

Top Message

Contributing to the achievement of a sustainable society, through the technological innovation firmly looking ahead for the future.



Photo Yu Kaida

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Kei Kobayashi

What about the progress of the mid-term management plan and the future outlook?

The Group launched the mid-term management plan “Furukawa G Plan 2020” in Fiscal Year (FY) 2016 and was strengthening the focused areas of the Infrastructure Business (the telecommunication and the energy) and the Automotive Business. In FY 2017, we were able to achieve the financial target for FY 2020 ahead of the schedule in the Plan, then the mid-term management plan was revised during the period and the higher target was set. We will continue to keep the following main policies “Strengthen and reform the business”, “Expand sales in the global market” and “Step up efforts to tap into new markets” and will surely achieve the new targets by answering to various technological innovation and business changes in the infrastructure and automotive fields and the fusion area of both fields. Human resources are the foundation of this. We will engage in a planned development of corporate manager candidate including overseas subsidiaries. By nurturing human resources across the Group, we will build a system in which the group will continue to grow globally.

New financial target in FY 2020

	Conventional target value	New target value
Consolidated operating income	Over 40billion yen	Over 55billion yen
Net income attributable to the owners of the parent company	Over 20billion yen	Over 30billion yen
ROE	Over 8%	Over 10%

Technological innovation is progressing at an unprecedented speed. How will you respond?

I feel the swell of technologies such as AI (Artificial intelligence), 5G (Fifth generation mobile communication system) and Automobile CASE (Connected, Autonomous, Shared, Electric) that substantially changed the industry until now. It seems that business opportunity will rapidly spread in the areas of the smart communication infrastructure, the diversification of the energy infrastructure, the area of the green automobiles and their fusion areas. For instance, in the utilization of the renewable energy and for the stabilization of the power system, the electricity storage technology and the information communication technology are required. Further, in order to automate the automobile driving, the automobiles are developed as information terminals by integrating the information communication and automobiles, such examples are actually created.

For 134 years, the Company has created products and services to protect the health of the people and their social infrastructure and to support their growth, through our technologies “to transfer, to connect and to store” “energy, information and heat”. I am taking pride and believe that an era has come when we can greatly contribute to the future social changes and technological innovations by taking the most advantage of these technological capabilities and experience. The Company has a lot of business opportunities.

However, in order to create the technological innovation in the technologies fusion area, open

innovation is necessary instead of being stacked to our own technologies. For this purpose, Fun Lab has been established in Yokohama R&D Laboratories as a place to bring in new innovations through “Comprehension”, “Cooperation” and “Collaboration” with our guests. Also, in collaboration with the National Institute of Advanced Industrial Science and Technology (AIST), “Carbon nanotube electric wire development” is conducted and since this February, a Social Cooperation Program “Creation of Next-Generation Signal and Power Transfer Technologies” has been started at the University of Tokyo. Thus, we are engaged in activities to develop businesses with new ideas by combining our new material technologies with the academic knowledge of the university.

In recent years, Environment, Society and Governance (ESG) management has been focused. What do you think about this?

Our corporate philosophy is to “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”. We have aimed to realize a rich and sustainable society by protecting the environment through our business. We are promoting ESG management in various ways for our own sustainable growth for the future.

For instance, regarding the environment, we are contributing to the prevention of global warming through various activities, including reduction of CO2 emission by supplying lightweight products such as the aluminum wire harness for automobiles, the utilization of the renewable energy from the hydro power generation of Furukawa Nikko Power generation Inc. of the group company, the energy saving based on the energy balance and promoting the solar power usage. Also, aiming to “Nurture human resources at every level, so that we can become a more diverse and creative organization” as listed in the management philosophy, we are developing an environment and cultural climate in which diverse human resources are active by setting “Goals for promoting women activities” and supporting women’s career development. As for the corporate governance that supports these variety of activities, we regard it as the most important management foundation for the Company and we are strongly promoting the activity to strengthen such as the establishment of the basic policies at the corporate

governance, the annual evaluation and the disclosure of the results in order to improve the effectiveness of the Board of Directors and increasing the number of outside directors.

In addition, although we have just started to make a study, we will proceed with our activities in full consideration of “Sustainable Development Goals (SDGs)” adopted by the United Nations in 2015, and we are going to expand business opportunities with a long-term business vision, in conjunction with contributing to solving global environmental and social problems. As for the Company, among the themes of SDGs, we believe that we can contribute to such as “ensuring access to a sustainable and modern energy”, “building resilient infrastructure including information and communication” and “ensuring sustainable production and consumption patterns”.

From now on, we clarify the relationship between the business and products of the Group and ESG and strengthen the information dissemination of our concrete activities. Furthermore, we intend to strive for the improvement of the corporate value by integrating ESG into our management strategy and through dialogue with investors as well as various stakeholders.

Finally what is important to keep the company sustainable?

Ichibei Furukawa, the founder of Furukawa Group, said “Let employees be important, customers be important and the new technology be important.” I believe “The three importance” is a fundamental culture that still works today, in order to remain as a sustainable company. While adhering to this spirit, striving to ensure safety, quality and compliance, these are absolute conditions for the Company to survive. Then, making discussion with internal and external people with an open mind by watching changes in the society from a broad perspective, creating products and services that can solve customer’s and society’s problems with a new technology, working “excited” as our own pleasure for customer’s pleasure, having pride and responsibility for what we have sent out to the world, then maintaining to be in such a virtuous cycle, I believe that we can continue to be a sustainable company and an indispensable part of the society.

Last but not least, I appreciate your continued understanding and support for the Group.