

# Initiatives for Society

The Furukawa Electric Group values communication with all stakeholders throughout its corporate operations.

## Special Feature 2

29

## Social Contribution in Brazil

- 31 Relations with Our Customers
- 33 Relations with Our Shareholders
- 34 Relations with Our Supplier-Partners
- 35 Relations with Our Employees
- 39 Relations with Communities



Detailed data is provided in our Data Book (PDF).  
<http://www.furukawa.co.jp/english/csr/report/index.htm>

Special Feature 2 Social Contribution in Brazil

# Contributing to Local Development to Gain Community Respect

## Putting Down Roots in Brazil: Contributing to Industrial Development and Hiring

FISA (Furukawa Industrial S.A.) was launched in 1974 in Lorena and in 1977 in Curitiba, a city of Brazil's Paraná state. FISA has since established deep roots in Brazil by promoting local industrial development and hiring. FISA focuses on environmental conservation in its efforts to contribute to local communities, through active programs to recycle or otherwise properly dispose of used telecommunications cables, as well as introducing Brazil's first Green IT Program in 2008. This program is for collecting used LAN cables for recycling, which results in less environmental impact than disposing of them through soil and air-polluting incineration.

### The Green IT Program: LAN Cable Recycling

FISA's Green IT Program for recycling of LAN cables is based on the concept of harmful substance controls and consideration about global warming and recycling in its IT products and their manufacture.



Used LAN cable



For Eco-Friendly Products

## Advancing CSR in Four Areas

In addition to its environmental conservation efforts, FISA engages in workplace environment enhancement for improving health, safety and living standards. FISA also contributes to local communities through welfare and volunteer programs, and strives to build sound relationships with markets and trading partners based on legal and regulatory compliance. One example of this is the "Anzen Dojo" (safety education center) system for employees to improve their work safety skills. In addition, FISA also conducts the "Preparing Children for the Future" Project, which offers children in the region opportunities to become independent adults. The Project won the Furukawa Electric CSR Award in 2010.

### FISA's CSR Concept



### Outline of FISA (Furukawa Industrial S.A.)

**Headquarters and main plant:** Curitiba, Paraná, Brazil

**Plant:** Berazategui, Buenos Aires, Argentina  
Salto, Sao Paulo, Brazil

**Sales offices:** Sao Paulo Corporate Office, Argentina Branch

**Capital:** ¥6.1 billion

**Number of Employees:** 637 (as of May 2011)



Education and training (an Anzen Dojo)



#### Message from the Quality Office Manager

### To Everyone Involved in FISA's Quality Improvement Efforts

The fundamental desire of those of us who oversee and promote CSR activities at the Quality Office can be expressed as “Not only to improve product quality, but also to improve the lives and well-being of everyone associated with FISA, and thereby of society as a whole.” Our multi-faceted scope of activities includes improving employee safety and satisfaction as well as reducing environmental impact, while in regard to our suppliers we enforce the prohibition of child labor and demand environmental responsiveness. We are in the seventh year of our educational support program for local children, which brings quality consciousness to local communities. This program has made great successes through tie-ins with local schools. Our future goals include further improvement of worker safety through acquisition of OHSAS\* certification, and broadening the scope of our quality improvement efforts.

\* Occupation Health and Safety Assessment Series international management system specification



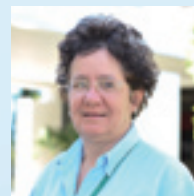
**Ms. Jane Regina de Barros**

#### “Preparing Children for the Future” Project Coordinator's Message

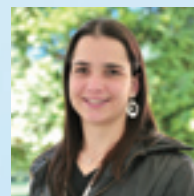
### Getting Involved in Preparing Children for the Future

This program, which was launched in 2004, is intended to provide useful support for children's future development, rather than the kind of temporary aid provided by donations. The program began with a broad range of supplementary classes for 10-year-olds centering on the basic curricula of local public schools, such as English, reading, moral education, music, sports, and social studies. The program is designed to grow broader in scope as the children themselves grow, and now targets at providing support for employment.

In the future we will extend the program to help students who have completed the training to find employment. We also would like to offer further support for their futures that includes activities to improve the understanding of their families.



**Ms. Ana Emilia Fontes Ramos**



**Ms. Sueli Correia**



Dental checkup at a plant



Children's classroom at a plant



Plant production controls



# Relations with Our Customers

Furukawa Electric places the utmost emphasis on quality while endeavoring to manufacture excellent products from the customer's perspective.

## Furukawa Electric's Quality Control Policy and Quality Control Organizational Structure

### Quality Control Policy

At every stage of our operations, from research and development to manufacturing, sales, customer service and management, in all sections and all hierarchies, we always strive to adhere to a PDCA management cycle based on actual facts, maintain and improve our products, customer services and the quality of our operations and put our management policies into practice.

To guarantee quality at every level throughout the Company, Furukawa Electric has established the Central Quality Control Committee with direct links to the president to oversee the company-wide promotion of quality control activities.

We have also set up Divisional Quality Control Committees with direct links to the heads of each division, and make every effort to maintain and improve the quality of our products, services and operations so as to offer continual quality assurance.

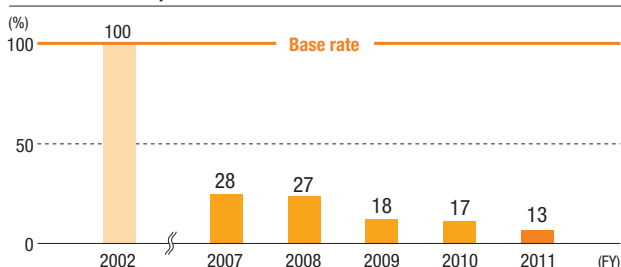
## Quality Improvement in Fiscal 2011

In fiscal 2011, we set forth a company-wide quality policy placing the utmost emphasis on quality while endeavoring to manufacture excellent products from the customer's perspective. We engaged in the following efforts to achieve this policy:

1. Visualize design as well as manufacturing quality; 2. Work to prevent accidents and defects through experience; and,
3. Conduct quality training and personnel development programs.

We also set out to reduce the number of customer complaints, targeting a 10% reduction in comparison to the previous fiscal year for the company overall. As a result of setting high targets for each division, we achieved an actual year-on-year reduction of 24.5%. We will continue with the same policy of placing the utmost emphasis on quality while

### Customer complaints



endeavoring to manufacture excellent products from the customer's perspective in fiscal 2012 as well, responding directly to customer issues and offering superior products.

## QC Circle Activities

We conduct QC Circle activities at each of our Works as a "bottom-up" approach to supporting quality improvement.

We also hold a company-wide QC Circle Conference once a year to share information about the QC Circle activities conducted at each of our Works. The Circles chosen as representatives of Works at the QC Circle Meetings, as well as the overseas Group company Circles recommended by each company, participate in the Conference.

The fiscal 2011 company-wide Conference was held at the Chiba Works, with nine domestic Works Circles and five overseas affiliate Circles in attendance. Representatives of the Mie Works received the gold medal for their efforts. The results of a variety of techniques employed by QC Circles are announced every year at the company-wide Conference.



Announcement of Furukawa Electric Shenzhen (China), recommended for the silver medal



Participants in the company-wide QC Circle Conference



## Quality Improvement Efforts

### Furukawa Automotive Systems Holds “Olympic Skills Contest”

Furukawa Automotive Systems, Inc.'s main product, wire harnesses for automobiles (W/H), are difficult to manufacture using automated equipment, and are therefore a product that is assembled by hand. As automakers continue to move overseas, Furukawa Automotive Systems has also spread its overseas bases across the world, and therefore the company has sought to improve the skill level of its staff everywhere by establishing uniform education and training programs worldwide. The company's goal is to offer W/H of identical superior quality no matter by whom or in which country they were manufactured.

The “Olympic Skills Contest” is a platform for announcing and sharing the results of that education and training. At the sixth “Contest,” five Japanese teams, two from Vietnam, three from China, and one each from Malaysia, Thailand, and Mexico participated in the competition, for a total of 53 competitors. There were three individual events and one team competition. Competitors represented their plants, and helped each other improve skills and motivation through friendly rivalry.



Wire harnesses for automobiles



Taping contest (FAPH)



Olympic Skills Contest competitors

#### Individual Competition Winners

Taping Division	Furukawa Automotive Systems (Hong Kong) (FAPH)	Liang Xinti
Parts Attachment Division	Furukawa Electric Shenzhen (FESZ)	Li Xiaoyan
Hand Crimping Division	Furukawa Electric Shenzhen (FESZ)	Li Xia

#### Team Competition Winner

Furukawa Automotive Systems Vietnam (FASV)

## Shenzhen, China Technology Fair

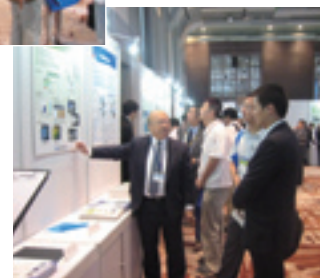
The Furukawa Electric Group has been making progress in expanding commercial rights through lateral marketing activities across the Group, as well as human resources development. Our focus is on developing new markets, particularly by expanding our overseas activities under our New Frontier 2012 mid-term management plan, which was launched in fiscal 2011. One aspect of this is the holding of Group exhibitions to create opportunities for communications with new customers.

We held the FURUKAWA ELECTRIC ECO-SMART TECHNOLOGIES FAIR 2010 in Shenzhen on July 16 of last year, so as to expand our company presence in South China and develop strong local companies. 15 local South China companies and eight of our Group companies exhibited, offering panel exhibitions covering 50 products and technologies, as well as four technical seminars focusing on environmentally sound products. We also culminated our Asia region marketing activities by holding the FURUKAWA Innovation Expo 2011 in Shanghai in July 2011, where we introduced our Group's technologies and products not only to Chinese companies, but to other customers developing international business as well. We intend to conduct similar

activities in other growing regions, such as India and Brazil, so as to accelerate our global marketing.



Technology Fair in Shenzhen



# Relations with Our Shareholders

Furukawa Electric's investor relations (IR) focus is on mutual communications with shareholders and investors aimed at improving our enterprise value.

## Information Disclosure Policy and IR Framework

The Furukawa Electric Group Basic Policy on CSR requires that we seek to improve upon the sound, friendly relationships we maintain with all of our stakeholders. Our Own Regulations on the Timely Disclosure of Corporate Information meanwhile set out a framework for the disclosure of appropriate information at the appropriate time.

All IR activities are overseen by the Chief Financial Officer (CFO) and are managed by the Investor & Public Relations Unit of the Corporate Strategy Planning Department.

## Relations with Institutional Investors and Securities Analysts

In addition to holding management briefings (covering interim and year-end results and mid-term plans) for institutional investors and securities analysts, we actively encourage communication all year round. Through results briefings, overseas road shows and other activities, we engaged in communication with a total of 1,254 institutional investors and securities analysts over the course of fiscal 2011. As of the end of March 2011, the percentage of the Company's shares held by overseas investors stood at approximately 18.0%.



Briefing for institutional investors

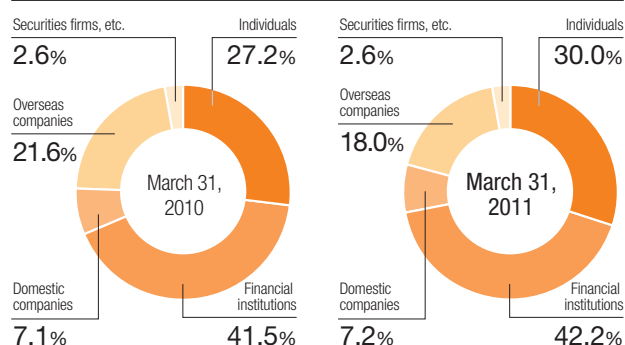
### Main IR activities in 2010

January	Participation in briefings held by securities companies
February	Third quarter earnings announced
March	Tours of overseas plants, visits from US investors
April	Mid-term management plan announced
May	Term-end results announcement, visits from European investors
June	General Shareholders' Meeting; Shareholders' Report issued
July	Business briefings
August	First quarter earnings announced
September	Visits from US investors
October	Plant tours for individual investors
November	Second quarter earnings announced
December	Tours of overseas plants

## Relations with Individual Investors

In fiscal 2011, we held our third plant tour for individual investors. A total of 208 investors chosen by lot from 1,497 applicants experienced Furukawa Electric by observing the manufacturing of optical fibers and electric cables and experiments on superconductivity. Many of the investors commented on the benefits of gaining a true understanding of the Company's technological capabilities and business activities. As of the end of March 2011, we had a total of 67,785 individual shareholders (an increase of 3,015 compared to the previous year), accounting for 30.00% of company shares.

### Trends in shareholder distribution



Superconductivity experiment during plant tour



Plant tour

## Returning Profits to Shareholders

Despite a harsh business environment, Furukawa Electric maintained its basic policy to pay stable dividends. In fiscal 2011, we paid an interim dividend of 2.5 yen per share and a year-end dividend of 3.0 yen per share, which added up to an annual dividend of 5.5 yen per share and represented a year-on-year increase of 0.5 yen per share.

# Relations with Our Supplier-Partners

Furukawa Electric's purchasing policy calls for stable and continuous purchasing on optimum terms. Therefore, we focus on establishing and maintaining relationships of trust with our suppliers.

## Striving to Ensure Optimum Purchasing on a Steady, Ongoing Basis

Furukawa Electric's purchasing policy is to establish strategic relationships with suppliers to ensure optimum purchasing on a steady, ongoing basis. Furukawa Electric will proceed as outlined below based upon our belief in the need to build cooperative relationships of trust with our suppliers which will benefit the sustained growth of our company.

### Furukawa Electric Purchasing Policy (Outline)

- We will establish strategic relationships with suppliers to ensure optimum purchasing
- We will guarantee the reliability and safety of materials and supplies and their steady procurement
- We will employ purchasing methods closely linked to production methods
- We will implement global procurement
- We will engage in green procurement and enforce compliance

## Study Group on Subcontracting Transactions

We are conducting awareness enhancement programs, such as Subcontracting Transaction Study Groups throughout the Furukawa Electric Group, in our effort to build sound relationships with our suppliers through fair trading in compliance with all laws and regulations. In fiscal 2011, 50 employees from 20 affiliated companies participated in lectures held on subcontracting transactions.

## Partner Meetings and Partner Evaluation Scheme

Furukawa Electric works to establish cooperative relationships with suppliers by holding regular Partner Meetings, and also by gaining feedback on the situation at our suppliers through the evaluations and results provided by our Partner Evaluation Scheme.

At the Partner Meetings, we provide an overview of the Company, outline our purchasing policy and explain the management strategy of each company to enable suppliers to gain a deeper understanding of our operations. In the Partner Evaluation Scheme, we evaluate suppliers on the basis of quality, technology, price, delivery system, degree of social contribution and financial condition, and then hold meetings to provide feedback on our findings. We explain and discuss results during these meetings to more closely align our

awareness of procurement activities.

In September of fiscal 2011 We held a Partner Meeting attended by 108 of our main suppliers. We also evaluated approximately 280 companies under the Partner Evaluation Scheme and conducted feedback meetings. We will continue to conduct and enhance these efforts so as to build even stronger partnerships.



Partner Meeting

## Promoting CSR Activities in Relation to Procurement

In accordance with the Furukawa Electric Group CSR Code of Conduct, we strive for compliance in our materials procurement. In August 2010 we established the CSR Promotion Guideline, which is a compilation of the efforts and CSR philosophy we have developed up to now. We distributed the Guideline to our suppliers through Partner Meetings and by FAX, and requested that they comply with it in doing business with us. We will continue to promote CSR procurement across the entire supply chain.

Furthermore, we will respond to customer requests to avoid using resources produced by mines that disregard human rights and the environment (so-called "dirty mining") by continuing efforts such as requiring refiners to demonstrate ethical judgment in selecting mines in accordance with our CSR Promotion Guideline. Nevertheless, dirty mining is not an issue that Furukawa Electric can resolve on its own, but rather must be confronted by the industries involved.

## Conflict Minerals

Furukawa Electric has confirmed through our suppliers that the tin we purchase does not consist of "conflict minerals" sourced from the Democratic Republic of the Congo or other war-torn areas in that region.



# Relations with Our Employees

The Furukawa Electric Group focuses on human resources skill development in our drive toward globalization. We also are building workplace environments where diversity can flourish.

## Personnel Management Policy

Our basic personnel management policy focuses on continuously creating human resources who are capable of putting the Five Principles of the Furukawa Electric Group Credo into practice on their own initiative. This approach is woven into our New Frontier 2012 mid-term management plan, and we are taking up the challenge of revamping existing initiatives while introducing new measures so as to foster a powerful workforce and to build collaborative ties with affiliates in Japan and overseas for ongoing success in the competitive global arena.

## Various Human Resources Development Measures

### Training Program for Our Personnel Management Policy

The strength of a company is equal to the collective abilities of its individual workers, and at Furukawa Electric we believe that worker skills can be improved in practice through the work they perform each day. Therefore, we offer the means for each individual to grow, via training, distance learning, qualification acquisition support, and other programs, and support ambitious employees who take the initiative in skill development.

For example, employees that are about to be promoted to manager are encouraged to take the initiative to create group discussions in which they consider a theoretical situation, find out for themselves what the issues are, and talk over solutions. Also, we newly established the OJT Leader System in fiscal 2011, so as not only to provide know-how through group training to mid-level employees so they can provide guidance and education to lower-ranking employees, including new employees, but also to enable them to address concerns that arise when providing "On the Job Training" to lower-ranking employees, so they can work together to find solutions. The program achieves this by encouraging participants to take responsibility and gain awareness of the point of view of the people they are guiding and training.

### Global Business Leader Training Program (GBL)/Global Development Program (GDP)

We launched the Global Business Leader Training Program in fiscal 2007 for the training of future management personnel. More than 100 graduates of this program are currently at important posts in Furukawa Electric and at our affiliates in Japan and overseas.

In fiscal 2011 we began leadership training in Japan for overseas management personnel. Called the Global Development Program, the training deepens understanding of

the Group, and helps managers polish their cultural skills and leadership abilities through active discourse with Furukawa Electric's Japanese personnel. The goal of the program is to develop personnel who can thrive in the global environment.



Announcement of Group discussion results (GDP)

### Worksite Innovation Project

Furukawa Electric has been engaged in a variety of measures to strengthen the *gembaryoku* (worksite capability) of manufacturing employees since fiscal 2009. Central management also regularly participates in determining and confirming the course of these activities. As part of this effort, we established the Furukawa Electric Group *Gembaryoku* Enhancement Training Center at the Yokohama Works in September 2010 for a variety of group training programs. We also launched training for mid-level operators, Chief Operator Training, and training for younger staff onsite at each manufacturing works. We are working to increase the motivation of our manufacturing works' core workforce, improve and transfer technical ability, and establish ground for sharing know-how through discourse with affiliates and others.

We also execute programs for newly-graduated employees with no direct connection to manufacturing, both technical and business employees. These include the Joy of Manufacturing, which is an intro to manufacturing, and Craftsmanship Training, which provides onsite experience in production methods and the dangers of the production site.



Technical transfer lesson



Group discussion



## Diversity

### Diversity in Hiring

We are actively hiring non-Japanese personnel in response to the increasing globalization of our business. In addition to meeting with foreign exchange students in Japan, we are also hiring abroad.

We hold hiring know-how information exchanges within the Group for sharing know-how and strengthening our hiring ability. We also hold the Furukawa Electric Group Forum, at which we conduct briefings in conjunction with our affiliates.



▶ Data Book

Employees of Furukawa Electric, themselves former exchange students, discussing our company with exchange students

### Hiring the Disabled

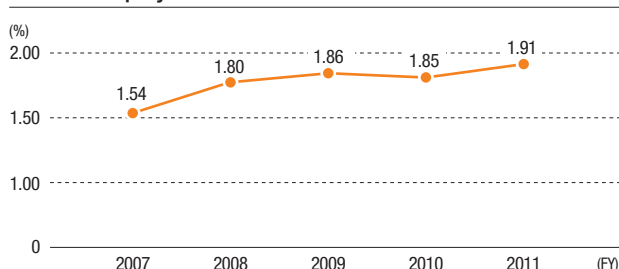
Furukawa Electric established Furukawa New Leaf Co., Ltd. as a special subsidiary in 2004 to actively employ people with learning disabilities. The company handles mainly cleaning operations at the compounds of our works and currently employs a total of 31 people with disabilities, 10 at the Hiratsuka Works and 21 at the Chiba Works. The company also goes beyond workplace training to provide individualized guidance on everything from matters of daily conduct through the building of good human relationships, to assist people with learning disabilities in becoming independent members of society. We also invite caregivers with children with no work experience to tour our work and guidance sites, so as to better understand our efforts in this area.

Although our employment ratio of people with disabilities was 1.91% in fiscal 2011, exceeding the statutory



Appearance check-up to monitor personal grooming

#### Ratio of employees with disabilities



target, we intend to work on further expanding this group of employees, primarily through our special subsidiary.

### “Refresh” Leave System

We have established a new Refresh Leave System whereby employees with at least 25 years experience can take from 14 through 31 consecutive leave days per year. The system went into operation from January 2011.

Up to now we have had a system in which employees could take three consecutive leave days each year (and five consecutive leave days every five years) within their annual leave allotment so as to get relief from the stress that accumulates over long years of service.

The Refresh Leave System is an expansion of that system. This system focuses on employees with at least 25 years of service, among whom are many in frontline leadership positions whom we hope will continue to support the core of our workforce. Not only does the Refresh Leave System help those workers enliven their performance and enhance their work-life balance, we believe it also results in higher organizational productivity. ▶ Data Book

## Human Rights Awareness

The Furukawa Electric Group CSR Code of Conduct stipulates that we work to respect human rights, prohibiting discriminatory treatment and human rights infringement as well as prohibiting harassment. We have also established a consultation desk concerning human rights concerns that can be accessed from within or outside the company, and consultations by employees are promptly responded to by the Personnel Division and the CSR Promotion Division. As of the end of fiscal 2011 there had been no cases of involving human rights concerns within the Furukawa Electric Group.

Furukawa Electric also conducts human rights awareness training, not only for all employees, from new recruits through directors, at Furukawa Electric, but also for officers and managers at our affiliates. This training covers matters such as prohibition of discrimination against female employees, promotion of hiring of seniors and the physically-challenged, and improved understanding of Japanese social integration issues. Every year about 150 employees attend.

## Relations with Our Employees

### Improving the Working Environment through Labor-Management Opinion Exchanges

Furukawa Electric maintains a basic position that both labor and management should endeavor to engage in sincere discussions, and therefore we focus on issue resolution and deepening mutual understanding.

We hold our Central Management Briefings twice annually for public exchanges of opinion between labor and management. As of May 2011 we had held these briefings 117 times. Representatives from labor and management exchange frank opinions and share information about a broad spectrum of items at these briefings, such as the business environment, management, and topical matters.

Also, through the activities of various committees, such as the Personnel System Examination Committee and the Committee for Studying Shorter Hours, we discuss the solutions to daily labor issues, improvements to various systems, and the strengthening of monitoring functions. Through these efforts we seek to make continuous improvements to the working environment.

### Occupational Health and Safety

The Furukawa Electric Group health and safety efforts take into consideration our social responsibility to maintain a healthy, safe and comfortable working environment.

The Central Health and Safety Committee chaired by the Company's Chief Social Responsibility Officer, formulates our company-wide Health and Safety Management Guidelines and monitors and issues guidance to our work sites concerning their efforts. We also conduct Safety Management Liaison Meetings throughout the Group for the sharing of examples of disaster preparedness and information about activities.

Furukawa Electric is also constructing labor safety and health management systems at each of our Works. After acquiring Japan Industrial Safety & Health Association (JISHA)-compliant OSHMS certification at the Chiba Works in fiscal 2010, our Hiratsuka Works and Mie Works followed suit by gaining certification in fiscal 2011. Certification of the Nikko Works is planned for fiscal 2012. Each workplace also holds meetings to announce safety measures, and the best of these receive commendations. In fiscal 2011, 13 teams



Company-Wide Health and Safety Group Activities Presentation Meeting

were selected from among the Works for presentations at the Company-Wide Presentation Meeting.

### Forklift Truck Safety Skills Competition

Forklift accidents are the cause of many serious injuries, and are often caused by insufficient skills on the part of the operator. Therefore, we hold our Forklift Truck Safety Skills Competition, so as to improve awareness and operator skills.

There were 23 entrants from companies affiliated with our Works and from other associated companies in our fiscal 2011 competition. Even operators not taking part in the competition train on the competition courses within the Works.



The forklift truck safety skills competition

### Safety Education

Furukawa Electric has placed "Anzen Dojos" (safety education centers) at all manufacturing sites to enable employees to get a sense of the dangers involved in working in high places, electricity, edged tools, and revolving equipment. In fiscal 2011, a total of 2,000 employees, including new recruits, took part in safety education classes. The Anzen Dojos also offer practical training to local businesses and organizations.



Materials can be heavier than they appear, so the "Weight Experience" lesson helps prevent injury.



Cutter operation hazards demonstration

### Reciprocal Patrols

In addition to the monthly patrols conducted at our Works, annual inspections are conducted at all Works by safety and health staff from other Works.

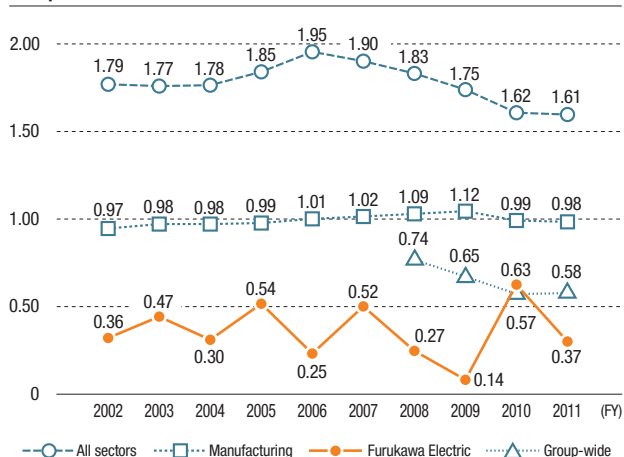
An inspection conducted from a different point of view can reveal overlooked dangers. Also, both the inspecting party and the recipient can improve safety levels by learning about each other's effective measures.



## Labor Accidents

In 2010 (January to December 2010), the frequency of accidents resulting in absence from work was 0.37 for Furukawa Electric on a standalone basis and 0.58 for the entire Group.

### Frequency of accidents resulting in the suspension of operations



## Healthcare for Employees Working Long Hours

In accordance with the Guideline issued by the Labor Standards Bureau entitled “Measures to be Taken by Employers to Prevent Health Impairment Due to Overwork,” we are focusing on managing the health of employees who work long hours by implementing strict limitations on worktime based on health checkups and arranging consultations by such workers with industrial physicians. [▶ Data Book](#)

## Mental Health Education

Our company-wide mental health measures have been in place since 2002, and are based on the Guidelines for Promoting Mental Healthcare in the Workplace issued by the Ministry of Health, Labor and Welfare.

We have been moving forward with education programs conducted by industrial physicians, nurses, and outside lecturers for managerial and general employees, conducting stress control seminars as stress prevention support in fiscal 2008 and 2010 for employees between the ages of 30 and 35.

In fiscal 2011, we conducted education and training approaching mental health in terms of “work engagement\*,” as well as to invigorate individuals and the organization. Beginning in fiscal 2012 we will develop the Pleasant Workplace Discussion Groups for workplace environment improvement throughout the company.

\* A mental health concept pertaining to motivation, devotion, and energy regarding work.

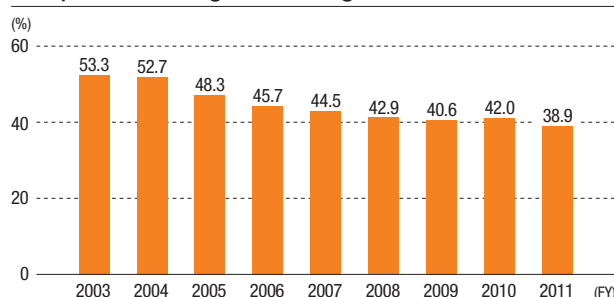
## Responding to the Pandemic Influenza Virus

With the CSR Division and Health Management Center taking leading roles, Furukawa Electric formulated the Basic Policy on Pandemic Influenza Preparedness and put out a related manual in 2008. At the same time, steps were taken to conduct preventive education and to stockpile hygienic and medical supplies, including at overseas bases. We strengthened our anti-influenza measures in fiscal 2011 by revising the Basic Policy and manual so as to include responses toward weaker influenza strains.

## Strengthening Smoking Measures

In accordance with the Labor Standards Bureau Director-General's 2003 directive entitled “Guidelines on Smoking in the Workplace”, as well as the “Anti-Passive Smoking Measures” issued by the Ministry of Health, Labor and Welfare in February 2010, we have been developing company-wide programs to prevent exposure to passive smoke and encourage quitting smoking. As a result, the percentage of smokers among male employees fell from 53.3% in fiscal 2003 to 38.9% by fiscal 2011 within the company overall. We will continue to offer individualized guidance to employees for quitting smoking, and through ongoing efforts such as regular interviews we aim to bring the number of smokers down by 10% annually.

### Group-wide smoking rates among males



## Responding to Asbestos-Related Health Issues

During the period from 2005 to 2006, we once again investigated workplaces that previously handled asbestos products and we organized medical examinations focused on asbestos for all relevant employees. We also sent out notices urging retired employees who worked at the relevant sites to undergo medical examinations.

So far, symptoms have been detected in one current employee and nine retired employees. Also, a retired employee who had worked laying underground cables died from mesothelioma, and in 2006 this was confirmed to be an industrial accident. We are continuing to deal with this by notifying retired employees who worked at the relevant site regarding changes to the requirements for issuing health cards in the wake of revisions to Occupational Health and Safety Regulations in October 2007.

# Relations with Communities

The Furukawa Electric Group engages in social contribution from the perspectives of nurturing future generations, promoting sport and culture, and living in harmony with the natural environment and local communities.

## Furukawa Electric Group Basic Policy on Social Contribution Activities (Revised in March 2011\*)

The Furukawa Electric Group will continuously undertake social contribution activities focusing on nurturing future generations, promoting sport and culture, and living in harmony with the natural environment and local communities, in addition to its business-related activities, in order to maintain and strengthen community ties built over centuries and create a better tomorrow for future generations.

\* We changed "living side by side with local communities" to "living in harmony with the natural environment and local communities," expressing our concern for the natural environment.

## Social Contribution Activities

### Cooperation in Career Training for Public School Teachers

Furukawa Electric began working in cooperation with Minato Municipal Koyo Elementary and Jr. High School (Odaiba Gakuen) Career Training Program in August 2010, inviting two teachers to come for training. The goal of the training was to learn about management strategy based on the management philosophy, customer relations, and individual



Odaiba Gakuen (Minato-ku, Tokyo)



Training session

roles in organizations through observing the company, lectures, and experience, and then applying what has been learned in school management and lesson improvement. We conducted classroom lectures, observation, and group discussion activities so that the participants could gain a variety of experiences.

### Training Program

	Location	Content
Day 1	Furukawa Electric Head Office	<ul style="list-style-type: none"> <li>• Odaiba Gakuen, Furukawa Electric: Mutual introductions</li> <li>• Explanation of our Group Credo, Personnel development, and CSR activities</li> </ul>
Day 2	Furukawa Electric Nikko Works	(Participation in our Chief Operator Training Program*) <ul style="list-style-type: none"> <li>• History of Furukawa Electric (classroom lecture)</li> <li>• Plant tour of Nikko Works</li> <li>• Role of the Chief Operator (classroom lecture, group discussion)</li> </ul>
Day 3	Furukawa Electric Nikko Works	<ul style="list-style-type: none"> <li>• How to make progress in work (classroom lecture)</li> <li>• About compliance (classroom lecture, group discussion)</li> <li>• Tour of historical sites such as the Ashio Copper Mine</li> </ul>

\* Chief Operator Training Program. Participants consider the roles they must fulfill in the manufacturing process, while covering topics such as the history of Furukawa and communications with employees at other Works.

## Concluding Training

### Kaori Watanabe

Teacher, Minato Municipal Koyo Elementary School, Minato-ku, Tokyo

The image of the "corporation" had up to now to my mind been of a cold entity, but that has changed thanks to this experience. The atmosphere at Furukawa Electric is friendly, as are the people there. I got the sense from everyone there that they feel strongly about their work and are proud of it.

The content of the training was interesting, and topics such as "As times change, so too do the necessary skills," "It's difficult to get information across accurately," and "Assume that only 15% of what you say gets across to listeners" made me reconsider how to get information across to my students in an interesting way. That is something important to me as a teacher. Furthermore, I came to understand that "relaying information" through lessons is difficult.

The things that I saw, learned, and felt during this training will be of value to me in relations with my students.

### Atsuko Suzuki

Teacher, Minato Municipal Koyo Jr. High School, Minato-ku, Tokyo

I learned in detail about Furukawa Electric's history, management philosophy, and credo, and was able to participate in the training along with the Chief Operators. I got a strong sense that making things is what defines us as humans, and that companies nurture the people who make things.

The phrases "Maintain high ethical standards, and value honesty and integrity above all" and "Be proactive—take the initiative and work with others, persevering until a solution is found" from the Furukawa Electric Group Credo made a particularly strong impression on me. Be fair and honest in relations with people; don't be passive, take the initiative and use the ties you have with others and cooperation to see a task all the way through. I think these are approaches that are required of teachers.

I learned a lot over those three days. I will be looking back over what I have learned, because I am sure it will be useful to me in my teaching.



## CSR Awards

### Two Companies Recognized at the 2<sup>nd</sup> CSR Awards

Furukawa Electric established the CSR Awards in fiscal 2010 to recognize the social contribution or environmental preservation efforts of our subsidiaries that go beyond their regular business. In fiscal 2011, we included new items for examination, including items that are part of regular business such as the development of environmentally sound products and reducing the environmental impact of business practices. As a result of that examination, the following two companies were selected for receipt of the Environmental Preservation Award.

#### Environmental Preservation Award: Asahi Electric Works Co., Ltd.

At Asahi Electric Works, when a double torsional damper, which suppresses the transmission line vibration caused by breezes, is installed, the company provides reprocessing or new product recycling services by which, for example, degraded parts of decommissioned or collected old devices are exchanged for new ones. This process creates ties between customer and supplier and effectively uses existing distribution infrastructure, and the award was granted in recognition of beneficial efforts to reduce transport CO<sub>2</sub> emissions as well as costs.

#### Environmental Preservation Award: Furukawa Electric Ecotec Co., Ltd.

Ecotec has been involved in the recycling of power cables and other items for 40 years, and has steadily produced results as

our subsidiary. In addition to such results, Ecotec is recognized for the development of its recycling technologies, which have enabled it to achieve a 100% recycling rate for discarded fiber optic cable, which had been difficult to recycle in the past.

### Further Development by the 1<sup>st</sup> CSR Award Recipients

Companies that received the CSR Award in the past have continued develop their CSR efforts. We introduce the efforts of two such companies below.

#### Furukawa Industrial S.A. (FISA)

Receipt of the fiscal 2010 Social Contribution Award enhanced the motivation of participants in our company's volunteer efforts to bring up local children through our workshops. It served as a trigger for the refurbishing of our Project Room. The Project Room is also used for PR activities, and is useful in attracting new volunteers to the project. We are currently in the planning stages of working together with outside welfare organizations. (For details about FISA's activities, see pages 29-30.)

#### Thai Furukawa Unicomm Engineering Co., Ltd. (TFU)

In fiscal 2011, TFU continued to conduct donation and tree-planting efforts as in fiscal 2010. We also worked with local clinics to prevent dengue fever by providing insecticide and spraying equipment. We also conducted tree-planting along with elementary school children in Prachinburi, about 200 km east of Bangkok. Along with the tree-planting, we proactively engaged in new activities, such as refurbishing the toilets at the elementary school and installing a movable fence to stop children from running out into traffic.



TFU employees wearing Social Contribution Prize commemorative polo shirts

## Regional Activities

### Nikko Waraku Dancing

Nikko *waraku* dancing is an event with a history reaching back to its origin commemorating a visit by the Taisho Emperor and Empress in 1913. It was held for the first time in two years in August 2010, when the bright costumes and musical accompaniment of Nikko *waraku* dancing returned to the banks of Waraku Pond on the grounds of our Nikko Works. We will continue to develop this together with the local community so that *waraku* dancing can be handed down to future generations without interruption and developed as part of the region's traditional culture.

 Activities at Each Region  
<http://www.furukawa.co.jp/english/csr/social/activity.htm>



Local people enjoying *waraku* dancing on the banks of Waraku Pond