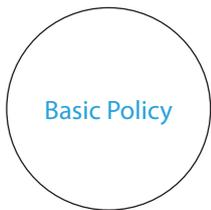


The Furukawa Electric Group Basic CSR Policy



Each of the companies that make up the Furukawa Electric Group undertakes CSR activities in accordance with the following basic Group policy.



We fully recognize the responsibilities of the Furukawa Electric Group to society and will strive to maintain and improve on solid, friendly relationships with all of our stakeholders and contribute to the sustainable development of society through corporate, environmental and social activities.

As a basic philosophy underpinning our CSR activities, we have also prepared a set of Furukawa Electric Group Action Guidelines.

The officials and employees of the Furukawa Electric Group will perform their duties in accordance with the following action guidelines.

We, the Company officials and employees of the Furukawa Electric Group, will:

- (1) Fully recognize the responsibilities of the Furukawa Group to society and strive to maintain and improve on solid, friendly relationships with all of our stakeholders and contribute to the sustainable development of society through corporate, environmental and social activities.
- (2) Aim to create a company that is useful to society by developing products designed to aid the development of society and by providing reliable products and services.
- (3) Comply with domestic and international laws and regulations and act in accordance with internal regulations and other rules such as social norms and ethics.
- (4) Properly display and adequately disclose financial statements and other corporate information.
- (5) Deal with antisocial groups in a resolute manner.
- (6) Strive to act with consideration for the protection of the global environment.
- (7) Respect human rights, cultures and traditions as a member of the international community.
- (8) Create a company whose employees feel motivated, comfortable and fulfilled.



Corporate Governance

Board of Directors and Board of Corporate Auditors

As a rule, the Board of Directors holds two regular board meetings each month and extraordinary board meetings as and when necessary to speed up decision making. There is also a support structure in place enabling outside directors and auditors to attend meetings provided that they have a sufficiently in-depth understanding of the issues being discussed, with the opinions of outside officials respected as part of the decision making process. It is through measures such as these that we ensure that the Board of

Directors is able to sufficiently function in an operational monitoring and supervisory capacity as the core of our corporate governance operations. We have also set up a CSR and Risk Management Committee under the supervision of the Board of Directors, with members consisting of the President, Chief Officers and Company Presidents. This acts as a framework for the promotion of CSR and risk management activities from an overall groupwide perspective.

We place great importance on the

function performed by our Corporate Auditors and Board of Corporate Auditors, which are independent of the Board of Directors and have incorporated the establishment of a Board of Auditors into the institutional design of the Company itself. Based on close collaboration between our Corporate Auditors, Accounting Auditors and the CSR Division, which acts as our Auditing Department, including sharing information and exchanging opinions, we continue to make every effort to strengthen our auditing capabilities.

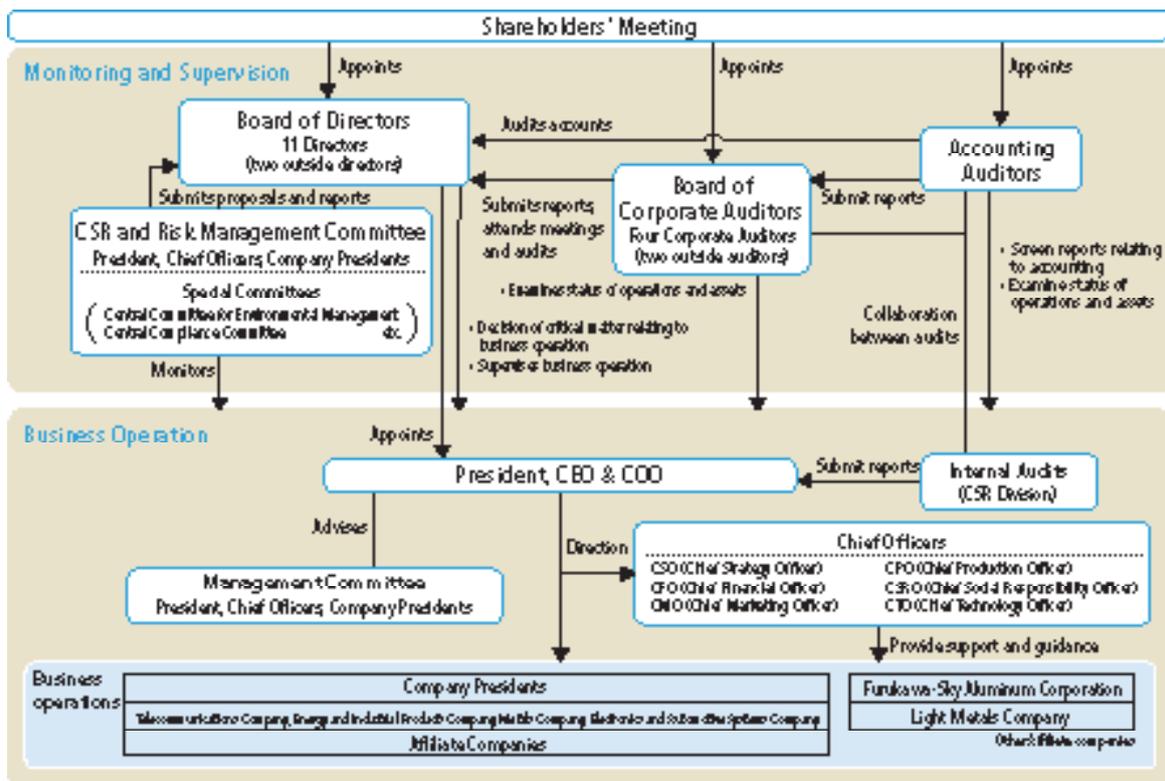
Operational Performance

Our operational structure is based on a company system and a chief officer system. Under the supervision of the President, who is responsible for overall oper-

ational performance, operations are run by the Company Presidents and operations relating to matters such as groupwide strategies, resource allocation and

administration handled by the relevant Chief Officer. Details of such operations are then reported back to the Board of Directors on a quarterly basis.

Corporate Governance Organization Chart



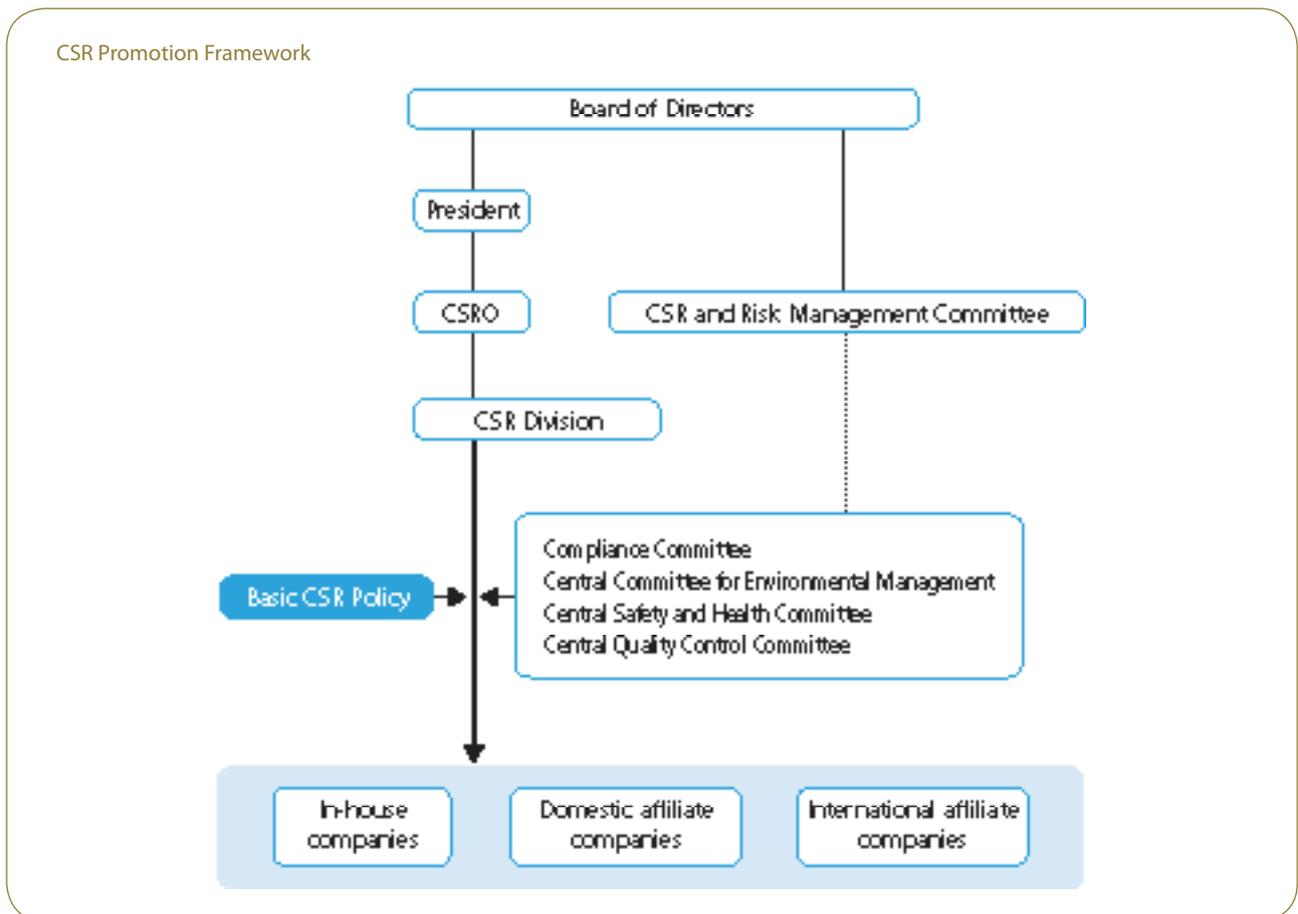
CSR Management

CSR Promotion Framework

To further enhance and reinforce our CSR activities, on February 16, 2007, the Furukawa Electric Group appointed a Chief Social Responsibility Officer (CSRO) to spearhead our new CSR Division. The CSR Division consists of an Auditing Department, the Export Security Administration Department and the Safety and Environment Promotion Department

and features a newly established Administration Department. In addition to stepping up all-round monitoring of corporate activities from the standpoint of CSR, covering areas from compliance and risk management to safety, environmental protection and social contribution, and promoting CSR activities on a standardized basis, we now have the

framework in place to be able to take any necessary action should problems arise, including investigating allegations and the causes of problems, implementing remedial or preventive measures and releasing statements, to deal with all eventualities quickly and appropriately.



In addition to our CSR activities, the Furukawa Electric Group has also set up a Quality Promotion Department under the supervision of our Chief Production Officer (CPO). We are undertaking quality control activities for all of our products, which represent the foundations of

our social responsibilities as a manufacturer. Elsewhere, we are putting in place the necessary framework in response to the so-called Japanese SOX Act, revolving primarily around a newly established project team, and are making every effort to enhance our corporate value through

the establishment of a comprehensive internal control system, including steps such as striving to maintain and improve the reliability of financial reporting on a groupwide basis.

Compliance

Compliance

The Furukawa Electric Group defines compliance as “going beyond simply abiding by laws and regulations by acting in accordance with the values and ethics required of the Company and its employees as responsible members of society.” Working to the Furukawa Electric Group

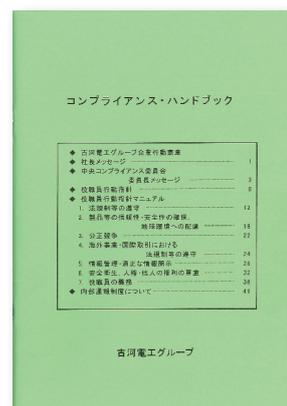
Action Guidelines as our basic philosophy on ethical and legal compliance, we continue to promote in-house education, inspections to prevent any infringements on the law and a range of other compliance-related activities. We have put together a Central Compliance Committee,

chaired by the Chief Social Responsibility Officer (CSRO), to organize the promotion of compliance activities, with subordinate compliance committees also in place at individual works and branches around the country.

Compliance Education

Having compiled a set of Action Guidelines for Company Officials and Employees outlining specific codes of conduct and an accompanying manual containing additional explanations, both based on our Furukawa Electric Group Action Guidelines, we combined the publications with a message from the President into a booklet called the Compli-

ance Handbook, which we distribute to all officials and employees as part of our ongoing educational schemes targeting compliance in the workplace.



Compliance Handbook

Internal Reporting System

To enable early detection of compliance violations and corrective action, we operate a system whereby company officials and employees can file anonymous reports directly with the Central Compliance Committee (namely, an internal reporting system). Using a pro-

prietary system developed by Furukawa, the system includes features such as the ability to receive reports whereby the reporting party remains anonymous whilst still exchanging emails between the reporting party and the Company. The system thus enables communication

between the Company and the reporting party, including feedback to the reporting party on the Company’s response to the matter. The findings of investigations into reported matters and details of the Company’s response are reported to the Board of Directors as appropriate.