

Third-Party Opinion



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After being in charge of major air policies such as the airline deregulation, Japan-U.S. civil aviation talks at the former Ministry of Transport (presently Ministry of Land, Infrastructure, Transport and Tourism), Mr. Mizukami was mainly engaged in business strategy planning project focusing on the manufacturing industry at Arthur D. Little Japan Inc. a management consulting company.

Joint article author: Hikaru Kobayashi, "Green growth and innovation: creating shared value", Manabu Akaike, "CSV Management", Blog "CSV/Shared value management theory"

Based on the information described in "Furukawa Electric Sustainability Report 2018" I would like to present the third party opinion on the Company's CSR efforts from the stand point of a CSR expert.

The Company is developing CSR activities according to Furukawa Electric Group CSR basic policy revised in 2011. In the CSR policy, it is stipulated that the business activities in harmony with the society and the global environments shall be carried out in compliance with domestic and foreign laws, social norms and ethics. On the other hand, currently, the Company does not always promote CSR activities and information disclosure in a form explicitly based on international guidelines.

In the Top Message, it is declared that ESG management is being promoted in various ways based on the basic philosophy of Furukawa Electric Group, and I understand that necessary efforts are carried out in practical ways, however, in the days when global and wide range of investors are interested in ESG, it is desirable to work on CSR in an easy understandable manner based on the common platform of a language which is global and to continue communication. I think that this point should be re-considered.

In this report, "Fun Lab" and "Efforts to strengthen corporate governance" are regarded as special features. The Company intends to

promote ESG management based on the robust governance, here, it can be appreciated to bring the corporate governance, in which Japanese companies are considered to be weak, to the front of communication.

Regarding concrete CSR activities, I think that dealing with the Paris Agreement and SDGs are required in the future. In light of the Paris Agreement, it will be necessary to fully examine what opportunities and risks exist in the relation between the climate change and the business of the Company, and it will be required to establish a long term vision. With respect to SDGs, as shown in the Top Message, we will be required to deal in such a manner as "ensure sustainable consumption and production patterns" including the viewpoint of stable procurement of raw materials based on a company which has a strong core expertise in materials.

There are various activities regarding corporate response to social issues. I expect that the Company will continue to have a higher sensitivity to these activities and to further enhance CSR management in a manner integrated within the business.