

Securities Code: 5715

June 7, 2017

To our shareholders:

Naohisa Miyakawa  
President & Representative Director  
**Furukawa Co., Ltd.**  
2-3 Marunouchi 2-chome, Chiyoda-ku, Tokyo

## Notice of the 150th Annual Shareholders' Meeting

You are cordially invited to attend the 150th Annual Shareholders' Meeting of Furukawa Co., Ltd. (the "Company"), which will be held as indicated below.

If you are unable to attend the meeting, we kindly request that you exercise your voting rights after reviewing the Reference Documents for Shareholders' Meeting, either by returning the enclosed voting form indicating approval or disapproval or by electronic means (via the Internet, etc.) to reach us no later than 5:00 p.m. on Wednesday, June 28, 2017 (JST).

- 1. Date and Time:** Thursday, June 29, 2017, at 10:00 a.m. (JST)
- 2. Venue:** 3rd floor, Company's Conference Room, Marunouchi-Nakadori Bldg.  
2-3 Marunouchi 2-chome, Chiyoda-ku, Tokyo

### 3. Purpose of the Meeting

#### Matters to be reported:

1. Business Report, Consolidated Financial Statements and the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board for the 150th fiscal year (from April 1, 2016 to March 31, 2017)
2. The Non-Consolidated Financial Statements for the 150th fiscal year (from April 1, 2016 to March 31, 2017)

#### Matters to be resolved:

- |                       |   |
|-----------------------|---|
| <b>Proposal No. 1</b> | Appropriation of Surplus  |
| <b>Proposal No. 2</b> | Consolidation of Shares   |
| <b>Proposal No. 3</b> | Partial Amendments to the Articles of Incorporation                                 |
| <b>Proposal No. 4</b> | Election of Nine (9) Directors  |
| <b>Proposal No. 5</b> | Election of One (1) Audit & Supervisory Board Member                                |
| <b>Proposal No. 6</b> | Election of One (1) Substitute Audit & Supervisory Board Member                     |
| <b>Proposal No. 7</b> | Revision of Remuneration Amount for Directors and Audit & Supervisory Board Members |

### 4. Information on the Exercise of Voting Rights, etc.:

1. If you wish to exercise your voting rights by mail:  
Please indicate approval or disapproval on the voting form, and post it in the envelope provided without affixing a stamp. Voting deadline: Please ensure that it reaches us by 5:00 p.m. on June 28, 2017 (Wednesday).
2. If you wish to exercise your voting rights over the Internet:  
Please access the voting website (<http://www.web54.net>) from your PC or smartphone, enter the voting code and password indicated on the voting form, and then follow the instructions on the screen for indicating approval or disapproval.  
Voting deadline: Please ensure that you exercise your voting rights by 5:00 p.m. on June 28, 2017 (Wednesday).
3. Shareholders who have an account with a trust bank, etc. (include standing proxies) may use, in addition to voting via the Internet, the electronic voting platform operated by ICJ, Inc., a joint-venture company of the Tokyo Stock Exchange, Inc., to exercise voting rights at the Annual Shareholders' Meeting by applying in advance to use the platform.

1. When you attend the meeting, we kindly request that you submit the enclosed voting form to the receptionist at the venue.  
For the purpose of saving resources, please bring this Notice with you to the meeting.
2. If you exercise your voting rights by proxy, you can delegate your voting rights to one (1) proxy who is a shareholder of the Company with voting rights. In such case, please have the proxy submit a document evidencing the authority of proxy to the receptionist at the venue.
3. If there are any revisions to the Reference Documents for Shareholders' Meeting, Business Report, and/or Consolidated and Non-Consolidated Financial Statements, such revisions will be posted on the Company's website.

The Company's website (Information Page of Shareholders' Meeting)  
[http://www.furukawakk.co.jp/ir/stock/meeting\\_info.html](http://www.furukawakk.co.jp/ir/stock/meeting_info.html) (Japanese)  
<http://www.furukawakk.co.jp/e/ir/> (English)

## Reference Documents for Shareholders' Meeting

### Proposal No. 1 Appropriation of Surplus

The Company proposes the following appropriation of retained earnings.

#### Year-end dividends

The Company shall seek to enhance returns to shareholders, while adopting the fundamental policy of allocating profits from a comprehensive viewpoint, including the primary consideration of capital investments that are essential for securing earnings and internal reserves required for R&D, as well as business prospects in the coming years and various other matters.

Taking into account such factors as the Company's business results for the current fiscal year and future business development, the Company proposes to appropriate retained earnings in the form of a year-end dividend for the 150th fiscal year as follows.

1. Type of dividend property  
Cash
2. Allotment of dividend property and their aggregate amount  
¥5.00 per common share of the Company  
Total dividends: ¥2,020,213,760
3. Effective date of dividends of surplus  
June 30, 2017

## **Proposal No. 2** Consolidation of Shares

1. The reason why consolidation of shares is necessary  
Stock exchanges nationwide have announced the “Action Plan for Consolidating Trading Units” and aim at consolidating trading units (number of shares per share unit) of common share of all the domestic listed companies to 100 shares. As one of the companies listed on the Tokyo Stock Exchange, the Company respects the intent of this and has decided to change the trading units of the shares of the Company from 1,000 shares to 100 shares, and together with this, in order to maintain the level per trading unit that is considered desirable by Stock exchanges nationwide (¥50,000 or over and less than ¥500,000), the Company will conduct consolidation of shares.
2. Ratio of consolidation  
The Company proposes to consolidate ten (10) shares of common share of the Company to one (1) share. If any fraction of less than one (1) share arises as a result of consolidation of shares, in accordance with the provisions of Article 235 of the Companies Act, the Company shall sell all of the fractional shares in one block, and distribute the sales proceeds to shareholders who held the fractional shares in accordance with the ratio of the respective fractional shares.
3. Effective date of consolidation of shares  
Sunday, October 1, 2017
4. Total number of authorized shares to be issued as of effective date  
Current 800,000,000 shares will be changed to 80,000,000 shares.
5. Other notes  
The consolidation of shares pertaining to this Proposal, however, can only take effect after Proposal No. 3 “Partial Amendments to the Articles of Incorporation” is approved and resolved.  
In addition, for other necessary procedural matters the Company would like to ask you to leave it up to the Board of Directors.

Note: Although the consolidation of shares will result in a reduction in the number of shares of the Company held by the shareholders to one-tenth of the number before the consolidation, there will be no change in net assets or the like before and after the consolidation, meaning that net assets per share will be ten times. Therefore, there will be no change in the respective asset value of shares of the Company held by each shareholder, except when impacted by other factors such as fluctuations of the stock market.

### Proposal No. 3 Partial Amendments to the Articles of Incorporation

#### 1. Reasons for Amendments

- (1) Based on the current situation of the business operated by the Company and subsidiaries of the Company, the Company proposes to partially amend Article 2 (Purposes) of the current Articles of Incorporation, in order to clarify business specifics.
- (2) Out of respect for the “Action Plan for Consolidating Trading Units” announced by Stock exchanges nationwide, in order to change the number of shares per share unit from the present 1,000 shares to 100 shares, the Company proposes to amend Article 8 (Number of Shares per Share Unit) of the current Articles of Incorporation. In addition, taking into account the decrease in the total number of shares already issued by the Company, the Company proposes to change the total number of authorized shares to be issued as set forth in Article 6 of the current Articles of Incorporation to conform to ratio of the consolidation of shares. Those changes can only take effect after Proposal No. 2 “Consolidation of Shares” is approved and resolved. The Company will add supplementary provisions to the effect that this amendment will come into effect as of October 1, 2017, the effective date of the consolidation of shares, and after the amendment takes effect, the relevant supplementary provision shall be deleted from the Articles of Incorporation.
- (3) The Company proposes to partially amend Article 21 (Representative Directors and Directors With Special Titles) of the current Articles of Incorporation in order to provide flexibility in conducting meetings of the Board of Directors and mobility in building optimum management structure. In addition, the Company proposes to make necessary amendments to Article 12 (Convocation), Article 14 (Chairperson) and Article 22 (Convener and Chairperson of Meeting of the Board of Directors) of the current Articles of Incorporation.
- (4) The Company proposes to change the number of Directors as set forth in Article 18 of the current Articles of Incorporation from not more than eighteen (18) to not more than twelve (12), aiming at further efficiency improvement of management through activation of the Board of Directors and acceleration of decision-making.
- (5) In preparation for the case of a shortfall in the number of Audit & Supervisory Board Members as provided in the laws and regulations, the Company proposes to add provisions to Article 30 of the current Articles of Incorporation with regard to election of substitute Audit & Supervisory Board Member and a provision to the effect that the effective period of resolutions for the election of substitute Audit & Supervisory Board Members will be four (4) years.

#### 2. Details of the amendments

The details of the amendments are as follows:

(Underlined parts indicate the amendments)	
Current Articles of Incorporation	Proposed Amendments
Chapter I General Provisions	Chapter I General Provisions
Article 1 (Omitted)	Article 1 (Unchanged)
(Purposes)	(Purposes)
Article 2	Article 2
1. The purpose of the Company shall be to own shares of companies that engage in the following business activities and thereby control and manage the business activities of the relevant companies.	1. (Unchanged)
(1) Nonferrous metals mining business, nonferrous metals smelting business, and the manufacturing of precious-metal products, <u>in addition to</u> collection of valuable metals such as iron and nonferrous metals, <u>and sales of products made from said valuable metals</u>	(1) Nonferrous metals mining business, nonferrous metals smelting business, <u>as well as</u> the manufacturing of precious-metal products <u>and sales of said products, in addition to</u> collection of valuable metals such as iron and nonferrous metals, <u>and recycling business</u>
(2)-(5) (Omitted)	(2)-(5) (Unchanged)
(6) <u>Manufacturing and sales of multistory parking systems</u>	(Deleted)

Current Articles of Incorporation	Proposed Amendments
<p>(7) Manufacturing and sales of civil engineering and construction machinery, mining machinery, agricultural machinery, loading machinery, conveyance machinery, automobile bodies, <u>and wooden parts for automobile</u></p> <p>(8) Development, manufacturing and sales of information processing equipment, computer systems, <u>broadcasting equipment</u> and software</p> <p>(9)-(11) (Omitted)</p> <p>(12) Manufacturing and sales of industrial chemicals such as sulfuric acid, inorganic coagulants, and inorganic pigments, in addition to equipment for manufacturing said industrial chemicals</p> <p>(13) (Omitted)</p> <p>(14) Disposal business of industrial waste and general waste, recycling business and greening business</p> <p>(15)-(17) (Omitted) (Newly established)</p> <p>(18) (Omitted)</p> <p>(19) Warehouse business, sale and purchase of secondhand articles, worker dispatching business, financial services, leasing business, <u>insurance agency business and nonlife insurance agency business under the Automobile Liability Security Act</u>, earth and quarrying business, ceramics business, forestry, and <u>petroleum and coal sales</u></p> <p>(20) (Omitted) 2.-3. (Omitted)</p> <p>Article 3- Article 5 (Omitted)</p>	<p>(6) Manufacturing and sales of civil engineering and construction machinery, mining machinery, agricultural machinery, loading machinery, conveyance machinery, <u>and</u> automobile bodies</p> <p>(7) Development, manufacturing and sales of information processing equipment, computer systems and software</p> <p>(8)-(10) (Unchanged)</p> <p>(11) Manufacturing and sales of industrial chemicals such as sulfuric acid, inorganic coagulants, and inorganic pigments, in addition to equipment for manufacturing said industrial chemicals (Change in Japanese only; English unchanged)</p> <p>(12) (Unchanged)</p> <p>(13) <u>Collection, carrying, storage and disposal</u> business of industrial waste and general waste <u>as well as</u> recycling business and greening business</p> <p>(14)-(16) (Unchanged)</p> <p>(17) <u>Motor truck transportation business, motor forwarding agency business, domestic shipping business and consigned freight forwarding business</u></p> <p>(18) (Unchanged)</p> <p>(19) Warehouse business, sale and purchase of secondhand articles, worker dispatching business, financial services, leasing business, earth and quarrying business, ceramics business, <u>and</u> forestry</p> <p>(20) (Unchanged) 2.-3. (Unchanged)</p> <p>Article 3- Article 5 (Unchanged)</p>
Chapter II Shares	Chapter II Shares
<p>(Total Number of Authorized Shares to Be Issued) Article 6 The total number of authorized shares to be issued by the Company shall be <u>800,000,000</u>.</p> <p>Article 7 (Omitted)</p> <p>(Number of Shares per Share Unit) Article 8 The number of shares constituting one unit of shares of the Company shall be 1,000.</p> <p>Article 9- Article 11 (Omitted)</p>	<p>(Total Number of Authorized Shares to Be Issued) Article 6 The total number of authorized shares to be issued by the Company shall be <u>80,000,000</u>.</p> <p>Article 7 (Unchanged)</p> <p>(Number of Shares per Share Unit) Article 8 The number of shares constituting one unit of shares of the Company shall be 100.</p> <p>Article 9- Article 11 (Unchanged)</p>
Chapter III Shareholders' Meeting	Chapter III Shareholders' Meeting
<p>(Convocation) Article 12 1. (Omitted) 2. <u>The President &amp; Director</u> shall convene shareholders' meeting <u>in accordance with the resolutions of the Board of Directors</u>.</p> <p>Article 13 (Omitted)</p>	<p>(Convocation) Article 12 1. (Unchanged) 2. <u>A Director determined in advance by the Board of Directors</u> shall convene shareholders' meeting.</p> <p>Article 13 (Unchanged)</p>

Current Articles of Incorporation	Proposed Amendments
<p>(Chairperson) Article 14</p> <p>1. <u>The President &amp; Director</u> shall chair shareholders' meeting.</p> <p>2. In cases where <u>the President &amp; Director</u> is prevented from so acting, another Director shall chair the meeting in accordance with the order of precedence determined by the Board of Directors in advance.</p> <p>Article 15- Article 17 (Omitted)</p>	<p>(Chairperson) Article 14</p> <p>1. <u>A Director determined in advance by the Board of Directors</u> shall chair shareholders' meeting.</p> <p>2. In cases where <u>the Director as referred to in the preceding paragraph</u> is prevented from so acting, another Director shall chair the meeting in accordance with the order of precedence determined by the Board of Directors in advance.</p> <p>Article 15- Article 17 (Unchanged)</p>
Chapter IV Directors and Board of Directors	Chapter IV Directors and Board of Directors
<p>(Number of Directors) Article 18</p> <p>The Company shall have not more than <u>eighteen (18)</u> Directors.</p> <p>Article 19- Article 20 (Omitted)</p> <p>(Representative Directors and Directors With Special Titles) Article 21</p> <p>1. (Omitted)</p> <p>2. <u>The Board of Directors shall appoint one President &amp; Director to represent the Company by its resolution.</u></p> <p>3. <u>In addition to the preceding paragraph, if necessary due to business-related reasons,</u> the Board of Directors may appoint, by its resolution, <u>one</u> Chairperson &amp; Director, <u>one</u> Executive Vice President &amp; Director, <u>one or two</u> Senior Managing Directors, and <u>one or a small number of</u> Managing Directors.</p> <p>(Convener and Chairperson of Meeting of the Board of Directors) Article 22</p> <p>Unless otherwise provided for by laws and regulations, <u>the President &amp; Director</u> shall convene meetings of the Board of Directors and chair the meetings. <u>Provided, however, that if there is the Chairperson &amp; Director, the Chairperson &amp; Director shall convene meetings of the Board of Directors and chair the meetings.</u></p> <p>(Newly established)</p> <p>Article 23- Article 28 (Omitted)</p>	<p>(Number of Directors) Article 18</p> <p>The Company shall have not more than <u>twelve (12)</u> Directors.</p> <p>Article 19- Article 20 (Unchanged)</p> <p>(Representative Directors and Directors With Special Titles) Article 21</p> <p>1. (Unchanged)</p> <p>(Deleted)</p> <p>2. The Board of Directors may appoint, by its resolution, Chairperson &amp; Director, <u>President &amp; Director</u>, Executive Vice President &amp; Director(s), Senior Managing Director(s), and Managing Director(s).</p> <p>(Convener and Chairperson of Meeting of the Board of Directors) Article 22</p> <p>1. Unless otherwise provided for by laws and regulations, <u>a Director determined in advance by the Board of Directors</u> shall convene meetings of the Board of Directors and chair the meetings.</p> <p>2. <u>In cases where the Director as referred to in the preceding paragraph is prevented from so acting, another Director shall convene meetings of the Board of Directors and chair the meetings in accordance with the order of precedence determined by the Board of Directors in advance.</u></p> <p>Article 23- Article 28 (Unchanged)</p>
Chapter V Audit & Supervisory Board Members and Audit & Supervisory Board	Chapter V Audit & Supervisory Board Members and Audit & Supervisory Board
<p>Article 29 (Omitted)</p> <p>(Election) Article 30</p> <p>1. (Omitted)</p> <p>2. (Omitted)</p>	<p>Article 29 (Unchanged)</p> <p>(Election) Article 30</p> <p>1. (Unchanged)</p> <p>2. (Unchanged)</p>

Current Articles of Incorporation	Proposed Amendments
(Newly established)	3. <u>The Company may elect substitute Audit &amp; Supervisory Board Member(s) at a shareholders' meeting in case of a shortfall in the number of Audit &amp; Supervisory Board Members required by laws and regulations.</u>
(Newly established)	4. <u>The period in which the resolutions relating to election of substitute Audit &amp; Supervisory Board Member(s) remain in effect shall expire at the start of the annual shareholders' meeting for the last fiscal year that ends within four years from the time of the relevant resolution.</u>
Article 31- Article 36 (Omitted)	Article 31- Article 36 (Unchanged)
Chapter VI Accounts	Chapter VI Accounts
Article 37- Article 40 (Omitted)	Article 37- Article 40 (Unchanged)
(Newly established)	<u>Supplementary Provision</u> <u>Amendment to Articles 6 and 8 of the Articles of Incorporation shall come into effect as of October 1, 2017. This Supplementary Provision shall be deleted after October 1, 2017.</u>



**Proposal No. 4** Election of Nine (9) Directors

The terms of office of all eight (8) Directors will expire at the conclusion of this meeting. In that regard, to strengthen our management structure, we hereby propose the election of nine (9) Directors (of which three (3) are Outside Directors), thereby increasing the number of Directors by one (1).

The candidates for Directors are as follows:

Candidate No.	Name (Date of birth)	Career summary and position and responsibility in the Company	Number of the Company's shares owned
1	Naohisa Miyakawa (March 25, 1952) (65 years old)  Reelection	<p>Apr. 1975      Joined the Company</p> <p>June 2003      General Manager, Human Resources Department</p> <p>Mar. 2005      General Manager, Human Resources &amp; General Affairs Department</p> <p>June 2007      Executive Officer, General Manager, Human Resources &amp; General Affairs Department, and General Manager, Secretary Department</p> <p>June 2009      Executive Officer President &amp; Representative Director of Furukawa Denshi Co., Ltd.</p> <p>June 2011      Director and Senior Executive Officer of the Company President &amp; Representative Director of Furukawa Denshi Co., Ltd.</p> <p>June 2013      President &amp; Representative Director of the Company (current position)</p> <p>Significant concurrent positions outside the Company Not applicable</p>	183,138 shares *As of March 31, 2017
<p>Reasons for nomination as candidate for Director</p> <p>After assuming the post of President &amp; Representative Director of the Company, Naohisa Miyakawa established the Group's management philosophy, Vision for 2025 "FURUKAWA Power &amp; Passion 150," formulated "Medium-Term Management Plan 2019" and promoted management reform, etc., thus has been demonstrating strong leadership in charge of management of the Company. We propose the election of him as Director again because we believe it is necessary to apply his extensive experience, track record and leadership in the Company's management in order to sustainably improve the corporate value.</p>			

Candidate No.	Name (Date of birth)	Career summary and position and responsibility in the Company		Number of the Company's shares owned
2	Toshio Matsumoto (February 3, 1950) (67 years old)  Reelection	Apr. 1972	Joined the Company	186,635 shares *As of March 31, 2017
		July 2002	General Manager, Information System Department	
		July 2003	General Manager, Purchasing Department and General Manager, Information System Department	
		June 2005	Executive Officer, General Manager, Purchasing Department, and General Manager, Information System Department	
		June 2007	Executive Officer and General Manager, Information System Department	
		June 2009	Director, Senior Executive Officer, and General Manager, Corporate Planning Department	
		June 2011	Managing Director and Managing Executive Officer	
		June 2015	Senior Managing Director (current position)	
		Significant concurrent positions outside the Company Not applicable		
		Reasons for nomination as candidate for Director Toshio Matsumoto has held important positions at the Company and Group companies, and since assuming the post of Director of the Company, he has led business operation in the fields of management planning, information systems and purchasing. At present, he as Director is assistant to the President and is fulfilling responsibility for the Machinery Division, Environmental & Safety Control Department, Purchasing Department and Information System Department. We propose the election of him as Director again because we believe it is necessary to apply his extensive experience and track record in the Company's management in order to sustainably improve the corporate value.		
3	Minoru Iwata (January 4, 1956) (61 years old)  Reelection	Apr. 1979	Joined the Company	35,772 shares *As of March 31, 2017
		June 2007	General Manager, Accounting Department	
		June 2011	Executive Officer and General Manager, Accounting Department	
		June 2013	Director, Senior Executive Officer, and General Manager, Accounting Department	
		June 2015	Director	
		June 2016	Managing Director (current position)	
		Significant concurrent positions outside the Company Not applicable		
		Reasons for nomination as candidate for Director Minoru Iwata has been working in the Accounting Department for many years, and since assuming the post of Director of the Company, he has led business operations in the fields of the Accounting Department and Materials Division. At present, he is fulfilling responsibilities as Director for the Materials Division, Real Estate Division and Corporate Division (except for Purchasing Department and Information System Department). We propose the election of him as Director again because we believe it is necessary to apply his extensive experience and track record in the Company's management in order to sustainably improve the corporate value.		

Candidate No.	Name (Date of birth)	Career summary and position and responsibility in the Company		Number of the Company's shares owned
4	Masao Yoshida (February 5, 1949) (68 years old)  Reelection Outside	Apr. 1972      Joined Furukawa Electric Co., Ltd. June 2002      Director of Furukawa Electric Co., Ltd. June 2003      Corporate Senior Vice President of Furukawa Electric Co., Ltd. June 2004      Managing Director and Corporate Senior Vice President of Furukawa Electric Co., Ltd. June 2006      Senior Managing Director and Corporate Executive Vice President of Furukawa Electric Co., Ltd. June 2008      President, Representative Director and COO of Furukawa Electric Co., Ltd. June 2009      President and Representative Director of Furukawa Electric Co., Ltd. Apr. 2012      Chairman and Representative Director of Furukawa Electric Co., Ltd. June 2013      Director of the Company (current position) June 2015      Outside Director of JFE Holdings, Inc. (current position) Apr. 2016      Chairman and Director of Furukawa Electric Co., Ltd. Apr. 2017      Director of Furukawa Electric Co., Ltd. (current position) Significant concurrent positions outside the Company Director of Furukawa Electric Co., Ltd. Outside Director of JFE Holdings, Inc.		- shares *As of March 31, 2017
Reasons for nomination as candidate for Outside Director Masao Yoshida has been engaged in corporate management as a manager over many years, possesses both outstanding character and insight. Consequently, we propose the election of him as Outside Director so that he will be able to use his abundant knowledge and extensive experience to provide opinions and advice for the Company's management with a broad and long-term perspective from objective standpoints outside the Company.				

Candidate No.	Name (Date of birth)	Career summary and position and responsibility in the Company	Number of the Company's shares owned
5	Nobuyuki Tomotsune (February 15, 1940) (77 years old)  Reelection Outside Independent	<p>Apr. 1967 Registered as an attorney at law (a member of Daiichi Tokyo Bar Association)</p> <p>Jan. 1969 Co-established Law Office of Nishimura, Komatsu and Tomotsune</p> <p>Dec. 1972 Master of Law (LL.M.) at University of Washington Law School, U.S.</p> <p>Jan. 1973 Joined Cravath Swaine &amp; Moore LLP, New York</p> <p>July 1973 Joined Sullivan &amp; Cromwell LLP, New York</p> <p>Oct. 1986 Co-established Law Office of Tomotsune, Kimura and Mitomi</p> <p>Jan. 2005 Co-established Anderson, Mori &amp; Tomotsune LPC</p> <p>June 2008 Outside Audit &amp; Supervisory Board Member of the Company</p> <p>Jan. 2009 Of Counsel of Anderson, Mori &amp; Tomotsune LPC (current position)</p> <p>June 2016 Outside Director of the Company (current position)</p> <p>Significant concurrent positions outside the Company Of Counsel of Anderson, Mori &amp; Tomotsune LPC</p>	- shares *As of March 31, 2017
<p>Reasons for nomination as candidate for Outside Director</p> <p>Nobuyuki Tomotsune has been engaged as Outside Audit &amp; Supervisory Board Member over many years, and is well-versed in the operations of the Company through auditing. Consequently, we propose the election of him as Outside Director so that he will be able to use such extensive experience and specialized knowledge as an attorney at law in supervising the Company's business activities. Although he does not have experience in corporate management other than from the position of outside officer, he is deemed capable of performing his duties appropriately as Outside Director on the aforementioned grounds.</p>			

Candidate No.	Name (Date of birth)	Career summary and position and responsibility in the Company		Number of the Company's shares owned
6	Shigeo Matsudo (December 16, 1951) (65 years old)  Reelection	Apr. 1975	Joined Unic Corporation	99,178 shares *As of March 31, 2017
		Oct. 1987	Joined the Company	
		June 2006	Director of Furukawa Unic Corporation	
		June 2010	Managing Director of Furukawa Unic Corporation	
		June 2011	Executive Vice President & Director of Furukawa Unic Corporation	
		June 2012	Executive Officer of the Company	
			Executive Vice President & Director of Furukawa Unic Corporation	
		June 2014	Senior Executive Officer of the Company	
			President & Representative Director of Furukawa Unic Corporation (current position)	
		June 2015	Director and Senior Executive Officer of the Company (current position)	
			Significant concurrent positions outside the Company	
			President & Representative Director of Furukawa Unic Corporation	
	Reasons for nomination as candidate for Director Shigeo Matsudo has been working in the Unic Division for many years, and since assuming the post of Director of the Company, he has led business operations in the areas of the Unic Division and plant reform. We propose the election of him as Director again because we believe it is necessary to apply his extensive experience and track record in the Company's management in order to sustainably improve the corporate value.			
7	Kiyohito Mitsumura (July 7, 1955) (61 years old)  Reelection	Apr. 1980	Joined the Company	24,587 shares *As of March 31, 2017
		Oct. 2008	General Manager, Financial Department	
		June 2011	General Manager, Corporate Planning Department and General Manager, Financial Department	
		June 2012	Executive Officer and General Manager, Corporate Planning Department	
		Sept. 2013	Executive Officer, General Manager, Corporate Planning Department, and General Manager, CSR Promotion Department	
		Apr. 2014	Executive Officer and General Manager, Corporate Planning Department	
		June 2014	Senior Executive Officer	
			President & Representative Director of Furukawa Rock Drill Co., Ltd. (current position)	
		June 2015	Director and Senior Executive Officer of the Company (current position)	
			Significant concurrent positions outside the Company	
			President of Furukawa Rock Drill Co., Ltd.	
	Reasons for nomination as candidate for Director Kiyohito Mitsumura has held important positions at the Company and Group companies, and since assuming the post of Director of the Company, he has led business operations in the area of the Rock Drill Division. We propose the election of him as Director again because we believe it is necessary to apply his extensive experience and track record in the Company's management in order to sustainably improve the corporate value.			

Candidate No.	Name (Date of birth)	Career summary and position and responsibility in the Company		Number of the Company's shares owned
8	Tatsuya Tejima (July 12, 1946) (70 years old)  New election Outside Independent	Apr. 1969	Joined Toho Zinc Co., Ltd.	- shares *As of March 31, 2017
		June 1999	Director of Toho Zinc Co., Ltd.	
		June 2000	Executive Officer of Toho Zinc Co., Ltd.	
		Jan. 2002	Managing Executive Officer of Toho Zinc Co., Ltd.	
		June 2002	Managing Director and Managing Executive Officer of Toho Zinc Co., Ltd.	
		June 2003	Representative Director and Managing Director, and Managing Executive Officer of Toho Zinc Co., Ltd.	
		June 2005	Representative Director and Senior Managing Director, and Senior Managing Executive Officer of Toho Zinc Co., Ltd.	
		June 2006	Representative Director and President, and COO of Toho Zinc Co., Ltd.	
		June 2008	Representative Director and President of Toho Zinc Co., Ltd. (current position)	
			Significant concurrent positions outside the Company Representative Director and President of Toho Zinc Co., Ltd.	
Reasons for nomination as candidate for Outside Director Tatsuya Tejima has been engaged in corporate management as a manager over many years, possesses both outstanding character and insight. Consequently, we propose the election of him as Outside Director so that he will be able to use his abundant knowledge and extensive experience to provide opinions and advice for the Company's management with a broad and long-term perspective from objective standpoints outside the Company.				
9	Masahiro Ogino (September 4, 1958) (58 years old)  New election	Apr. 1982	Joined the Company	15,178 shares *As of March 31, 2017
		Mar. 2005	Director of Furukawa Metals & Resources Co., Ltd.	
		Jan. 2012	General Manager, Financial Department of the Company	
		June 2013	President & Representative Director of Furukawa Metals & Resources Co., Ltd. (current position)	
		June 2015	Executive Officer of the Company (current position)	
			Significant concurrent positions outside the Company President & Representative Director of Furukawa Metals & Resources Co., Ltd.	
Reasons for nomination as candidate for Director Masahiro Ogino has been working in the Metal Division for many years since he joined the Company, and has experience performing the duties of the President of our group company. Accordingly, he has extensive experience and a track record in materials business and management in general. We propose the election of him as Director because we believe it is necessary to apply his extensive experience and track record in the Company's management in order to sustainably improve the corporate value.				

- Notes:
- Responsibilities in the Company of candidates for reelection as of March 31, 2017 are as stated in "The 150th Business Report 2. Current Status of the Company (2) Status of Officers (i) Status of Directors and Audit & Supervisory Board Members." (Japanese only)
  - The described number of shares held by Naohisa Miyakawa, Toshio Matsumoto, Minoru Iwata, Shigeo Matsudo and Kiyohito Mitsumura includes shares they hold respectively under the Company's Director and Audit & Supervisory Board Member Stock Holding Association. The described number of shares held by Masahiro Ogino includes the number of shares he holds under the name of Akanekai, the Company's Employee Stock Holding Association.
  - The relationships between the Company and the candidates for Directors are as follows:
    - Masao Yoshida is the Director of Furukawa Electric Co., Ltd., which owns 8,777 thousand shares of the Company (has a stake of 2.17%), and the Company owns 2,420 thousand shares of the relevant company (has a stake of 3.42%), including the shares established as a trust by the Company as a retirement benefit trust. In addition, the Group and the relevant company are engaged in a transactional relationship of leasing of buildings in the possession of the Company and nonferrous metals products trading.

Also, Masao Yoshida is an Outside Director of JFE Holdings, Inc. The Company Group and the JFE Group, whose holding company is JFE Holdings, Inc., are engaged in a business relationship involving the purchase and sale of industrial machinery products.

- (2) Nobuyuki Tomotsune is an Of Counsel of the Anderson, Mori & Tomotsune LPC, and the Company entered into a legal advisory agreement with the Anderson, Mori & Tomotsune LPC. The total amount of compensation paid by the Group to the relevant LPC in this fiscal year was less than ten (10) million yen, which has no significance such that would affect his independence as Outside Director.
  - (3) Tatsuya Tejima is the Representative Director and President of Toho Zinc Co., Ltd., and the Group and the relevant company are engaged in a transactional relationship of trading in chemicals, however these transactions consist of less than 1% of the respective sales of the relevant company and the Group in this fiscal year, which has no significance such that would affect his independence as Outside Director.
  - (4) There is no special interest between any other candidate for Director and the Company.
4. Masao Yoshida, Nobuyuki Tomotsune and Tatsuya Tejima are candidates for Outside Directors.
5. (1) Furukawa Electric Co., Ltd., in which Masao Yoshida serves as Director, by on-site inspection by the Japan Fair Trade Commission carried out in November 2012, concerning overhead transmission line construction ordered by Tokyo Electric Power Company and Kansai Electric Power Company, received a cease and desist order and an order to pay surcharges in relation to transactions ordered by Tokyo Electric Power Company in December 2013, and in relation to transactions ordered by Kansai Electric Power Company in January 2014, as it was discovered that there were acts in violation of the Antimonopoly Act among electric construction companies including the relevant company.
- Although Masao Yoshida was not aware of the fact until the above-mentioned facts were discovered, after the relevant incident, he has worked hard to ensure further thorough implementation of compliance and corporate ethics upon recognition that compliance is the foundation for all business activities, as well as carried out establishment and improvement of internal rules and procedures to prevent occurrence of such problems, thorough education on compliance, and enhanced monitoring by the Internal Audit Division, and has striven to implement compliance thoroughly by continuing such activities.
- (2) At Toho Zinc Co., Ltd., in which Tatsuya Tejima serves as Representative Director and President, it was discovered that there was inappropriate accounting processing in the Soft Calm Business Division in the 116th fiscal term (from April 2014 to March 2015).
- Tatsuya Tejima was not aware of such fact until the above-mentioned fact was discovered; however, he had continued to provide opinions on the importance of ensuring legal compliance and internal governance, and focused on establishment of systems. In addition, after the above-mentioned fact was discovered, at the Board of Directors meetings, etc., he instructed on establishment of the Third Party Committee, for serious investigations of the above-mentioned fact and recurrence prevention measures from the viewpoint of the significance of compliance-related issues and recurrence prevention.
6. Masao Yoshida is Director of Furukawa Electric Co., Ltd., which is a specified related business operator (as provided for in Article 2, paragraph 3, item 19 of the Ordinance for Enforcement of the Companies Act) of the Company, and has been Director of the relevant company for the past five (5) years.
7. Tatsuya Tejima will retire from the position as Representative Director and President of Toho Zinc Co., Ltd. as of June 29, 2017 and assume the office as Advisor of the relevant company.
8. (1) Masao Yoshida is currently Outside Director of the Company, and at the conclusion of this meeting, his tenure will have been four (4) years.
- (2) Nobuyuki Tomotsune is currently Outside Director of the Company, and at the conclusion of this meeting, his tenure will have been one (1) year.
9. The Company has included in the Articles of Incorporation provisions that allow it to enter into agreements limiting the liability of Outside Directors for damages to the Company to the range specified in accordance with the provision of Article 427, paragraph 1 of the Companies Act. Accordingly, the Company has entered into agreements with Masao Yoshida and Nobuyuki Tomotsune, who are candidates for Outside Directors, respectively on the said limited liability. If their reelection is approved, the limited liability agreements shall remain in effect. In addition, upon approval of the election of Tatsuya Tejima as Outside Director, the Company will enter into an agreement with him on the said limited liability. The following is an outline of the contents of the agreement.
- If Outside Director is liable to the Company for any damage attributable to a failure in executing his duties, liability shall be limited to the higher of either five (5) million yen or the minimum liability amount prescribed in Article 425, paragraph 1 of the Companies Act. The limitation of the liability shall apply only when the Outside Director acted in good faith and without gross negligence in performing the duties giving rise to said liabilities.
10. The Company registered Nobuyuki Tomotsune with the Tokyo Stock Exchange as independent officer stipulated by the Tokyo Stock Exchange. If the reelection of him is approved, the Company will continue the registration of Nobuyuki Tomotsune as independent officer. Furthermore, Tatsuya Tejima satisfies the requirements for independent officer as stipulated by the Tokyo Stock Exchange. If the election of him is approved, the Company will register Tatsuya Tejima as independent officer.

**Proposal No. 5** Election of One (1) Audit & Supervisory Board Member

Audit & Supervisory Board Member Yoshihito Emoto will resign from his office at the conclusion of this meeting. Therefore, we propose the election of one (1) Audit & Supervisory Board Member as his substitute.

The term of office of Audit & Supervisory Board Member who is elected as the substitute will expire when the term of office of retiring Audit & Supervisory Board Member expire in accordance with the Company's Articles of Incorporation.

In addition, the consent of the Audit & Supervisory Board has been obtained for this proposal.

The candidate for Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Career summary and position in the Company	Number of the Company's shares owned
Kazuo Inoue (September 15, 1956) (60 years old)  New election	<p>Apr. 1980      Joined the Company</p> <p>July 2006      Director of Furukawa Unic Corporation</p> <p>Oct. 2008      General Manager, Business Department, Real Estate Division of the Company</p> <p>July 2010      Deputy General Manager, Real Estate Division and General Manager, Business Department, Real Estate Division</p> <p>June 2011      General Manager, Real Estate Division and General Manager, Business Department, Real Estate Division</p> <p>June 2014      Executive Officer and General Manager, Corporate Planning Department</p> <p>June 2016      Senior Executive Officer and General Manager, Corporate Planning Department (current position)</p> <p>Significant concurrent positions outside the Company Not applicable</p>	<p>20,264 shares *As of March 31, 2017</p>
<p>Reasons for nomination as candidate for Audit &amp; Supervisory Board Member</p> <p>Kazuo Inoue has been working in the Accounting Department for many years since he joined the Company, and has experience performing the duties of Director of the group company and Executive Officer of the Company. Accordingly, he has considerable financial and accounting knowledge and extensive general management experience; therefore, he is capable of performing audits appropriately from an objective perspective. Consequently, we propose the election of him as Audit &amp; Supervisory Board Member.</p>		

Notes: 1. The described number of shares held by Kazuo Inoue includes the number of shares he holds under the name of Akanekai, the Company's Employee Stock Holding Association.

2. There is no special interest between Kazuo Inoue and the Company.



**Proposal No. 6** Election of One (1) Substitute Audit & Supervisory Board Member

We propose the election of one (1) substitute Audit & Supervisory Board Member in case of a shortfall in the number of Audit & Supervisory Board Members required by laws and regulations.

In addition, the consent of the Audit & Supervisory Board has been obtained for this proposal.

The candidate for substitute Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Career summary and position in the Company	Number of the Company's shares owned
Yasuo Kitamura (March 8, 1965) (52 years old)  Outside	<p>Apr. 1988      Joined The Industrial Bank of Japan, Limited. (current Mizuho Bank, Ltd.)</p> <p>Mar. 1994      Retired</p> <p>Apr. 1996      Registered as an attorney at law (a member of Tokyo Bar Association)</p> <p>May 2000      Joined Law Office of Ozawa &amp; Akiyama</p> <p>Aug. 2000      Obtained Master of Law (LL.M.) at Duke University School of Law, U.S.</p> <p>Feb. 2001      Joined Shearman &amp; Sterling LLP, New York</p> <p>Aug. 2001      Registered as an attorney at law in New York State, U.S.</p> <p>Oct. 2007      Joined Law Office of Ozawa &amp; Akiyama</p> <p>Mar. 2015      Co-established Law Office of Kitamura &amp; Hiraga (current position)</p> <p>Mar. 2016      Outside Audit &amp; Supervisory Board Member of Toagosei Co., Ltd.</p> <p>Mar. 2016      Outside Director (Audit and supervisory committee member) of Toagosei Co., Ltd. (current position)</p> <p>Significant concurrent positions outside the Company</p> <p>Partner, Attorney at law, Law Office of Kitamura &amp; Hiraga</p> <p>Outside Director of Toagosei Co., Ltd. (Audit and Supervisory Committee Member)</p>	<p>- shares</p> <p>*As of March 31, 2017</p>
<p>Reasons for nomination as candidate for substitute Outside Audit &amp; Supervisory Board Member</p> <p>We propose the election of Yasuo Kitamura as a candidate for substitute Outside Audit &amp; Supervisory Board Member because he has specialized knowledge and experience as an attorney at law, which can be reflected in the audit framework of the Company. Although he does not have experience in corporate management other than from the position of outside officer, he is deemed capable of appropriately performing his duties as Outside Audit &amp; Supervisory Board Member on the aforementioned grounds.</p>		

- Notes:
1. The Company has entered into a legal advisory agreement with the Law Office of Kitamura & Hiraga, to which Yasuo Kitamura belongs. The total amount of compensation paid by the Group to the relevant LPC in this fiscal year was less than ten (10) million yen, which has no significance such that would affect his independence as Outside Audit & Supervisory Board Member. Please note that, if he assumes the office of Outside Audit & Supervisory Board Member, the Company will terminate the legal advisory agreement concluded with the Law Office.
  2. Yasuo Kitamura is a candidate for substitute Outside Audit & Supervisory Board Member.
  3. The Company has included in the current Articles of Incorporation a provision that allows it to enter into an agreement limiting the liability of Outside Audit & Supervisory Board Member for damages to the Company to the range specified in accordance with the provision of Article 427, paragraph 1 of the Companies Act. If Yasuo Kitamura assumes the office of Outside Audit & Supervisory Board Member, the Company will enter into a similar limited liability agreement with him. The following is an outline of the contents of the agreement.  
If Outside Audit & Supervisory Board Member is liable to the Company for any damage attributable to a failure in executing his duties, liability shall be limited to the higher of either five (5) million yen or the minimum liability amount prescribed in Article 425, paragraph 1 of the Companies Act. The limitation of the liability shall apply only when the Outside Director acted in good faith and without gross negligence in performing the duties giving rise to said liabilities.

**Proposal No. 7**      Revision of Remuneration Amount for Directors and Audit & Supervisory Board Members

The amounts of remuneration for Directors and Audit & Supervisory Board Members of the Company were approved to be up to ¥300 million per year for Directors (of all, up to ¥20 million per year for Outside Directors), and up to ¥60 million per year for Audit & Supervisory Board Members (of all, up to ¥20 million per year for Outside Audit & Supervisory Board Members) at the 140th Annual Shareholders' Meeting held on June 28, 2007, and have been these amounts.

The Company proposes at this meeting to increase one (1) Outside Director in order to enhance the management system in Proposal No. 4 "Election of Nine (9) Directors" and considering the fact that responsibilities and expected roles for Outside Directors will increase even further in the future, the Company would like to propose revision of the amount of remuneration to Directors to up to ¥320 million per year (of all, up to ¥40 million for Outside Directors). In addition, carefully considering general conditions such as the status of management system of the Company and economic circumstances, the Company would like to propose revision of the amount of remuneration to Audit & Supervisory Board Members to up to ¥70 million per year (of all, up to ¥30 million for Outside Audit & Supervisory Board Members).

Amounts of remuneration for Directors shall not include salaries as employees for Directors who also serve as employees, as in the past.

The present number of Directors of the Company is eight (8) (of which two (2) are Outside Directors) and will be nine (9) (of which three (3) are Outside Directors) if Proposal No. 4 "Election of Nine (9) Directors" is approved and resolved in its original form. In addition, the present number of Audit & Supervisory Board Members of the Company is four (4) (of which two (2) are Outside Audit & Supervisory Board Members); however, the number will not change even if Proposal No. 5 "Election of One (1) Audit & Supervisory Board Member" is approved and resolved in its original form.