directors, and tasked with achieving successful results in carrying out specific duties based on their authority and in accordance with the management policies determined by the Board of Directors.
- (2) A managing director may be appointed as an executive officer.
- (3) The term of executive officers is to be one year.
- (4) To maintain access to frontline management information, the majority of Board members will serve concurrently as directors and executive officers, in which capacity they will be responsible for operations.