

Initiatives for Society

Relations with Our Customers

Basic Approach

Each of the Company's divisions has acquired ISO 9001 certification. Through initiatives such as these to standardize our operations and work consistently to improve quality, we are striving to contribute to society by providing excellent-quality products and services from a customer perspective.

Going forward, we will continue endeavoring to further enhance "quality power" throughout the Furukawa Electric Group by developing products that are attractive to our customers, based on a policy of Group-focused management.

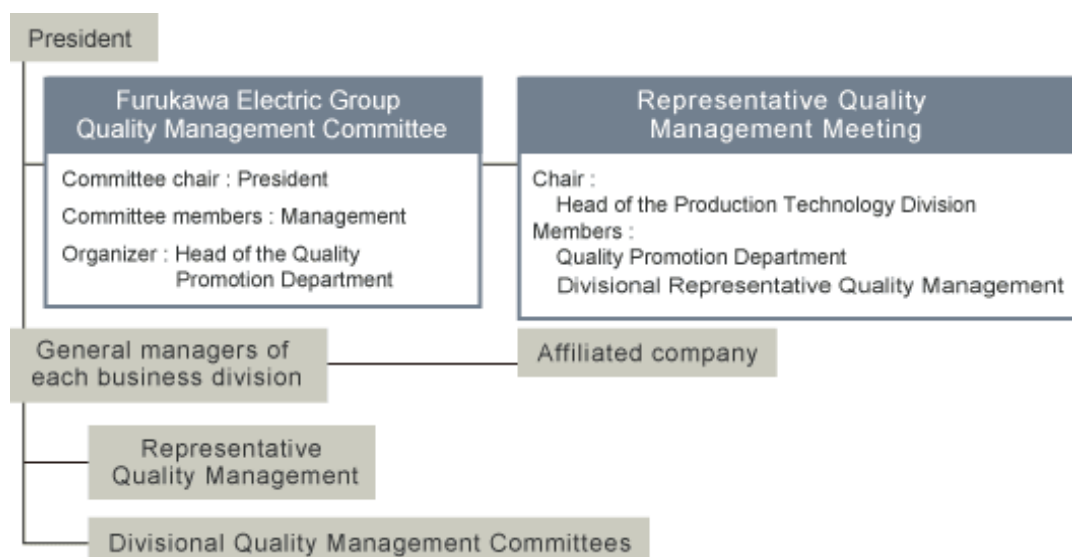
Quality Management Policy

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.

Organizations for Improving Quality

Furukawa Electric has established the Furukawa Electric Group Quality Management Committee, which is chaired by the president, as the topmost body for promoting quality management at the Group level. Directed by this committee, Divisional Quality Management Committees led by divisional heads promote ongoing efforts to maintain or improve the quality of our products, services and operations.

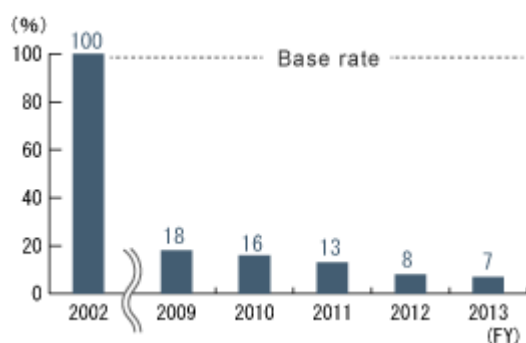
Promotion Framework



Activities in Fiscal 2013: Reducing Customer Complaints

In fiscal 2013, we continued activities that place the utmost emphasis on quality while endeavoring to manufacture excellent products from the customer's perspective. As a result, we achieved our objective of reducing the number of customer complaints throughout the Company by 10% or more compared with the previous year. At this point, we have reduced the number by 93% compared with their level of 10 years ago.

Customer complaints (Furukawa Electric)



(note) The figures show the percentage of customer complaints, taking fiscal 2002 levels as 100%.

Fiscal 2014 Initiative: Strengthen Fundamental “Quality Power”

In fiscal 2014, we have introduced the Furukawa Electric Group Quality Policy, which calls for the strengthening of fundamental “Quality Power” to enable the “materialization of attractive products for customers”. We have introduced three measures for realizing this policy.

Three Measures

- Strive to “put quality into our products during the designing process” and “thoroughly complete our products’ quality activities during the manufacturing process”
- Distribution of various quality information such as customer information, corrective action and implementation of solutions equally among the Furukawa Electric Group
- Decrease quality risk of “3H” products (3H products: Products that are being manufactured for the first time, being changed or being produced for the first time in a long while)

Ongoing Improvement Activities at Individual Worksites

The Furukawa Electric Group conducts bottom-up quality improvement activities, forming its worksite employees into circles and promoting “QC Circle Activities” that seek to resolve a variety of problems. The results of these activities are shared at Groupwide competitions held once per year.

In fiscal 2013, this competition convened at the Company’s Nikko Works. Eight circles from Japan and three from overseas reported on their activities. The circle from Furukawa FITEC (Thailand) Co., Ltd. (FFT), our affiliated company in Thailand, received the gold award for its activities, indicating that QC Circle Activities are also becoming entrenched at overseas worksites and helping to raise the quality level throughout the Group.



TOPICS

FURUKAWA Innovation Expo 2012 Held in Jakarta, Indonesia

The Furukawa Electric Group aims to expand its trade area in growing global markets, working to increase its overseas sales ratio to 50%. To accelerate our developments in overseas markets, particularly emerging markets, since 2009 we have held Furukawa Group technology exhibitions in Bangkok, Thailand, and in Shenzhen and Shanghai, China, to promote our technologies and products.



In fiscal 2013, we held the FURUKAWA Innovation Expo 2012 in Jakarta in July 2012. This comprehensive technology exhibition of the Furukawa Group was aimed at expanding our trade area and heightening our presence in emerging markets, notably in Indonesia and the ASEAN region. Taking part were PT SUCACO Tbk. (Supreme Cable Manufacturing & Commerce), an important partner we have been working with for some 40 years, and 27 Group companies, including six local entities. We exhibited 56 products and technologies in the three categories of environment/energy, automobiles/car electronics and communications.

Going forward, we will continue to reinforce our overseas marketing function across the Group, based on our policy of strengthening global Group management. By focusing on the proposal of solutions, we will strive to showcase the comprehensive power of our group and enhance customer satisfaction levels.



FURUKAWA Innovation Expo 2012①



FURUKAWA Innovation Expo 2012②

Relations with Our Shareholders

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 conducted by the Investor & Public Relations Department and overseen by the director in charge of IR, who is General Manager of the Finance & Procurement Division.

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 2012, we held our fifth plant tour for individual investors. Visitors were selected by lottery from among those who responded to an open invitation, with 84 people invited to attend out of the 1,295 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 copper products and visited a hydroelectric power station. The tour also featured a simple explanation on the phenomenon of superconductivity.

[Related Information] IR Calendars

<http://www.furukawa.co.jp/english/ir/event/index.htm>



Copper rolling plant (A close-up look at the hot-rolling process)



Superconductivity experiment (Explanation including experience of the phenomenon of superconductivity)

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.

During the fiscal year ended March 31, 2013, the Company elected to forgo the interim dividend in order to recover its operating performance and improve its financial constitution. The Company awarded a year-end dividend of ¥3.0 per share.

[Related Information] Stock and Dividends Information

<http://www.furukawa.co.jp/english/ir/stock/index.htm>

Relations with 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.

[Related Information] Furukawa Electric Group Procurement Policy
<http://www.furukawa.co.jp/sizai/english/std.htm>

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 2013, in addition to continuing with the courses we have conducted to date, we introduced the second segment of an e-learning series. 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 2013, this meeting was held in June and was attended by 92 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. In addition, we discuss the results of our evaluations with them to more closely align our awareness of procurement activities.

Furthermore, based on the results of these evaluations and lessons learned through our experience of the Great East Japan Earthquake, we requested ongoing cooperation from certain business partners on business continuity and stable supply initiatives.

In fiscal 2013, we evaluated some 300 business partners and provided feedback to them.



Partner Meeting

Promoting CSR through Procurement Activities

Based on our CSR Deployment Guideline for Business Partners, we work with our business partners on an ongoing basis on 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.

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

Conflict Minerals^(note1)

We have addressed the issue of conflict minerals by formulating a Group policy entitled the Responsible Sourcing of Minerals and updated our CSR Deployment Guideline for Business Partners. We distribute these to Group companies and business partners to ensure their awareness.

Going forward, in addition to requesting the cooperation of Group companies and our business partners on these efforts, we will work with the Japan Electronics and Information Industries Association (JEITA), an industry organization, on initiatives targeting the responsible sourcing of minerals.

(note 1) 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

Personnel Management Policy/Human Resources Development

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."

As part of this initiative, 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.

The new medium-term management plan, which commences in fiscal 2014, focuses on measures to strengthen top management and improve the corporate culture and bottom-up human resource measures, with the aim of shoring up our base in preparation for groupwide growth in a fast-changing operating environment. Specifically, we will clarify with employees their skill development directions, introducing individual measures from two main perspectives: the human resource system categories of recruiting and assignment, evaluation and compensation, as well as the category of skill development, involving redoubled training of global human resources.

Principal Measures Pertaining to the Group's Global Management

Measures to Strengthen Top Management	<ol style="list-style-type: none"> 1. Review performance evaluation structures and compensation systems (directors and managers) 2. Introduce succession plans to create a human resources database and assign personnel strategically 3. Implement a strategic execution support program for top management, etc.
Measures to Improve the Corporate Culture and Bottom-up Human Resource Measures	<ol style="list-style-type: none"> 1. Formulate and execute a basic policy on skills development and new assignment standards 2. Conduct training to expand the pool of employee candidates to be stationed overseas 3. Establish sites to handle management of overseas bases (Asia, China, etc.), etc.

Human Resources Development

Enhancing Educational Programs

We are undertaking initiatives that further management's aim of training human resources suited to steadily execute Furukawa Electric Group reforms. We have prepared a number of learning opportunities, including conducting training courses and e-learning and supporting efforts to earn qualifications, in our bid to cultivate human resources who can think and act for themselves. In this manner, we are working to encourage personal growth and maximize our organizational capabilities, while at the same time promoting a mindset that emphasizes Group management.

Training system [Furukawa Electric recruiting page] (PDF 1,604KB)
<http://www.furukawa.co.jp/english/csr/social/training.pdf>

In rank-based training, we hold workplace discussions and strive to link observations to actions, rather than conducting one-off training. Our OJT Leader System seeks to go beyond differences in age and rank in promoting a shared awareness of issues, targeting organizational reform through the practice of operating an organization and cultivating a sense of cooperation. For middle-ranking leaders, we conduct training designed to help them analyze situations logically, identify issues and plan measures to resolve them, as well as honing the sensitivity that leadership requires. We include employees of affiliated companies in each of these training programs to foster a sense of group among our human resources.

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.

In fiscal 2014, we have launched the Global Mindset Program (GMP) to cultivate human resources capable of operating on a global stage. This program hones global awareness and an understanding of diversity, as well as training participants in identifying and resolving issues on their own. We are expanding the program, focusing in particular on global training for people assigned to overseas positions and in roles that support overseas operations.

Among our training programs for local employees of overseas affiliated companies, in fiscal 2011 we began conducting the Global Development Program (GDP) in Japan for leaders at overseas companies. The program aims to deepen their understanding of the Furukawa Electric Group and encourage their interaction with Japanese employees, energizing both groups and cultivating an international sense.

Global Human Resources Training System



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Global Development Program presentation



Group photo

Strengthening the *Genba-Ryoku* Project

Since fiscal 2009, Furukawa Electric has been pursuing initiatives to bolster the manufacturing capabilities of its production sites. These activities focus on cultivating *genba-ryoku* (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 Genba-Ryoku 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 “*genba-ryoku*” 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. Personnel from domestic affiliated companies also participated in this training, which was part of an initiative to enhance “*genba-ryoku*” throughout the Group. This initiative is already underway at some overseas affiliated companies, as well.

People Undergoing Genba-Ryoku Reinforcement Training

Fiscal Year	Participants
FY2010	87 people
FY2011	121 people
FY2012	346 people
FY2013	511 people

(note) Includes participants from Group companies



Experiencing dangers during monozukuri (manufacturing) training



Basic Program training underway

Badges with the “*genba-ryoku*” logo distributed to trainees

2S drills at China FAZ

Relations with Our Employees

Diversity

Diversity in Hiring

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

The Furukawa Electric Group has 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

Hiring the Disabled

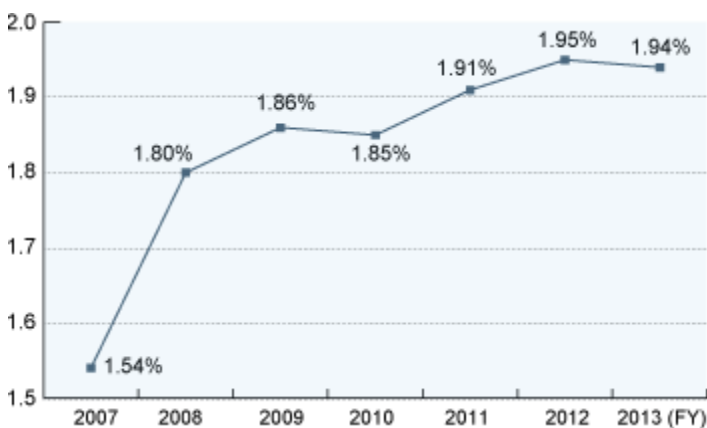
Furukawa Electric established Furukawa Newleaf Co., Ltd. as a special subsidiary in 2004 to actively employ people with learning disabilities. This is one of our efforts to increase the percentage of people with disabilities that we employ.

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.

Although our employment ratio of people with disabilities was 1.94% in fiscal 2012, exceeding the statutory target, we are working to increase this employment ratio further by expanding the operations conducted by our special subsidiary, complying with revisions to the law in April 2013.

Ratio of employees with disabilities (Furukawa Electric)



Furukawa Newleaf Co., Ltd., employees in action

Relations with Our Employees

Upgrading and Enhancing Workplace Environments

Volunteer Leave System, Refresh Leave System

To support individual employees' efforts to participate in social contribution activities, we have in place a Volunteer Leave system for people who have been employed for one year or more. When we introduced this system in 2011, it was limited to volunteers in support of restoration and reconstruction activities following the Great East Japan Earthquake. We lifted this restriction in May 2012, expanding its use to uncompensated social contribution activities. Going forward, we plan to continue supporting employee participation in social contribution activities.

Also, in 2011 we inaugurated a Refresh Leave System whereby employees with at least 25 years of experience can take from 14 through 31 consecutive leave days per year. Taking this sort of leave is designed to help workers enliven their performance, give them an opportunity to review work we handle as an organization and enhance their work life balance (the balance between work and home life).

My Volunteer Activity Report



I participated in the 2013 Reconstruction Support Soccer Festival.

Masayuki Hanamitsu

Production Department, Fitel Products Division



I took four days of volunteer leave from March 25 to take part in the 2013 Reconstruction Support Soccer Festival (Shisui, Chiba Prefecture)

This seven-team interleague series included two high school teams from Fukushima Prefecture that were invited to take part, as well as five other teams from Chiba and other prefectures. Our goal was to bring smiles back to the faces of people from Fukushima through soccer. Although I think they enjoyed the matches, you could see from their eyes that they are still battling uncertainties. But at the same time, their struggles gave me the strength to persevere in a forward-looking way.

I believe that expanding the Volunteer Leave System to allow a wide variety of volunteer activities in addition to support reconstruction will enable us to play at least a small role in expanding the circle of support to the workplace and throughout the Company.

My Refresh Leave



I came back refreshed in body and spirit!

Yasuhiro Tanaka

Strip Manufacturing Section, Production Department, Copper and High Performance Material Products Division

I took refresh leave for about three weeks, starting April 20. During my time off, I joined neighborhood families in barbecues, attended a class observation day at my children's school and enjoyed an outing with my family to Kawachi in the city of Sakura. This leave was an extremely meaningful time for me.

During the days when the rest of my family was out, I took my car for a drive, washed it and caught up on my hobbies. Sometimes I just relaxed, watched television and enjoyed having some time to myself. The refresh leave allowed me to do things with my family that I don't often have time for, and I came back refreshed in mind and spirit.

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 Department in the event that issues are reported. As of the end of fiscal 2013 there had been no cases of involving human rights concerns within Furukawa Electric.

Furthermore, from the perspective of prevention, we have in place a rank-based training curriculum, 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 61 years, since 1952. As of May 2013 we had held these briefings 121 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

Occupational Health and Safety Management Promotion System

In line with the new medium-term plan's policy of strengthening Group management, we have revised our activity promotion structure. To this end, in fiscal 2014 we have established the Furukawa Electric Group Occupational Health and Safety Committee, chaired by the president. This committee, comprising members of management, deliberates, determines and follows up on policies and measures related to occupational health and safety activities throughout the Group.

Promotion Framework



Status of Activities and Future Initiatives

Looking at our safety record during fiscal 2013, we failed to reach our target of one or fewer accidents requiring leave, as four occurred. As a result, we have set about reforming our corporate culture to keep from taking a backward step on our safety record and strengthening initiatives toward our goal of zero accidents and zero hospitalizations.

The core tenets of our basic policy for fiscal 2014 naturally include legal compliance, focusing as well on content linked with reforming the corporate culture, such as ensuring human and essential safety.

Specifically, we have set forth the following six items.

1. Work to eradicate accidents by following the spirit of occupational health and safety laws
2. Lower disaster risk by ensuring essential safety
3. Cultivate safety human through communication and the 5Ss
4. Employ a health and safety management system, and achieve independence through self-diagnosis, maintenance and improvement
5. Target health and a pleasant workplace through mental health measures and measures to counter metabolic syndrome
6. Introduce smoking measures aimed at stopping smoking during working hours

Acquisition of Occupational Safety and Health Management System (OSHMS) Accreditation

The system that Furukawa Electric Group has constructed has demonstrated its effectiveness in preventing labor accidents. We are promoting the creation of this system and its third-party accreditation.

As of March 31, 2013, we had acquired management system accreditation ^(note 1) at the following sites.

Company	Site	Date acquired
Furukawa Electric Co., Ltd.	Chiba Works	January 13, 2009
Furukawa Electric Co., Ltd.	Hiratsuka Works	November 15, 2010
Furukawa Electric Co., Ltd.	Mie Works	November 15, 2010
Furukawa Electric Co., Ltd.	Nikko Works	March 23, 2012
Furukawa Electric Co., Ltd.	Copper Tube Division	December 20, 2012
Furukawa Magnet Wire Co., Ltd.	Mie Plants	November 15, 2010
Furukawa-Sky Aluminum Corporation	Fukui Plants	November 29, 2012
Furukawa-Sky Aluminum Corporation	Oyama Plants	December 20, 2012

(note 1) Organizations covered by the Occupational Safety and Health Management System are certified as meeting JISHA standards.

Presentation on Health and Safety Activities

Furukawa Electric holds presentations to showcase its health and safety activities, honoring those of particular merit. Each works conducts its own presentations, with selected groups announcing their activities at the companywide presentation.



Forklift Truck Safety Skills Competition

Forklift accidents tend to cause serious injury. Furthermore, the cause of such accidents can often be traced to insufficiently safe driving skills on the part of the operator. Therefore, we hold our Forklift Truck Safety Skills Competition, so as to improve awareness and operator skills.



Educating Employees at “Anzen Dojos”

Furukawa Electric has placed “Anzen Dojos” (safety education centers) at 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.



Manufacturing Works Patrols/Factory Checks

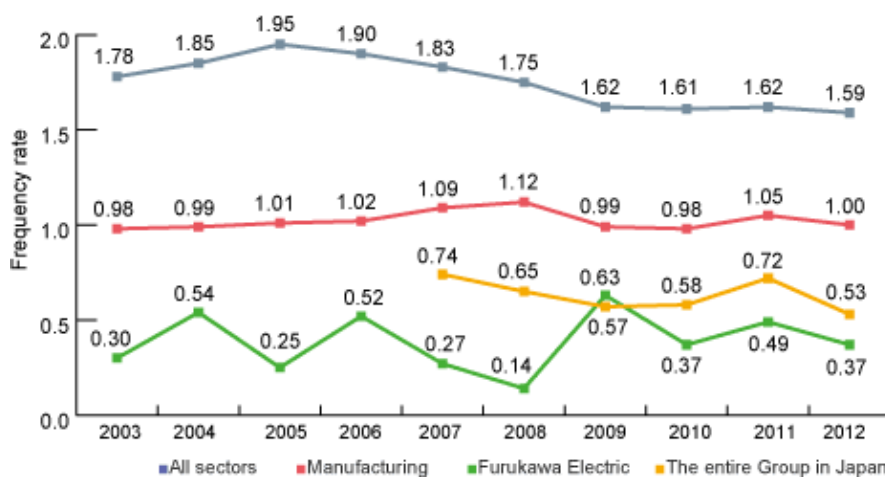
Each month, patrols are conducted at our manufacturing works to identify sources of danger and make improvements. In addition, once each year a person in charge of health and safety at another manufacturing works performs a factory check, conducting inspections from a different point of view to confirm that no dangers have been overlooked.

We also conduct factory safety checks at Group companies, thereby extending the effectiveness of these activities throughout the Group.



Labor Accidents

In 2012, the frequency rate of accidents requiring leave^(note 2) was down, both for Furukawa Electric on a standalone basis and for the domestic Group as a whole^(note 3) pointing to year-on-year improvements.



(note 2) Frequency = (Accidents resulting in injury or death / total working hours) x 1 million

(note 3) The scope of data collection for 2012 encompassed employees and temporary workers at Furukawa Electric and 24 affiliated companies in Japan.

http://www.furukawa.co.jp/english/csr/social/employee_safe.pdf

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

We began conducting mental health measures in fiscal 2003. 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 (note 4)”

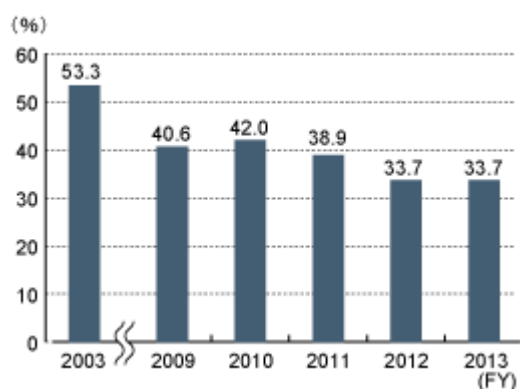
In fiscal 2012, we also held Pleasant Workplace Discussion Groups for workplace environment improvement throughout the Company to invigorate both individuals and worksites.

(note 4) A mental health concept pertaining to motivation, devotion, and energy regarding work.

Strengthening Smoking Measures

In fiscal 2004, we commenced measures to counter smoking in earnest, introducing programs to prevent exposure to passive smoke and encourage quitting smoking. As a result of such activities, the percentage of smokers among male employees has fallen by approximately 20 percentage points over 10 years. As we plan to go to an entirely smoke-free workplace by fiscal 2021 at the latest, 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 (male)



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, 2013, three people have been confirmed as being involved in industrial accidents, and symptoms have been detected in nine.

Results of Medical Examinations

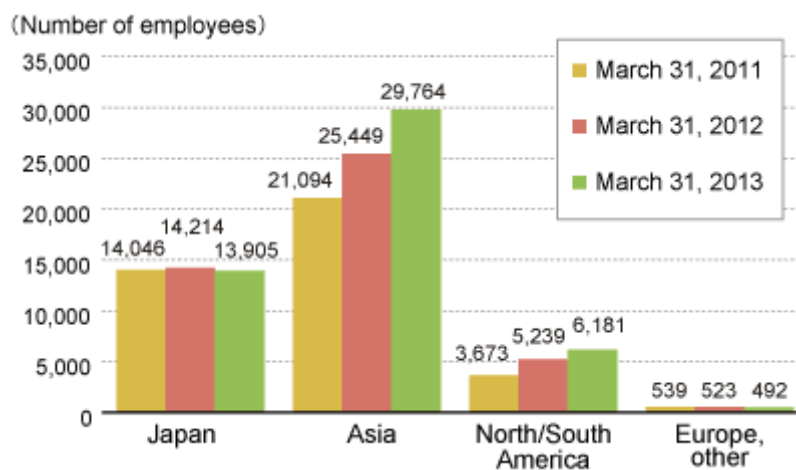
- People confirmed as having been in industrial accidents: Three (of whom one died of mesothelioma and one died of lung cancer)
- People in whom symptoms detected: Nine (of whom one currently in employment and eight retired)

Relations with Our Employees

Employee Data Book

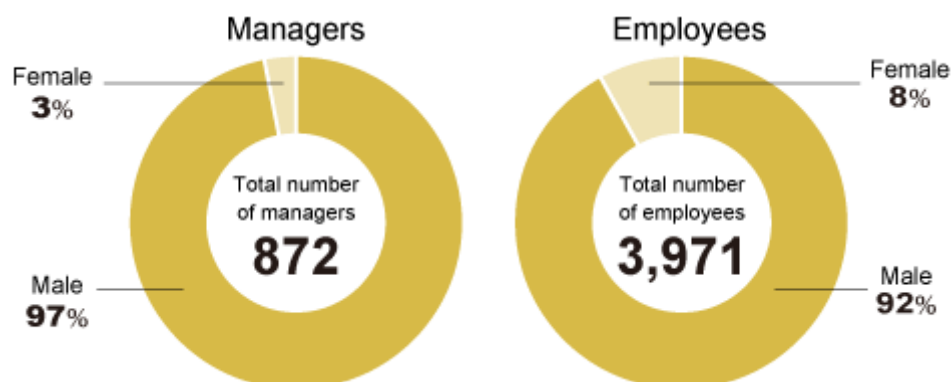
Group Data (Consolidated)

Number of Group Employees by Region



Furukawa Electric Data

Gender ratio of employees (As of March 31, 2013)



Recruitment figures by gender

		Fiscal 2009	Fiscal 2010	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014
Specialized staff	Male	84	79	73	66	49	26
	Female	17	13	9	12	10	6
	Total	101	92	82	78	59	32
	Foreign nationals	1	4	4	2	3	0
Professional staff	Male	86	44	15	21	2	0
	Female	1	0	0	1	0	0
	Total	87	44	15	22	2	0

Overtime (Unit: Average hours per month)

	Fiscal 2009	Fiscal 2010	Fiscal 2011	Fiscal 2012	Fiscal 2013
Direct work	21.62	23.36	24.15	23.84	24.33
Indirect work	18.44	14.06	17.03	17.45	18.14
Average	20.1	17.75	19.72	19.85	20.46

Regular annual leave

Item	Fiscal 2008	Fiscal 2009	Fiscal 2010	Fiscal 2011	Fiscal 2012	Unit
Days carried over per person (A)	22.8	22.5	22.0	22.6	21.8	Days
Days granted per person (B)	24.1	24.0	23.9	23.9	23.6	Days
Days acquired per person (C)	12.1	13.6	13.3	13.1	13.0	Days
Acquisition rate (C ÷ B)	50.2	56.7	55.6	54.8	55.1	%

(note) Regular annual leave is calculated as leave taken between September 16 and September 15 of the following year. Figures for fiscal 2013 are calculated for the annual leave year that has not yet concluded.

People taking volunteer leave

	Fiscal 2012	Fiscal 2013
Female	0	0
Male	1	5
Total	1	5

(note) Five people took advantage of this leave, bringing the total number to date to nine.

People taking refresh leave

	2011	2012
Female	1	4
Male	63	77
Total	64	81

(note) 1 Refresh leave is calculated on a calendar basis (January 1 to December 31)

2 Refresh leave is a system that accords employees who have worked for 25 years continuous leave of between 14 and 31 days.

People taking maternity/paternity leave

	Fiscal 2009	Fiscal 2010	Fiscal 2011	Fiscal 2012	Fiscal 2013
Female	45	39	35	35	33
Male	2	4	4	10	7
Total	47	43	39	45	40

People taking nursing care leave

	Fiscal 2009	Fiscal 2010	Fiscal 2011	Fiscal 2012	Fiscal 2013
Female	0	0	0	0	0
Male	0	0	1	2	2
Total	0	0	1	2	2

Relations with Communities

Furukawa Electric Group Basic Policy on Social Contribution Activities

Furukawa Electric and the Furukawa Electric Group have continued to conduct social contribution activities that are rooted in the local community. Going forward, we will strengthen these actions further along the three dimensions 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 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.

Relations with Communities

CSR Awards

Fourth CSR Awards

Furukawa Electric established the CSR Awards to recognize the social contribution or environmental preservation efforts of our subsidiaries that notably exceed their regular business. CSR Award-winning companies work on a daily basis to continue contributing to society through these activities.

Social Contribution Award

Furukawa-Sky Aluminum Corp. (Japan)

Furukawa-Sky's Guiding Principles state that "As a good corporate citizen, we proactively promote and sponsor social action programs," and the company conducts activities that are based in the local community on this basis. One of Furukawa-Sky's particular points of focus is on welfare for people with disabilities. Since the establishment in 2007 of the City of Fukaya Furukawa-Sky Disabled Welfare Fund with donations from Furukawa-Sky, each year in addition to providing funds Furukawa-Sky sends two employees to join as committee members of a subsidized project commission, where they deliberate and make decisions on aid activities. The Fukui Works also works with the city of Sakai's project to create a town that is friendly toward people with disabilities, operates a care facility commuter bus and takes part in other initiatives to enhance welfare facilities for people with disabilities. The company also conducts a wide range of other activities. For example, each of Furukawa-Sky's factories hosts plant tours for special-needs schools' instructors and their students to support the employment of people with disabilities.



Gingago (Donated in 2012, this bus transports children to the Reihoku School for Children with Special Needs in the city of Sakai.)

Environmental Preservation Award

The Furukawa Battery Co., Ltd. (Japan)

End-of-life automobile batteries should be managed properly, but instead they are sometimes dumped illegally or thrown out along with general waste. Given this situation, ensuring that batteries are always managed safely and appropriately could help to prevent the spread of harmful substances and preserve the natural environment and link with resource recycling and the curtailment of resource depletion. In 2007, Furukawa Battery created a structure for managing automobile batteries that, with the cooperation of various partners, the company operates as a proprietary recycling system. Each year, this system is used to collect more than 200,000 batteries a year, which are converted to resources and returned to the marketplace in the form of recycled products. Going forward, Furukawa Battery plans to continue providing customers with products that they can have peace of mind in using, while preserving the environment and contributing to society.

The Car Battery Recycling Flow



CSR Awards Topics

FMT, Winner of the Third CSR Award, Earns a Silver This Year for Its Anti-Drug Campaigning

Furukawa Metal (Thailand) Public Co., Ltd. (FMT), which received the Third CSR Award for its “To Be Number One” (http://www.furukawa.co.jp/english/csr/social/region_affiliated03.htm#fmt) anti-drug campaign, received a silver award last year at an event held to commemorate its 10th year of “To Be Number One” activities.

Furukawa Metal (Thailand) Public Co., Ltd. (FMT)

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 company received a silver award last year at an event held to commemorate its 10th year of these activities. FMT plans to continue visiting the villages nearby its Saraburi Plant, eliciting the cooperation of the region’s government institutions, local residents and schools in its efforts to raise youth awareness of drugs and the terror they wreak.



Commemorative photo with Princess Ubolratana Rajakanya at the event to commemorate the 10th anniversary of the campaign



Commemorative photo of cooperative activities undertaken with government institutions and schools in the Saraburi area



Planting trees around Saraburi



Distributing flyers and sweets as part of a publicity campaign in villages around Saraburi

Relations with Communities

Activities in Each Region

Providing Acorns to Nearby Elementary Schools (Hiratsuka, Furukawa Electric)

The site of the Hiratsuka Works houses trees that produce acorns, and in autumn the trees are filled with these nuts. Around 2005, we began providing acorns from around our works to the Hachiman Elementary School in Hiratsuka, which uses them as educational tools. Furukawa Life Service, which is in charge of the site's greenery, gathers acorns each year, and Furukawa Electric's General Affairs Section provides them to the principal, vice-principal and first-year students of Hachiman Elementary School. The children receive the acorns with smiles on their faces, which makes us happy, too. We plan to continue delivering joy to children in the form of acorns.



A poster received from the children, expressing their thanks



Lithocarpus edulus, which produces many acorns

Contributing to Local Communities (Imaich, Copper Foil Division, Furukawa Electric)

The Copper Foil Division has made social contributions to the local community for some time. The division is in agreement with the activity policies of NPOs and special needs schools, among others, and has supported their efforts for many years through voluntary participation in their functions and events. For example, once each week the division sets up a bread-selling stall in its cafeteria for Fureai no Mori, an NPO. The stall provides work opportunities for people with disabilities, who staff the stall. The division also contracts out the task of sorting packaging materials returned by customers and cleaning activities to Social Welfare Corporation Habataki Welfare Project (Habataki), another NPO. The division provides the NPO's members with a workplace and participates actively in regional networking events that Habataki organizes. In these ways, the division works to increase its interaction with special needs people.



Sales underway (Fureai no Mori)



July Tanabata festival (Habataki)



December soba festival (Social Welfare Corporation Habataki Welfare Project)

Fureai no Mori: This NPO seeks to provide relaxed workplaces for individuals who find work difficult due to mental and other disabilities or a tendency to withdraw from society. The NPO conducts bread sales and offers instruction on acquiring certifications.

Social Welfare Corporation Habataki Welfare Project: This work support and welfare institution provides assistance to people with disabilities by providing them with outsourced work.

Small Acts of Volunteer Work



Event at Head Office to Support Tohoku's Reconstruction—Demonstrating Our Preparedness (Head Office, Furukawa Electric)

Last fiscal year and this fiscal year, workers and management again joined in an event held at Furukawa Electric's head office to support Tohoku's reconstruction. We heard about initiatives being undertaken by the fishermen on the Karakuwa Peninsula in Miyagi Prefecture and learned from an industrial physician how to use automated external defibrillators (AEDs). In addition to confirming our preparedness, this participation-style event was aimed at aiding Tohoku's reconstruction, if only in a small way. On the day, numerous executives and employees took time from their busy year-end schedules to join the event. Donations collected there were donated to Higashi Nihon Daishinsai Kodomo Mirai Kikin (the Fund for the Future of Children affected by the Great East Japan Earthquake), which provides monthly scholarships to elementary, junior high and high school children who lost one or more parents in the earthquake.



Hearing about the activities of fisherman in Karakuwa Peninsula, Miyagi Prefecture



Training on AED use



Display of items stockpiled in preparation for disaster

Relations with Communities

Awards from Outside Sources

2013

Period	Subject / Implementing organization	Winning organization
Feb.	R & D Technical Committee of Optical Fiber Technologies Encouragement Award 2012: Analyzing a New Mechanism of Air Holes to Suppress Micro-bending Loss in Large-mode-area Optical Fibers Implementing organization Technical Committee of Optical Fiber Technologies, the Institute of Electronics, Information and Communication Engineers	Yukihiro Tsuchida FITEL Photonics Laboratory, Furukawa Electric
Feb.	Environment The Kanagawa Global Environment Award 2012 Energy Saving Prize Implementing organization the Kanagawa Global Environment Conservation Promotion Forum and the Kanagawa Prefectural Government	Furukawa Electric Yokohama Works

2012

Period	Subject / Implementing organization	Winning organization
Nov.	R & D Japan Institute of Copper, 46th Research Association Award: Effect of Crystal Orientation Distribution on Young's Modulus in Cu-Ni-Si Alloy Strip Implementing organization Japan Institute of Copper	Hiroshi Kaneko Metal Research Center, Furukawa Electric
Jun.	R & D 2012R&D 100Awards Yttrium-based superconducting wire for high magnetic fields Implementing organization R&D Magazine	SuperPower Inc. of the United States, a subsidiary of Furukawa Electric – Winning the award together with the University of Houston as co-developers of the Oak Ridge National Laboratory –
May.	R & D Japan Institute of Electronics Packaging, Technology Award: Low power Consumption 1060nm 10Gb/s x 12-Channel Parallel-Optical Modules Implementing organization Japan Institute of Electronics Packaging	Hideyuki Nasu and six others FITEL Photonics Laboratory, Furukawa Electric
Apr.	R & D The Laser Society of Japan, Laser Industry Encouragement Award 2012: 555nm Green Laser Using Fiber Laser as Fundamental Wave for Confocal Laser Scanning Microscope for Biotechnology Implementing organization The Laser Society of Japan	Hiroshi Matsuura FITEL Photonics Laboratory, Furukawa Electric
Apr.	General BCAA Award, Award for Practical Excellence Promotion of BCM activities throughout the Furukawa Electric Group Implementing organization Business Continuity Advancement Organization (BCAO)	Furukawa Electric