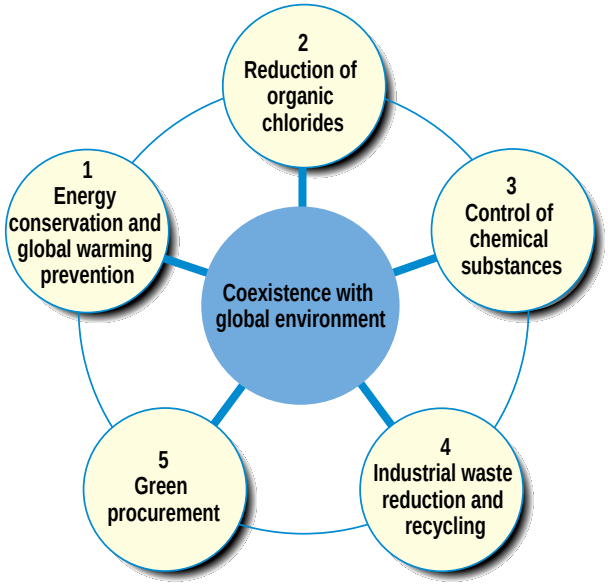
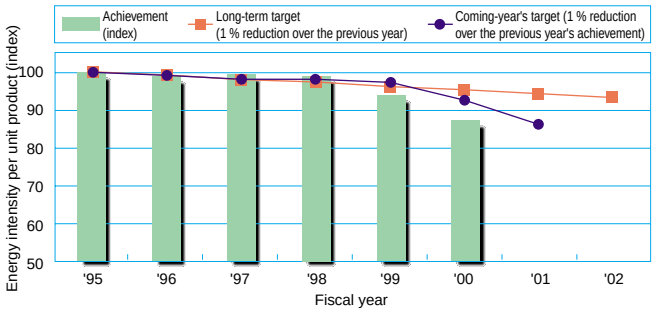
3 Environment Preservation Initiative



Changes in the Company-Wide Energy Intensity per Unit Product



Certain values for FY 1999 shown in Environment Report 2000 have been amended in this Graph.

1. Energy-Conservation and Global Warming Prevention

(1) Progress, Organization and Targets of Energy-Conservation Activity

In view of the revision of the Law for Promotion of Effective Use of Resources in 1993, the Committee for Company-Wide Promotion of Energy-Conservation was founded in April 1994 initiating company-wide activities under the participation of those plants other than the Designated Energy Management Plants.

The index-based managing method conventionally used as a standard began to face difficulties due to the drastic changes of company products into light, thin, short and small products. Accordingly, Furukawa's proprietary management system was modified in 1997, in compliance with the Law for Promotion of Effective Use of Resources, to be based on energy intensity per unit product, whereby a target was set to be a 1 % reduction over the previous year in terms of this unit.

We have successfully achieved not only the long-term target in which a 1 % reduction over the previous year is aimed at based on the achievement of FY 1995, but also the coming-year's target in which a 1 % reduction over the achievement of the previous year is aimed at.

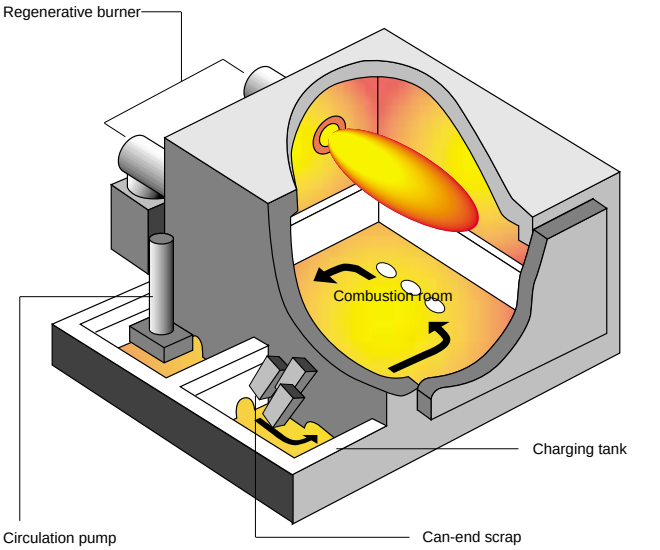
The energy intensity unit used in the Graph basically employs the unit of "crude oil in kl / product in ton". However, because major products of our plants are greatly diversified covering copper, aluminum and plastics, simple addition of every unit value from each plant is likely to be significantly influenced by the changes in product constitution. Consequently, to alleviate the influence of changes in product constitution, the energy intensity unit calculated using the values from each plant is weight averaged based on the consumed energy amount converted by the crude-oil scale, thereby yielding the company-wide energy intensity per unit product along with its ratio over the previous year.

(2) Energy-Conservation Activities in FY 2000

The energy intensity per unit product for FY 2000 has been reduced by 7 % due to energy-conservation measures and the increase in production volume.
Concerning energy-conservation investment, two high-performance industrial furnaces shown below were introduced in FY 2000 succeeding FY 1999 under the subsidy from the New Energy and Industrial Technology Development Organization.

1. Melting furnace for aluminum recycling
2. Annealing furnace for copper strip using LPG

Energy Conservation at Melting Furnace for Aluminum Recycling

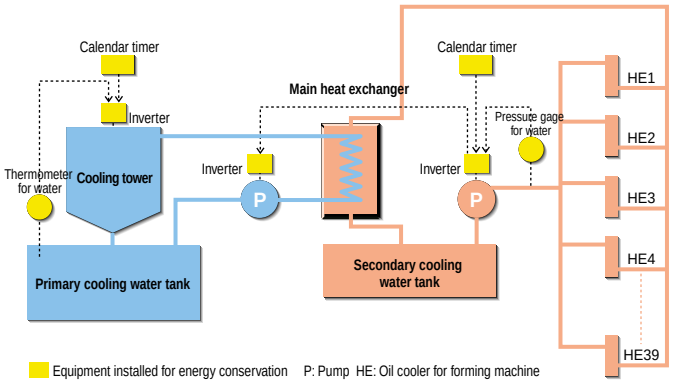


A melting furnace for recycling of aluminum can-end scrap exclusively has been installed at the Fukui Works. As for the crude-oil burners of this furnace, regenerative burners of energy-conserving type have been adopted, enabling an improvement of 58 % in terms of energy intensity unit per unit product compared to the conventional furnace. The furnace provides excellent process yield, since it is based on the side-well principle where the burner flame does not touch the scrap material, thereby suppressing oxidation on the material's surface. Adequate consideration has been given to its environment-related peripheral equipment, so that the furnace is under stabilized operation in which an ample margin is maintained with respect to the emission concentration of dioxins and the like.

Apart from this, waste-heat boilers have been introduced to existing diesel engine generators to suppress the use of kerosene boilers; and pumps and fans at 11 divisions have been converted to be inverter-powered.

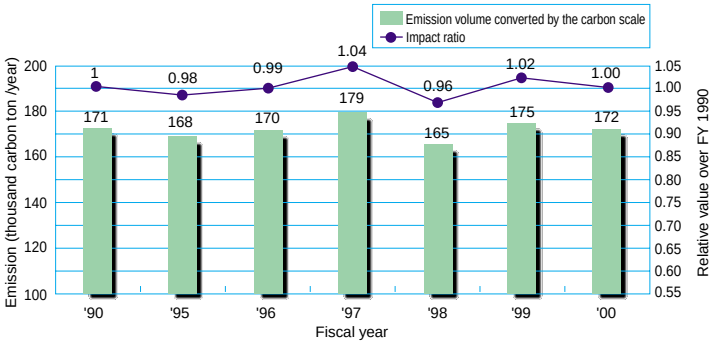
In terms of the impact due to global warming gas, CO_2 emission converted by the carbon scale decreased by 2 % over the previous year despite the increase in production volume, achieving an emission volume equivalent to that of FY 1990.

Energy Conservation at Oil Cooler of Forming Machines



Conventionally, the oil cooling system for forming machines was in operation even during holidays to avoid startup troubles in stabilizing water supply to 39 systems of forming machine. Moreover, the pumps were often forced to operate with reduced output power to adapt themselves to the capacity of activated forming machines that is ever changing. The system was improved by such measures as: 1) a secondary cooling water tank was installed to enable circulation of cooling water with a constant pressure eliminating interference within the pressure system, thus allowing supply of required quantity of water with suitable pressure; 2) fans for the cooling tower were set to be activated based on measured temperatures of the water tank; 3) the pumps and the cooling tower were set to rest during holidays automatically using a calendar timer.

Changes in Global Warming Gas Impact



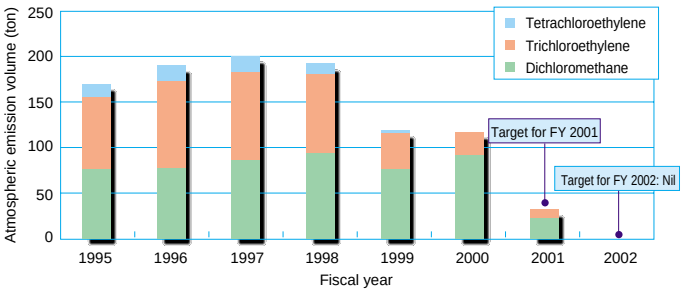
The carbon conversion scale used is the one announced by the Japan Federation of Economic Organizations. In Report 2000, the conversion coefficient for FY 1998 was used for the calculation of FY 1999; and this Report 2001 amends the old calculation using the revised coefficient for FY 1999, but still uses the coefficient for FY 1999 for the calculation of FY 2000.

(3) Energy-Conservation Activities in Future

We intend to achieve saving of energy intensity per unit product by 1 % or more every year, through promoting energy-conservation activities such as provision of management standards and the like that conform to the judgement of the Law for Promotion of Effective Use of Resources.

2. Reduction of Organic Chlorides

Changes in the Atmospheric Emission of Organic Chlorides



We made efforts, consecutively to last year, to reduce the atmospheric emission volume of the three substances noted above by 50 % over FY 1995. While those substances were virtually eliminated in the area of electric wires, the conversion program to substitute substances in other areas were delayed due to tightened quality requirements for the products, rendering the reduction level for FY 2000 as low as 32 % over FY 1999. Although we could not attain our goal for reduction, we were successful in completely eliminating tetrachloroethylene that is most toxic among the three substances.

Considering the seriousness of impacts on the working and general environments associated with the use of these substances, we will make efforts to achieve the following targets for atmospheric emission reduction:

(1) FY 2001: 80 % reduction over FY 1995

(2) FY 2002: Complete elimination of the three substances

3. Control of Chemical Substances

It was decided to regularly report on the emission and transfer volume of chemical substances from FY 2001 in accordance with the PRTR law. Furukawa Electric has been actively participating in the PRTR research program sponsored by the Federation of Economic Organizations since FY 1996, gathering detailed data.

In the future, we will actively promote our program to reduce further not only the emission and transfer volume but also the handling volume of all chemical substances not limited to organic chlorides.

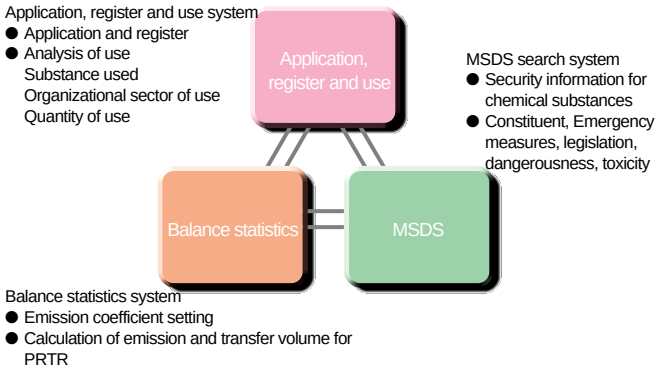
Furukawa Electric has been strengthening appropriate control of chemical substances in the company, promoting toxic chemical substance reduction activities such as elimination of ozone layer depletion substances and reduction of organic chlorides. Furthermore, we have recently formulated chemical substance control regulations to centralize controlling the use of chemical substances across the company, in which a mechanism and its supporting system to grasp and control the company-wide use, emission and transfer of chemical substances have been structured for near-future operation. Thus, strengthening of chemical substance control and further reduction of toxic chemical substances will be promoted hereafter.

	Emission and Transfer Volume (ton/year)		
Name of chemical substance*	FY 1998	FY1999	FY 2000
Toluene	374	400	353
Dichloromethane	101	75	95
Trichloroethylene	80	33	25
Xylene	22	51	46
Others	35	83	65
Total	612	642	584

	Handling Volume (ton/year)		
Name of chemical substance*	FY 1998	FY1999	FY 2000
Toluene	609	674	576
Dichloromethane	122	96	136
Trichloroethylene	80	39	27
Xylene	603	604	479
Others	393	229	333
Total	1,807	1,642	1,551

* In accordance with the PRTR law

Outline of Chemical Substance Control System



4 Reduction and Recycling of Industrial Wastes

(1) Industrial Waste

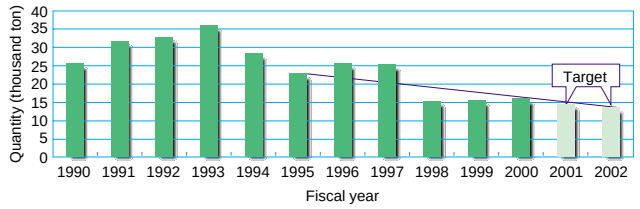
The industrial waste reduction program that started in 1993 set its second-term target in 1997, following its first-term target setting, which reads as "a 40 % reduction over FY 1995 by FY 2002", and the target is under pursuance at present.

During the course of time, the reduction program proceeded satisfactorily through the activity of the Promotion Team for the Reduction of Industrial Waste. In spite of the fact that the industrial waste recently increased by 4 % over the previous year, which was caused by the increased production volume including optical fiber, a reduction of 30 % over FY 1995 is still maintained thereby achieving the long-term target.

Major contents of the reduction activity include recycling of plastic waste, alkali waste, sludge, wood waste and paper waste in addition to condensation and volume reduction of oil waste.

Moreover, Zero Emission Activity is going to be started at the last half of this year in certain plants, aiming at deployment to a company-wide activity.

Changes in the Quantity of Industrial Waste

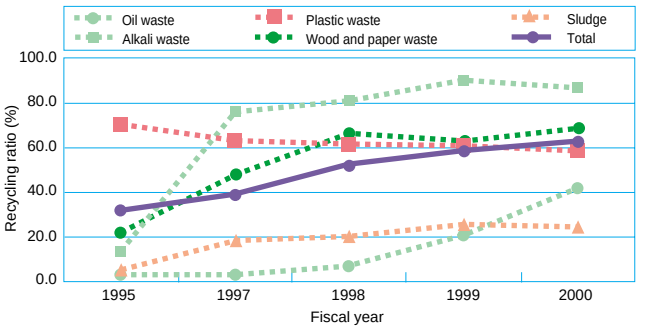


(2) Recycling

The ratio of recycling of Furukawa Electric has steadily improved, now exceeding 60 % of the total industrial waste. The growth in the recycling ratio of oil waste is a major factor for this improvement.

This fiscal year, emphasis will be placed on the recycling of plastic waste where no appreciable improvement in recycling ratio is seen.

Changes in Recycling Ratio

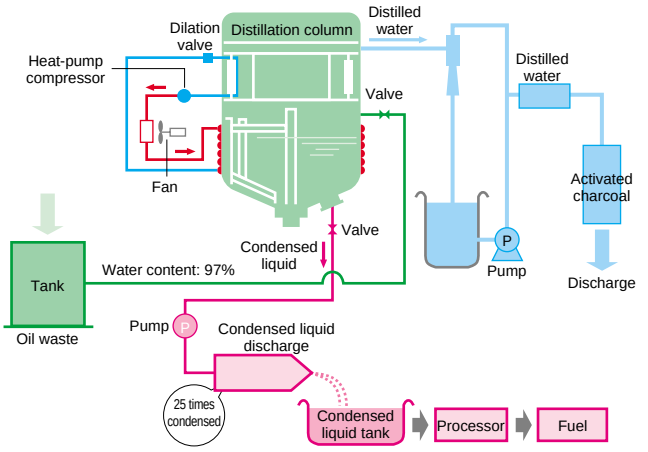


Examples of Recycling

Recycling of oil waste was slow in progress at the beginning. In these few years, however, condensation and volume reduction equipment have been introduced to enable conversion of oil waste into fuel, greatly improving the recycling ratio. Notable examples are given below.

- Introduction of depressurized distillation equipment for condensation and volume reduction of oil waste
- Introduction of UF (ultra-filter) equipment for condensation and volume reduction of oil waste
- Introduction of acid-resolving equipment for condensation of oil waste
- Condensation of water-containing oil waste using heating equipment with a heat source of oil waste.

Recycling of Oil Waste by Depressurized Distillation



5. Green Procurement

In order for Furukawa Electric to provide the customers with our products having little environmental impact, it is essential not only to promote our environment-conscious business activity, but also to reduce the environmental impact of procurement items such as raw materials, components and auxiliary materials that we purchase from our vendors.

Based on such an idea, we are planning to operate Green Procurement Program, a corporate initiative to purchase environment-friendly items through friendly cooperation of our vendors.

In Green Procurement, in order to encourage vendors who are promoting environment-conscious business activity to supply goods with little environmental impact, a new assessment term of environment consciousness will be added to conventional terms of quality, cost and delivery to make an integral assessment, and priority will be given to those vendors or procurement items that acquire high scores.

Moreover, procurement items will be evaluated in terms of chemical constituents and their usage in the manufacturing process taking their toxicity into consideration, so as to reduce environmental impact integrally.

Concept of Green Procurement