

Initiatives for Society

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

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



Relations with Our Customers

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

Maintaining or Improving the Quality of Products, Services and Operations

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 promote quality control at every level throughout the Company, Furukawa Electric has established the Central Quality Control Committee, which reports directly to the president, as its topmost quality control body. Under this committee's direction, Divisional Quality Control Committees, which have links to the heads of each division make every effort to maintain or improve the quality of our products, services and operations.

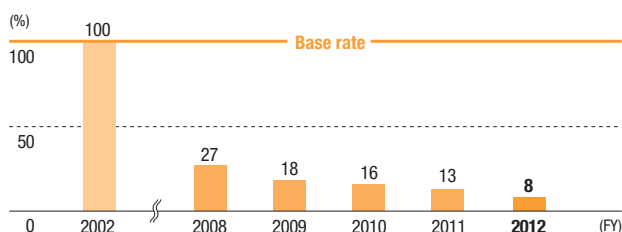
Status of Activities in Fiscal 2012

In fiscal 2012, we pursued activities in line with the quality policy introduced in fiscal 2011, placing the utmost emphasis on quality while endeavoring to manufacture excellent products from the customer's perspective. We moved forward with the following efforts: 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.

One specific objective was to reduce the number of customer complaints throughout the Company by 10% or more compared with the preceding fiscal year. As a result of our efforts in this regard, we lowered the number of complaints by 37%, surpassing our goal. The current level is 92% lower than it was 10 years ago.

Similarly, in fiscal 2013 we will continue efforts in line with this policy. Through repeated application of the PDCA cycle, we will endeavor to provide products that satisfy customers.

Customer complaints (Furukawa Electric)



QC Circle Activities

The Furukawa Electric Group forms its worksite employees into circles, promoting "QC Circle Activities" targeting quality improvement and personnel training. In principle, the content of these activities is left to the discretion of members of each circle. However, to ensure that these activities are not merely temporary, the Company follows up regularly on the status of activities and comments on their results. This approach encourages the members of circles to raise the level of their activities.

Furthermore, each manufacturing works holds QC Circle Meetings. Circles selected there are invited to participate in the QC Circle Conference, which takes place annually. This conference enables employees to share and compete on the quality of their activities and provides an opportunity to enhance awareness.

In fiscal 2012, the QC Circle Conference was held at the Mie Works. Representatives of eight circles from manufacturing works in Japan and four overseas circles recommended by individual companies attended and reported on their activities. The circle from FISA, an affiliated company in Brazil, won the silver award for its efforts, confirming that QC Circle activities are moving steadily ahead at our overseas locations.



Presentation by FISA-recommended circle



Commemorative photo of all participants at the close of the conference

Relations with Our Customers

Participation in an Experimental Offshore Wind Farm Project

Furukawa Electric is participating in an experimental offshore floating wind farm project sponsored by the Ministry of Economy, Trade and Industry.

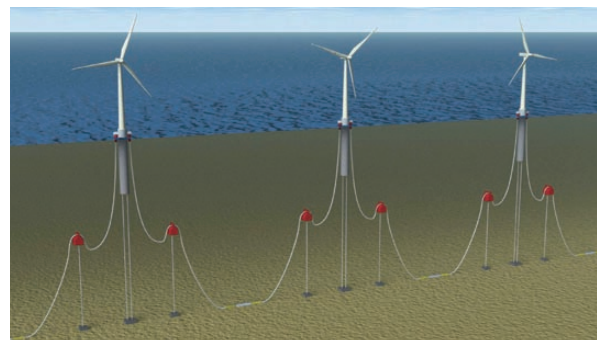
Offshore wind farms are attracting attention around the world as potential next-generation large-scale power generation facilities. These facilities harness frequent and powerful ocean winds to generate electricity, which is then supplied to land via undersea cables. As they need not be located on land, wind farms are gaining a following in Japan, where space for on-land sites for generation facilities is limited. For demonstration experiments on this project, which is scheduled to last through 2015, three wind turbines capable of generating several thousand kilowatts each, as well as related equipment, are to be sited in the Pacific Ocean some 20 kilometers off the coast of Fukushima Prefecture.

Furukawa Electric is in charge of developing an ultrahigh-pressure riser cable* system to transmit the electricity the facility generates. As the wind farm will be floating rather than fixed to the ocean floor, it will be easy to site, but equipment will be easily affected by wind and waves. The riser cable must also cope with the facility's rocking on the waves and the motion of the seawater itself. For these reasons, in addition to being optimized to meet sea movement and flotation requirements, the cable must have the same useful life as the turbines themselves, and must have the durability to withstand repeated fatigue. Furthermore, the system itself must be raising the voltage in order to transmit massive amounts of

electricity over a long distance. An optical communication system is therefore ideal. To overcome these hurdles, we plan to employ the deepwater design simulation, broad-ranging material and undersea cable technologies we have cultivated, and optical communication technologies, which meet requirements for both reliability and cost.

* A permanently suspended submarine cable for connecting to a floating structure. On an offshore wind farm, this cable connects the wind turbines with transmission cables on the ocean floor.

Conceptual illustration



High-durability riser cable

Use behavioral analysis technology to develop a riser cable optimally suited to the ocean region and facilities

Riser cable connectors

Develop connecting and subsidiary materials that can withstand large movements in the riser cable

Optical communication system

Develop an optical communication system suitable for large-scale wind farms that is economical and highly reliable

Shanghai, China Technology Fair

To accelerate its development of overseas markets, centering on emerging countries, the Furukawa Electric Group takes a proactive stance on groupwide overseas marketing and efforts to expand trading areas. As part of this move, each year since 2009 we have held a joint Group technology fair in East Asia to promote our technologies and products.

During fiscal 2012, we held the final exhibition in this series, the FURUKAWA Innovation Expo 2011 in Shanghai, on July 22, 2011, at the Shanghai World Financial Center, a multistory high-rise that has become a landmark of the city. A total of 29 Group companies, including Furukawa Electric and 17 companies based in China, attended the expo. Themed on the environment, the fair featured 85 products and technologies divided into four categories: Smart Grid (energy/construction), electronics, communications and transportation. The Company's president, CMO and CTO also conducted presentations that covered management strategy and other topics, and seven technology seminars were held to introduce

recent technology trends. Through these presentations and seminars, we described the Furukawa Electric Group's products and technologies and global development strategies, and communicated our vision for the future. In July 2012, we hosted another technology fair in Jakarta, Indonesia, which is attracting attention due to increasing investment by the infrastructure and automotive industries. In addition to introducing products and technologies, we explained our efforts to contribute to industrial development in ASEAN countries.

Going forward, we intend to further expand our business in various regions, including Brazil, India, Europe and the United States.



Technology Fair in Shanghai

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 the Group seeks 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.

Based on this policy, 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.

Trends in shareholder distribution

(%)

	March 31, 2011	March 31, 2012
Individuals	30.0	33.1
Financial institutions	42.1	38.3
Domestic companies	7.2	7.3
Overseas companies	18.0	18.6
Securities firms, etc.	2.7	2.8

Note: As of March 31, 2012, individual shareholders numbered 69,476 (up 1,691 from a year earlier) and held 33.1 % of the Company's shares.

Note: As of March 31, 2012, foreign shareholders held 18.6% of the Company's shares.

Relations with Institutional Investors and Securities Analysts

In addition to holding management briefings (covering interim and year-end results and mid-term plans when announced) for institutional investors and securities analysts, we actively encourage communication all year round.



Briefing for institutional investors

Relations with Individual Investors

In October 2011, we held our fourth plant tour for individual investors.

Visitors were selected by lottery from among those who responded to an open invitation, with 189 people invited to attend out of the 1,935 who responded. During the tour, we offered participants a number of opportunities to get a feel for Furukawa Electric. We introduced our production processes for optical fibers, copper products and automotive parts, and visited a hydroelectric power station. The tour also featured a simple explanation on the phenomenon of superconductivity.

At the opening of this tour, we apologized for and offered an explanation about the cartel issue. Participants indicated their emotional attachment to Furukawa Electric, but also said that they wanted us concentrate more heavily on compliance.



Nikko Works: Experiment to explain the phenomenon of superconductivity



Mie Works : A close-up look at just-produced 1100°C copper rod

Returning Profits to Shareholders

The basic policy of the Company is to pay stable dividends and, at the same time, distribute profits to shareholders commensurate to its future business operations, with an eye on future income trends from a long-term perspective.

For the fiscal year ended March 31, 2012, we paid an interim dividend of ¥2.5 per share. However, the Company decided to forego the year-end dividend, owing to a substantial decline in consolidated operating income, as well as the posting of a significant net loss.

Main IR activities in fiscal 2012 (Furukawa Electric)

April–June	July–September	October–December	January–March
May Term-end results announcement June Visits from European investors June General Shareholders' Meeting June Shareholders' Report issued	August First quarter earnings announced	October Plant tours for individual investors November Second quarter earnings announced November Meetings in Singapore and Hong Kong November Forum for investors in Japan	February Third quarter earnings announced

Relations with Business Partners

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

Optimum Purchasing on a Steady, Ongoing Basis

Furukawa Electric's Group purchasing policy is to establish strategic relationships with business partners to ensure optimum purchasing on a steady, ongoing basis. Based on this policy, Furukawa Electric strives to create cooperative relationships based on mutual trust with its business partners, thereby contributing to sustainable future development.

Furukawa Electric Group Procurement Policy

We will optimize our procurement through global partnering by:

1. Establishing strategic business relations with trading partners to create a stable and sustainable procurement function;
2. Establishing a system to facilitate centralized negotiations to promote group procurement activities from multiple locations;
3. Enforcing compliance and contributing to society;
4. Securing stable and sustainable procurement of raw materials and parts for our key products;
5. Achieving medium-term goals through continuous cost reduction programs;
6. Expanding procurement from optimal locations;
7. Adopting procurement methods that match optimal lead times.

Conducting Training on Subcontracting Transactions

In order to forge sound relationships with business partners through fair transactions that comply with rules and regulations, the Furukawa Electric Group provides training for employees on subcontracting transactions.

In fiscal 2012, in addition to continuing with the courses we have conducted to date, we introduced a new e-learning program. This program is aimed at ensuring thorough awareness of the content of the Act against Delay in Payment of Subcontract Proceeds, Etc., to Subcontractors (Subcontract Law).

Partner Meetings and Partner Evaluation Scheme

The Company seeks to deepen awareness among our business partners through regularly held Partner Meetings, where we explain the state of the Company, our purchasing policy and individual company management strategies. For fiscal 2012, this meeting was held in August and was

attended by 95 key business partners.

We also evaluate key business partners 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 discuss the results of our evaluations with them to more closely align our awareness of procurement activities. In fiscal 2012, we evaluated some 330 business partners and provided feedback to them.



Partner Meeting

Promoting CSR through Procurement Activities

Based on the CSR Deployment Guideline for Business Partners that we formulated in fiscal 2011, we take part in initiatives to ensure that our procurement activities involve thoroughly compliant and fair transactions and take into account human rights and safety, and consideration for the environment.

In fiscal 2012, we prepared an English-language translation of our new CSR Deployment Guideline for Business Partners. Using this translation, we aim to instill compliance awareness in our overseas business partners going forward, promoting CSR procurement activities throughout the supply chain.

We will respond to growing societal requests not to make use of resources procured from mines that neglect human rights and environmental considerations (so-called "dirty mining"). This effort is designed to encourage ongoing efforts on the part of our business partners.



CSR Deployment Guideline for Business Partners
<http://www.furukawa.co.jp/sizai/english/guide.htm>

Conflict Minerals*

In response to final disclosure regulations set forth in the U.S. SEC's Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, we will ask for the cooperation of our business partners in confirming the country of origin of the mine resources they provide and in not using minerals from proscribed locations.

* Defined as minerals (tantalum, tin, gold, tungsten or their derivatives) that originate in or near the Democratic Republic of the Congo that may help to finance armed conflict.

Relations with Our Employees

Furukawa Electric 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.

THE FURUKAWA ELECTRIC GROUP CREDO

1. Maintain high ethical standards, and value honesty and integrity above all.
2. Continually improve, innovate, and lead, in every area of endeavor.
3. Take a hands-on approach that addresses the reality of every situation—in the office, at the factory, and on site.
4. Be proactive—take the initiative and work with others, persevering until a solution is found.
5. Maintain open channels of communication between departments and divisions, so that we can share ideals and help each other grow.

In other words, we believe that a workplace environment that encourages among all employees compliance and consideration for human rights serves as the foundation upon which employees can maximize their capabilities. On this basis, we are devising and introducing a personnel system that will harness employees' diverse abilities and personalities. This should encourage employee creativity, setting the cornerstone for "continuous technological innovation."

Under New Frontier 2012, our mid-term management plan that went into place in fiscal 2011, we are cultivating a powerful workforce that will enable us to emerge victorious amid stringent global competition. We are raising this as a constructive mission for building collaborative ties with affiliates in Japan and overseas, and are augmenting current measures and putting new ones in place accordingly.

As part of this initiative, we identify personnel who we believe will contribute to the development of our business through their advanced specialties, regardless of position. In fiscal 2012, we introduced a Professional System to provide better support to these people. The system, which aims to cultivate people who are skilled at bringing about reforms, clearly identifies specialists in individual domains and seeks to put them in positions and offer training according a prearranged schedule that will prove helpful in achieving these objectives. As of April 2012, we had assigned 20 professionals under this program.

Human Resources Development

Enhancing Training and Educational Programs

We provide various opportunities that encourage employees who wish to do so to develop their skills through training, remote learning and by obtaining qualifications. Since fiscal 2009, we have concentrated in particular on fostering facilitation skills, which are needed to maximize and invigorate organizational capabilities.

We use multifaceted evaluations when training managers, helping to foster a sense of collaboration that will enable them to manage organizations efficiently. Employees who are about to be promoted to manager are encouraged to take the initiative to create group discussions in which they approach a situation logically, find out for themselves what the issues are, and talk over solutions. We also have in place an OJT Leader System targeting mid-level managers to enable them to teach younger people. In addition to group training, participants in this program share information about leadership issues and work together to resolve them, encouraging their awareness of responsibility.

Training Leaders Suited for the Global Environment

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.

At the same time, 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.



Group deliberation as part of the global development program

Relations with Our Employees

Worksite Innovation Project

Since fiscal 2009, Furukawa Electric has been pursuing initiatives to bolster the manufacturing capabilities of its production sites. These activities focus on cultivating *gembaryoku* (worksite capabilities) by encouraging people at its production sites to think for themselves and act on their own initiative for the good of the customer.

We established the Furukawa Electric Group Gembaryoku Enhancement Training Center at the Yokohama Works in September 2010 for a variety of group training programs. Specifically for new recruits, we conduct programs for both technical and business employees. These include the Joy of Manufacturing, which provides onsite experience, and Craftsmanship Training, which fosters recognition of the dangers of the production site.

In fiscal 2012, we set rank-specific goals for employees at production sites and commenced a Basic Program aimed at raising skill levels for all these employees. We put up posters and distributed “*gembaryoku*” badges to employees undergoing training, encouraging them to put into practice the things that they had learned.

At each manufacturing works, we also conduct Chief Operator Training, as well as training for mid-level operators and younger staff. This training helps to transmit core knowledge at production sites, raise worksite awareness and encourage people to pass on technologies and skills. By providing an opportunity for headquarters and Group company employees to interact without regard to affiliation, these efforts support the sharing of expertise.



Badges with the “*gembaryoku*” logo distributed to trainees



Basic Program training underway (lecture by experienced officer)

Diversity

Diversity in Hiring

We are actively recruiting non-Japanese personnel and international students to support the globalization of our business. We also host students on internships from overseas universities.

We have a number of initiatives underway to recruit talented personnel. In addition to information exchanges to share know-how on hiring within the Group, we hold the Furukawa Electric Group Forum, at which we conduct briefings in conjunction with Group affiliates, and work proactively to demonstrate to students the Furukawa Electric Group's appeal.



Explaining the content of our business to international students

▶ CSR Data Book

Hiring the Disabled

Furukawa Electric established Furukawa Newleaf Co., Ltd. as a special subsidiary in 2004 to actively employ people with learning disabilities. This is one of our efforts to increase the percentage of people with disabilities that we employ.

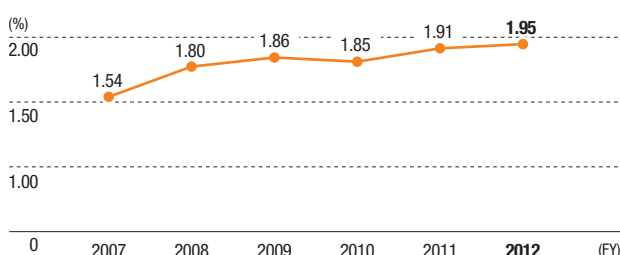
The company handles cleaning operations at the compounds of our works and currently employs a total of 32 people with disabilities, 11 at the Hiratsuka Works and 21 at the Chiba Works. The company also provides individualized guidance on everything from matters of daily conduct in the company through 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 involving the employment of people with disabilities.



Furukawa Newleaf Co., Ltd., employees in action

Ratio of employees with disabilities (Furukawa Electric)



Although our employment ratio of people with disabilities was 1.95% in fiscal 2012, exceeding the statutory target, we intend to work on further expanding this group of employees, primarily through our special subsidiary.

Upgrading and Enhancing Workplace Environments

Introduction of a Volunteer Leave System

To support individual employees' efforts to participate in social contribution activities, we have introduced a Volunteer Leave system for people who have been employed for one year or more. We set the number of annual leave days that employees can take under this system at five, encouraging people to take advantage of this system to volunteer in support of restoration and reconstruction activities following the Great East Japan Earthquake. The system went into place on July 16, 2011.

My Volunteer Activity Report



I participated in volunteer activities to support reconstruction in the cities of Rikuzentakata and Ofunato, in Iwate Prefecture.

Koji Ohta
Ecology & Electronics Laboratories

I took part in volunteer activities to support reconstruction of the area affected by the Great East Japan Earthquake for a one-week period starting September 18. Sleeping in the classroom of a closed elementary school, we worked from early morning until late in the evening at picking up rubble strewn across fields. The amount of rubble seemed never to decrease; there is still much work to be done in the stricken region, and more help is needed.

To participate in this project, I took part in the newly introduced Volunteer Leave system, which makes it easy to take time off work. Social contribution is the goal, which encourages cooperation from the workplace.

I hope that more people will take advantage of this opportunity to volunteer for reconstruction support activities. This is an experience that is sure to remain with you.



Work underway in the city of Ofunato.

Going forward, we plan to enhance the Volunteer Leave system to support more employee participation in environmental contribution activities and increase the use of the Volunteer Leave program. [▶ CSR 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 jointly by the HR & Administration Department and the CSR Division in the event that issues are reported. As of the end of fiscal 2012 there had been no cases of involving human rights concerns within Furukawa Electric.

Furthermore, from the perspective of prevention, we have in place a training curriculum that covers employees from new recruits to top executives, including executives and managers at affiliated companies. The curriculum centers on raising awareness, covering such matters as prohibition of discrimination against female employees, promoting employment of seniors and people with disabilities, and improved understanding of Japanese social integration issues.

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. We have conducted such meetings for 60 years, since 1952. As of May 2012 we had held these briefings 119 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.

We also have in place various committees such as the Personnel System Exploratory Committee and the Committee for Studying Shorter Hours that are designed to improve the working environment, which management and labor discuss on a daily basis. These discussions lead to improvements in various systems and strengthen monitoring functions, such as compliance response and the implementation status of other CSR activities.

Relations with Our Employees

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 companywide 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 its works. In addition to having received certification for our Chiba, Hiratsuka and Mie works, in fiscal 2012 the Nikko Works also obtained management system certification* from the Japan Industrial Safety & Health Association (JISHA). In fiscal 2013, we aim to receive certification for our Copper Tube Division.

We also hold Group Activity Presentation Meetings covering our safety activities, and we give awards to excellent teams. Each year, we hold meetings at each of our works, and groups chosen at those meetings participate in a companywide conference. In fiscal 2012, 13 teams were selected from among the Works for presentations at the Companywide Presentation Meeting.



Companywide conference

* Organizations covered by the Occupational Safety Health Management System are certified as meeting JISHA standards.

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 2012 competition.

Furthermore, even operators not taking part in the competition train on the competition courses within the Works.



The forklift truck safety skills competition

Educating Employees at "Anzen Dojos"

Furukawa Electric has placed "Anzen Dojos" (safety education centers) at all manufacturing sites to enable employees to get a sense of the dangers. These centers are designed as educational facilities where employees can experience various dangers, such as heavy items, edged tools, work in high places, revolving equipment and electricity, to raise their sensitivity to danger.

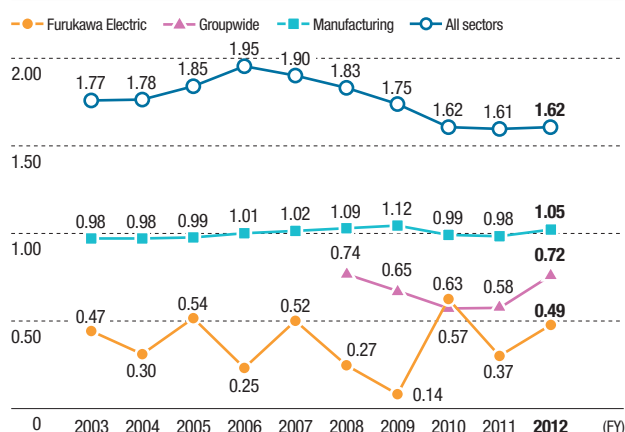
Reciprocal Patrols

Each month, patrols are conducted at our manufacturing works to confirm their safety. In addition, once each year a person in charge of health and safety at another manufacturing works performs a factory check, conducting inspections from a different point of view to confirm that no dangers have been overlooked. These checks also serve as good case studies, providing opportunities for people in charge of health and safety to exchange information. They also serve to improve the level of safety and health activities on the part of people conducting the checks and those undergoing them.

Labor Accidents

In 2011 (January to December 2011), the frequency of accidents resulting in absence from work was 0.49 for Furukawa Electric on a standalone basis and 0.72 for the entire Group.

Frequency of accidents resulting in the suspension of operations



Note 1: Frequency = (Accidents resulting in injury or death / total working hours) × 1 million

2: Within the graph, figures for "manufacturing" and "all sectors" are taken from the "Fiscal 2011 Survey on Industrial Accidents," conducted by the Ministry of Health, Labour and Welfare.

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.

Mental Health Education

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

We invite industrial physicians and nurses to take part as lecturers in education and training programs targeting managerial and general employees. In the past, such training has focused on stress control for employees aged 30–35, as well as approaching mental health in terms of “work engagement*.”

In fiscal 2012, we also held Pleasant Workplace Discussion Groups for workplace environment improvement throughout the Company.

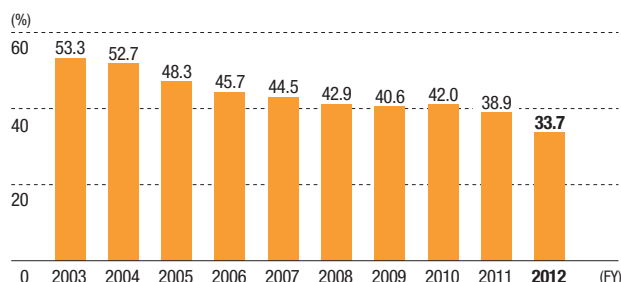
* A mental health concept pertaining to motivation, devotion, and energy regarding work.

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 companywide programs to prevent exposure to passive smoke and encourage quitting smoking. As a result of such activities, the percentage of smokers among male employees fell from 53.3% in fiscal 2003 to 33.7% by fiscal

2012 within the company overall. As we eventually plan to go to an entirely smoke-free workplace, we are taking a multifaceted approach with three main thrusts: sharing information, supporting efforts to quit smoking and creating a smoke-free environment).

Smoking rates among Furukawa Electric employees (men)



Responding to Asbestos-Related Health Issues

During the period from fiscal 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.

As of March 31, 2012, symptoms have been detected in one current employee and 10 retired employees. Also, a retired employee who had worked laying underground cables died from mesothelioma, and one died from lung cancer. These were confirmed to be industrial accidents.

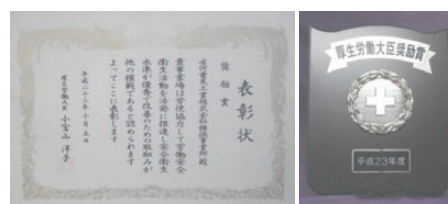
We are continuing to deal with this by notifying retired employees who worked at the relevant site regarding changes to the requirements for issuing health cards in the wake of revisions to Occupational Health and Safety Regulations in April 2009.

Yokohama Works Receives Incentive Award from the Minister of Health, Labour and Welfare

In October 2011, Furukawa Electric’s Yokohama Works received an incentive award, the fiscal 2012 “Awards from the Minister for Health, Labour and Welfare for excellent workplaces, organizations and persons who have contributed related to occupational safety and health.” This same manufacturing works received the Kanagawa Prefectural Labor Director Award in 2011.

The current award was in recognition of the works’ proactive efforts to prevent damage to health as a result of long working hours and to improve mental health, measures to prevent health damage through chemical substance management, and a focus on monitoring the working

environments in areas that are a potential health hazard (hazardous work). The works was evaluated as having “superior health assurance measures.”



Award (left) and letter of commendation (right)

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

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.

CSR Awards

Furukawa Electric established the CSR Awards in fiscal 2010 to recognize the social contribution or environmental preservation efforts of our subsidiaries that notably exceed their regular business. In fiscal 2012, the third time for these awards, we focused on activities rooted in local communities and regions. Two companies received social contribution awards and one an environmental preservation award.

Social Contribution Award



P.T. Tembaga Mulia Semanan (TMS) The Republic of Indonesia

TMS's approach is to make small but ongoing social contributions, and the company has provided support to the poor in Indonesia in this way since around 1980. Using the company's own funds, as well as employee contributions, TMS provides funding and food aid, and distributes school supplies for single-mother households and orphans.



Child receiving aid to purchase school supplies



Support for widows

Social Contribution Award



Furukawa Metal (Thailand) Public Co., Ltd. (FMT) The Kingdom of Thailand

Since 2004, FMT has participated in Thailand's "To Be Number One" anti-drug campaign, of which Princess Ubolratana Rajakanya is project leader. The campaign uses three strategies for its committee, funding and activities: to campaign for awareness, to provide mental health immunization to youth in communities and to develop lifestyles and networks for prevention and assistance. In cooperation with local government institutions, as well as local residents, schools, training facilities and companies, FMT is taking an active part in raising awareness both within and outside the company through music and sporting activities. In recognition of the style and content of these activities, FMT took part in a nationwide competition commemorating 10 years of To Be Number One campaign activities. FMT's team was selected to represent central and eastern Thailand. The competition is scheduled to take place over the three-day period from July 13 through 15, 2012.



Members of the activity secretariat selected to represent central and eastern Thailand in the nationwide competition

Environmental Preservation Award

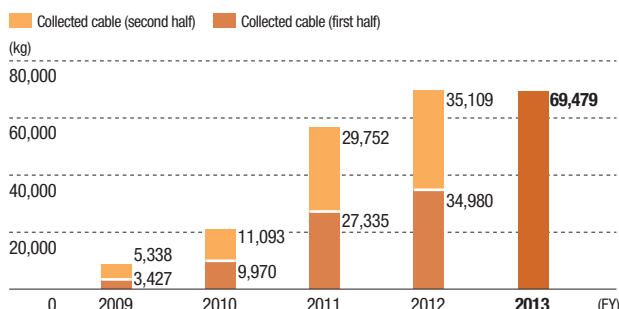


Furukawa Industrial S.A. Produtos Eletricos (FISA) Federative Republic of Brazil

FISA has, on its own initiative, organized the industry's first LAN cable collection and recycling program, which covers the entire country of Brazil. This "Green IT" initiative targets the collection of used and discarded LAN cable to prevent it from being incinerated, leading to environmental pollution, with the aim of lowering CO₂ emissions. Under this program, participating companies are presented with environmentally friendly RoHS-compliant LAN cables in accordance with the amounts FISA collect. The plastic from the recovered LAN

cables is processed at FISA's plant, and copper wiring is sent to copper processing companies for recycling. Some 336 companies have taken part in this project since it got underway in 2008, collecting a total of 226,483 kg of LAN cable (as of June 30, 2012).

Trend in amount of LAN cable collected



Environmental Contribution Activity Case Study

Clearing Mountain Pathways (Nikko, Furukawa Electric)

The Furukawa Nikko mountaineering club of the Furukawa Electric Nikko Works has a history reaching back 80 years to the time of the works' establishment. The club is a core member of a mountain region federation involving Tochigi Prefecture and the city of Nikko. Each year, the club cares for the mountain pathways to prevent mishaps and mountain-climbing accidents. On June 23, 2012, these activities covered the Mt. Taro region of Okunikko. The club sets up public notice signboards, upgrades walkways and clears away brush and roots from mountain pathways with the mountain federation members. To promote safe mountain-climbing, the works plans to continue taking part in this initiative going forward.



Clearing brush from mountain pathways



Setting up a notice board



Taking away a fallen tree

Donating Disaster Stockpile Food Nearing its Best-By Date (Head Office, Furukawa Electric)

The Furukawa Electric head office maintains a stockpile of food against the eventuality of a Tokyo Metropolitan Earthquake. In February 2012, we recognized that some 1,800 cans of bread (75 boxes of 24 cans each) in its stockpile were nearing the end of their March best-by date, and that we therefore needed to bring in fresher food. Rather than disposing of still-edible food, the Company decided to distribute it to those in need. We donated the food to Second Harvest Japan*, delivering it to their office in Asakusabashi on February 29.

* This NPO gathers still-edible food that has been disposed of for various reasons and distributes it to the needy, as well as providing it free of charge to welfare institutions and organizations.



Stockpile of food nearing the end of its best-by date

WEB Activities in regions throughout Japan
<http://www.furukawa.co.jp/english/csr/social/activity.htm>

Overseas Affiliates Provide Reconstruction Support for the Region Affected by the Great East Japan Earthquake

Furukawa FITEL (Thailand) Co., Ltd. (FFT) The Kingdom of Thailand



FFT volunteers made and sold within the company T-shirts emblazoned with FFT's name. All the funds they raised in this way, after expenses, were provided as relief money.



Furukawa Electric Autoparts (Philippines) Inc. (FEAP) The Republic of the Philippines



FEAP provided its donations and funds solicited through employee donations as relief funds through the Philippine Red Cross Society.



Providing relief funds via the Red Cross