



## Focusing Our Efforts on Creating More Value for Society Based on the Materials Technology We Have Developed Over the Centuries

- In 2014, Furukawa Electric is celebrating the 130th anniversary of its establishment. What are the reasons behind its long success as one of Japan's top companies?

Since our establishment in 1884, the main focus of our business has been on building infrastructure (which provides the foundations for both society and industry) as a cable and non-ferrous metals manufacturer using materials technologies in a wide range of fields, including copper, aluminum and resin. Our products and services have been recognized by society and gained an excellent reputation because all of our employees have kept their eyes focused firmly on the future no matter what business environment they have faced. We have also continued to listen to the expectations and demands of society, which change on a daily basis, and maintained an approach of continuously trying to create new business through technological innovation. The fact that we have continued to receive the support of our stakeholders is another reason for our success.

- So it's extremely important to maintain an attitude of wanting to contribute to society and to continue taking on the challenges of technological innovation. In addition to making a social contribution by providing services, do you think there have been any environmental reasons why the company has continued to flourish?

The fact that Furukawa Electric has been able to secure a continuous supply of the mineral resources used in many of our products, including raw materials such as copper, is a major reason why our company has been able to continue in business for such a long time. In other words, we have continued to enjoy the benefits of our ecosystem for the past 130 years. For this reason we have carried out the recovery and recycling of resources from an early stage. For example, we have recovered the copper wires used in scrapped electric cables and used them in manufacturing; we have recovered and reused offcuts arising in the manufacturing of processed copper products; and we have carried out recycling as a matter of course since long before the word “recycling” came to be widely used. We have also recycled waste plastic and used it in cable pipe products.

- Could you tell us about the important challenges faced by Furukawa Electric in ensuring that the business continues to flourish in the future and the measures you are planning in order to achieve this?

As set out in the medium-term management plan concept, we will focus on the infrastructure and automotive markets, which are expected to see significant growth in global terms and for which there is a strong need for technological innovation. We believe it is important to develop new next-generation business. These initiatives are founded in an approach of “wanting to use Furukawa Electric business to help solve society's problems around the world”.

In the infrastructure market, our challenges lie in how to use energy as efficiently as possible given the global energy problems, and in doing so how to produce smart infrastructure that can be controlled as intelligently as possible. Major challenges include using optical telecommunications (a field in which Furukawa Electric excels) to create systems that use electric power efficiently. We also need to unite as a group in order to take on the challenge of creating the new technologies that will allow us to achieve this.

In the automotive field, improving the efficiency of fossil fuels and electric power (energy) and achieving energy savings are global challenges. An important challenge for Furukawa Electric Group is to integrate optical telecommunications and electric power technologies into the automotive parts-related technologies that we have built up over many years, and to incorporate this as new technology.

- Lastly, above all else what do you think will provide the foundations for the company to continue succeeding in business?

The foundations for the company's business activities can be found in the attitude of each and every employee, and the basic premise of safety, quality and compliance. Furukawa Electric Group has set down the behavior it expects from its officers and employees regarding corporate social responsibility in our “Furukawa Electric Group CSR Code of Conduct”. In addition to legal compliance, this requires that officers and employees act in accordance with social norms and corporate ethics, and improve their awareness and practice of safety and quality.

Over the past few years, our whole group has worked together to prevent any recurrences of competition law violations, and we have developed a system to handle international regulations governing bribery. Moreover, our efforts to recover from the snow damage that occurred at Nikko Works in February this year (2014) gave us practical experience of BCM (business continuity management), and we have launched initiatives to make use of this experience as a way of strengthening BCM across the group. Moving forward, we intend to monitor the status of our organizational platform from a global perspective and to help solve global problems through our business activities as we focus our efforts on creating more value for society.

Lastly, please allow me to express my hope that as many people as possible read this report so that Furukawa Electric becomes even more widely known.

- Thank you for your answers.