

Furukawa Electric Group Sustainability Report 2015



Editorial Policy

This report aims to inform all stakeholders about the philosophy and measures of Furukawa Electric Group in relation to its business activities, management, the environment and its relationship with society. Our goal is to report on our CSR philosophy and efforts and gain the understanding of our stakeholders.

Scope of This Report

Period Covered

Fiscal 2014, from April 1, 2014 to March 31, 2015

(note) Includes selected information on past initiatives and activities during fiscal 2015.

Organizations Covered

This report covers Furukawa Electric Co., Ltd. and affiliated companies in Japan and overseas. Where activities are limited to specific regions or companies, this fact has been clearly indicated in the reporting.

Publication Timeframe

Publication date: September 7, 2015

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Editing and Publication

CSR Department, Administration & CSR Division,
Furukawa Electric Co., Ltd.

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Chiyoda-ku, Tokyo 100-8322, Japan

Inquiries about CSR

 https://www.furukawa.co.jp/cgi-bin/inquiry.cgi?id=csr_en

Accuracy of the Data Disclosed in This Report

In order to maintain accuracy in data disclosure, the information provided in this report has been vetted by the divisions in charge of the relevant information, the Investor & Public Relations Department and the CSR Department, which is in charge of editing this report. We have also provided a third-party opinion so as to offer the point of view of an outside expert.

Information Disclosure System

Furukawa Electric is fully aware that the timely and appropriate disclosure of corporate information to investors is essential to a healthy stock market. We take a serious approach to providing timely and appropriate corporate information to investors, including through the development of internal systems that allow us to disclose rapid, accurate and fair corporate information in a way that always keeps investors' perspective in mind.

Moreover, in order to increase the understanding of all stakeholders in respect to our company, we try to provide information through a variety of media, including non-financial information.

Non-financial	Financial
<ul style="list-style-type: none">- CSR website- Sustainability reports- Corporate governance reports	<ul style="list-style-type: none">- IR website- Financial statements- Securities reports/Quarterly reports- Summary of accounts, etc.

Source Guideline

We referred to the GRI "Sustainability Reporting Guidelines 2006 (3rd Edition)" in composing this report.

Sustainability Report

 <http://www.furukawa.co.jp/english/csr/report/index.htm>

History of Furukawa Electric's CSR Activities

1972	Companywide Rules for Pollution Prevention formulated	2008	Furukawa Electric Basic Policy on Pandemic Influenza Preparedness formulated
1974	Environmental Control Department established Energy Conservation Team established		Compliance pledge introduced e-Friendly mark (environmentally harmonious product) certification system started
1989	Team for Reduction in Use of Specified CFCs established	2009	Furukawa Electric Group Green Procurement Activity Guidelines published
1992	Anti-Monopoly Act Guidelines issued		Basic Policy on BCM (Business Continuity Management) formulated
1993	Basic Framework for Protecting the Global Environment formulated (Furukawa Electric's voluntary environmental preservation plan)		Compliance awareness survey covering all employees conducted
1996	Use of specified CFCs and trichloroethane discontinued		A CSR award newly established as a part of the Outstanding Affiliated Company Awards
1997	Team for Promotion of Reduction in Industrial Waste established	2010	Medium-term management plan, New Frontier 2012, formulated
1998	Furukawa Electric Basic Environmental Policy formulated Acquisition of ISO 14001 certification commenced Companywide Regulations for Pollution Prevention revised to create the Companywide Regulations for Environmental Management		CSR Deployment Guideline for Business Partners issued
2000	First Environmental Report published		"Heart-to-heart communication between president and employees" and "Compliance Roundtables" initiated
2001	Environmental accounting started Zero-emissions activities commenced		Compliance Months introduced
2002	Anti-Monopoly Law manual published		Compliance awareness surveys for affiliated companies conducted
2003	Furukawa Survival Plan announced Executive Officer System introduced Furukawa Electric Basic Environmental Policy revised	2011	Information security and personal information protection months introduced
2004	Company system and chief officer system introduced Furukawa Electric Group Action Guidelines formulated Furukawa New Leaf established as a special subsidiary offering employment to people with disabilities		Furukawa Electric Group Basic Policy on CSR revised
2005	Internal reporting system introduced and internal and external reporting desks established Compliance Handbook published		¥250 million donated for reconstruction support for the region affected by the Great East Japan Earthquake (Groupwide)
2006	Medium-term management plan Innovation 09 announced Report published under the revised title "Environmental and Social Report"		Furukawa Electric Group CSR Code of Conduct revised, and Furukawa Electric Group Action Guidelines accordingly eliminated
2007	CSR Division established Chief Social Responsibility Officer (CSRO) appointed Report published under the revised title "CSR Report" Corporate philosophy and corporate message of the Furukawa Electric Group formulated		Competition Laws Compliance Guide published
2008	Furukawa Electric Basic Environmental Policy formulated Furukawa Electric Group Basic Policy on Social Contribution Activities formulated	2012	BCAO Award 2011, the "Award for Practical Excellence", received from the Business Continuity Advancement Organization (BCAO) Report name revised to Sustainability Report and issued
			Furukawa Electric Group Anti-Bribery Statement and Bribery Prevention Guide formulated
		2013	Medium-term management plan, Furukawa G Plan 2015, announced
			Transitioned from company system and chief officer system to a system of strategic business units and head office divisions
			Administration & CSR Division inaugurated
		2014	One domestic SBU conducted EICC audit
			Implementation of private sector training for public school teachers
			Jointly conducted employee awareness surveys with Group companies in Japan
			Published 2 nd edition of competition law compliance guide (Japanese, English and Chinese common edition)
			Began compliance education for local employees of Chinese affiliate companies

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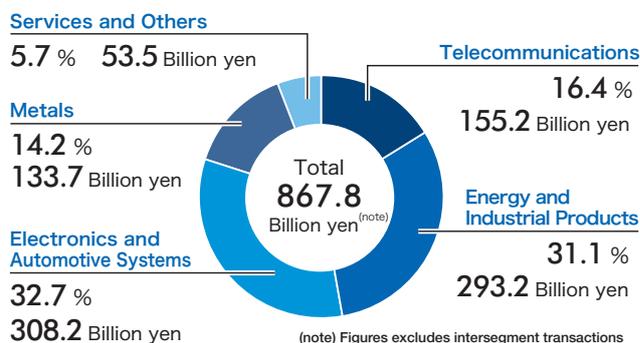
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Group Profile

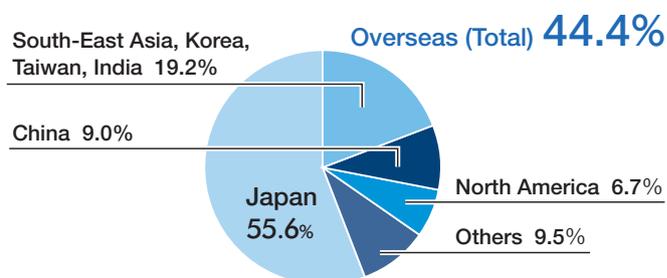
Company Profile

Company Name	Furukawa Electric Co., Ltd.
President	Mitsuyoshi Shibata
Founded	1884
Established	1896
Paid-in Capital (As of March 31, 2015)	¥69,395 million
Net sales (Years ended March 31, 2015)	¥867,817 million (Consolidated) ¥417,426 million (Non-Consolidated)
Number of Employees (As of March 31, 2015)	46,134 (Consolidated) 3,435 (Non-Consolidated)
Head Office	Marunouchi Nakadori Bldg., 2-3, Marunouchi 2-chome, Chiyoda- ku, Tokyo 100-8322, Japan
TEL.	+81-3-3286-3001

Percentage of net sales by segment



Percentage of overseas sales



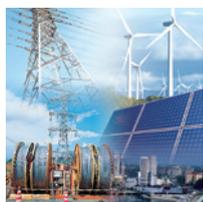
Major Products and Services

Telecommunications



Optical fiber cables / Metal communication cables / Semiconductor optical devices / Electronic appliance wires / Optical components / Network equipment / Optical fiber cable accessories and installations / CATV system / Radio products, etc.

Energy and Industrial Products



Copper wires and Aluminum wires / Power transmission cable / Insulated wires / Power transmission cable accessories and installations / Cable conduits / Water-feeding pipe materials / Foam products / UV tapes for semiconductor manufacturing / Electrical Insulation Tape / Electric material products, etc.

Electronics and Automotive Systems



Automotive components and wiring harness / Magnet wires / Electronic component materials / Heatsinks / Hard disc drive (HDD) aluminum substrates / Battery products, etc.

Metals



Copper and copper alloy products (plates, strips, pipes, rods, foils, and wires) / Functional surface products (plating) / Electrodeposited copper foil / Processed products for electronic parts / Superconducting products / Special metal materials (Shape-memory and super-elastic alloys), etc.

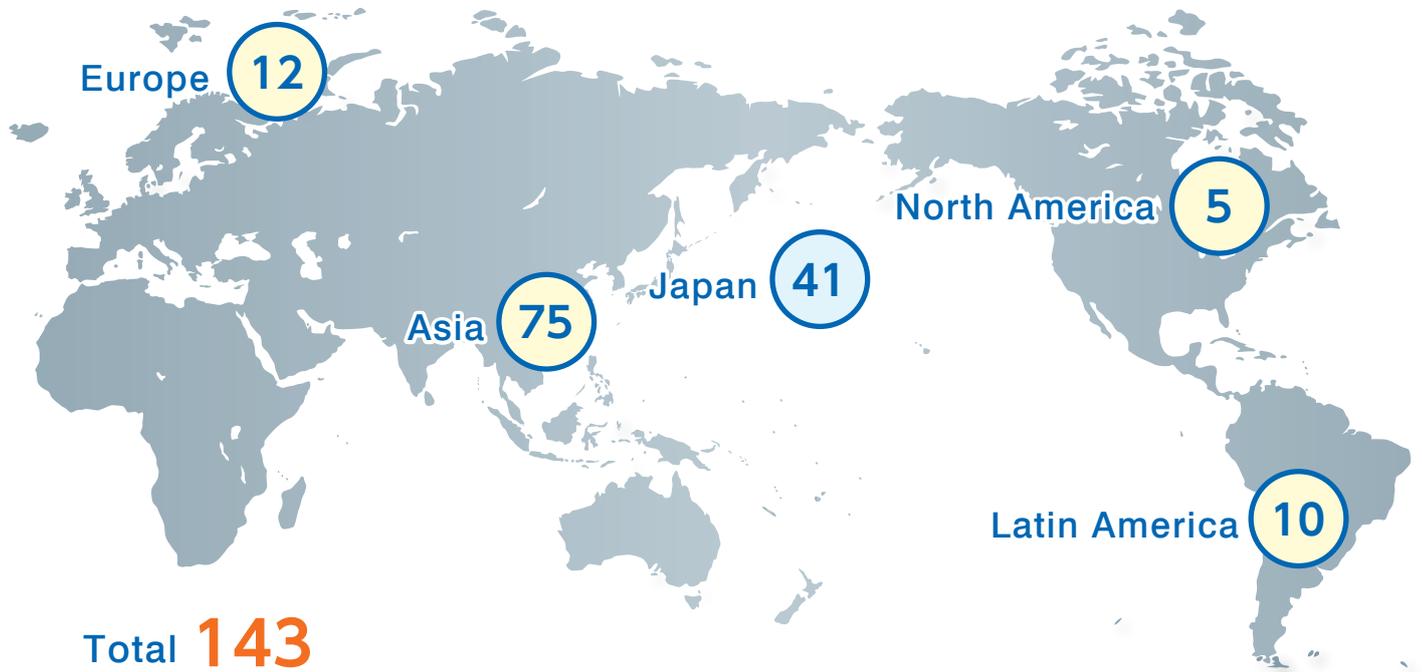
Services and Others



Logistics / Information processing service / Software development / Service business (real-estate leasing, hydraulic power generation and so on), etc.

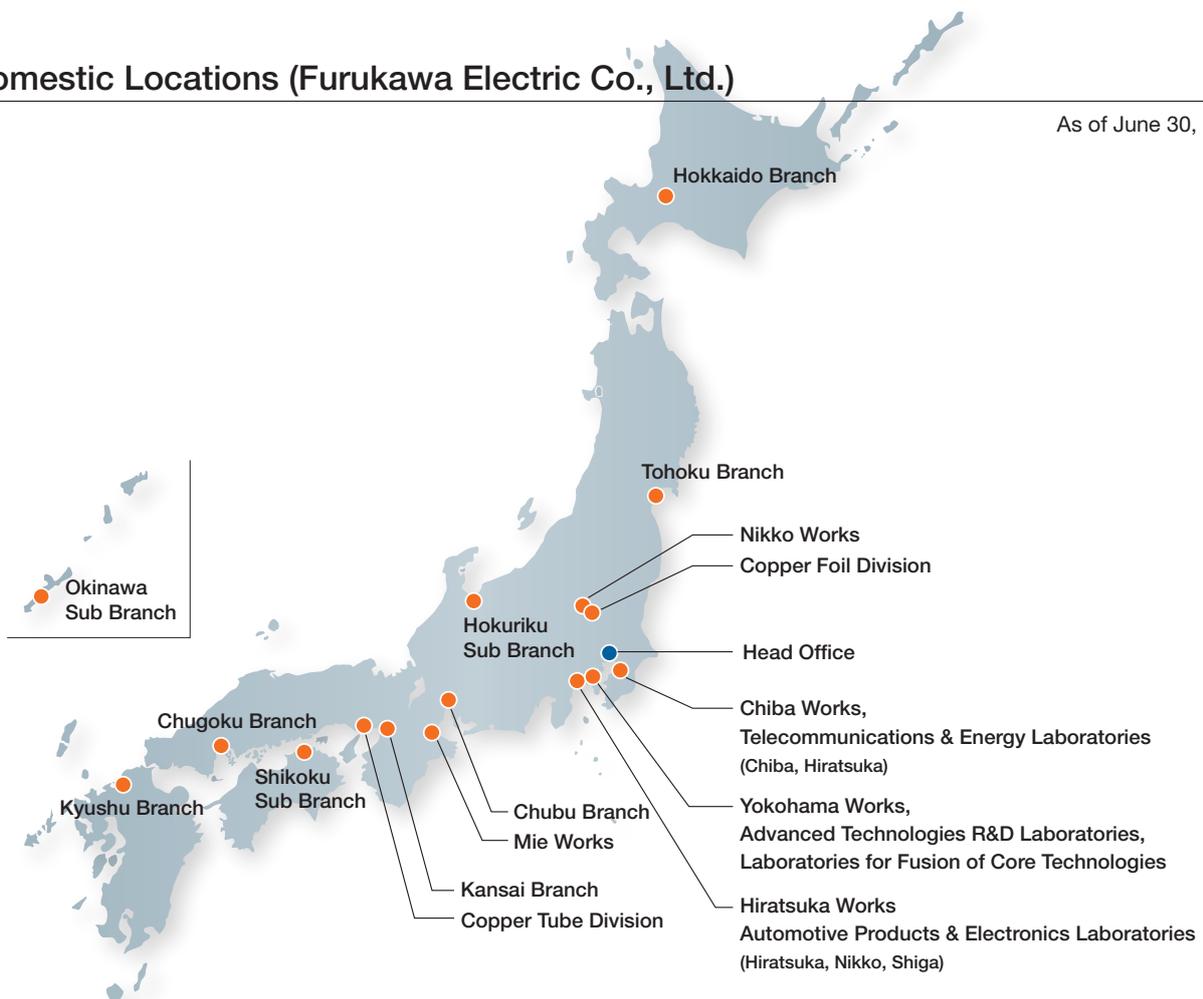
Global Network

As of June 30, 2015



Domestic Locations (Furukawa Electric Co., Ltd.)

As of June 30, 2015



Enhancing social value through material technologies to brighten the world



A handwritten signature in black ink, reading "Mitsuyoshi Shibata".

Mitsuyoshi Shibata
President
Furukawa Electric Co., Ltd.

- What are your thoughts on sustainability in the daily running of a company?

Companies have a responsibility not only to serve their stakeholders by maintaining robust business activities that create profit, but also to build a better society by helping to resolve issues in our areas of expertise, thereby contributing to environmental and social sustainability.

Companies that develop their business globally have to meet this responsibility on a worldwide scale. As Furukawa Electric expands internationally, we too seek solutions to global problems to serve our constantly diversifying stakeholders and achieve sustainability.

- What do you think is important in serving your stakeholders and meeting social responsibilities?

The environment surrounding our business has repeatedly and significantly changed over

the 130 years since our foundation. During that time, our main business area has been the creation of infrastructure underpinning society and industry, but the key factors have always been manufacturing and providing service from the customer's point of view, conducting ceaseless technical innovation, and securing the personnel and materials to make all this happen.

- In regard to those key factors, what steps are you currently taking with your customers, products, and technologies?

First of all, how can our products and services help to resolve any issues our customers have, and how would that contribute to society and the global environment? What we do is consider various business situations in which the products and services of our entire group could help our customers, and then offer diverse and comprehensive proposals.

These proposals are built on the research we do to enhance our accumulated technologies, and the development of new technologies through unconventional approaches. For example, we have developed more efficient control systems to help resolve the energy issues within smart infrastructures, and integrated optical telecommunication technology and electric power technology into the existing technologies of automotive products to create new technologies that support the evolution of safer, more reliable vehicles.

- What measures are you taking at present in regard to personnel and resources?

In the area of personnel, we are implementing global-minded training, such as international courses that bring together our local staff from different countries to raise their skill levels, and challenge programs that promote overseas experience among our young Japanese employees. As president, I have also conducted a "The Honki (earnest effort) Tour" around our business locations nationwide to meet employees in person and exchange frank opinions. Through such measures, our aim is to harness

various human resources around the world and become a creative, dynamic business entity.

Moving on to resources, in an industry concerned with materials such as ours, we need to remain conscious of the product cycle of raw material supply, manufacturing and processing, delivery and utilization, and disposal, recovery and recycling. For more than a century, Furukawa Electric has been reusing offcuts and other waste generated in our manufacturing process, and recycling products discarded after many years of use. We are also addressing environmental conservation in a variety of ways, and our hydroelectric power plant in Nikko, Tochigi Prefecture, delivers clean, stable power not only to our own factories but also outside the company.

- Lastly, what are your thoughts on business growth from the perspective of sustainability?

2014 was the halfway point of our mid-term business plan, and 2015 is the final year, with our goals being to focus on the infrastructure and automotive markets, build a platform for sustainable growth, and achieve improved financial strength.

Now that our Nikko Works has been completely restored after last year's snow damage, we have been made aware of several things, such as the strength of our customer links resulting from our renewed efforts in the material industry, and some points within our business continuity plan that should be reinforced. This experience has made us very conscious of being a responsible partner to many companies in different industrial fields, and having inherited the desire of our founder Ichibei Furukawa to "brighten Japan", we are committed to creating further social value and growing our business so that we can "brighten the world".

Finally, I hope as many people as possible will read through this report and learn more about Furukawa Electric.

Thank you very much.

Renewable Energies

— Contributing to society with solution products and systems —



Kegon Falls, Nikko

Furukawa Electric Group's efforts

Renewable energies such as hydropower, wind power and solar power have attracted more attention since the 2011 Great East Japan Earthquake as clean, non-depletable energies to replace fossil fuels.

The Japanese government is trying to increase the proportion of power generated by renewable energies from the present 10% or so to equal to or more than 20% by 2030. There have been previous attempts to increase this rate, such as by introducing the Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities (RPS Act) and the Feed-in Tariff system, but they have faced big problems such as unstable power output and high installation costs.

The history of Furukawa Electric Group's use of renewable energies can be traced all the way back to the hydropower

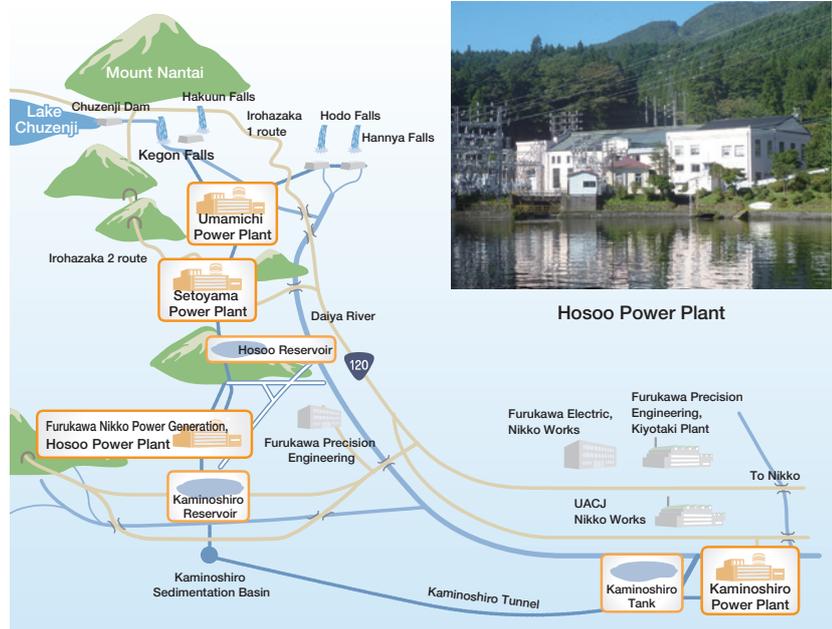
plant constructed at Nikko in 1906, the electric power of which was used in the Nikko Copper Electrolyzing Refinery which conducted the electrorefining of copper, and others. Our group has also used its accumulated technology to create problem-solving products and systems. Examples include power storage systems to control fluctuations in power output, and power cables that resist even undersea tidal currents.

Recently, in collaboration with the Railway Technical Research Institute and others, Furukawa Electric is participating in the world's largest superconducting flywheel energy storage system project by supplying our superconducting wire rods. This system is showing promise as a lossless storage battery, rotating a huge flywheel to store electric power as kinetic energy and converting the torque back into electric power as required.

Furukawa Nikko Power Generation Inc. providing 100% of Nikko Works' energy

Ichibei Furukawa, founder of the Furukawa Group, began to develop the Ashio Copper Mine in 1877. As the copper mine expanded rapidly, he needed an abundant water supply to meet the electrical demands of the Nikko Copper Electrolyzing Refinery, and in 1906 constructed the Hosoo Power Plant No.1 (2,000 kW) in Hosoo-machi, Nikko, the origin of the present-day Furukawa Nikko Power Generation Inc. That company has four power plants downstream of Kegon Falls flowing from Lake Chuzenji, namely, Umamichi, Setoyama, Hosoo, and Kaminoshiro, generating a total output of 29,890 kW. Hydropower has long contributed to the regional community as a clean energy source that emits no carbon dioxide, and currently meets 100% of the power demand at our Nikko Works as well as supplying power to our affiliates, Furukawa Co., Ltd., Ashio Power Plant, and TEPCO.

Of all the renewable energies that show promise for the future, hydropower delivers the most stable power supply. Amid the various challenges facing Japan's energy policy, Furukawa Nikko Power Generation Inc. will continue to supply clean, stable power.



Fukushima floating offshore wind power station, contributing to earthquake restoration

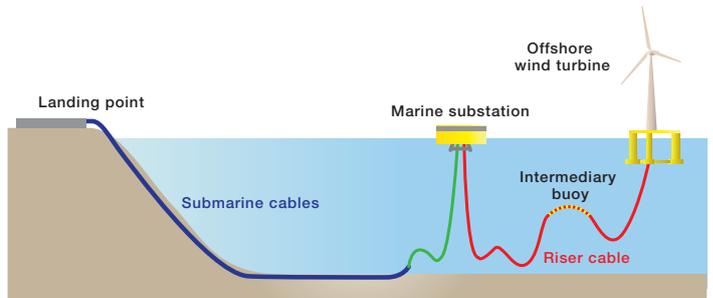
Furukawa Electric is participating in “Fukushima Experimental Offshore Floating Wind Farm Project”, one of the region’s restoration projects, having endorsed Fukushima Prefecture’s proposal to “be a pioneering place for renewal energies”. Utilizing offshore energy is vital for a country surrounded by water like Japan, and in this experimental study we have established a business model for a floating offshore wind power station, which we hope will help to make full-scale floating offshore wind farms a reality.

In this experimental study, we have built and verified a power transmission system that securely delivers control signals and

power output from a floating offshore wind power station along submarine cables. The floating offshore wind power turbines oscillate due to the force of the waves and tide and, in this harsh environment, the submarine cables also need to be able to move dynamically in response. By bringing all Furukawa Electric’s accumulated cable technologies to bear, we have developed the world’s first 66kV ultra-high voltage riser cable system. As the experimental study project enters its second phase of construction, we have delivered the special high-voltage riser cable manufactured at our Chiba Works. Operation of the third generation facility is due to begin in fiscal 2015.



Floating wind tower



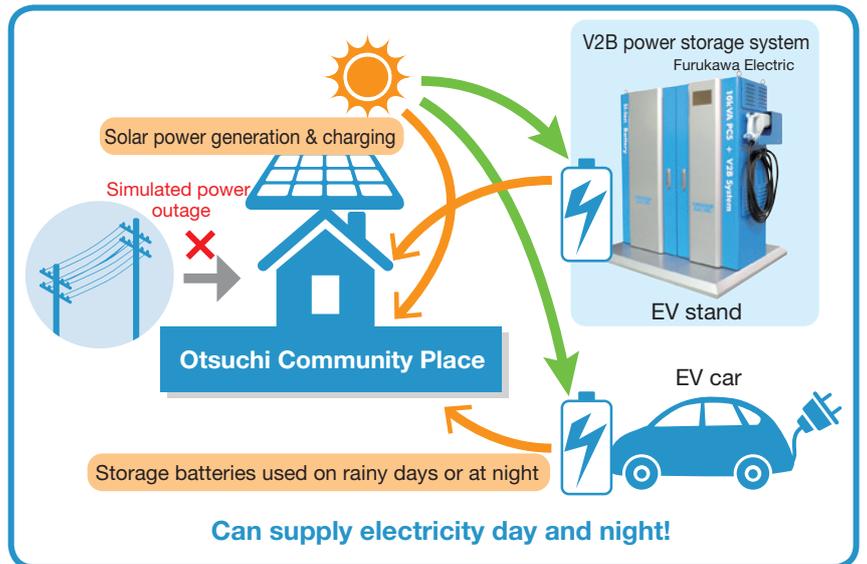
Cable laying diagram

V2B power storage system, resolving unstable power output

Ever since the 2011 Great East Japan Earthquake, electric power generation and transmission systems that remain strong and self-sustaining even during a large-scale disaster have been examined nationwide. In an industry-academic-government collaboration with the University of Tokyo and others, Furukawa Electric is part of an innovation model creation project to accelerate the sustainable development of disaster-affected under-populated areas, and in March 2015 conducted a demonstration test of our V2B (Vehicle to Building) power storage system in the devastated town of Otsuchi, Iwate Prefecture.

We installed a power storage system at Otsuchi Community Place and supplied it with electricity from solar panels and electric cars, and conducted a demonstration test assuming a 72-hour power outage. We simulated the experience of using a TV, smartphone, etc. to be able to get accurate up-to-date information, using LED lights and oil heaters to ensure safety and security, and using monitors and computers at town meetings to help people in the community.

Features of V2B power storage system – Self-sustained operation mode



Otsuchi Community Place and V2B power storage system

Successful demonstration test

- Get accurate information: Obtaining information from radio announcements (emergency power sockets)
- Help the community: Town meeting during rain (storage battery)
- Ensure safety & security: Using home appliances (emergency power sockets)
- Understand how much solar generated power and storage battery power is left: (Visualized on the screen)

Efforts of FISA, Our South American Hub



Profile

Furukawa Industrial S. A. Produtos Electricos, or FISA, Furukawa Electric Group's Brazilian arm established in 1974, has consistently invested heavily in R&D and delivered telecommunications infrastructure and IT solutions. A front-runner in South America in structured cabling and optical network infrastructure, FISA has five factories in the region (three in Brazil and one each in Argentina and Colombia) and its business is growing.



Latin American Economic Mission (August 2014)
From left: Mr. Kawazoe (then-Chairman of FISA), Mr. Yoshida (Chairman of Furukawa Electric), Prime Minister Abe, and Mr. Otake (Director of Furukawa Electric)

Sustainability-oriented product development and environmental management

FISA pays attention to environmental issues from the first stage of its product development, creating new products based on the Restriction of Hazardous Substances (RoHS), Low Smoke Zero Halogen (LSZH), life cycle analysis, energy and water saving, reduced emission of greenhouse gases, and its "MOTTAINAI" waste-reduction concept of the 5 R's — Recycle, Reduce, Reuse, Repair and Rethink.

FISA's own "Green IT" program also plays a vital role in environmental conservation. Through the program, much

of the waste produced by FISA's customers is disposed of properly, preventing environmental and human contamination by heavy metals and dioxins.

The program contributes to the three main pillars of sustainability — Environment, Society and Economy — and provides benefits to participating customers too, thereby generating new business opportunities for FISA. By 2014, the program had expanded to include customers in Argentina and Chile.

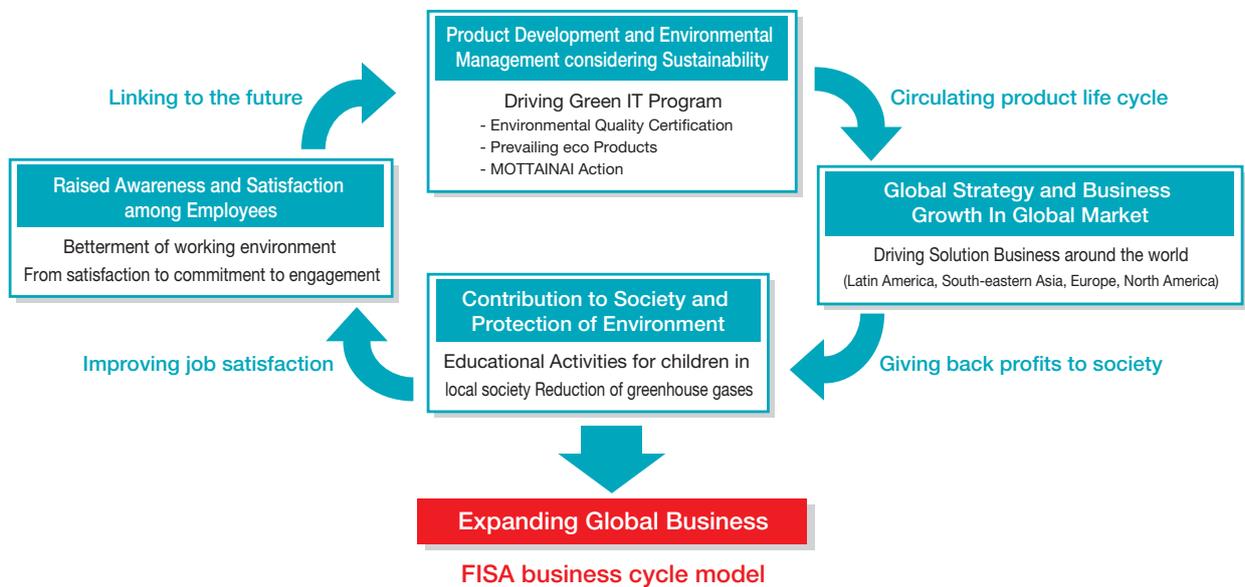


The MOTTAINAI mark is FISA's original concept

Global strategy and business growth

FISA's communications solutions are not only easy to install, they also exceed customer expectations by delivering optimum performance and prompt service. This is verified by surveys conducted among customers in Central and South America such as Brazil, and leads to increased business profit. In this business

model, a series of partners including distributor, integrator, reseller, installer, designer, and others all work together to provide the customer with the best possible communications solution, from project proposal to products, distribution, service and warranty.



Contribution to society and protection of environment



FISA's social contribution activities

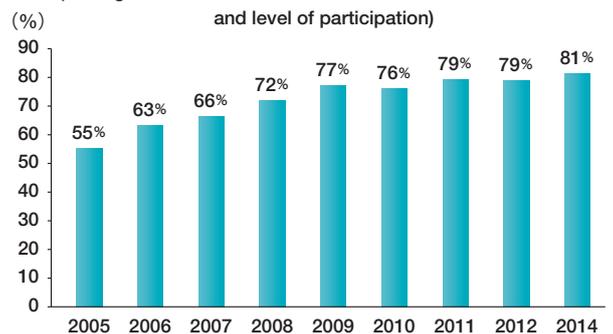
The FISA program “Preparing Children for the Future” is not simply about teaching. It conducts activities that enable a better future for underprivileged children by educating, guiding and giving them hope. Some of the children living nearby work at FISA and other companies as trainees while still minors and as full-time employees later. Of these youngsters, some receive an annual scholarship to help them through technical school.

Apart from this program, FISA also conducts cultural-type social contribution activities such as supporting books, stage plays and sports events or providing backing for athletes. It has also conducted campaigns to promote and raise funds for blood donation and bone marrow donation organizations. Another globally important contribution it makes is to manage a greenhouse gas emission inventory and conduct activities to contain and reduce such emissions.

Raised awareness and satisfaction among employees

Employees who feel satisfied at their company engage enthusiastically in their work, enabling the company to conduct its day-to-day operations more efficiently and deliver better quality products and services to customers, which all results in improved corporate performance. FISA stresses the importance of satisfaction levels among its employees and has developed and implemented employee satisfaction surveys since 2005. Having identified where improvements are needed, it then introduces any required measures throughout the company. It even repeats surveys according to a PDCA cycle, calculating and analyzing the results before taking further new measures. For the health of its employees, FISA supports a street running team and swimming team and provides the latest infrastructure for workers to enjoy doing sports. It also encourages employees to take part in its choir and volunteer activities, part of its “Preparing Children for the Future” program.

Trend in results of employee satisfaction surveys
 (Average level of sense of achievement toward commitments and level of participation)

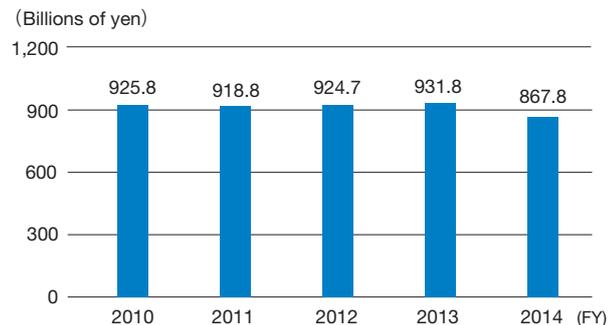


*No survey done in 2013

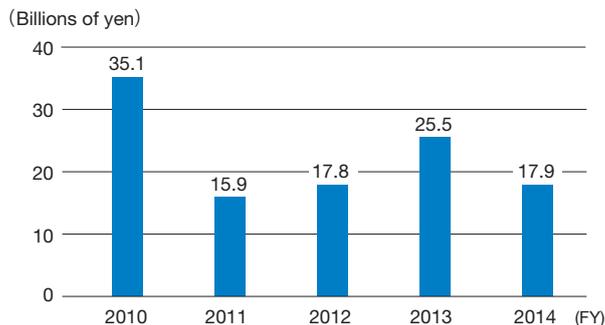


Financial and Non-financial Highlights

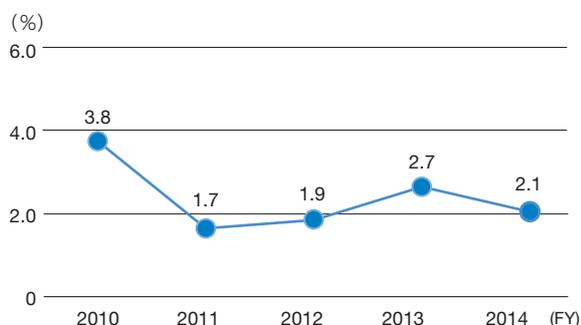
Net sales



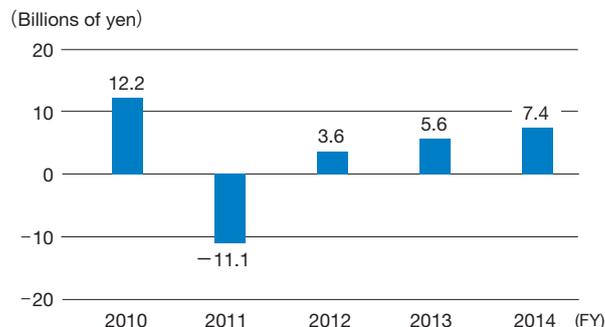
Operating income



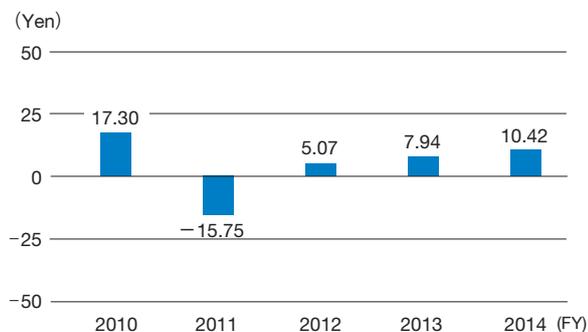
Operating income (Ratio to net sales)



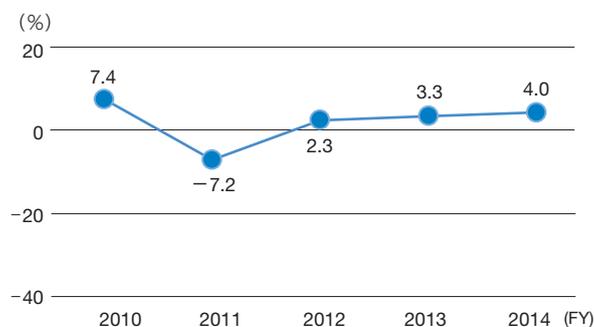
Net income



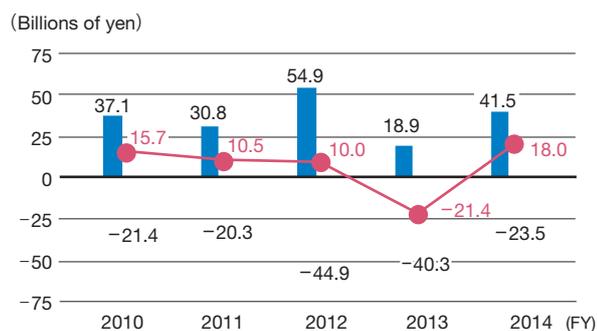
Net income per common share



Return on equity



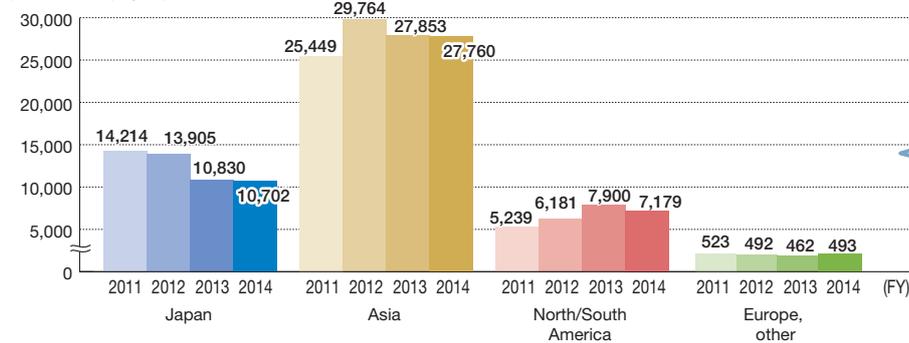
Cash flows



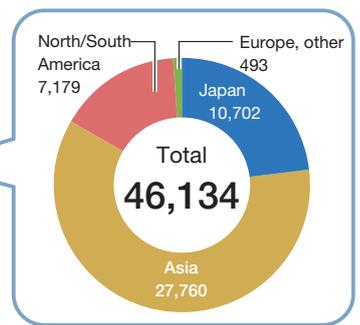
- Cash flows from operating activities
- Cash flows from investment activities
- Free cash flows

Number of Group employees by region (Consolidated)

(Number of employees)

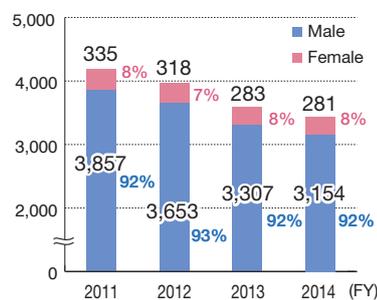


As of March 31, 2015



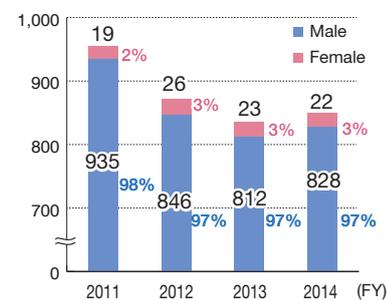
Gender ratio of employees (Furukawa Electric)

(Number of employees)



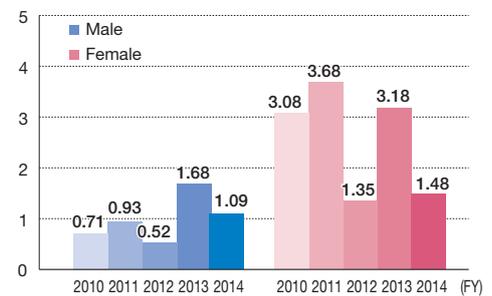
Gender ratio of managers (Furukawa Electric)

(Number of managers)



Employee turnover rate by gender (Furukawa Electric)

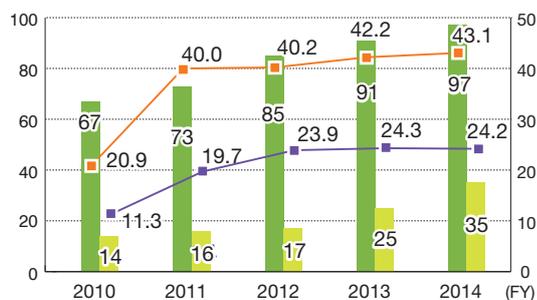
(%)



Environmentally friendly products as a percentage of sales

- Cumulative number of registered items (Furukawa Electric)
- Cumulative number of registered items (Group Companies)
- Percentage of sales on a single-year basis (Furukawa Electric)
- Percentage of sales on a single-year basis (Consolidated)

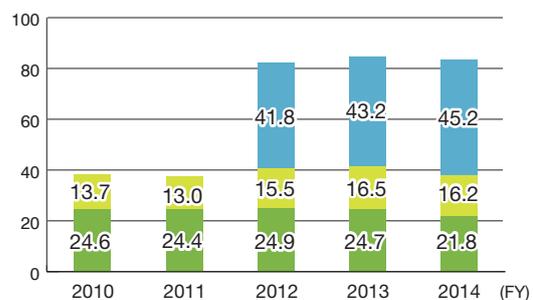
(No. registered)



CO₂ emissions

- Furukawa Electric
- Group companies in Japan
- Group companies overseas

(10⁴ tons-CO₂)



(note) For the overseas CO₂ emission coefficient, the coefficient for each country under the GHG Protocol is used for purchased electricity, while the Japanese emission coefficient is used otherwise.

Energy consumption

- Furukawa Electric
- Group companies in Japan
- Group companies overseas

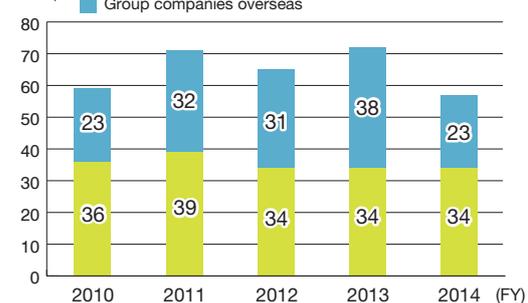
(1,000 kℓ)



Total amount of waste matter generated

- Furukawa Electric & Group companies in Japan
- Group companies overseas

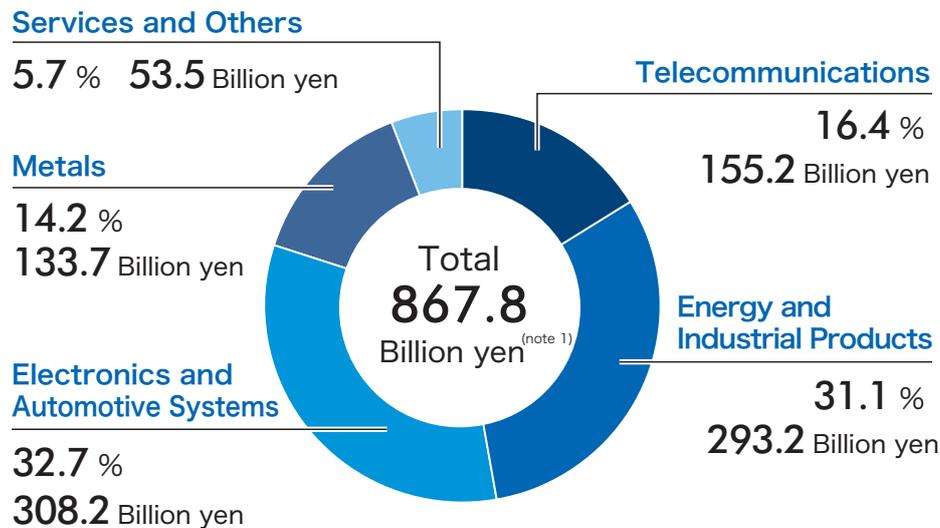
(1,000 tons)



(note) Valuable resources are included in total waste generated for Japan only.

Business Report

Percentage of net sales by segment (As of March 2015)



(note 1) Figures excludes intersegment transactions

Net sales

(Billion yen)

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Telecommunications	149.3	144.5	146.1	153.9	155.2
Energy and Industrial Products	253.0	272.2	265.7	298.9	293.2
Electronics and Automotive Systems	209.6	212.0	243.7	291.0	308.2
Metals	152.9	141.6	129.4	130.7	133.7
Light Metals ^(note 2)	209.0	195.6	185.0	96.6	0
Services and Others	37.6	36.5	37.0	44.1	53.5
Eliminations	-85.8	-83.6	-82.3	-83.4	-76.0
Total	925.8	918.8	924.7	931.8	867.8

Operating income

(Billion yen)

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Telecommunications	9.6	4.1	1.9	7.8	5.7
Energy and Industrial Products	0.9	-0.8	2.0	1.7	4.3
Electronics and Automotive Systems	7.8	5.1	9.3	14.0	12.9
Metals	3.2	-0	-1.3	-3.1	-4.9
Light Metals ^(note 2)	11.5	5.7	4.4	4.4	0
Services and Others	2.3	1.7	1.5	0.4	-0.1
Eliminations	-0.1	0.2	-0	0.2	0.1
Total	35.1	15.9	17.8	25.5	17.9

Operating income (Ratio to net sales)

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Telecommunications	6.4%	2.8%	1.3%	5.1%	3.6%
Energy and Industrial Products	0.3%	-0.3%	0.7%	0.6%	1.5%
Electronics and Automotive Systems	3.7%	2.4%	3.8%	4.8%	4.2%
Metals	2.1%	0.0%	-1.0%	-2.3%	-3.7%
Light Metals ^(note 2)	5.5%	2.9%	2.4%	4.6%	-
Services and Others	6.2%	4.7%	4.1%	0.9%	-0.2%
Total	3.8%	1.7%	1.9%	2.7%	2.1%

(note 2) Light Metals: Transferred to "profit/loss in equity method affiliates" under nonoperating income from the second half of FY2013 as a result of the inauguration of UACJ in October 2013.

Telecommunications

Optical Communication is an Advanced Technology that Meets the Needs of the Communication Age. Furukawa Electric Provides Diversified Support for Information-oriented Society.

Currently, the Internet Links the entire world, allowing information from overseas to be obtained in real time, not only in offices but also at home.

In this advanced information-oriented society, optical communication systems are a key technology for enabling people to access important information easily. Furukawa Electric is firmly supporting an ideal base for communication by providing various technologies and products that realize the "FTTH" project, in which optical fiber networks are provided to homes.

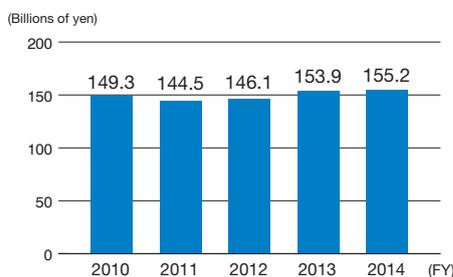
Fiscal 2014 Settlement of Accounts

Consolidated sales
155.2 billion yen (0.9% up year-on-year)

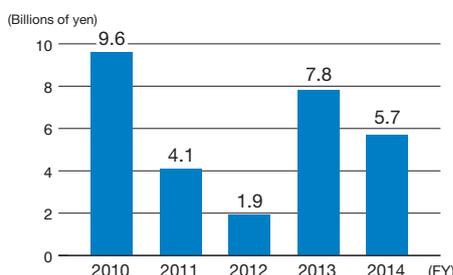
Consolidated operational profit
5.7 billion yen (27.6% down year-on-year)

- ◆ Trends in overseas business and high-performance products remain generally favorable
- Renewed demand for optical fiber cables in North America and Europe
- Earnings recovery in optical fiber exports due to weakening yen
- Mobile phone related construction in Thailand continues to be lively
- Growing sales of digital coherent products, the next generation in optical communications
- ◆ Tougher domestic competition in optical cables
- ◆ Sluggish demand for network related products

Net sales



Operating income



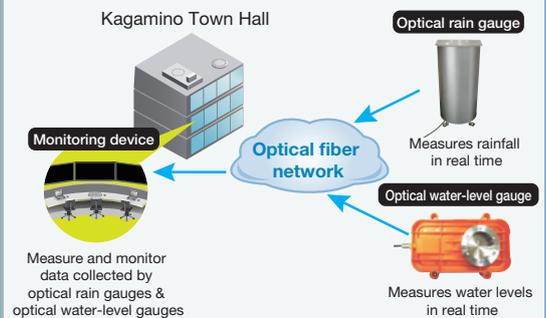
Fiscal 2014 Main Topics

Apr.

Started demonstration tests on passive sensors for disaster mitigation (collaboration with NTT Data Chugoku and Nippon COMSYS, Chugoku Branch)

Developed and began to test new disaster mitigating system that measures river water levels and rain levels with sensors that use optical fibers.

Cost is reduced to about 1/5 compared with existing electrical sensor systems.



Aug.

Established supplier of LAN solutions products in Mexico - Contributing to demand for communications infrastructure in Latin America -



Optical fiber cable manufacturer started operation in Colombia - Contributing to communications infrastructure in Andes and Central America -

*Also see Special Feature 2 "Efforts of FISA, Our South American Hub"

Sep.

Started production of small ITLA for ultrafast 400Gbps optical digital coherent transmission - Less than half the size of existing type, reduced power consumption -



Energy and Industrial Products

Using Total Technologies to Construct Advanced Power Networks while Meeting the Needs for Energy Saving and Environmental Preservation.

Few things are as essential for our daily lives and industries as electric power. Furukawa Electric has been meeting the increasing electric power demand through “power transmission systems” and “power distribution cables”. We are also actively responding to the demands of the times for resource saving and environmental preservation. Furukawa Electric is contributing to society by providing various leading-edge technologies such as superconductors and solar generation systems, which are the focus of wide spread attention as energy sources for the next generation.

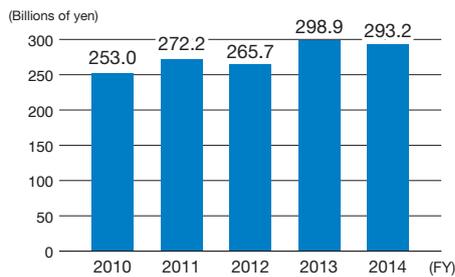
Fiscal 2014 Settlement of Accounts

Consolidated sales
293.2 billion yen (1.9% down year-on-year)

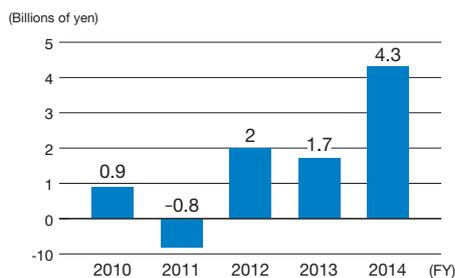
Consolidated operational profit
4.3 billion yen (158.2% up year-on-year)

- ◆ Favorable sales of tape for manufacturing semiconductors
- ◆ Power cable business subsidiary in China received increased orders for domestic use and for export. Profits also improved in response to structural reforms

Net sales



Operating income



Fiscal 2014 Main Topics

Jun. Package order for large-scale OPGW (optical fiber composite overhead ground wire) project in Newfoundland, Canada



Aug. Completion of ultra-high voltage riser cable installation for experimental studies of the floating ocean wind farm for Fukushima



*Also see Special Feature 1 “Renewable Energies”

Feb. Reorganization and reinforcement of overseas power cable business
Basic agreement with Fujikura Ltd. and Viscas Corporation to take over the underground power cable and submarine power cable business from the overseas operations of Viscas (investment ratio: 50% Furukawa Electric, 50% Fujikura)



Electronics and Automotive Systems

Themes Are Safety, Comfort, and Harmony with Environments. Furukawa Electric is Challenging Transportation Possibilities Using Total Technologies.

In the field of transportation including automobiles, trains, ships, airplanes, and H II rockets, Furukawa Electric combines its proprietary material, electronics, and mechatronics technologies to develop various products forming comfortable transportation environments.

In particular, in the field of automobiles, we offer various electronic components and aluminum body materials including wire harnesses. Furthermore, we are challenging advanced technologies such as ITS*) systems and has established a firm status as an indispensable supplier for the automobile industry.

*) ITS: Intelligent Transport Systems

Fiscal 2014 Settlement of Accounts

Consolidated sales

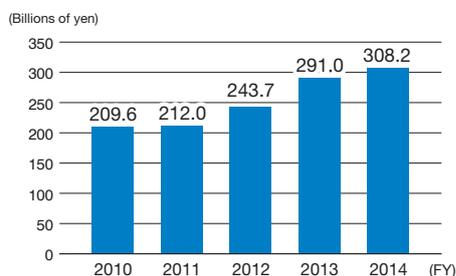
308.2 billion yen (5.9% up year-on-year)

Consolidated operational profit

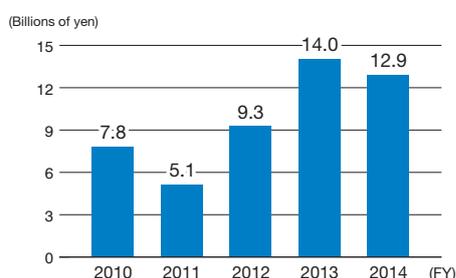
12.9 billion yen (7.7% down year-on-year)

- ◆ Growing sales of aluminum substrate materials for hard disks and heat exchanger parts for electronic devices and rail cars
- ◆ In automotive components business, increased cost of reimporting products from overseas plants due to impact of weakening yen
- ◆ Rising price of lead, a principle raw material of automobile batteries, pushing down profits

Net sales



Operating income



Fiscal 2014 Main Topics

Jun. Established wire harness plant in Wuhan, China

Jul. Company controlling SE Asia launched in Bangkok, Thailand

Established supplier of connectors for airbags in Brazil



SRC

Dec. Jointly established lead storage battery plant in Indonesia

Jan. Established supplier and developer of blanks for aluminum memory disks, basic agreement with UACJ (April 1, 2015)



Inside an HDD (Disk is shown circled in red)

Metals

Constant Challenges to Material Renovation and Development of New Materials are Facilitating Unlimited Extension of Applications in Every Industry.

Over 130 years since its establishment, Furukawa Electric has been constantly offering advanced materials ranging from copper and aluminum materials to wires and cables, as well as various related materials.

Constant challenges to material innovation are facilitating creation of materials with new potentiality and unlimited extension of applications from familiar products to the high technology field. These materials dramatically change our lives and the foundation of the industries.

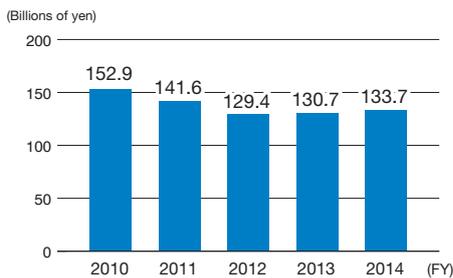
■ Fiscal 2014 Settlement of Accounts

Consolidated sales
133.7 billion yen (2.3% up year-on-year)

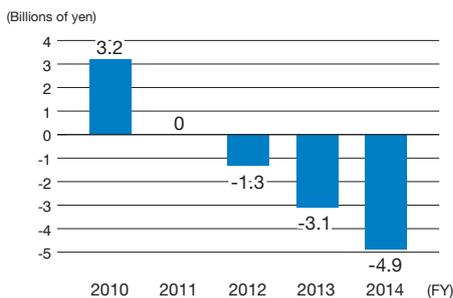
Consolidated operational profit
-4.9 billion yen (¥1.9 billion worse year-on-year)

- ◆ Improved productivity at Taiwan subsidiary in copper foil business
- ◆ At domestic copper foil plant, declining operations in copper foil for automobile lithium ion batteries due to sluggish demand for electric vehicles
- ◆ Worsening profits in copper strip products due to impact of partial shutdown of operations at Nikko Works

■ Net sales



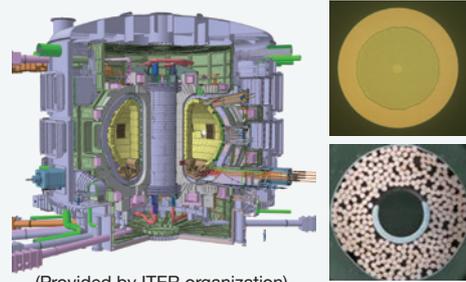
■ Operating income



Fiscal 2014 Main Topics

Oct.

Received order for superconducting cables for ITER (International Thermonuclear Experimental Reactor)



(Provided by ITER organization)

Top: Superconducting material
Bottom: Cross-section of superconducting cable

Jan.

Restarted full production of copper strip products at Nikko Works

Furukawa Electric's Nikko Works suffered damage, including a collapsed roof at part of its production plant, due to record snowfalls in Nikko, Tochigi Prefecture in February 2014. A partial shutdown of its copper strip product operations was unavoidable.

In spite of the heavy damage, they were able to restart full operations within just 10.5 months thanks to the support and efforts of various related parties.



Copper strip products



Lead frames for electronic devices



New raw strip plant

R&D

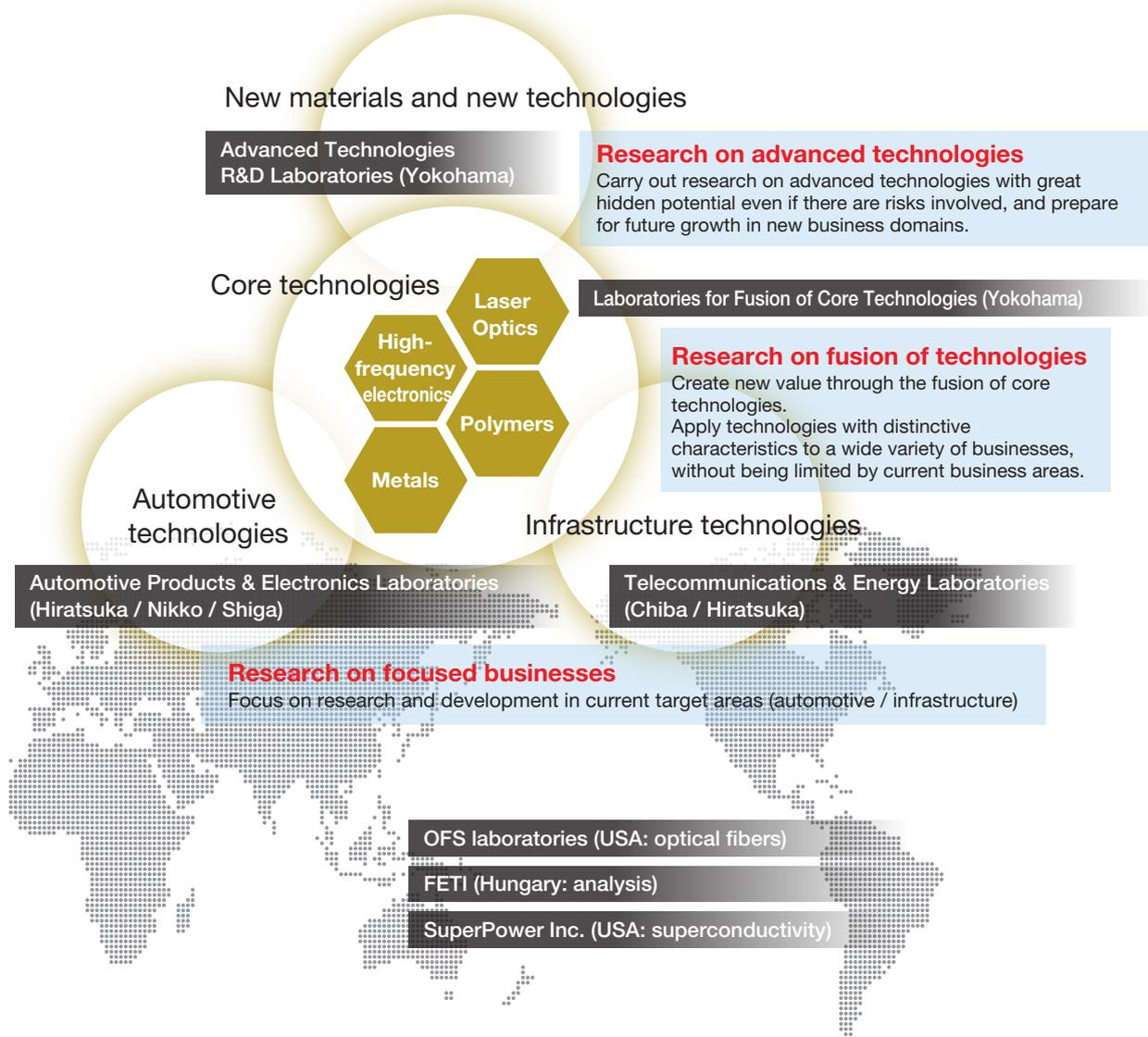
Furukawa Electric Group will Mobilize the Group’s Abilities and Contribute to Society with its Material Technology Based Around the Theme of “Using Technology Acquired Through our Material Capabilities to Help Realize a Society that is Comfortable for Living.”

Our R&D division, to activate our development capabilities, will concentrate and integrate various technologies now scattered among different departments and subsidiaries and affiliates. By using our research laboratories in the United States and European Union as a foothold, we will promote the internationalization of our research and development projects.

In addition to such activities, we will aggressively promote Open Innovation by cooperation not only with universities and public research institutes, but also with industrial companies.

■ New R&D organization on Nov.16, 2014

Change from classification by products to classification by research stages (basic research / development of essential technologies / product development)



Corporate Governance

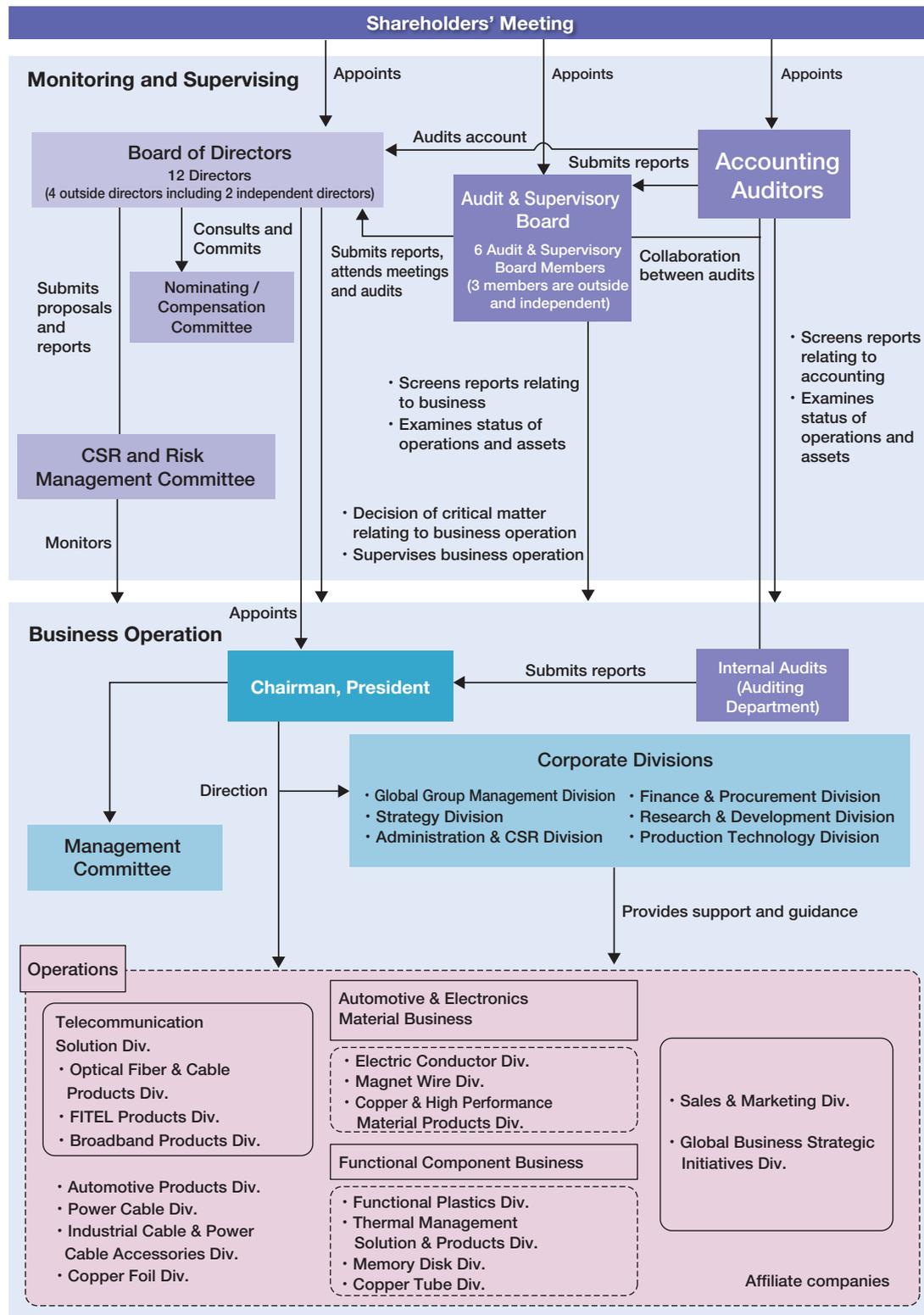
Basic Views on Corporate Governance

Furukawa Electric has established the following basic views on corporate governance.

Based on the “Furukawa Electric Group Corporate Philosophy”, Furukawa Electric Co., Ltd. and the Furukawa Electric Group secure the transparency and fairness and strive to enhance its performance by promptly responding to changes in the business environment and the market through efficient management based on prompt decision making. At the same time, we ensure sound management by developing and establishing an internal control system and applying it effectively. We uphold the basic policy of seeking to expand and develop our operations on a sustainable basis and to raise corporate value through these efforts. In accordance with the following views, we seek to strengthen and enhance our corporate governance.

- i. We secure the rights and equal treatment of shareholders.
- ii. We consider interests of stakeholders including shareholders, and cooperate appropriately with them.
- iii. We ensure appropriate information disclosure and transparency.
- iv. Given its fiduciary responsibility and accountability to shareholders, the board regards the roles of independent directors important and carries out effective oversight of operation from objective standpoint.
- v. We engage in constructive dialogue with shareholders who have investment policies in accordance with interests of mid- to long-term shareholders.

Corporate governance organization chart



As of June 24, 2015

Process of Determining Officers' Remuneration and Avoiding Conflict of Interests

At Furukawa Electric, the policy on officers' remuneration and details of each officer's remuneration are determined by the Nominating/Compensation Committee consisted the majority of the committee comprising outside directors, based on the delegation from the Board of Directors in order to ensure objectivity and transparency of the decision-making process.

In addition, in the case where Directors conduct transactions involving a conflict of interests, they must be based on approval at the Board of Directors' meeting as required by law.

Remuneration policy of Company's officers

The remuneration of officers shall be determined in a way that encourages each officer to exert his/her abilities to the maximum level and proactively fulfill his/her duties, so that the Company Group will increase its corporate value and achieve sustainable growth while contributing to society through its business activities.

- Directors excluding outside directors are paid monthly remuneration and performance linked remuneration. Monthly remuneration is a monthly cash payment of an amount determined according to contribution to the Company, etc. based on a standard amount for each title. Performance linked remuneration is an annual cash payment of an individually specific amount determined by allocating the total amount to be paid calculated based on consolidated net income each fiscal year according to position. In addition, according to Company's situation, they are paid bonus based on a resolution of shareholders' meeting.
- Outside directors and Audit & Supervisory Board Members are paid a certain monthly remuneration depending on their titles, etc.

Reinforcing Internal Controls

Furukawa Electric establishes, develops and operates its internal controls based on the following principles:

1) Efficient Execution of Responsibilities

After setting concrete management goals for the Medium-Term Management Plan and over the course of the fiscal year, all those responsible for operational performance execute their responsibilities toward achieving these goals and regularly report their progress to the Board of Directors.

2) Compliance System

Upholding the basic philosophy of compliance with ethics and prevailing laws as laid out in the "Furukawa Electric Group Philosophy" and the "Furukawa Electric Group CSR Code of Conduct", we, with the President assuming the highest responsibility, promote compliance activities including in-house education and efforts to prevent and detect legal violations through our CSR and Risk Management Committee, which is under the immediate control of the Board of Directors, and the Administration & CSR Division. We also have an Internal Reporting System for the early detection and correction of compliance violations, and establish a system not to treat the person unfavorably because of reporting.

3) Risk Management System

We have established our risk management system and management method in the "Basic Regulations on Risk Management and Internal Control". In addition, we have established a system in which the CSR and Risk Management Committee, chaired by the President, grasps an overall picture of the risks associated with the business operations of Furukawa Electric Group and determines effective methods for evaluating and managing these risks.

4) Information Management System

We appropriately manage and store records and documents related to important decisions, in compliance with prevailing laws and internal rules. With respect to other information related to our operations, the Information Security Committee establishes uniform standards and operates an information management system.

5) Group Company Management

In accordance with the "Regulations on Group Management Control", administrative managers of individual subsidiaries shall be appointed, and they shall require own subsidiaries reporting subsidiaries' business conditions on a regular basis, and offer management guidance to subsidiaries. Predetermined matters shall

require approval of us. We also carry out a mid-term management plan and budgets for single fiscal years, risk management, and compliance as Furukawa Electric Group.

6) Securing Appropriateness of Financial Reporting

Based on the “Basic Regulations on Risk Management and Internal Control”, we will establish the “Furukawa Electric Group Basic Philosophy for the development and evaluation of an internal control system, to ensure the appropriateness of financial reporting (J-SOX Core Policies)”. At the same time, the system and responsibilities shall be clarified for the system’s construction, development, operation, and monitoring.

Takeover Defense Measures

Following the approval by the 191st ordinary general meeting of shareholders held on June 25, 2013, Furukawa Electric Co., Ltd. has renewed its countermeasures (takeover defense) against large-scale purchases of the its shares. The term of this takeover defense will expire in three years at the conclusion of the ordinary general meeting of shareholders to be held in June 2016.

For further details, please refer to “the Notice of the Renewal of Countermeasures (Takeover Defense) Against Large-Scale Purchases of the Company's Shares” (PDF file) the news release published on the corporate governance of the company’s website on April 11, 2013.

Strengthening of Corporate Governance

We invite outside officers from different business areas in the hope of obtaining contributions to management based on their diverse knowledge, experience and capacities. We also established a compensation committee comprised of four members including two outside officers in May 2010 to deliberate and decide on remuneration for directors, etc. In this way, we have been implementing corporate governance as our priority. To strengthen these systems, we established the Nominating/Compensation Committee, replacing the former Compensation Committee upon our board's decision on May 11 2015. Through the majority of the committee comprising outside directors, we secure the objectivity and transparency as to nominating and remuneration for directors. In addition, we established criteria for an independent officer. Going forward, toward management focusing on capital efficiency, our board, with input from outside directors, will continue to discuss on our capital policy balancing among growth and future new business investments, improvement of balance sheet and returns to our shareholders and we will reflect the discussion in the next mid-term management plan starting from fiscal year 2016. With the fully understanding of the aim and spirit of the corporate governance code, we will further strengthen our corporate governance.

Corporate governance

 <http://www.furukawa.co.jp/english/kaisya/management/governance.htm>

CSR Management

Group Philosophy

Since our founding in 1884, we have worked to create the technologies and products that society requires. We consider it our mission to contribute to the realization of a sustainable society. We will continue to keep our eyes on the future as we work to live up to the expectations and trust invested in us by society.

CORPORATE PHILOSOPHY

Drawing on more than a century of expertise in the development and fabrication of advanced materials, we will contribute to the realization of a sustainable society through continuous technological innovation.

MANAGEMENT PHILOSOPHY

With an eye to the future, the Furukawa Electric Group management team pledges to:

- Live up to the expectations and trust invested in us by society, with fairness and integrity.
- Apply the sum total of our expertise to satisfy our customers and grow with them.
- Continuously strive to achieve world-class technological innovation, and transform ourselves in every area of endeavor.
- Nurture human resources at every level, so that we can become a more diverse and creative organization.

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.

Basic Policy and CSR Code of Conduct

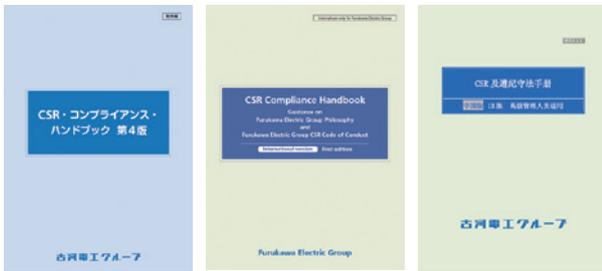
Each of the companies in Furukawa Electric Group develops CSR activities in line with the following Group basic policy.

Furukawa Electric Group Basic Policy on CSR (Revised March, 2011)

Based on the Furukawa Electric Group Corporate Philosophy,

- We will operate our businesses in harmony with society and the environment and endeavor to create social value through technological innovation, complying with laws, social norms, and ethics as a member of the international community.
- We will strive to maintain and build sound and friendly relationships with all of our stakeholders and contribute to the sustainable development of society.

The CSR Code of Conduct defines fundamental rules of behavior for Furukawa Electric Group executives and employees to follow in conducting corporate activities based on the Group philosophy and from the perspective of corporate social responsibility.



(Japanese) (English) (Chinese)
CSR Compliance Handbook

The Furukawa Electric Group CSR Code of Conduct (Revised March, 2011)

1. Human rights
2. Working conditions and environment
3. Environment
4. Products and services
5. International businesses and transactions
6. Fair competition
7. Relations with customers, partners, and society
8. Management and preservation of Company assets
9. Disclosure of information
10. Duties and obligations of senior management and employees

CSR

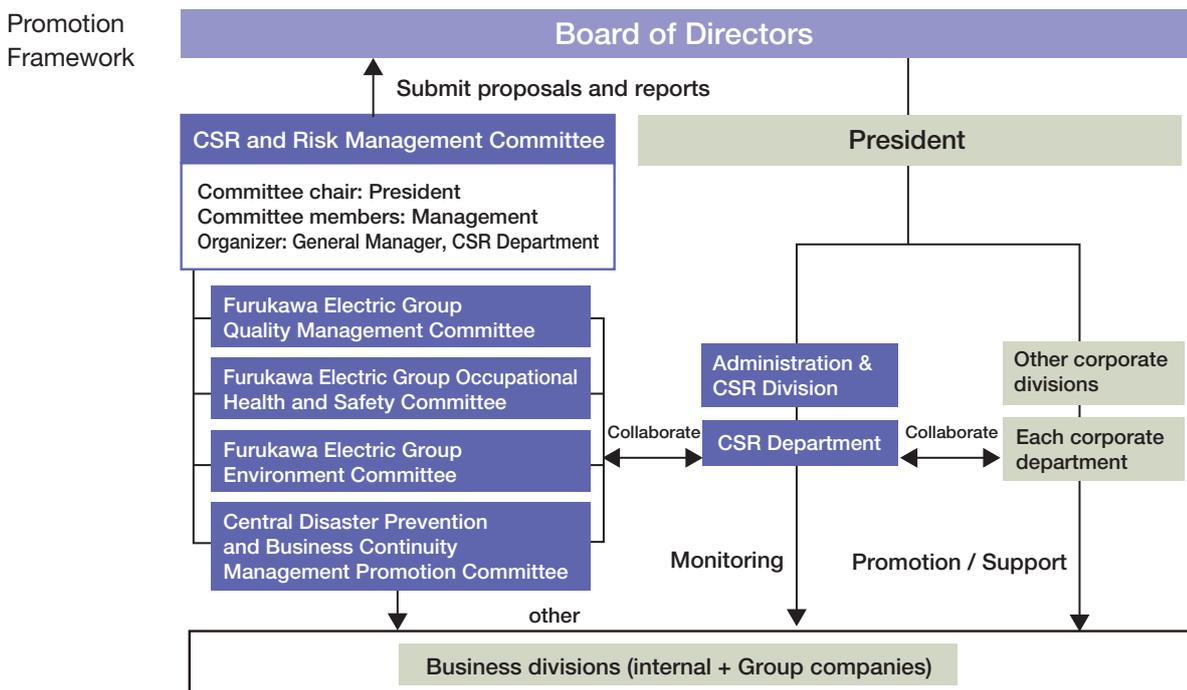
<http://www.furukawa.co.jp/english/csr/index.htm>

Basic Approach

In order to contribute to the realization of a truly rich and sustainable society, we need to understand the social responsibilities of Furukawa Electric Group and implement policies in line with the Basic CSR Policy. We will promote CSR initiatives alongside our business activities so that each and every Group employee is able to take the lead in putting CSR initiatives into practice.

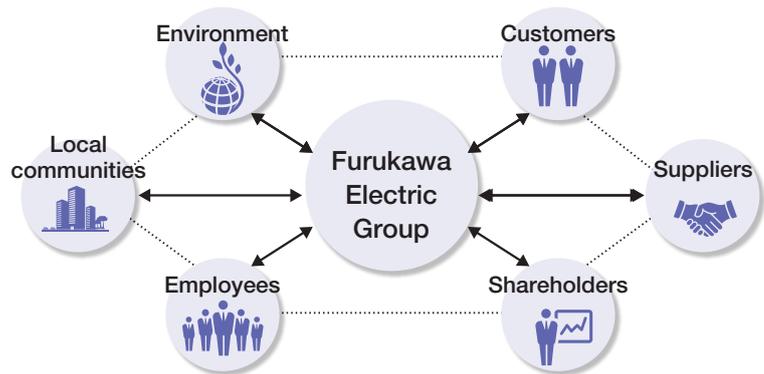
CSR Promotion Framework

Furukawa Electric Group has established the CSR and Risk Management Committee, which comprises members of management, as the structure for supervising and promoting CSR activities throughout the Group, including risk management, internal control, compliance and social contribution. We have set up the CSR Department within our Administration & CSR Division. This department promotes CSR by facilitating communication among various committees and corporate departments.



Stakeholder Relations

Furukawa Electric Group properly monitors our business practices and endeavors to establish structures for improving them even more, so as to steadily meet our responsibilities to our various stakeholders, who view us from differing perspectives.



Main Stakeholders	Main Responsibilities	Means of Communication
Environment 	<ul style="list-style-type: none"> - Reduce emission of gases that contribute to global warming - Promote energy conservation and recycling - Protect biodiversity - Curtail industrial waste - Manage and reduce harmful chemical substances 	<ul style="list-style-type: none"> - Compliance with laws and regulations - Compliance with the Kyoto Protocol and the Nagoya Protocol on biodiversity - Response to environmental activities of the Ministry of the Environment and other government organs - Research and information exchange on biodiversity preservation through JBIB (note 1)
Customers 	<ul style="list-style-type: none"> - Maintain and improve the quality of products, operations and services - Offer products and services that are useful to society - Provide solutions to issues confronting customers through a broad array of technologies and know-how 	<ul style="list-style-type: none"> - Dialogue through regular business - Website, Sustainability Reports - Dialogue at technology exhibitions, trade shows
Suppliers 	<ul style="list-style-type: none"> - Establish a sound relationship founded on fair trading in compliance with laws and regulations - Realize CSR throughout the supply chain by implementing CSR Deployment Guideline for Business Partners 	<ul style="list-style-type: none"> - Partner Meetings - Dialogue through regular business - CSR surveys - Feedback interviews on results of partner evaluations
Shareholders 	<ul style="list-style-type: none"> - Provide appropriate returns - Ensure timely and appropriate disclosure - Enhance corporate value 	<ul style="list-style-type: none"> - Sustainability Reports - General meetings of shareholders, shareholder reports - Management briefings and results presentations - Investor visits - Shareholder plant tours
Employees 	<ul style="list-style-type: none"> - Respect human rights - Cultivate and appropriately value and reward human resources - Promote health, including occupational health and safety, as well as mental health - Support diverse workstyles and work/life balance 	<ul style="list-style-type: none"> - Internal newsletter, intranet - Management briefings
Local communities 	<ul style="list-style-type: none"> - Nurture future generation - Promote sporting and cultural activities - Live in harmony with the natural environment and local communities 	<ul style="list-style-type: none"> - Factory tours - Cooperate with and sponsor sports and traditional events - Support the activities of and collaborate with local NPOs - Preserve the Satoyama Environment

(note 1) JBIB: Japan Business Initiative for Biodiversity. Founded in 2008, the JBIB is a joint effort by Japanese companies to act on behalf of biodiversity preservation.

Targets and Results (Risk Management / Internal Controls / Compliance)

😊 Achieved 😐 Partially achieved ☹️ Not achieved

FY2014		FY2015	
Targets	Results / Achievement		Targets
Promotion of global compliance - Develop training content targeting the whole group, etc.	- Integrated the anti-monopoly act manual for Japan into our Group's Competition Law Compliance Guide and distributed it to each company 	😊	Develop a system for the globalization of legal and compliance functions - Review and implement compliance education in China and Southeast Asia Reconstruct business continuity management (BCM) - Support the construction of a business environment-based practical structure Support the improved effectiveness of internal control in overseas affiliates - Implement J-SOX re-education and help to set up effective internal control in Southeast Asia
Strengthen business continuity management (BCM) - Based on the lessons learned from the Nikko snow damage, switch from existing BCM activities, which focus on our own company, to activities that focus on the customer's perspective.	- Reviewed the existing BCP with a focus on divisions that suffered snow damage in Nikko - With a scenario of unforeseen events not described in the BCP, implemented an emergency headquarters drill with the president as headquarters manager, and reconfirmed the roles of each division	😐	
Respond to risks in newly-emerging economies and strengthen support for overseas subsidiaries - Strengthen training in countries with newly-emerging economies and provide management support tools to affiliated companies.	- Conducted compliance seminars for local affiliate managers in Southeast (Thailand) and China (Shanghai) - Conducted local law compliance seminars for local staff in China (Tianjin and Shenzhen) - Upgraded the Furukawa Electric Group Business Management Handbook for Group companies	😊	
Give direction to priority fields in CSR activities - Hold stakeholder communication	- Conducted discussions with local affiliate managers and employees on CSR (in conjunction with compliance) activities taking advantage of sustainability reports and group training	😊	

Message from the General Managers

Takashi Fukuda

General Manager, CSR Department,
Administration & CSR Division



Nowadays, companies are required to respond to a rapidly changing world with a variety of stakeholders in mind. As Furukawa Electric Group sets about this task, CSR activities are an essential part of our survival as a business. Furukawa Electric Group has set out a basic policy and code of conduct for CSR in accordance with a

group philosophy that seeks to meet the expectations of our founder, in addition to developing a variety of related systems and mechanisms. In future, we will check that updated systems are functioning effectively in the workplace while supporting improvements to operational problems.

Risk Management

Overview of the Risk Management Structure

Our CSR and Risk Management Committee conducts regular risk assessments to determine what risks exist, define important risks that require a companywide response and prioritize measures to counter these risks. Through specialized committee activities in segment-specific areas—environment, quality, safety, disaster prevention—we are working to manage the risks that relate to our business activities.

Important Companywide Risks

- Compliance
- Quality control
- Large-scale disasters, such as earthquakes
- Information security
- Affiliated company controls

In the event a large-scale disaster occurs or other such risk materializes, the Group will establish Emergency Response Headquarters, headed by the president, and Site Response Headquarters that defines each department's roles and clarifies them ahead of time. We also conduct regular exercises on preparing initial action manuals, stockpiling necessary supplies, and setting up communication structures and systems to confirm people's safety.

BCM (Business Continuity Management)

Having reflected on the inadequate handling of the snow damage that occurred at Nikko Works in February, 2014, we conducted BCM drills in 2014 on the theme of revealing risks not described in the BCP (Business Continuity Plan). After setup training of the emergency headquarter, president and emergency headquarters manager Mitsuyoshi Shibata told headquarters employees to “act with more initiative so that they can conduct better and quicker communication and information sharing,” and improvements are made to BCM activities to address this task. In the disaster control headquarters drill at Head Office, where most employees would have difficulties in returning home after a large-scale earthquake, we conducted a DIG (Disaster Imaginating Game) using commercially available street

maps. Preparing emergency route maps for employees to get home after an earthquake becomes clear as a problem, so we introduced emergency route map-making software and are asking all employees to create their own emergency route map, and carry them at all times.



Setup training of the emergency headquarter
(Instruction of emergency headquarters manager Shibata)



Setup training of the emergency headquarter
(Information control at headquarters secretariat)

Information Security

Information security is considered one of the highest-priority risks the Group has to handle. Therefore we promote various countermeasures through intergroup collaboration by exchanging information among the related divisions, from the perspectives of protecting information systems and intellectual property as well as information management. We continue our efforts to prevent information leaks by focusing on the management of hardware (mainly mobile devices) taken outside the office and to manage IT assets through such measures as software license management. We provide Furukawa Electric Group with educational materials and information on the revisions of information security-related laws such as the Act on Prohibition of Unauthorized Computer

Access, the Unfair Competition Prevention Act (namely trade secrets), and the Act on the Protection of Personal Information. In our aim for ongoing improvement, we solicit feedback from divisions promoting these activities. In fiscal 2014 we reviewed our security policy on information systems for Group companies, and are conducting Group-wide upgrade activities including diagnostic visits for necessary companies.

Protection of Intellectual Property

Furukawa Electric conducts strategic and efficient intellectual activities in line with our business and development strategies. As well as strategically developing intellectual property rights based on patent portfolio management that recognizes trends among rival companies, we also encourage risk hedging such as preventing technical leaks by technology confidentiality and protecting our prior user rights. We are also

extending our intellectual property activities worldwide, promoting intellectual property awareness within the Group through education on intellectual property rights and information on intellectual property risks.

Challenges and Future Policy

Following our international business development, risks that Furukawa Electric Group faces are becoming more diversified and complicated each year. We particularly recognize that risks inherent in overseas operations—mainly in emerging countries—and risks from the supply chain standpoint are our top priority issues, and we will be strengthening our countermeasures against them. For example, our Global Group Management Division provides support and information for Group companies including creating the Furukawa Electric Group Business Management Handbook for them in order to reinforce global risk management.

EICC Code of Conduct Audit



Keita Yoshimura,
Assistant Manager
Production Dept., Memory
Disk Division

The EICC (Electronic Industry Citizenship Coalition) was founded by a group of leading electronics companies, and its EICC Code of Conduct is used as a global CSR code of conduct by many corporate customers in Japan and overseas. Furukawa Electric has been promoting company-wide activities toward compliance with this code of conduct, the Memory Disk Division also has

been pushing forward the activities in an own section. Nevertheless, the memory disks manufactured by this division eventually find their way into computers and other devices all over the world, and demands regarding CSR management activities from customers who have been directly supplied by our company are increasing year by year. To respond to such demands, it has become necessary to make the PDCA cycle in our CSR management activities more reliable by undergoing a third-party audit, our division performed first in the Furukawa Electric Group in August 2014.

The audit targeted an extremely broad range of fields: labor, health and safety, environmental, ethics, and management system. The audit also included some requirements that were so strict as to be beyond the general norm for Japanese

companies, and even we were initially puzzled and wondered whether global standards were really that demanding. Nevertheless, by communicating closely with the related divisions, affiliate companies, and partner companies, we managed to complete the audit without a big trouble. We are currently conducting ongoing improvement activities related to the audit findings. In future, we expect a further rise in demand for CSR management with a more reliable PDCA cycle in our CSR activities. In our division, we intend to deal with this by further upgrading our own activities. We also hope to contribute to raising the standard of CSR management activities throughout the entire company by proactively passing on information about CSR audit experiences to other related divisions who are expanding globally.



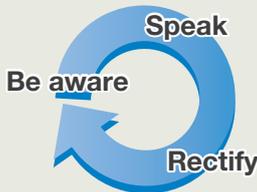
Members who received the EICC audit

Compliance

Basic Approach

Furukawa Electric Group regards compliance as “not only observing laws and regulations, but also as acting in accordance with the values and ethics required of the company and its employees as responsible members of society”. Each and every employee is encouraged to perform day-to-day compliance activities in line with our three musts for compliance activities: to “be aware”, “speak” and “rectify”.

Three Musts for Compliance Activities



1) Be aware

- Is this in line with the philosophy and CSR Code of Conduct?
- Is this an improper practice?
- Does this run counter to society's requirements and expectations?

2) Speak

- Do not neglect it.
- Talk about it openly.
- If still not sure, take it to your boss.

3) Rectify

- As soon as you become aware of it, fix it.
- Always improve.

Training and Raising Awareness among Employees

We conduct a host of training and awareness activities in the aim of instilling compliance awareness among all employees. Our primary shared educational materials are the Furukawa Electric Group CSR Code of Conduct and its corresponding Furukawa Electric Group CSR Compliance Handbook. We distribute this handbook to Furukawa Electric Group employees and take many opportunities to make use of it. We conduct compliance education for employees at every level of the Company, from new recruits to directors. At the same time, we hold theme-based group training and e-learning courses, and

conduct groupwide compliance education.

Education Results (fiscal 2014)

	Course Name	Target	Participants
Hierarchy-based education <small>(note 1)</small>	Training for executives	Newly appointed executives	30
	Training for managers	Newly appointed managers	61
	Training for managers and assistant managers	Newly appointed managers and assistant managers	85
	Training for new employees	New employees	26 <small>(note 2)</small>
Theme-specific education	Competition laws and anti-bribery regulations		About 360
	Subcontractor Law		About 360
	Security trade control		About 800

(note 1) In hierarchy-based education, manager training and new employee training includes education on human rights.

(note 2) Figures apply to Furukawa Electric only.

Initiatives in Compliance Months

Furukawa Electric Group has designated October and November as Compliance Months, during which we implement measures aimed at tackling the variety of compliance issues faced by companies across our Group.

Principal Initiatives during Fiscal 2014 Compliance Months

Main Initiatives at Furukawa Electric

1 Conduct workplace self-checks according to section-specific checklist

<Section-Specific Checklist>

- 1) Anti- Monopoly Act, 2) Worker Dispatching Act
- 3) Subcontracting transactions, 4) Occupational safety
- 5) Asset protection, 6) Information security

2 Conduct workplace meetings

3 Courses on competition laws and anti-bribery regulations

4 Submission of Compliance Pledge (for assistant managers, managers and above)

Employee Compliance Awareness Surveys

We have continued to implement compliance awareness surveys at Furukawa Electric and affiliates in Japan. Designed to gauge employee awareness and understanding of compliance, these surveys aim to encourage recognition of compliance. Feedback is given on the results of the survey to our Group companies and Furukawa Electric divisions, and the results are used to make proposals for compliance measures at each

organization. In fiscal 2014, we made improvements such as adding questions related to personnel measures and conducted the survey as an “employee survey”.

Internal Reporting System

Furukawa Electric Group has introduced an internal reporting system and works toward the early detection and correction of incidents of corruption. The Company has in place an internal reporting desk as well as an external reporting desk that makes use of outside third-party institutions (the Furukawa Electric Group Hotline), both of which allow employees to make reports anonymously. An internal reporting secretariat manages the content of such reports stringently, taking ample care to prevent people making such reports from suffering any negative impacts, looking into issues swiftly and taking appropriate action.

Security Trade Control

Furukawa Electric Group considers security trade control to be one of its most important responsibilities as a company with global business operations. In accordance with the laws and regulations that make up the international framework on security trade control (the export control regime), we have improved and strengthened our management systems for cargoes and technologies that can be converted to weapons or military uses. In exporting products and providing technology, we conduct transaction screenings based on our Security Trade Control Regulations to ensure compliance with relevant legislation and are careful to prevent circumvent to countries of concern.

Anti-Bribery

Furukawa Electric Group formulated the Furukawa Electric Group Anti-Bribery Statement in April 2012. In December, we published the Furukawa Electric Group Anti-Bribery Guide, and we are promoting activities toward creating a groupwide bribery risk management system.

China compliance seminar

In fiscal 2014, we conducted group-type compliance education to teach about local laws and customs. We held seminars in December at Tianjin and Shenzhen on the themes of competition law and corruption controls. About 60 staff, mostly Chinese, attended lectures by lawyers in Chinese and Japanese and took part in discussions on compliance.

Challenges and Future Policy

Regarding the various legal compliance measures we have taken to date, we recognize as a Group that our task is to expand the scope of participation of Group companies. To this end, we will try to raise compliance awareness by focusing on more effective education content with a Group perspective and enhancing its global implementation system. We will also resume more compliance seminars on local laws, languages and customs, while encouraging individual initiative under the slogan “Think and conduct compliance together”.

Non-compliance and corrective action

Furukawa Electric Group has since 2008 incorporated the opinions of external experts in an attempt to eradicate violations of the anti-monopoly law and competition law. In April 2014, we and VISCAS Corporation, one of our equity method affiliates, filed a request to the European General Court to revoke or reduce the penalty previously imposed on us by the European Commission for a violation of EU competition law in the electric cable business.

We apologize deeply to everyone concerned for the considerable worry and inconvenience caused by this cartel issue.

In January 2015, we revised our Competition Law Compliance Guide (English, Chinese, and Japanese edition), which is used as education material for promoting global compliance, and distributed it to all companies in our Group. In response to the recent tightening of regulations in various countries and regions, including not only anti-monopoly laws and competition laws but also anti-bribery and other legal areas, we will work toward full compliance and the restoration of trust by expanding activities throughout the Group such as enhanced training for executives and employees and stricter monitoring by our Internal Auditing Division.

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.

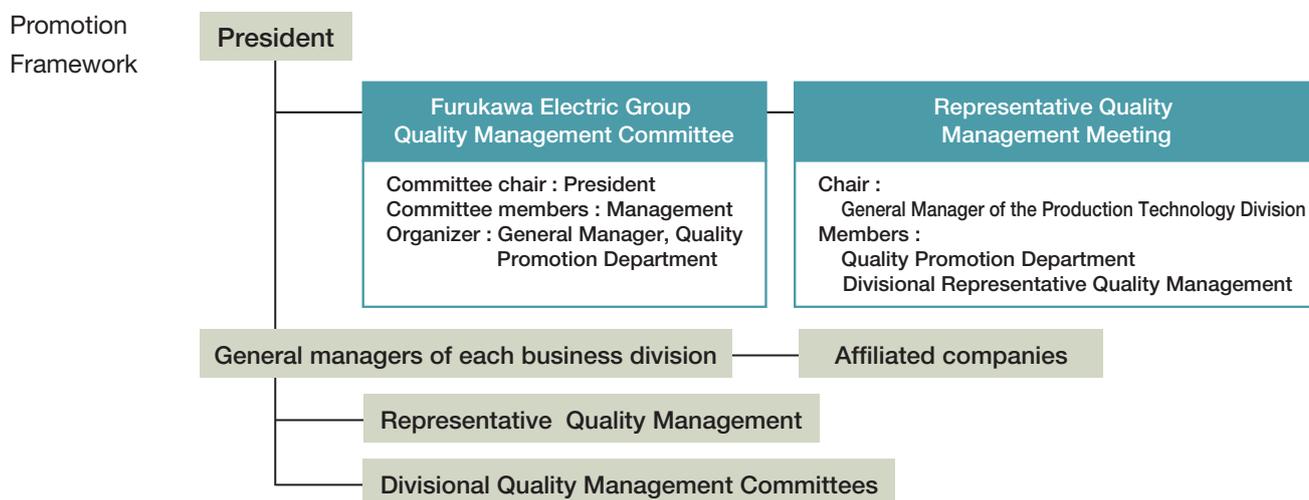
Going forward, we will continue endeavoring to further enhance “quality power” throughout Furukawa Electric Group by developing products that are attractive to our customers, based on a policy of Group-focused management.

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 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, customer services and operations.



Targets and Results (Quality)

Achieved
 Partially achieved
 Not achieved

Targets	FY2014		FY2015
	Results / Achievement		Targets
Strengthening of fundamental Quality Power - Reduce “failure costs” by 10% from fiscal 2013	- Started a Quality Strengthening Project to select and promote key themes from the quality improvement activities previously done by divisions. - Did not achieve objective in the end, but took significant measures equivalent to 7% of Furukawa Electric’s own internal failure costs for fiscal 2014		Strengthening of fundamental Quality Power - Reduce “failure costs” by 10% from fiscal 2014

Efforts to Reduce Failure Costs

The Quality Strengthening Project activities started in fiscal 2014 are team activities conducted on key themes related to failure costs selected by divisions and the Quality Promotion Department.

There were a total of 16 themes in fiscal 2014, with 24 events for executives held to promote activities.

At the end of the fiscal year, we also held a fact-finding presentation event in Quality Strengthening Projects in order to share examples of improvements within the whole Group, including our affiliated companies.



Letter of thanks received from Central Japan Railway Company (JR Central)

Furukawa Electric received a certificate of appreciation from the Central Japan Railway Company (JR Central) at its ceremony marking the 50th anniversary (on October 28, 2014) of the Tokaido Shinkansen in recognition of our significant contribution to the safe and stable operation of that line.



Challenges and Future Policy

In fiscal 2014, we engaged in strengthening our monozukuri (manufacturing) capability and set about reducing our Group-wide failure costs as a priority goal. Our fiscal 2014 objective was the assessment of Furukawa Electric's separate "failure costs" (= failure costs/sales ratio), but we did not achieve this objective.

Meanwhile, collating and studying the results of our Quality Strengthening Project activities has highlighted our shared weaknesses.

With the strengthening of these weaknesses in mind, we intend to continue our Quality Strengthening Project activities and subsequently develop a Group-wide plan (or concept) for resolving quality problems.

Message from the General Managers

Kazuhisa Kashihara

General Manager, Quality Promotion Department, Production Technology Division



In accordance with our basic policy on quality control, we promote a continuous fact-based management cycle at every stage from research and development to production, sales, service, and administrative work, in every division, and at every level, thereby maintaining and improving quality.

To be able to create products that are attractive to customers, we make thorough checks at

every process from product planning through to the point of sale.

Also, in order to put quality into our products from the very beginning and enhance our ability to complete production, we promote activities that will raise quality throughout the whole Group and strive to improve the production process itself including the development of our own original technologies.

Relations with Business Partners

Optimum Purchasing on a Steady, Ongoing Basis

Furukawa Electric Group procurement policy is to establish strategic relationships with business partners to ensure optimum purchasing on a steady, ongoing basis.

Furukawa Electric Group Procurement Policy

We will realize the optimal procurement for Furukawa Electric Group through global partnerships by:

1. Conducting CSR activities and full compliance in purchasing
2. Building strategic relationships with business partners aimed at stable and continuous optimum purchasing
3. Expanding Group and global procurement
4. Constructing BCM for stable procurement and purchasing of raw materials, materials and parts
5. Promoting continuous cost reduction activities in line with business strategy

Conducting Training on Subcontracting Transactions

In order to forge sound relationships with business partners through fair transactions that comply with rules and regulations, Furukawa Electric Group provides training for employees on subcontracting transactions. In fiscal 2014, in addition to continuing with the courses we have conducted to date, we sought to ensure thorough awareness of the content of the Act against Delay in Payment of Subcontract Proceeds, Etc., to Subcontractors (Subcontract Law).

Partners Meeting and Partner Evaluation Scheme

Furukawa Electric seeks to deepen awareness among our business partners through regularly held Partners Meeting, where we explain the state of the Company, our procurement policy and individual company management strategies. For fiscal 2014, this meeting was held in June and was attended by 90 main business partners.

We also evaluate main 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 2014, we evaluated some 150 business partners and provided feedback to them.

Promoting CSR in Procurement Activities

Based on our CSR Deployment Guideline for Business Partners, we engage in procurement activities with “full legal compliance and fair trading practices” and “consideration for human rights, safety and the environment”. We are also continually providing encouragement at partners’ meetings by explaining the state of our efforts to our trade partners, asking for their cooperation with our activities, and so on. In fiscal 2014, we expanded our CSR response questionnaire conducted at companies undergoing partner evaluations to include trade partners undergoing our manufacturing site survey, mentioned below. As a result, about 650 companies responded that they had understandings of the activities of Furukawa Electric.

Supply Chain BCM (Business Continuity Management)

Furukawa Electric conducts regular questionnaire surveys on its main partners about their BCM measures. In fiscal 2014, we conducted our usual questionnaire along with a manufacturing site survey about where the materials and parts delivered from our partners are

made. By entering the results received from our partners into a database, we have become able to quickly identify which partners are mostly likely to be affected during a natural disaster.

Conflict Minerals (note)

Regarding the handling of conflict minerals, our approach to responsible mineral procurement has been to comply with the code of conduct of the EICC (Electronics Industry Citizenship Coalition), including setting a Group policy and informing other Group companies and partners.

In fiscal 2014, we updated our data by repeating the fiscal 2013 survey targeting the leading products of Furukawa Electric and our Group companies. Going forward, in addition to requesting the cooperation of Group companies and our business partners in the responsible

sourcing of minerals, we will work with the Japan Electronics and Information Industries Association (JEITA), an industry organization, on initiatives targeting the responsible sourcing of minerals.

(note) 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.

Challenges and Future Policy

We want to fully grasp the state of our CSR activities along the supply chain by regularly asking our partners to complete a questionnaire on their understanding of our CSR Deployment Guideline for Business Partners. We will also seek to deepen BCM by giving encouragement to partners based on the results of our BCM questionnaire and manufacturing site survey, with the aim of improving crisis response levels along the entire supply chain.

Targets and Results (Procurement)

😊 Achieved 😞 Partially achieved ☹️ Not achieved

FY2014		FY2015
Targets	Results / Achievement	Targets
Strengthen strategic relationships with partners (suppliers) - Continue to conduct partner assessments - Promote awareness of CSR Deployment Guidelines among suppliers - Examine specific measures aimed at strengthening the supply chain based on the results of BCP surveys carried out at suppliers - Carry out conflict minerals survey (survey for the purposes of updating data)	- Conducted partner evaluations of about 150 main partner companies, held partners' meetings - Conducted CSR response questionnaire, received answers from about 650 companies - Reviewed and increased the number of procurement points (and sometimes recommended inventory) for principle products - Conducted surveys	😊 Strengthen strategic relationships with partners - Continue partner evaluation system and utilize feedback interviews - Continue to inform partners about CSR Implementation Deployment Guidelines - Use the results of the BCM questionnaire and manufacturing site survey to review and implement supply chain reinforcement measures such as increasing the number of procurement points - Conflict mineral survey (data update survey)

Message from the General Managers

Satoshi Tosaka

General Manager, Procurement Department,
Finance & Procurement Division



Ever since its foundation, Furukawa Electric has stayed in business by supplying people with social infrastructure and contributing to society as a supplier of products. However, our success is not just the result of hard works at our company. It is also thanks to the steady delivery by our suppliers of the raw materials we use to create products.

In the future, our business environment is likely to change

even more rapidly. Under these circumstances, we will need to strengthen our supply chains further in order to continue contributing to society. We intend to use partners' meetings and partners' assessments to improve the mutual understanding we have with our suppliers, and to continue contributing to society through measures such as the promotion of CSR activities and strengthening of BCM.

Relations with Shareholders

Information Disclosure Policy and IR Framework

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 2014, we held our 7th plant tour for individual investors. Visitors were selected by lottery from among those who responded to an open invitation, with 42 people invited to attend out of the 227 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 fiber cables and automotive parts. The tour also featured a simple explanation on the phenomenon of superconductivity.



Optical fiber cable plant



Automotive components plant

Message from the General Managers

Osamu Suzuki

General Manager, Investor & Public Relations Department, Finance & Procurement Division



Furukawa Electric's business began with copper smelting and the manufacture of electric wires. Through more than 130 years, the numerous products that we manufacture based on our materials technology support the lives of people around the world in a wide variety of fields, including telecommunications, electric power infrastructure and automobile.

However, because we often

work behind the scenes, shareholders and investors often tell us that they feel unfamiliar with the content of our business.

We will continue to work hard to host events such as factory tours, in addition to making regular news releases and developing the website, so that people can clearly understand and feel more familiar with our business. Your continued support is greatly appreciated.

Returning Profits to Shareholders

Furukawa Electric considers the appropriate return of profits to our shareholders to be one of our most important policies. Our basic policy is to continue making steady dividend payments in consideration of future business developments and in anticipation of the Company's future profitability trends and financial status from a long-term perspective.

Regarding dividend payments in the fiscal year ended March 31, 2015, in consideration of the need to improve

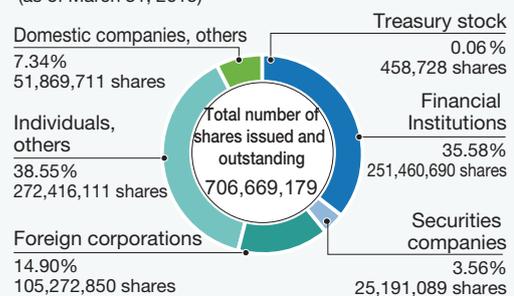
the financial structure, make growth strategy investments with a focus on the infrastructure and automotive markets and make investments aimed at developing the next generation of business to build a platform for sustainable growth, the Company decided to award a year-end dividend of ¥3.0 per share. Regarding dividend payments in the fiscal year ended March 31, 2016, the Company expects to forgo the interim dividend and award a year-end dividend of ¥4.0 per share.

Stock Information and Dividends

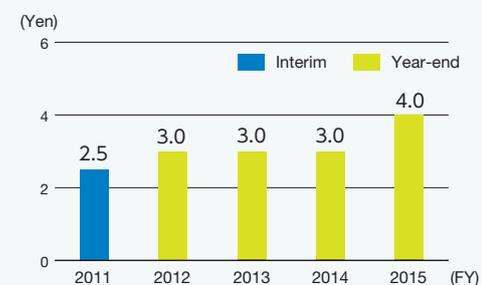
General stock information (as of March 31, 2015)

Stock Code on the Tokyo Stock Exchange	5801	
Stock Exchange Listings	Tokyo Stock Exchange, First Section	
Number of shares authorized	Total	2,596,000,000 shares
	Common Stock	2,500,000,000 shares
	Preferred Stock	50,000,000 shares
	Deferred Stock	46,000,000 shares
Common stock issued	Common Stock	706,669,179 shares
Minimum trading units	1,000 shares	
Shareholder register agent	2-1 Yaesu 1-chome, Chuo-ku, Tokyo, Japan Mizuho Trust & Banking Co., Ltd.	
Fiscal year	From April 1 to March 31	
Shareholders' meeting	June each year	

Distribution of ordinary stock among shareholders (as of March 31, 2015)



Cash dividends per common share (including forecast)



Major top 10 shareholders of the Company and the Company's capital contributions to such shareholders

Name of major shareholders	Number of shares	Shareholding ratio
Japan Trustee Services Bank, Ltd. (Trust Account 4)	33,511,000	4.75%
The Master Trust Bank of Japan, Ltd. (Trust Account)	31,148,000	4.41%
Japan Trustee Services Bank, Ltd. (Trust Account)	25,028,000	3.54%
Trust & Custody Services Bank, Ltd. (Mizuho Trust & Banking; Employee Retirement Benefit Trust, Mizuho Bank Account)	24,135,000	3.42%
Asahi Mutual Life Insurance Co.	13,650,500	1.93%
FURUKAWA CO., LTD.	13,290,455	1.88%
Japan Trustee Services Bank, Ltd. (Trust Account 9)	11,997,000	1.70%
Fuji Electric Co., Ltd.	11,000,000	1.56%
Trust & Custody Services Bank, Ltd. (Mizuho Trust & Banking; Employee Retirement Benefit Trust, FURUKAWA CO., LTD. Account)	10,919,000	1.55%
Trust & Custody Services Bank, Ltd. (Mizuho Trust & Banking; Employee Retirement Benefit Trust, Asahi Mutual Life Insurance Co. Account)	10,500,000	1.49%

Relations with Employees

Personnel Management

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.

Please refer to page 24 for “Furukawa Electric Group Corporate Philosophy”.

Basic Approach

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”.

Challenges and Future Policy

In our 2015 Mid-term Management Plan, in order to build a solid footing to deal with major changes in the business environment and to grow as one Group, we state our mission to foster tough human resource who can survive the harsh global competition and to build a collaborative environment including our affiliates in Japan and overseas, and we emphasize “top management reinforcement measures” and “corporate culture reform and personnel bottom-up measures” to contribute to the Group's global management. Specifically, we will carry out individual policy measures from the aspect of “ability development” that focus mainly on strengthening global human resource training, such as our new “Shared Human Resource Vision & Mission for One Furukawa”, a uniform code of values for formulating personnel strategy and personnel measures in each Group company.

Main measures contributing to the Group's global management

Top management reinforcement measures

- 1 Review of our performance evaluation system and compensation structure (for executive and management levels)
- 2 Development of a personnel database and realization of strategic placement etc. through the introduction of a succession plan.

Corporate culture reform and personnel bottom-up measures

- 1 Introduction of the “Shared Human Resource Vision & Mission for One Furukawa”, and formulation and implementation of FM-Career Design (our new placement standard)
- 2 Promotion of mutual personnel exchanges through reviewing our training curriculum, and the overseas deployment of young employees, etc.
- 3 Full-scale diversity management (policy to promote active participation by women)

Human Resources Development

Enhancement of Education Program

We are training human resources who can implement innovation that managements seek. Our aim is to develop “sensitive personnel who can think and act on their own initiative” as we maximize our organizational strength and spread our Group management thinking.

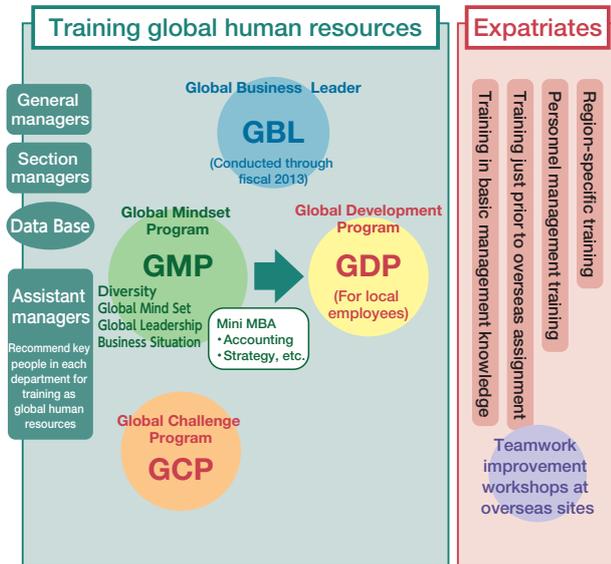
The state of our leaders affects corporate culture and reflects in our business results, which is why we give training at each level to develop leadership and the human qualities, especially sensitivity, among all our employees. We work hard to cultivate an interest in people and a sense of respect for others.

Nurturing Leaders Adapted to the Global Scene

We started our Global Business Leader (GBL) training in 2006 in order to develop personnel who will take on the role of management in the future. Since fiscal 2013 this has been reformed to Global Mindset Program (GMP), with its extra emphasis on global human resource education. We have also operated a Global Development Program (GDP) for overseas local employees since 2010 with the aim of strengthening links within the Group, the curriculum being partly shared with the GMP. Furthermore, in fiscal 2014 we launched the Global Challenge Program (GCP), which dispatches young employees to foreign countries. We are working to align

these various programs to develop human resources who can play a dynamic role on the global stage.

Global Human Resources Training System



Project to Improve Genba-Ryoku Capabilities

In fiscal 2009, we began genba-ryoku training for all manufacturing on-site employees at our factories. To date, the training has consisted of foreman training, mid-level worker training, and basic program, with the aim of cultivating “genba-ryoku”, the ability to think and act for oneself, and boosting the monozukuri capability of the workplace.



Mid-level workers attending a class

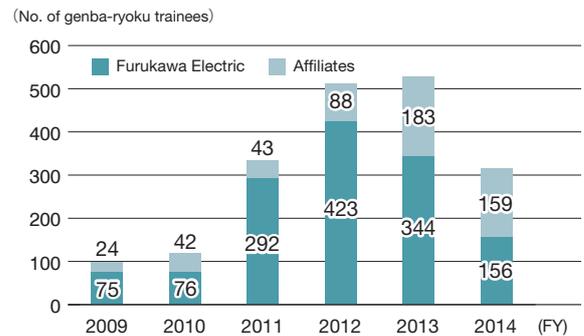


Monozukuri staff undergoing genba-ryoku training (group work)

Genba-ryoku training for monozukuri staff (production division employees providing on-site support) was also started in fiscal 2013 to promote a corporate culture in

which production workers and staff conduct their duties under the common buzzword of “genba-ryoku improvement”. In fiscal 2014, as the number of affiliate companies participating in the training exceeded 20, it was also launched at overseas plants. Whether in Japan or abroad, we are engaged in reinforcing our monozukuri capability.

People Undergoing Genba-ryoku Reinforcement Training



Using Diverse Human Resources

One of our Group’s management philosophy is to “nurture human resources at every level, so that we can become a more diverse and creative organization”. It is essential for the progress of our Group’s global management to create a corporate culture in which more diverse personnel can succeed.

In April 2014, we set up a Diversity Promotion Section to accelerate the creation of a work environment that gives a greater active role to more diverse personnel.

Activities to Support the Success of Women in the Workplace

Furukawa Electric has continually addressed the improvement of women’s work environment and work-life balance from fiscal 2005, and since September 2014 we launched “Furukawa “V” Challenge!!”, our campaign to support the success of women. We have brought in a range of integrated measures to encourage career development among women and create a more pleasant workplace and greater job satisfaction, with the following objectives.

[Objectives related to support the success of women in the workplace]

- (1) We aim to double the number of female in the managerial posts by 2018.
- (2) We aim to double the proportion of females hired by 2018.

Diversity in Hiring

Furukawa Electric is actively recruiting international personnel and international students to support the globalization of our business.

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 Furukawa Electric Group Forum held in Tokyo and Osaka, at which we conduct briefings in conjunction with Group affiliates, and work proactively demonstrate the appeal of Furukawa Electric Group to students.

Recruitment figures by gender (Number of employees)

		FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
Specialized staff	Male	84	79	73	66	49	26	21	28
	Female	17	13	9	12	10	6	5	7
	Total	101	92	82	78	59	32	26	35
	Foreign nationals	1	4	4	2	3	0	1	1
Professional staff	Male	86	44	15	21	2	0	0	0
	Female	1	0	0	1	0	0	0	0
	Total	87	44	15	22	2	0	0	0

Encouraging Employment of Disabled People

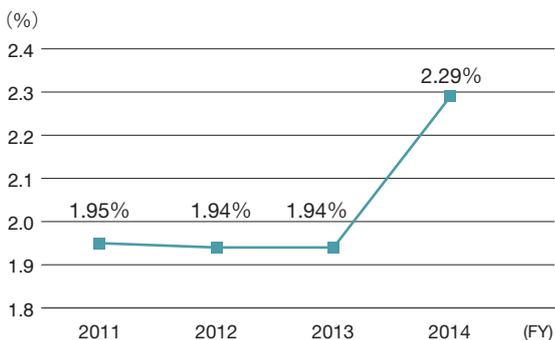
Furukawa Electric has established special subsidiary Furukawa New Leaf in fiscal 2004 for the purpose of improving our employment rate of disabled people. As of March 31st 2015, Furukawa New Leaf employs 39 people who are intellectually challenged, and Furukawa Electric has an overall disabled employment rate of 2.29%.

Furukawa New Leaf opened a new operating base in fiscal 2013 at Mie Works, in addition to those already at Hiratsuka Works and Chiba Works, to further increase our disabled employment rate.



Furukawa New Leaf employees at work

Ratio of employees with disabilities (Furukawa Electric)



Internships

Ever since the Japanese government introduced a system of internships in 1997 as part of an industry-academia-government collaboration, in our role as a manufacturer Furukawa Electric has taken on numerous science and engineering interns with the aim of contributing to the fostering of Japanese technicians of the future. We have already taken on more than 200 students across our various workplaces. In recent years, we have also actively sought to accept students from overseas universities in addition to Japanese universities.



Internship training at Nikko Works

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 63 years from fiscal 1952. As of May 2015 we had held these briefings 125 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.

Targets and Results (Personnel Development and Working Environment)

☺ Achieved ☹ Partially achieved
 ☹ Not achieved

FY2014		FY2015	
Targets	Results / Achievement		Targets
Strengthening of global human resource training - Conduct Global Development Program (GDP) - Implement Global Challenge Program (GCP)	- Conducted GDP training - In GCP, assigned 4 people to One-Furukawa course and 1 person to Frontier course (Mexico)	☺	Strengthening of global human resource training - Conduct GDP - Implement GCP
Reinforcement of monozukuri capability - Visualize genba-ryoku improvement plan - Expand monozukuri staff training - Expand genba-ryoku training to affiliates	- Drew up genba-ryoku improvement plan for two affiliates (FEIC Kyushu ^(note 1) , FMGW Shirone ^(note 2)), conducted genba-ryoku training (basic program) - Began training for monozukuri staff (production division employees providing on-site support), 7 divisions from Furukawa Electric and 10 affiliate companies took part	☺	Reinforcement of monozukuri capability - Set “ideals” and “targets” for different levels and different duties - Start genba-ryoku training at affiliates Support for diverse ways of working, and work-life balance - Expand congratulatory/condolence leave to include spousal childbirth - Reduce no. of people taking extremely little annual leave
Support for diverse work styles and work-life balance - Introduce half-day units of leave for nursing care - Introduce half-day units of accumulated leave for childcare	- Introduced half-day units of leave for nursing care and half-day units of accumulated leave for childcare	☺	

(note 1) FEIC: Furukawa Electric Industrial Cable Co., Ltd.
 (note 2) FMGW: Furukawa Magnet Wire Co., Ltd.)

Message from the General Managers

Taizo Matsumura

General Manager, HR & Administration Department, Administration & CSR Division



For the Furukawa Electric Group to survive and achieve continuous growth in the face of serious global competition, it is essential that all employees with diverse views, abilities, and backgrounds and

regardless of characteristics such as age, gender or nationality, openly share their opinions and act with sincerity.

To strengthen our Group’s global management, the company set up a Diversity Promotion Section in April

2014 to engage more actively in diversity management. In particular, we see the pressing issue in supporting the success of women as a top priority, and have set ourselves quantitative targets.

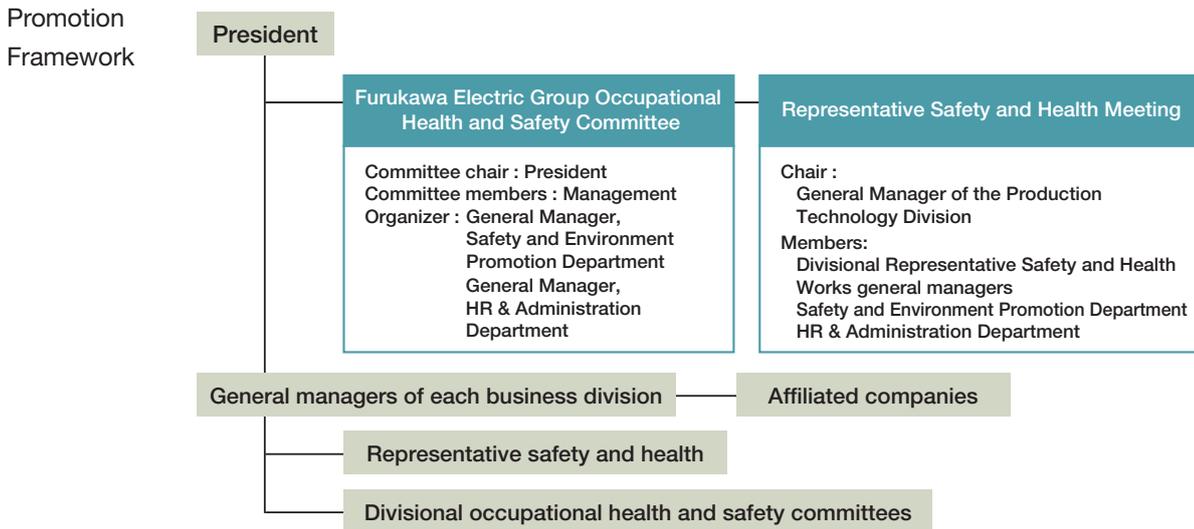
To raise the overall strength of the Group, we are developing tough human resource and a more collaborative environment by making career formation and human resources more fluid through planned allocation. We have done this with the introduction of FM Career Design, a personnel system that stimulates the ability and desire to face challenges in individuals and the generation of innovative ideas in organizations, and the Global Challenge Program (GCP) that aims to give overseas experience to young employees.

We will continue to actively take the above and other measures in future in order to accelerate the creation of an environment and corporate culture where more diverse human resources play an active role.

Occupational Health and Safety

Occupational Health and Safety Management Promotion System

In line with the 2015 medium-term plan's policy of strengthening Group management, we have revised our activity promotion structure. To this end, in fiscal 2013 we have established 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.



Status of Activities and Future Initiatives

Looking at our safety record during fiscal 2014, we failed to reach our target of one or fewer accidents requiring leave, as two 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 2015 naturally include legal compliance, as well as content linked to reforming the corporate culture, such as “Becoming a Safety Conscious Person” and “Realizing Fundamental Safety”.

Specifically, we have set forth the following five items.

1. Endeavor to eradicate accidents in accordance with the objectives of the Industrial Safety and Health Act.
2. Reduce accident risks by realizing “fundamental safety”.
3. Develop “safety conscious person” through communications and using the 5S.
4. Aim at self-management through self-checks, maintenance and improvement.
5. Practice Group health management activities through mental and physical health improvement.

Safety and Health Activities Presentation Meetings

We have been holding presentation meetings on the Group's safety and health activities and awarding the best with commendations. In fiscal 2014, we turned these meetings into a conference in which Group companies participated for the first time. A total of 13 teams selected from various divisions (including four teams from Group companies) gave presentations and received commendations from our company president.



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.



Executive Follow-up on Accidents

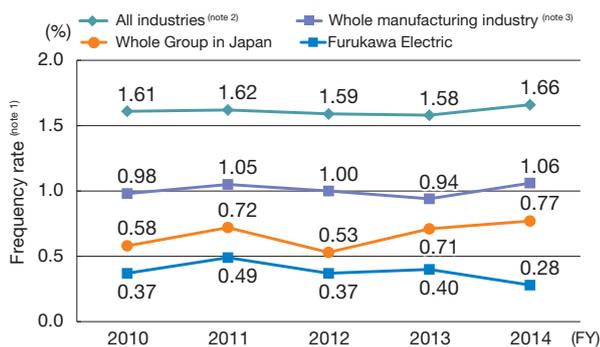
We conduct a follow-up of Furukawa Electric and our Group companies by our executive in charge of safety when an accident occurs or according to the previous year's performance. We seek to prevent a recurrence by checking the suitability and retention rate of countermeasures, engaging in dialog to make things intrinsically safe, and so on.



Work Accident Occurrence Status

The frequency rate of accidents resulting in time off work ^(note 1) (from April 2014 to March 2015) decreased to 0.28 in Furukawa Electric only but increased to 0.77 among all Group companies in Japan ^(note 2).

Frequency rate of accidents resulting in time off work



(note 1) Frequency rate = (No. of casualties / Total actual work hours) x 1,000,000
 (note 2) The calculation for fiscal 2014 covered full-time employees and temporary staff at Furukawa Electric and 37 Group companies in Japan. See page 59 for companies included in the calculation.
 (note 3) Data on all industries and the whole manufacturing industry is from Ministry of Health, Labor and Welfare survey results

Meanwhile, the 2014 accident frequency rate for the whole Group including overseas Group companies was 1.65. This included accidents both resulting in and not resulting in time off work.

Healthcare for Employees Working Long Hours

In accordance with the Guidelines issued by the Labor Standards Bureau entitled "Measures to be Taken by Employers to Prevent Health Impairment Due to Overwork", we strive to manage the health of employees who work long hours by implementing strict limitations on working hours based on the results of health checkups and by arranging consultations for such workers with industrial physicians.

Mental Health Education

We began conducting mental health measures in fiscal 2002. In the past, stress control training, workplace mental health training with a focus on Work Engagement, and Pleasant Workplace Discussion Sessions aimed at improving the workplace environment have been implemented across the company.

In fiscal 2014 and fiscal 2015, Self-care Training and Line Care Training programs will be implemented with the aim of helping all employees in their early forties and middle-ranking managers to respond to all types of change.

Strengthening Smoking Measures

In fiscal 2003, 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. We aim to switch to a smoking ban during working hours in fiscal 2017 and to an entirely smoke-free workplace by fiscal 2020 at the latest, and have continued to adopt a multifaceted approach with the following three main approaches: sharing information, supporting efforts to quit smoking and creating a smoke-free environment.

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, 2014, three people have been confirmed as being involved in industrial accidents (any person also died), and symptoms have been detected in nine (all retired).

Employee Data Book

Please see the URL below for Employee Data Book.

CSR

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

Relations with Communities

Basic Policy

Furukawa Electric Group has 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)

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.

Implementation of Private Sector Training for Teachers (note)

From July 30 to August 1, 2014, nine teachers from elementary schools, high schools and special-needs schools in Tokyo and Yokohama underwent private sector training. Throughout the three days of exercises, factory visits, and educational training experience, they appreciated the pleasure and sense of achievement that awareness gives as they learned about the social responsibility of schools and companies, safety and environmental activities, human resource development and so on.



Practical experience in “Anzen Dojo”
(safety education center)



“Pointing and naming out loud” at street crossing

Main programs

Day 1 (Theme: Social Responsibility)

1. Group philosophy, CSR initiatives
2. Business continuity management
3. Group’s safety & environment initiatives, safety activities

Day 2 (Theme: Safety & Environment)

1. Involvement with safety, environment, communities
2. Practice in safety education center
3. Factory visit
4. Visit to special subsidiary Furukawa New Leaf

Day 3 (Theme: Education)

1. Overview of CSR education
2. Overview & experience of in-house employee training
3. Review

(note) Sponsored by the Japan Institute for Social and Economic Affairs. The aim is to deepen the teachers’ understanding of things such as the ideas behind corporate activities, approaches to human resource training, approaches to social responsibility obligations and environmental issues. It is hoped that teachers will then pass on their experience to their pupils during lessons, and also apply them to their schools’ management in future.

Most lasting impression (Selected from post-training questionnaire)

- ★ Setting targets, conducting verification, and improving operations are similar, albeit done in different ways, in both schools and companies.
- ★ Companies have an attitude of striving for thoroughness.
- ★ I realized again that every small thing leads to something very large.

CSR Awards

Sixth 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 New Leaf Co., Ltd. (note)

Furukawa New Leaf has three branches in Hiratsuka, Chiba, and Mie to promote the employment of disabled people. It employs 50 people in all, including 39 disabled people of whom 31 are severely disabled. It has provided support and cooperation for various plants since its establishment in 2004, with a focus on in-plant cleaning. The company's main duties are cleaning meeting rooms, lobbies, corridors, staircases, bathrooms, and on-site and external roads. Recently, however, they are taking on new duties that even disabled people can do, such as dismantling communications equipment parts and wires, shredding document, and so on. The company also supports the future employment of disabled children by receiving pupils from a neighboring school for the disabled to take part in work experience training.

(note) Special subsidiary of Furukawa Electric Co., Ltd.



Cleaning inside a plant (Hiratsuka Works)



Practicing for the Abilympics, a national workskills competition for disabled people (Mie Works)

Social Contribution Award

Furukawa Electric Autoparts Central Europe, s. r. o. (FACE), Czech Republic

FACE has been continually supporting Slunicko (Czech for sunlight), an organization that helps disabled young people, since 2004. FACE and its employees purchase handmade products from Slunicko including Christmas cards, floral pillows, and scarves. It also donated money to buy a car specially customized for taking disabled children to and from school. In 2014, the company also started to commission the children to conduct simple tasks at its plant. The idea is to provide them with a place to work and gives them confidence, which will have a positive effect in future. In addition, the company employs six full-time staff with disabilities. FACE believes these activities blend in with the local community and will transform the lives of these people in future.



Specially customized car bought with donations (with the Furukawa logo on the rear door)



Working inside the Slunicko facility

Activities in each region

Activity topics

Furukawa Electric Group conducts various activities in each region.

Nuturing future generations

Supported and cooperated on work experience for schoolchildren of all ages

- Furukawa Electric (Chiba Works, Hiratsuka Works, Mie Works, Nikko Works)
- Furukawa Electric Power Systems
- Furukawa Logistics
- Okano Electric Wire



Parent-child environmental class of the Yamato Friends of the Environment Group (Okano Electric Wire)

Living in harmony with the natural environment

Participated in local environment beautification campaign

- Furukawa Electric (Chiba Works, Hiratsuka Works, Mie Works, Copper Tube Division)
- Tohoku Access Cable •KANZACC
- SHODENSHA •Furukawa Sangyo
- Furukawa Precision Engineering
- Furukawa Logistics
- FURUKAWA TECHNO MATERIAL
- FURUKAWA ELECTRIC ECOTEC
- Furukawa Magnet Wire
- Furukawa Nikko Power Generation



Cutting grass in neighboring children's playground together with Hoso Resident's Association (Furukawa Precision Engineering)



Shonan Coast Cleanup Campaign run by the Labor Union Young Women's Association (Hiratsuka Works, Furukawa Electric)

Promotion sports and culture

Participated in, sponsored, and provided a venue for sporting events

- Furukawa Electric (Hiratsuka Works, Mie Works, Nikko Works, Copper Foil Division, Copper Tube Division)
- The Furukawa Battery

Hosted, participated in, and supported festivals

- Furukawa Electric (Hiratsuka Works, Mie Works, Copper Foil Division)
- Furukawa Electric Power Systems •Furukawa Nikko Power Generation
- KANZACC •Furukawa Magnet Wire
- Tohoku Access Cable •The Furukawa Battery



Entered two teams in Kameyama City long-distance relay race (Mie Works, Furukawa Electric)

Living side by side with local communities

Conducted beautification activities outside premises

- Furukawa Electric (Chiba Works, Hiratsuka Works, Mie Works, Nikko Works, Copper Foil Division, Copper Tube Division)
- NTEC •Okano Electric Wire
- Furukawa Electric Industrial Cable
- FURUKAWA AUTOMOTIVE SYSTEMS
- FURUKAWA C&B •Furukawa Logistics
- FURUKAWA ELECTRIC ECOTEC
- Furukawa Magnet Wire



Off-site cleanup activities (Mie Works, Furukawa Electric & Furukawa Magnet Wire)

Supporting and working with NPOs and special-needs schools

- Furukawa Electric (Nikko Works, Copper Foil Division)



Regional exchange meeting with NPO Habataki (Copper Foil Division, Furukawa Electric)

Participated in regional exhibition

- Furukawa Electric (Chiba Works, Hiratsuka Works)



Eco Messe 2014 in Chiba (Chiba Works, Furukawa Electric)

Other activities

Donated and raised funds for charities

- Furukawa Electric (Nikko Works) •Okano Electric Wire
- The Furukawa Battery •Furukawa Nikko Power Generation
- Miharu Communications

Donated blood

- Furukawa Electric (Yokohama Works, Hiratsuka Works)
- Furukawa Precision Engineering •The Furukawa Battery

Conducted factory tours for employees' families

- Furukawa Electric (Chiba Works, Copper Tube Division)
- Furukawa Magnet Wire



Employees' families touring a factory (Chiba Works, Furukawa Electric)

Challenges and Future Policy

Alongside our Group's basic social contribution policy, Furukawa Electric has given much consideration to programs that take advantage of our uniqueness, on themes that are of deep concern to our employees.

As well as various ingenious community-based activities by our Group companies and Furukawa Electric's various works, research laboratories, and branches, in fiscal 2014 we implemented private sector training for public school teachers. We are also progressing toward the creation of a science education program with visits to schools using our company's unique technologies as a teaching resource.

Initiatives for Environment

Environmental Management

Furukawa Electric Group Basic Environmental Policy

Basic Philosophy

We, the employees of the Furukawa Electric Group, recognize that conservation of the global environment is a serious issue confronting the international community, and we pledge to contribute to a sustainable future for the world through technological innovation that utilizes our strength in advanced materials.

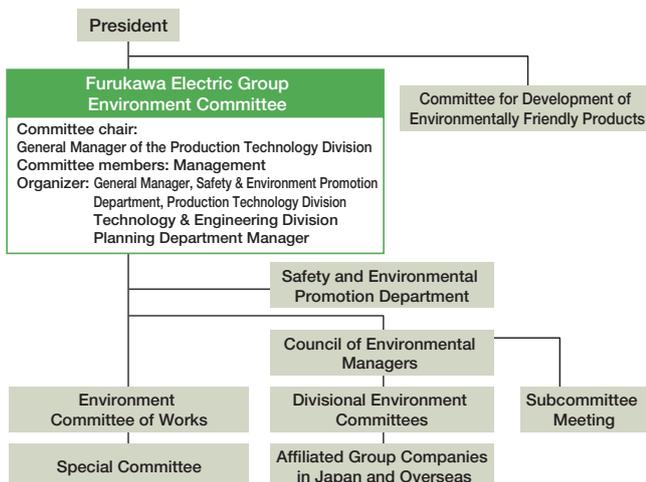
Action Guidelines

1. We shall comply with environmental laws and regulations as well as the demands of our customers and others, setting ever higher environmental targets as we continuously improve our global environmental conservation efforts.
2. We shall strive to develop products that are friendly to the Earth, and create new environmental businesses.
3. We shall strive to reduce environmental risk by incorporating anti-climate change and resource conservation/recycling considerations, as well as a reduction in the use of environmental impact-causing substances, across the entire product lifecycle.
4. We shall evaluate the ecological impact of all of our businesses, and strive for the conservation of biodiversity and sustainable use of resources.
5. We will seek harmony with the natural environment and local communities through dialogue with our stakeholders.

Environmental Management Organization

In April 2013, we underwent organizational restructuring, transitioning to a strategic business unit system. We also renamed our highest-level advisory body related to environmental management the Furukawa Electric Group Environment Committee and promoted environmental management under a new structure. We established the new Council of Environmental Managers to facilitate smooth decision making on environmental management and consolidated the special committees that have performed these functions in past.

Promotion Framework



Scope of the Environmental Management

Furukawa Electric Group's environmental management covers 34 Group companies in Japan and 57 Group companies overseas. One Group company in Japan changed its name to Tohoku Access Cable Company. One Group company overseas merged with another company in a related industry, while another was excluded from the scope of our environmental management as its stockholding ratio was reduced.

Please refer to page 59 for a list of all applicable companies.

Environmental Education

Environmental Education System and Environmental Education Programs

Furukawa Electric Group is engaged in a variety of environmental education activities in order to raise environmental awareness among its employees and help them to gain information necessary to conduct the environmental activities of the Group.

During fiscal 2014, 40 employees attended ISO14001 internal environmental auditor training, while 25 employees attended FGMS ^(note) auditor training. Since fiscal 2013 the Group has conducted environmental training for newly appointed section managers in order to enhance the education of key managers in each division.

In fiscal 2014, 41 employees attended this training.
 (note) Furukawa branding Green products Management System

Environmental activity award system

In an attempt to improve environmental awareness and enhance our environmental activities, in fiscal 2010 Furukawa Electric established environmental awards in three areas: “sales promotion for environmentally friendly products,” “prevention of global warming,” and “Group activities.” However, the Group revised the award system in fiscal 2014, bringing all awards together under a single category (“environmental contribution award”) and holding a single Excellence in Environmental Activity Presentation each year.

Environmental Accounting

Furukawa Electric Group has introduced environmental accounting to gain a quantitative

understanding of costs and conduct its environmental activities efficiently and effectively. Totals are based on the “Environmental Accounting Guidelines 2005” published by the Ministry of the Environment. Group company totals were based on 24 Group companies in Japan. During fiscal 2014, environmental conservation expenses totaled 3.4 billion yen, while a total of 700 million yen was invested. Compared with the previous year, this was a decrease of 300 million yen in expenses and an increase of 100 million yen in investments.

Additionally, snow damage caused reduced operability, and energy costs fell around 1.5 billion yen.

Please refer to page 59 for a list of all applicable companies. Please see the URL below for environmental accounting aggregate results.

CSR

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

Environmental education programs

Category of educational training	Content	New recruits	General employees	Mid-career employees	Newly appointed section managers	Management
Education for new recruits (once a year, mandatory)	General environmental conservation activities	Training for new recruits				
EMS activities (as needed, mandatory)	Environmental Policy and purpose, goals and general knowledge pertaining to the environment					
ISO14001-related education (two-day course)(twice a year, voluntary)	Requirements of ISO standards, environment regulations, procedures for internal environment audits, various drills					
One-day brushup course (once a year, voluntary)	Trends in environmental regulations, various drills to brush up auditing skills					
Environmental subjects (as needed, voluntary)	Environmentally considerate design					
	Environmental regulations					
	Control of chemical substances contained in products					
Consolidated environmental management seminars	Seminars by experts on priority issues					

Message from the General Managers

Hisashi Iwama
 General Manager, Safety & Environment
 Promotion Department, Production
 Technology Division



During fiscal 2014, we once again worked together with our colleagues all over the world to promote environmental preservation activities in accordance with the management policies of the Group. The three main aspects of our basic environmental activity policy are I. Social contribution, II. Prevention of pollution, and III. Energy and resource conservation. The first aspect means exercising our social responsibility as a manufacturer to ensure that customers can use our products and services safely and securely. This also refers operating our business in such a way that customers using our products and services make overall society “brighter and more enjoyable,” and in a manner that allows us to

contribute to the conservation of the global environment. In addition to properly managing chemical substances and preventing pollution when we develop and produce products, the second aspect means paying consideration to biodiversity. The third aspect means manufacturing in a manner that efficiently utilizes our limited natural resources and energy. Especially, Nikko Works manufactures products using hydroelectric power, which does not generate greenhouse gases. We would like to connect all of this with our environmental management activities, in order to leave a beautiful environment to future generations and contribute to realizing a truly abundant society.

Material Flow

Environmental Impact of the Furukawa Electric Group in Fiscal 2014

We tallied data for Furukawa Electric, 34 Group companies in Japan, and 57 Group companies overseas—a total of 92 companies.

Please refer to page 59 for a list of all applicable companies.

INPUT

Category	Domestic	Overseas	Unit
Raw materials			
Copper	150,189	191,730	t
Aluminum	8,045	20,573	t
Iron	2,178	7,610	t
Nickel	549	—	t
Chromium	27	—	t
Manganese	8	—	t
Magnesium	0	—	t
Other metals	936	—	t
Rubber	44	—	t
Glass	0	3,529	t
Plastic	37,373	39,529	t
Energy			
	7,376	7,222	TJ
Electricity (purchased electricity)	537,262	628,032	MWh
Electricity (hydroelectric electricity)	76,053	26,525	MWh
Electricity (solar electricity)	9	—	MWh
City gas	5,845	18,554	1000 m ³
LPG	16,196	2,025	t
Heavy fuel oil A	7,689	287	kl
Kerosene	1,939	65	kl
Light oil	248	49	kl
Water			
	20,983	2,732	1000 m ³
Industrial water	17,377	50	1000 m ³
Groundwater	2,809	314	1000 m ³
Tap water	797	2,368	1000 m ³
Chemical substances			
Volume handled (note 1)	40,593	—	t
Packaging (note 2)			
Cardboard	573	—	t
Wood	1,549	11,336	t
Plastic	190	831	t
Paper	53	941	t
Paper			
	60	—	t

Furukawa Electric
7 works,
34 Group companies
in Japan
and
57 Group companies
overseas



OUTPUT

Category	Domestic	Overseas	Unit
Waste (note 3)			
Total waste generated (note 4)	33,002	23,424	t
Final waste disposal	267	15,289	t
Recycling amount	31,141	8,135	t
Atmospheric emissions			
CO ₂	380,323	451,938	t-CO ₂
SOx	28	—	t
NOx	108	—	t
Soot	4	—	t
Chemical substances			
Volume emitted	164	—	t
Volume transferred	157	—	t
Wastewater			
	17,998	1,544	1000 m ³
Public waterways	17,448	608	1000 m ³
Rivers	16,203	365	1000 m ³
Sea	1,218	0	1000 m ³
Other	20	243	1000 m ³
Sewer	550	937	1000 m ³
BOD			
	39	—	t
COD			
	30	—	t
SS			
	35	—	t
Product shipping volume			
	315,556	—	t
Product collection volume			
	8,830	—	t
Type of cable			
	7,156	—	t
Plastics			
	705	—	t
Metals			
	348	—	t
Other			
	621	—	t
Volume of water recycled and reused			
	1,126	10,631	1000 m ³

(note 1) PRTR-listed substances

(note 2) Cardboard, wood, plastic, and paper used in product shipping

(note 3) Including valuable resources (Japan)

(note 4) Emissions off-site

Targets and Performance of Environmental Conservation Activities

Targets and Performance (Environment)

😊 Achieved 😐 Partially achieved ☹ Not achieved

Activity		Furukawa Electric Group (Japan)			
		Fiscal 2014 activity goal	Fiscal 2014 results	Evaluation	Fiscal 2015 environmental conservation activity goals
Waste reduction activities	Reduction of absolute amount of waste	2% reduction from fiscal 2012	1.2% increase	☹	3% reduction from fiscal 2012
	Decrease zero emissions rate	0.3% or less	0.13% (achieved)	😊	Zero emissions rate of 0.3% or less
Efficient utilization of water	Reduction of water consumption	1% decrease in energy consumption rate year-on-year	4.2% increase	☹	2% decrease in energy consumption rate year-on-year
Activities for the prevention of global warming	Greenhouse gas emissions	2% reduction from fiscal 2012	6.2% reduction	😊	3% reduction from fiscal 2012
	Energy consumption	2% reduction from fiscal 2012	14.1% reduction	😊	3% reduction from fiscal 2012
	Energy consumption rate during production (sales)	4% decrease from fiscal 2012	22.7% reduction	😊	6% decrease from fiscal 2012
	Energy consumption rate during transport	2% reduction from fiscal 2012	14.6% increase	☹	3% reduction from fiscal 2012
	Energy consumption rate in offices	2% reduction from fiscal 2012	3.4% reduction	😊	3% reduction from fiscal 2012
Conservation of biodiversity		Participation in regional biodiversity conservation	Implemented	😊	Participation in regional biodiversity conservation
Environmentally friendly design activities		Sales ratio of environmentally friendly products 35% or higher	24.2%	☹	Sales ratio of environmentally friendly products 30% or higher
		Contribution to reducing environmental burden CO ₂ reduction of 30,000 tons or higher	59,000 tons	😊	Contribution to reducing environmental burden CO ₂ reduction of 50,000 tons or higher
Activities for the management of chemical substances	VOC emissions	2% reduction from fiscal 2012	17.2% reduction	😊	3% reduction from fiscal 2012
	Products containing chemical substances	Suitable management	No abnormalities	😊	Suitable management of products containing chemical substances
No. of environmental accidents/abnormal incidents		–	–	–	0 accidents, 3 or less abnormal incidents

30 of our overseas Group companies have already obtained ISO14001 certification. These companies have set goals according to their unique circumstances for five shared environmental conservation activities for fiscal 2014 (reduced waste, reduced water consumption, reduced greenhouse gas emissions, reduced energy consumption rates, and management of chemical substances), and are working toward achieving these goals.

Activities Targets and Performance in Fiscal 2014

Furukawa Electric Group defines medium-term environmental targets every three years. Each year, we establish targets for environmental conservation activities based on these plans. We reflect these targets at affiliated companies in Japan and overseas, ensure that targets are consistent throughout the global Group and work together to achieve them.

The entire Group has achieved its goals for greenhouse gas emissions in its activities for the prevention of global warming, through such means as aggregating its manufacturing bases for each product under the Structural Reform Plan. The snow damage at Furukawa Electric's Nikko Works also had an impact. Both Furukawa Electric and the Group have achieved their energy consumption goals.

Activity Targets in Fiscal 2015

During fiscal 2015, we will continue to work toward reducing our absolute amount of waste and water consumption rate—two new goals added to those of fiscal 2014. Fiscal 2015 is the final year of the standard three year plan we began in fiscal 2012, so the entire Group is putting all effort into achieving our goals. In fiscal 2015, our overseas Group companies have set as their goal a reduction of at least 1% (consumption rate) over fiscal 2014 with regard to four shared goals (absolute amount of waste, water consumption, greenhouse gas emissions, and energy consumption), toward setting consistent goals throughout the Group inside and outside of Japan, as a part of next term's medium-term management plan.

Environmentally Friendly Products

Environmentally Friendly Products and the e-Friendly Accreditation System

Furukawa Electric Group certifies and registers as environmentally friendly products those products with improved performance compared to existing products in the categories of materials and parts purchasing and manufacture, use, distribution and disposal.



We have created the “e-Friendly” environmental mark to identify such environmentally friendly products. This mark is placed on those products.

Categories of Environmentally Friendly Products

The Group's environmentally friendly products belong to one of four categories described below.

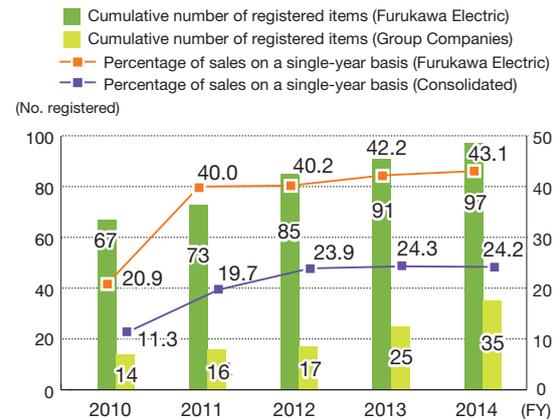
Environmentally friendly product categories

Category	Content
Prevention of global warming	Products with functions that help in the reduction of emissions as well as the absorption and stabilizing of greenhouse gases.
Zero emission	Products made from recycled materials, products designed with easy-to-recycle components, products made from materials or with design facilitating volume reduction for lowering waste volume, products designed to share common components with other products or products designed as common components.
Elimination of materials that have an impact on the environment	Products that do not lead to an increase in the use of ozone-depletive substances during the manufacturing process, do not contain harmful substances above regulatory limits and do not generate harmful substances above these limits during use or disposal.
Resource savings	Products that result in overall energy savings by such means as reducing the use of raw materials and components as well as scarce resources, featuring enhanced longevity, allowing easier product and component maintenance, and reducing the use for resources in packaging.

Expanding Environmentally Friendly Products

We are working to increase our overall percentage of environmentally friendly products. We set targets based on percentage of sales, and confirm our progress and success on this basis.

Environmentally friendly products as a percentage of sales



Environmental Performance Indicator “Visualization”

As a part of initiatives to visualize environmental performance indices, the Group promotes the visualization of CO₂ emissions using life cycle assessment (LCA).

Based on the consumption unit of CO₂ emissions established for each product by fiscal 2012, we have set a target to spread the initiative to the affiliated companies in fiscal 2013 and conducted an LCA calculation of major products at 12 of the 21 subject companies. We also deploy the results of these calculations toward the development of the Greenhouse Gas (GHG) Protocol ^(note), as well as technical materials and sales promotion pamphlets, aiming to make use of this information for R&D on future environmentally friendly products.

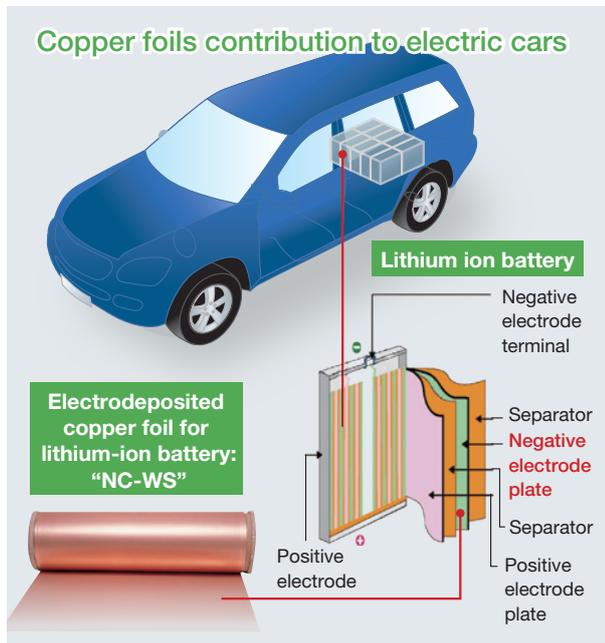
(note) GHG Protocol: An international guidelines for the method of calculating corporate greenhouse gas emissions

Initiatives to Reduce CO₂ Emissions from Products during Use

Based on its track record in environmental performance indexing, we are working to visualize the reduction of CO₂ which is emitted when our products are at the stage of being used. According to the estimate for fiscal 2014, total emission volume in the domestic market of our mainstay products, copper foil, rectangular magnet wire and semiconductor laser, amounted to 59,000 tons - CO₂/year. Going forward, we will try to expand sales of each product category and increase the number of contributing products, so that we can develop our activities to tackle environmental issues through our products.

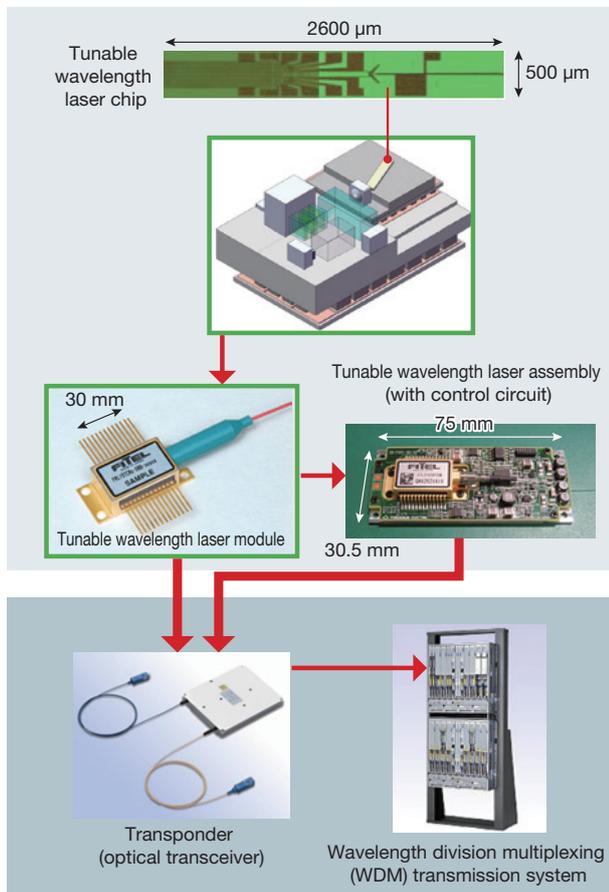
Reduction of CO₂ emissions through copper foil for electric car batteries

Copper foil for electrode material of lithium-ion batteries



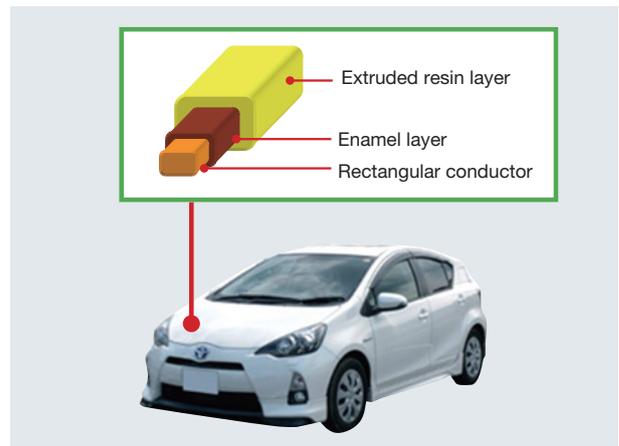
CO₂ reduction of semiconductor lasers

Narrow-bandwidth-FBT (tunable wavelength laser)



CO₂ reduction of enameled extruded rectangular wire

Rectangular wire for HV motors



Preventing Global Warming

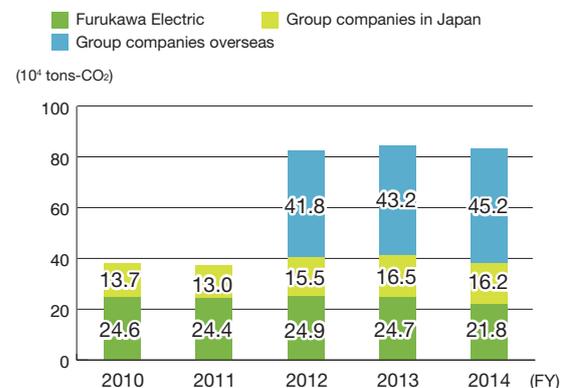
Reducing CO₂ Emissions

Initiatives at Works

The majority of the Group's greenhouse gas emissions consist of CO₂ generated from electricity, fuel and other energy sources. As emissions from manufacturing processes account for a large proportion, we work on reducing emissions by increasing the efficiency of production processes, switching fuels, replacing equipment with more efficient alternatives, insulating hot areas and other measures.

CO₂ emissions for the entire Group in Japan totaled 380,000 tons/year during fiscal 2014—a reduction of 13.4% from fiscal 2000. CO₂ emissions for all overseas Group companies totaled 452,000 tons/year during fiscal 2014. The entire Group will continue its efforts to reduce emissions.

CO₂ emissions

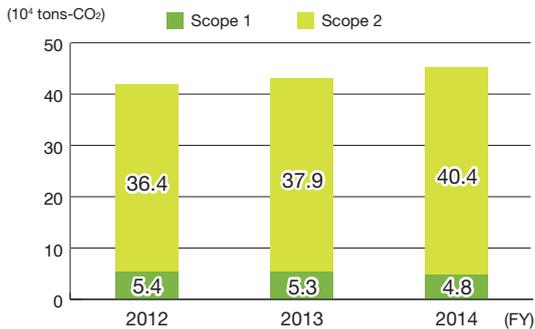


(note) For the overseas CO₂ emission coefficient, the coefficient for each country under the GHG Protocol is used for purchased electricity, while the Japanese emission coefficient is used otherwise.

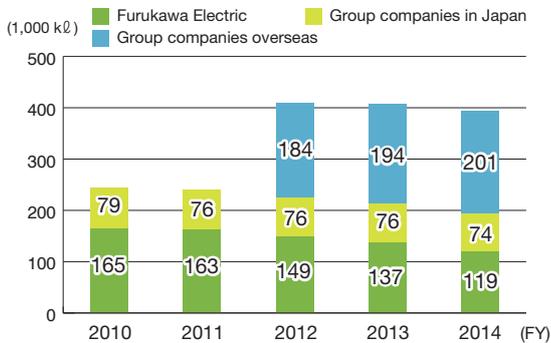
CO₂ emissions (Scope 1, Scope 2) (Domestic)



CO₂ emissions (Scope 1, Scope 2) (Overseas)



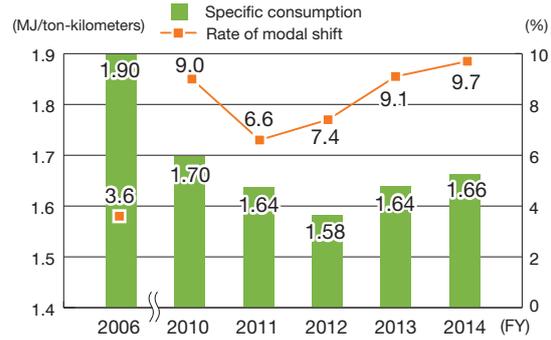
Energy consumption



Initiatives in Logistics

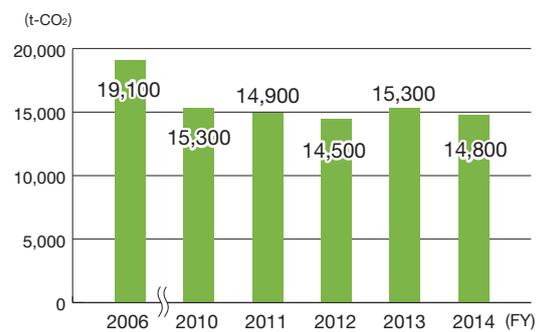
The entire Furukawa Electric Group transported 227,000,000 ton-kilometers during fiscal 2014—a decrease of 4.3% from fiscal 2013. Of this, Furukawa Electric itself transported 130,000,000 ton-kilometers, which was a decrease of 4.9% from fiscal 2013. As a result, we were able to keep CO₂ emissions down to 14,800 tons—3.6% down from fiscal 2013. Unfortunately, our output rate rose 5.1% since fiscal 2012, our base year for this goal. We will continue with initiatives to promote modal shift, increase loading rates and encourage joint shipping.

Modal shift ^(note) and specific consumption (Furukawa Electric)



(note) Modal shift rate: Percentage of total transportation that uses rail-or ship-based transportation

CO₂ emissions related to transportation (Furukawa Electric)



Environmental disclosure efforts

Furukawa Electric Group responds to requests by external institutions to provide environmental information. Since fiscal 2008, we have answered inquiries from CDP ^(note 1), the largest such organization in the world. Since fiscal 2013 we have also responded to supply chain program requests from customers in the communications and automotive fields. Since fiscal 2014 we have increased the amount of information we collect and continue to enhance the environmental information management system used throughout Furukawa Electric Group, with the ultimate goal of disclosing environmental information throughout the Group on a global scale.

Greenhouse emission burden for CDP disclosure (1,000 t-CO₂e/year)

	FY2014
Scope 1 (direct emissions) ^(note 2)	138
Scope 2 (indirect emissions)	694
Scope 3 (other)	2,034

(note 1) CDP: CDP is an organization formed from institutional investors for the purpose of managing a project requiring companies to disclose their strategies for climate change and the specific amount of greenhouse gases they generate.

(note 2) Scopes 1, 2, and 3

Scope 1: Direct emissions (including SF₆, etc.) from offices caused by the use of fossil fuels, etc.

Scope 2: Indirect emissions from outside offices caused by the use of electricity and steam

Scope 3: Indirect emissions from purchased product services, business trips, commuting, and upstream shipping, etc.

Reducing Waste

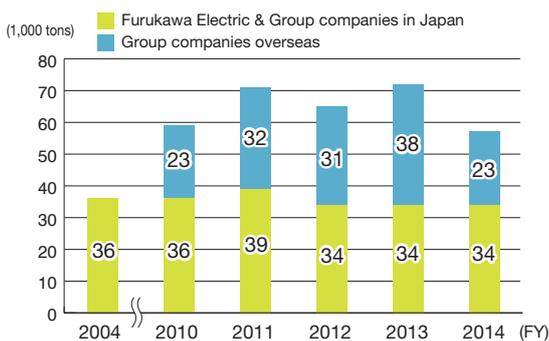
Waste Reduction Initiatives

In 1993 Furukawa Electric Group began its efforts to increase waste recycling, and since fiscal 2001 has continued its zero emissions activities with the goal of reducing total emissions of industrial waste disposed in landfills to less than 0.3% (the base value was cut in fiscal 2014 from 1% to 0.3%).

Due to our efforts to thoroughly separate garbage and promote recycling, the entire Japanese Group reduced its amount of non-recycled waste to 1,324 tons in fiscal 2014, an 81% reduction from fiscal 2004. The entire Japanese Group also reduced the amount of waste disposed in landfills to 37 tons, a 98% reduction from fiscal 2004 (this excludes waste disposal companies within the Group).

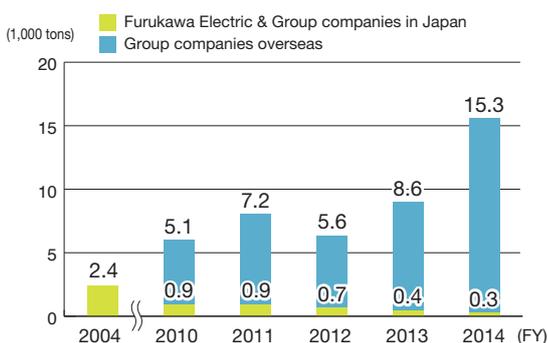
We also began efforts in fiscal 2014 to reduce the total amount of waste we generate (including valuable resources). However, due to snow damage and the impact of restructuring, the Japanese Group was unable to achieve its goal, with a 1.2% increase in contrast with its goal of a 2% decrease from fiscal 2012—an increase of 7.8% across the entire Group, and a decrease of 2.2% for Furukawa Electric (this excludes waste disposal companies within the Group).

Total amount of waste matter generated



(note) Valuable resources are included in total waste generated for Japan only.

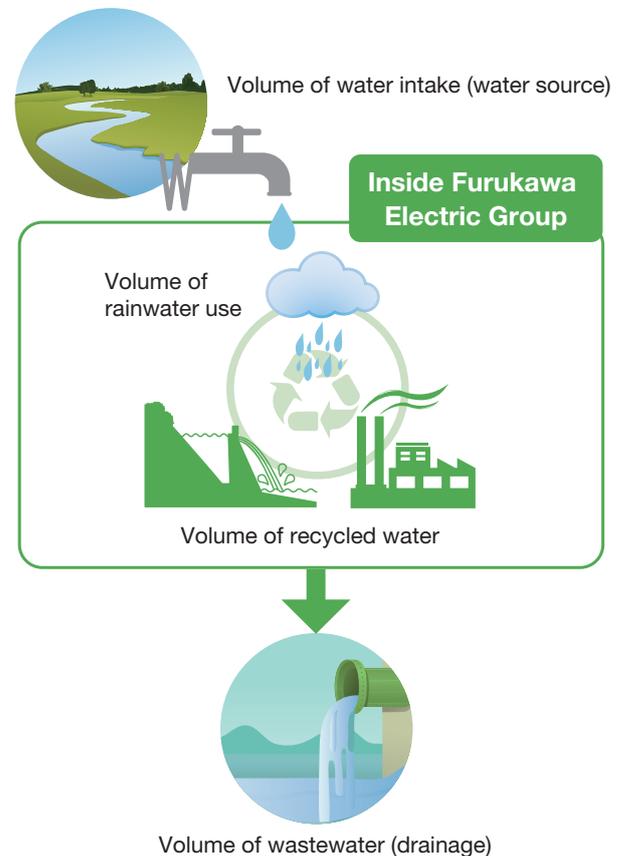
Direct landfill disposal



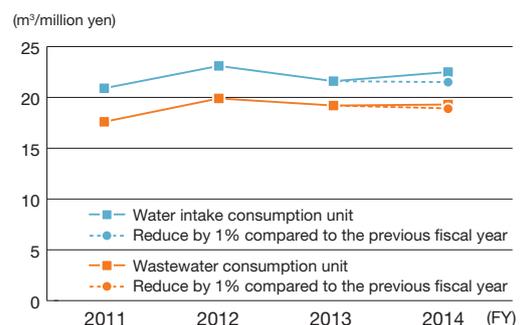
Water Resources

Effective Utilization of Water

Furukawa Electric Group has been making efforts to utilize water effectively since fiscal 2013 by grasping the amount of water intake and wastewater and setting a consumption unit reduction target for fiscal 2014. The consumption rate of drawn water throughout the entire Furukawa Electric Group rose to 23 m³/million yen in fiscal 2014, a 4.2% increase from fiscal 2013. Our consumption rate of drainage also rose to 19 m³/million yen, a slight increase of 0.3% from fiscal 2013. We will continue our water conservation and cyclic usage efforts, and will manage both our water quality and the amount of drainage we generate.



Consumption unit of water intake and wastewater



Chemical Substance Management

Green Activities

Response to Customer Requests

When Furukawa Electric Group receives a request from a customer for information concerning chemical substances in our products, it conducts a thorough environmental examination. We also monitor trends in laws and regulations covering the chemical substances contained in products and compile and update data as it becomes available, allowing us to respond promptly to customer requests. Furthermore, by collecting information from industrial organizations and conducting seminars, as well as participating in research groups, we can monitor environmental regulations and standards and social issues/items of concern. This enables us to incorporate customer needs in our environmental conservation targets.

Response to overseas regulations and management of chemical substances contained in products

Furukawa Electric Group establishes a management system for chemical substances contained in products for major operational bases and affiliated companies, strengthens the environmental product regulations and grasps the environmental risk that should be lowered, and implements measures depending on their importance. Each time a new SVHC (Substance of Very High Concern) ^(note 1) is added to the candidate list of an environmental product regulation named the EU REACH regulation, we investigate the status of its usage. In fiscal 2014, we conducted an environmental inspection on 161 substances, covering up to the 12th SVHC list of the REACH regulations.

(note 1) Substance of Very High Concern:
Use or marketing of SVHCs requires approval, and manufacturers are liable to submit notification if an SVHC exceeds 0.1% weight content.

Expansion of Green Procurement (General-Purpose Products) to Group Companies

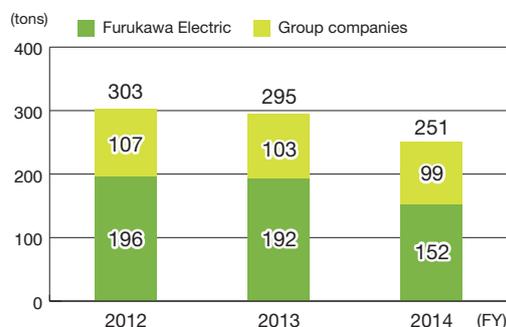
Furukawa Electric encourage the purchasing of OA equipment, office supplies and other items that conform to the Green Purchasing Law. In an effort to spread these activities within the Group, 19 affiliated companies designated conforming items in fiscal 2014 and purchased them. Also, items that will be used in our products are purchased adequately based on the Green Procurement Guidelines of our operational division, by evaluating the suppliers' system on the management of

chemical substances contained in products and its management status as well as by confirming the data of chemical substances contained in products.

Chemical Substance Management Activities

Furukawa Electric Group undertakes voluntary initiatives to reduce emissions of harmful chemical substances. In particular, we make every effort to actively reduce emissions of volatile organic compounds (VOC), one cause of photochemical smog. In fiscal 2014 we achieved a reduction of 17.2%—far surpassing our goal of a 2% reduction from fiscal 2012.

Emissions of volatile organic compounds (Group Companies in Japan)



(note) Volatile organic compounds are the 118 substances specified by The Japanese Electric Wire & Cable Makers' Association (January 2012 edition).

Appropriate Management of Chemical Substances

At Furukawa Electric Group, we confirm the properties and applicable laws and regulations regarding all chemical substances we use during the manufacturing process on their Safety Data Sheets (SDSs) and administrate them. We also monitor the usage volume of chemical substances listed in the PRTR Law ^(note 2).

(note 2) Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof

Environmental Risk Management

Preventing Soil and Groundwater Pollution

Furukawa Electric Group conducts regular inspections of facilities and equipment that handle specific toxic substances to prevent the pollution of soil and groundwater. We reduce the risk of pollution through measures to prevent leaks of specific toxic substances and underground seepage, as well as through ongoing efforts to switch to substitute substances.

PCB Management

Furukawa Electric Group monitors the amount of high-concentration PCB-containing equipment at each of our Works and affiliate company sites, and conducts proper storage and management. Based on the said information, we have been registered with Japan Environmental Storage & Safety Corporation and started disposing of them step by step in accordance with the plan. In addition, Furukawa Electric analyzes equipment that could contain low concentration PCB, and has begun to dispose of some of them. We will continue to dispose of such devices in an even more systematic manner.

Compliance with Environmental Laws and Other Regulations

Furukawa Electric Group regularly confirms environmental laws and other regulations to determine items requiring compliance. We ensure compliance in a number of ways, such as by conducting on-site patrols to check the state of compliance. We follow official journals and other sources of information to stay updated on revisions to environmental legislation and ensure that our response is thorough.

We maintain voluntary control limits and manage operations appropriately to ensure compliance with the Air Pollution Control Law and the Water Pollution Control Law.

In fiscal 2013, we continued to conduct an environmental check-up in our domestic affiliated companies by performing the said check-up at seven operational units of the Company while responding to the revised clean water act.

In fiscal 2014, our Japanese Group companies widely implemented environmental law inspections (such as for dangerous goods under the Fire Services Act), including support for the revised Water Pollution Prevention Law.

We also conduct annual checks for conceivable, clear environmental impact to prevent environmental accidents or prevent widespread impact in the event of an accident.

According to our survey on the status of our regulatory compliance, we were not in material violation of any regulations.

Please see the URL below for our response to the asbestos problem, and a list of PRTR compatible materials.

CSR

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

Biodiversity Conservation

Biodiversity Conservation Initiatives

In April 2011, we began providing information on our website about the biodiversity efforts we are conducting as part of our Basic Environmental Policy. With a view to specifying the Group's biodiversity efforts, we compiled significant targets in fiscal 2013 into the comprehensive guideline of the Furukawa Electric Group concerning biodiversity. We did this in recognition of the fact that our business, products and services are the result of biodiversity, and that our operation has an impact, whether positive or negative, on eco-systems.

Also, following a major organizational reform in fiscal 2013, we integrated our biodiversity conservation system into the Environmental Committee. Going forward, we will be modeling our regional activities centering on land utilization and procurement under the new structure at each operational unit, in order to spread the activities horizontally within our Group. We also use the "Office for the Coexistence of Living Things_Promotion Guidelines" coordinated by JBIB ^(note), which we currently participate in. In fiscal 2014, we took a trial run of the "land usage report card" in Yokohama Works.

(note) JBIB : Japan Business Initiative for Biodiversity.

Founded in 2008, the JBIB is a joint effort by Japanese companies to act on behalf of biodiversity preservation.

Furukawa Electric Group

Biodiversity Conservation Guidelines

1. Evaluate the effects that our business activities have on the ecosystem, and minimize the harmful effects while maximizing the beneficial ones
2. To sustainably use resources and conserve biodiversity, consider more than ever the need to carry out measures against climate change, conserve resources, recycle and reduce environmentally hazardous substances
3. Carry out activities in collaboration with local communities to conserve biodiversity

Third-Party Opinion



Junichi Mizuo Ph. D. (Business Administration)

Professor, Faculty of Economics and Management, Surugadai University: Outside Director of Aderans

In 1999, Changed from Shiseido to Surugadai University. Deputy Chairman, Japan Society of Business Ethics Study; Head Researcher, Business Ethics Research Center; Outside member of Business Ethics Committee, Seibu Holdings; In 2010, Visiting Scholar, University of London; Books: Marketing Ethics save The Company, Seisansei Pub., and others.

As a person who has promoted “the fusion of CSR theory and practice” by conducting CSR activities in business while theorizing about CSR at university, I would like to give my impartial opinion here about the Furukawa Electric Group’s Sustainability Report 2015.

Commendable points:

In line with its Basic CSR Policy, Furukawa Electric has fully disclosed the manner in which it steadily implements its CSR activities.

One of the objectives of issuing a sustainability report is to contribute to business innovation through CSR activities.

When a company clarifies its CSR principles and enhances what I call the “think-and-act ability” of all its employees to independently think and act toward a common goal, the seeds of new innovation are born.

In this report, through the Special Feature articles at the beginning, Furukawa Electric is helping to create innovation by reporting on its pursuit of renewable energies and new global-level measures.

It has also built a management cycle for the sustainability activities given throughout the report, consisting of a basic concept (Plan), performance (Do), and new challenges and future policies (Check + Act), which has led to continual improvements.

Undertaking company-wide activities via this PDCA cycle greatly helps to create innovation. This is precisely the kind of activity that “contributes to the realization of a sustainable society,” as stated in the company’s Corporate Philosophy.

Expectations for the future:

My hope is that the employees and leaders will, as one, aim to be an organization that grows together.

It is the employees who actually conduct CSR activities. The growth of employees will bring about the development of the company and, in turn, society. I hope these men and women will desire to grow and, in the process of their endeavor, increase the “capacity of humankind”.

Furthermore, acting as one with managers who are servant-leaders (i.e. leaders who support their subordinates) and who promote the growth of their “fellow employees” will enhance the company and lead to a more advanced society.

In that sense, “The Honki Tour” being conducted by Furukawa Electric’s president is just such a servant-leader’s activity. I sincerely hope that this activity spreads throughout the company and that all managers incorporate such tours into their regular workplace activities. This will motivate their fellow employees and form a starting point from which an even more creative and vibrant organization can emerge.

List of all applicable companies

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Occupational Health and Safety Scope of the frequency rate of accidents resulting in time off work

37 Group companies in Japan

1 Tohoku Access Cable Company	14 Myojodenki Co., Ltd.	26 Furukawa Electric Industrial Cable Co., Ltd.
2 FCM Co., Ltd.	15 Yokohama Drum Manufacturing Co., Ltd.	27 Furukawa Electric Power Systems Co., Ltd.
3 Okano Electric Wire Co., Ltd.	16 TOTOKU Electric Co., Ltd.	28 The Furukawa Battery Co., Ltd.
4 Okumura Metals Co., Ltd.	17 FITEC Corp.	29 Furukawa Nikko Power Generation Inc.
5 NTEC Ltd.	18 Furukawa Automotive Systems Inc.	30 Furukawa New Leaf Co., Ltd.
6 KANZCC Co., Ltd.	19 Furukawa Elecom Co., Ltd.	31 Furukawa Network Solution Corp.
7 Shodensha Co., Ltd.	20 Furukawa Sangyo Kaisha, Ltd.	32 The Furukawa Finance and Business Support Co., Ltd.
8 Seiwa Giken Inc.	21 Furukawa Communication and Broadcasting Co., Ltd.	33 Furukawa Logistics Corp.
9 VISCAS Corp.	22 Furukawa Industrial Plastics Co., Ltd.	34 Furukawa Magnet Wire Co., Ltd.
10 Foam Kasei Co., Ltd.	23 Furukawa Precision Engineering Co., Ltd.	35 Furukawa Life Service Inc.
11 Furukawa S and D Co., Ltd.	24 Furukawa Research Inc.	36 Miharuru Communications Inc.
12 Furukawa Techno Material Co., Ltd.	25 Furukawa Electric Ecotec Co., Ltd.	37 Riken Electric Wire Co., Ltd.

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Environmental Management Scope of the environmental management

34 Group companies in Japan

1 Tohoku Access Cable Company	13 Furukawa Communication and Broadcasting Co., Ltd.	24 Furukawa Life Service Inc.
2 NTEC Ltd.	14 Furukawa Industrial Plastics Co., Ltd.	25 Miharuru Communications Inc.
3 FCM Co., Ltd.	15 Furukawa Precision Engineering Co., Ltd.	26 Riken Electric Wire Co., Ltd.
4 Okano Electric Wire Co., Ltd.	16 Furukawa Techno Material Co., Ltd.	27 Furukawa Network Solution Corp.
5 Okumura Metals Co., Ltd.	17 Furukawa Electric Advanced Engineering Co., Ltd.	28 The Furukawa Finance and Business Support Co., Ltd.
6 KANZCC Co., Ltd.	18 Furukawa Electric Ecotec Co., Ltd.	29 Furukawa New Leaf Co., Ltd.
7 Shodensha Co., Ltd.	19 Furukawa Electric Industrial Cable Co., Ltd.	30 Furukawa Research Inc.
8 Seiwa Giken Inc.	20 Furukawa Electric Power Systems Co., Ltd.	31 Foam Kasei Co., Ltd.
9 TOTOKU Electric Co., Ltd.	21 The Furukawa Battery Co., Ltd.	32 Furukawa Nikko Power Generation Inc.
10 FITEC Corp.	22 Furukawa Logistics Corp.	33 Furukawa Elecom Co., Ltd.
11 Furukawa Automotive Systems Inc.	23 Furukawa Magnet Wire Co., Ltd.	34 Myojodenki Co., Ltd.
12 Furukawa Sangyo Kaisha, Ltd.		

57 Group companies overseas

1 SHENYANG FURUKAWA CABLE CO., LTD.	30 Changchun Furukawa Automobil Harness Co., Ltd.
2 Suzhou Furukawa Power Optic Cable Co., Ltd.	31 FURUKAWA AUTOMOTIVE SYSTEMS VIETNAM INC.
3 P. T. Tembaga Mulia Semanan	32 Furukawa Electric Autoparts (Philippines) Inc.
4 Trocellen GmbH	33 Permintex Furukawa Autoparts Malaysia Sdn. Bhd.
5 POLIFOAM MUANYAGFELDOLGOZO KFT	34 Furukawa Electric Autoparts Central Europe, s. r. o.
6 Trocellen Italia Holding S. r. l.	35 Furukawa Automotive Parts (Vietnam) Inc.
7 Trocellen Italy S. p. A.	36 FURUKAWA AUTOMOTIVE PARTS (DONG GUAN) LTD.
8 Trocellen S. E. A. Sdn Bhd	37 Furukawa Auto Parts (Huizhou) Ltd.
9 Furukawa Industrial S. A. Produtos Eletricos	38 Furukawa Mexico S. A. De C.V.
10 Furukawa Industrial S. A. Sucursal Argentina	39 American Furukawa, Inc.
11 Furukawa Cabos e Acessorios Ltda.	40 Tianjin Jinhe Electric Engineering Co., Ltd.
12 OFS FITEC, LLC	41 Furukawa Automotive Systems Lima Philippines, Inc.
13 OFS Fitel Denmark Aps	42 Furukawa Precision Thailand Co., Ltd.
14 OFS Fitel Deutschland GmbH	43 Xin Furukawa Metal (Wuxi) Co., Ltd.
15 Thai Fiber Optics Co., Ltd.	44 Furukawa Metal (Thailand) Public Co., Ltd.
16 Bangkok Telecom Co., Ltd.	45 SHANGHAI KORYU METALS CO., LTD.
17 P. T. Furukawa Optical Solutions Indonesia	46 Okumura Metals Malaysia Sdn. Bhd.
18 Furukawa FITEC (Thailand) Co., Ltd.	47 GUANGZHOU AUTOM AIRCONDITIONER PARTS CO., LTD.
19 Furukawa Fitel Optical Products (Shanghai) Co., Ltd.	48 OKUMURA METALS THAILAND CO., LTD.
20 DONGGUAN FURUKAWA TOTOKU OPT ELECTRONICS CO., LTD.	49 Furukawa Electric Copper Foil Taiwan Co., Ltd.
21 FURUKAWA TOTOKU (HONG KONG) LIMITED	50 Furukawa Circuit Foil Taiwan Corporation
22 Thai Furukawa Unicomm Engineering Co., Ltd.	51 Furukawa Electric Institute of Technology Ltd.
23 FE Magnet Wire (Malaysia) Sdn. Bhd.	52 SuperPower Inc.
24 Taiwan Furukawa Electric Co., Ltd.	53 Furukawa Electric Europe Limited
25 FURUKAWA AVC ELECTRONICS (SUZHOU) CO., LTD.	54 Furukawa Electric Singapore Pte. Ltd.
26 Furukawa Automotive Systems (Thailand) Co., Ltd.	55 FURUKAWA SHIANHAI, LTD.
27 Furukawa Wiring Systems Mexico S. A. De C. V.	56 Furukawa (Thailand) Co., Ltd.
28 PT. Furukawa Automotive Systems Indonesia	57 Furukawa Electric Hong Kong Limited
29 Furukawa Electric (Shenzhen) Co., Ltd.	

Furukawa Electric and the Group companies in Japan engaged in the production activities acquired ISO14001 certification pertaining to environmental management. We are also working to establish an environmental management structure that meets the requirement of ISO 14001, etc., at overseas, and about 70% of Group companies overseas acquired the said certification.

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Environmental Management Scope of the environmental accounting

24 Group companies in Japan

1 Tohoku Access Cable Company	10 Furukawa Automotive Systems Inc.	17 Furukawa Electric Ecotec Co., Ltd.
2 NTEC Ltd.	11 Furukawa Sangyo Kaisha, Ltd.	18 Furukawa Electric Industrial Cable Co., Ltd.
3 Okano Electric Wire Co., Ltd.	12 Furukawa Communication and Broadcasting Co., Ltd.	19 The Furukawa Battery Co., Ltd.
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9 FITEC Corp.		

FURUKAWA ELECTRIC CO., LTD.

<http://www.furukawa.co.jp/english/>



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