

# 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.

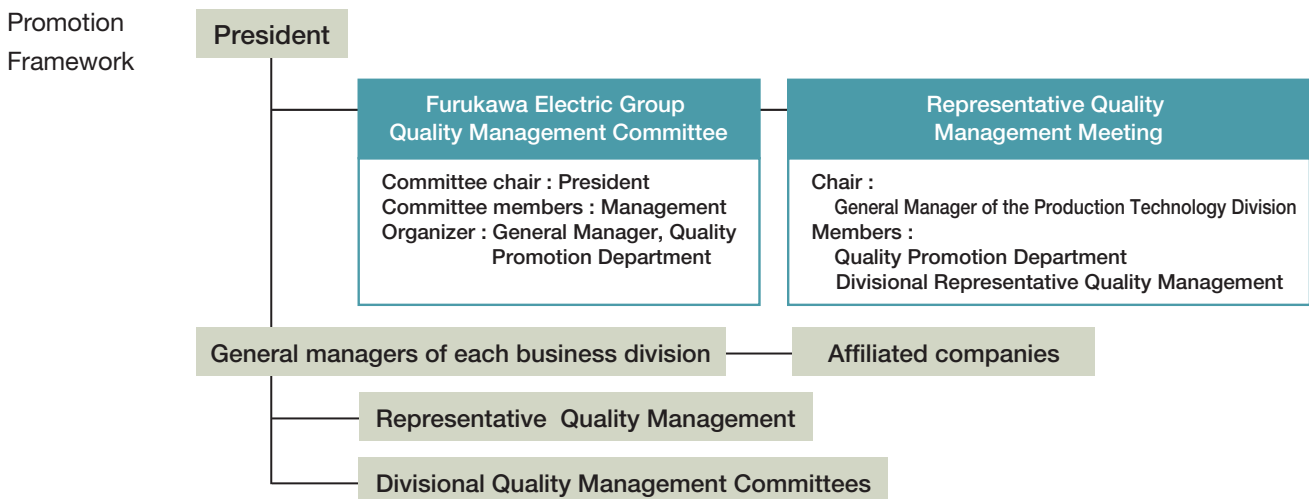
Going forward, we will continue endeavoring to further enhance “quality power” throughout Furukawa Electric Group by developing products that are attractive to our customers, based on a policy of Group-focused management.

### 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

	FY2014		FY2015
Targets	Results / Achievement		Targets
<b>Strengthening of fundamental Quality Power</b> - 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		<b>Strengthening of fundamental Quality Power</b> - 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 50<sup>th</sup> 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
<b>Strengthen strategic relationships with partners (suppliers)</b> - 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	😊 <b>Strengthen strategic relationships with partners</b> - 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

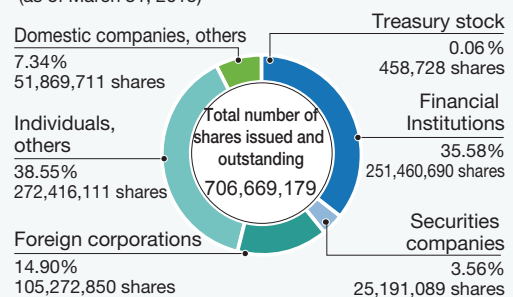
the financial structure, make growth strategy investments with a focus on the infrastructure and automotive markets and make investments aimed at developing the next generation of business to build a platform for sustainable growth, the Company decided to award a year-end dividend of ¥3.0 per share. 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

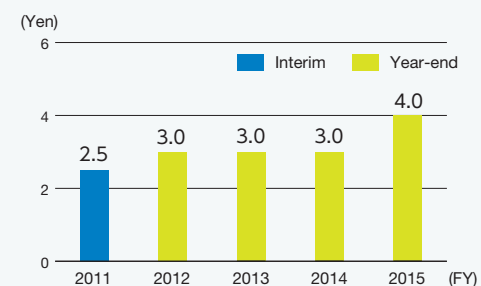
### General stock information (as of March 31, 2015)

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.

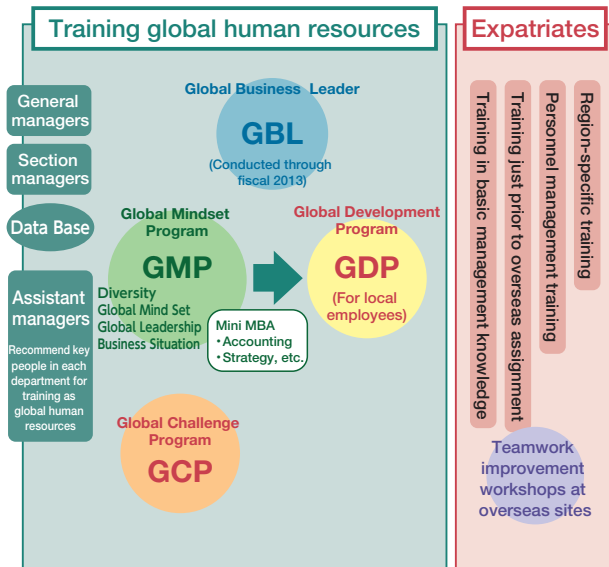
The state of our leaders affects corporate culture and reflects in our business results, which is why we give training at each level to develop leadership and the human qualities, especially sensitivity, among all our employees. We work hard to cultivate an interest in people and a sense of respect for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

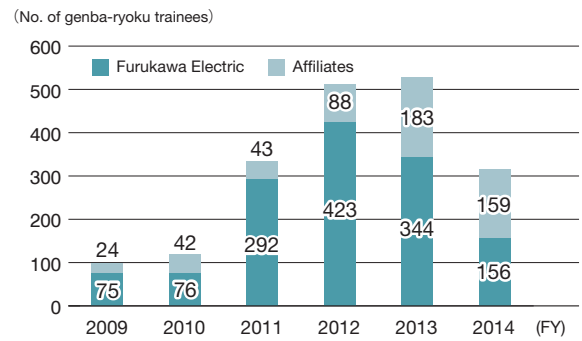


Monozukuri staff undergoing genba-ryoku training (group work)

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
	<b>Total</b>	<b>101</b>	<b>92</b>	<b>82</b>	<b>78</b>	<b>59</b>	<b>32</b>	<b>26</b>	<b>35</b>
	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
	<b>Total</b>	<b>87</b>	<b>44</b>	<b>15</b>	<b>22</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Encouraging Employment of Disabled People

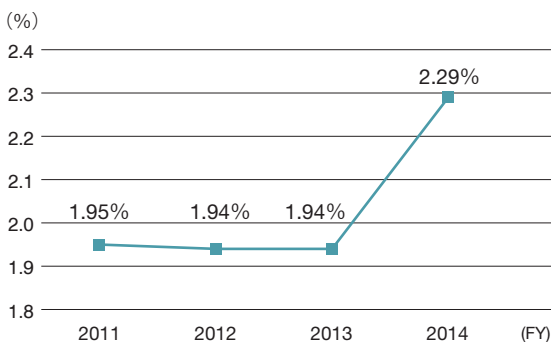
Furukawa Electric has established special subsidiary Furukawa New Leaf in fiscal 2004 for the purpose of improving our employment rate of disabled people. As of March 31st 2015, Furukawa New Leaf employs 39 people who are intellectually challenged, and Furukawa Electric has an overall disabled employment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

☹️ Partially achieved  
 😊 Achieved  
 ☹️ Not achieved

**Targets and Results (Personnel Development and Working Environment)**

FY2014		FY2015	
Targets	Results / Achievement	Results / Achievement	Targets
<b>Strengthening of global human resource training</b> - 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)	😊	<b>Strengthening of global human resource training</b> - Conduct GDP - Implement GCP
<b>Reinforcement of monozukuri capability</b> - 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 <sup>(note 1)</sup> , FMGW Shirone <sup>(note 2)</sup> ), 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	😊	<b>Reinforcement of monozukuri capability</b> - Set “ideals” and “targets” for different levels and different duties - Start genba-ryoku training at affiliates  <b>Support for diverse ways of working, and work-life balance</b> - Expand congratulatory/condolence leave to include spousal childbirth - Reduce no. of people taking extremely little annual leave
<b>Support for diverse work styles and work-life balance</b> - 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.

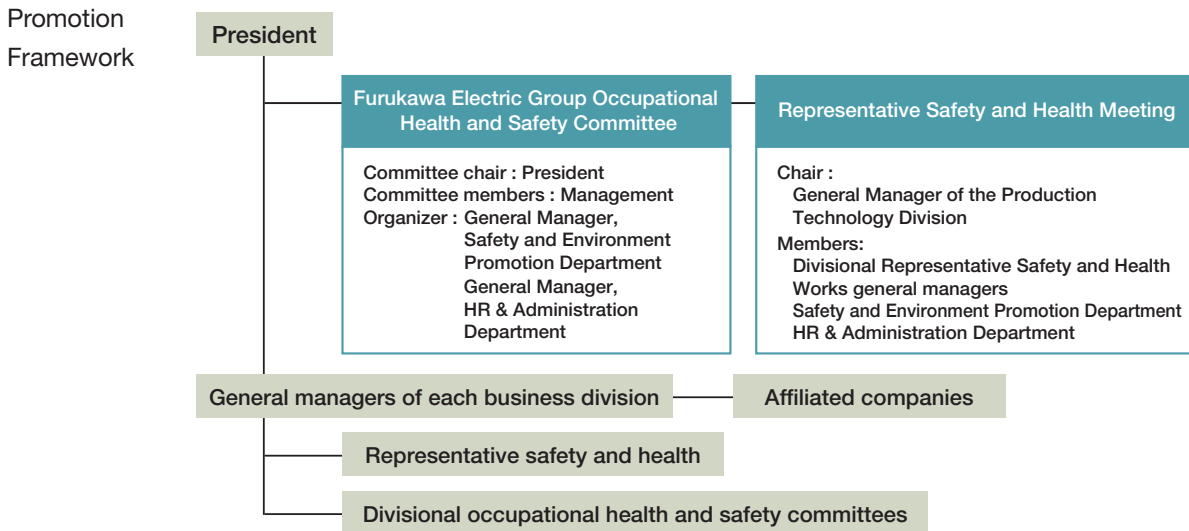
To raise the overall strength of the Group, we are developing tough human resource and a more collaborative environment by making career formation and human resources more fluid through planned allocation. We have done this with the introduction of FM Career Design, a personnel system that stimulates 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

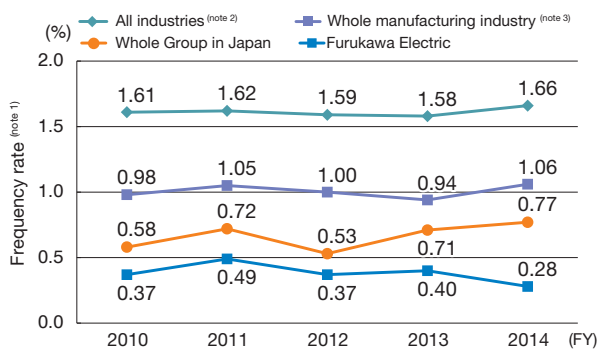
We conduct a follow-up of Furukawa Electric and our Group companies by our executive in charge of safety when an accident occurs or according to the previous year's performance. We seek to prevent a recurrence by checking the suitability and retention rate of countermeasures, engaging in dialog to make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



## Work Accident Occurrence Status

The frequency rate of accidents resulting in time off work <sup>(note 1)</sup> (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 <sup>(note 2)</sup>.

### 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



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

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

## 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.