

Third-Party Opinion



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After gaining invaluable experience working for a private-sector company, a research institute and studying abroad, participated in the establishment of the Center for Public Resources Development (URL <http://www.public.or.jp>), a nonprofit organization in 2000. Engages in a wide range of activities including corporate sociality assessment as a part of efforts to promote socially responsible investment (SRI); social contribution activity project evaluation and consulting, and; NPO management support. A part-time instructor at the Graduate School of Social Design Studies of Rikkyo University, the International Graduate School of Social Sciences of Yokohama National University and the Faculty of Law at Meiji Gakuin University.

Drawing on a review of the Group's CSR Report 2010 and an interview with Tetsuya Sato, Chief Social Responsibility Officer, I would like to comment on Furukawa Electric's CSR and information disclosure activities.

In his opening remarks in this Report, the president outlined efforts to contribute to society through the creation of new markets, businesses and technologies; adherence to compliance; the strengthening of environmental initiatives, and; the expansion of social contribution activities as the Group's priority objectives under the medium-term management plan "New Frontier 2012" that commenced in April 2010. In the context of the Group's ongoing commitment to fulfill its CSR, each contention is essential.

Needless to say, a key issue for management over the foreseeable future is its ability to capture growing infrastructure demand from newly emerging nations with a particular focus on the BRICs and ASEAN. Of equal concern are considerations toward raising the ratio of local production and procurement in the face of the recent sharp spiral in the value of the yen. Under these circumstances, and also in the context of its CSR initiatives, the Furukawa Electric Group will necessarily confront a broad spectrum of social and environmental issues in the conduct of its business activities. As a result, the Group must actively disclose its progress and performance in its CSR Report. In my discussions with Mr. Sato, Chief Social Responsibility Officer, I learned that the Group had already commenced a wide range of global CSR initiatives with respect to environmental, compliance and human resource development across each of its operating fields. In addition to ensuring compliance with local environmental rules and regulations, Furukawa Electric has published and distributed among its employees English and Chinese language editions of its compliance guidelines and is conducting

training for local senior executives at the head office. Looking ahead, I would like to see the Company clarify its policies toward each initiative and to continue efforts in enhancing Group-wide awareness and understanding. At the same time, I would also hope that Furukawa Electric will more actively promote CSR among its overseas subsidiaries by utilizing supply chain management that encompasses green and CSR procurement; global human resource development and; local community contribution activities. Furthermore, in recognizing dirty mining as an industry-wide problem, I would expect the Company to maintain full disclosure and to outline details of the Group's progress.

In the "Past and Future Environmental Businesses" feature, I was impressed by the concise and easy-to-understand manner in which the Company outlined its efforts to meet those requirements imposed by society. I am counting on the Furukawa Electric Group to contribute to society through the creation and development of a low-carbon society, particularly in the three fields identified of next-generation vehicles, energy / smart grids and high-density optical telecommunications. In addition, I have now learned that Furukawa Electric Ecotec Co., Ltd., building on its long-standing experience in the recycling of electric and telecommunication cables, has achieved a recycling ratio of 100%. I have also come to better appreciate the efforts made by the company to further enhance its materials recycling ratio. In moving forward, I expect the Group to bolster its endeavors in the collection of discarded cables as well as the development of recycling systems.

A CSR report is among many things a medium for conveying information to external parties and an important communication tool. Accordingly, presenting exceptions to the scope of environmental data collected as well as explanations for technical terms in an easy-to-understand manner is essential. In the section of society-based measures, Furukawa Electric mainly provides an explanation of its overall systems and measures implemented. In similar fashion to the section dealing with the environment, I would like to see the Company provide details and a comparative analysis of targets and performance for each fiscal year as well as an evaluation of the level of achievement. In particular, I would ask the Company to go beyond a simple explanation of the various systems employed to promote work-life balance. This would included the disclosure of human resource-related data such as overtime trends and the number of paid leave days taken.



At the conclusion of the interview with Sachiko Kishimoto, Tetsuya Sato, Chief Social Responsibility Officer on the right