

# Delivering “sustained profitable growth” and contributing to the creation of a sustainable society



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

Mitsuyoshi Shibata  
President  
Furukawa Electric Co., Ltd.

- The title of the recently published briefing materials for the 2020 Mid-term Management Plan was “Delivering Sustained Profitable Growth”. Would it be correct to regard the meaning of the word “sustained” here as referring not only to the company’s results but also to “sustainability” in the sense of creating the potential for the company to remain in business by meeting its social responsibilities?

Yes, that’s correct. We have a responsibility to continue pursuing robust business activities and creating profits, not only so that we are able to contribute to our stakeholders, but also so that we can contribute to finding solutions in our areas of expertise that contribute to the sustainability of the natural environment and society on a global scale and help to build a better society. In order to achieve this, as part of the process of developing our business globally, in our day-to-day activities we adopt a global approach to the challenge of contributing to increasingly diverse stakeholders and to finding solutions that will contribute to sustainability.

- The following three initiatives are set out in the mid-term management plan as ways of achieving this growth: “Strengthen and reform businesses”; “Expand sales in the global market”; and “Step up efforts to tap into new markets”. Which of these initiatives are recognized as strong links with sustainability?

All of these initiatives have numerous services and products that are related to sustainability in

terms of both the natural environment and society. Let me tell you about some of the products from each of these initiatives. The “strengthen and reform businesses” initiative includes riser cables which support offshore floating wind power generation as part of smart infrastructure, and high-temperature superconducting magnets which support superconducting flywheel electricity storage systems. “Expand sales in the global market” includes active optical products which contribute to the IoT through the smartification of telecommunications infrastructure. “Step up efforts to tap into new markets” includes products such as aluminum wire harnesses which contribute to reductions in CO2 by reducing the weight of motor vehicles and increasing fuel efficiency. We are contributing to creating a sustainable society in our these and many other production field especially in infrastructure, automotive products & materials and functional products by utilizing the material technologies that is a particular strength of Furukawa Electric.

**- What areas have you strengthened as part of a management platform to support these initiatives? In recent years, it has been said that prioritizing ESG (Environment, Social, Governance) contributes to the sustained growth of companies. Could you please give us your opinion on this, including your perspective on ESG?**

As a first step, we have strengthened corporate governance, made ongoing improvements to the operation of the board of directors, and practiced governance in a way that balances offense and defense. What’s more, employees across the group have disseminated the Group Philosophy and acted in accordance with our shared values in order foster human resources capable of meeting the expectations and gaining the trust of society and our customers. Since last year, all employees, including myself, have started “Work Style Reform” activities, which aim to achieve sustainable growth for the company and more meaningful lives for

individual employees, by making autonomous efforts to reform our working styles and using this as a way of reforming our organizational culture. Furukawa Electric’s Management Philosophy sets out the following goal: “Nurture human resources at every level, so that we can become a more diverse and creative organization.” I believe it is essential that we promote Group Global management in a way that creates an environment and culture that allows diverse human resources to flourish, and I have been focusing on diversity management for a long time. We will be accelerating initiatives with defined quantitative targets, particularly in relation to the promotion of women’s careers.

**- Lastly, could you please give a message as President to the readers of this report?**

Furukawa Electric Group has set out the basic behavior expected of our officers and employees in the Furukawa Electric Group CSR Code of Conduct. Our officers and employees are required to increase their awareness of safety, quality and compliance, and to put this into practice. This is because it is the attitude of each and every employee in regard to safety, quality and compliance that provides the foundation for our business activities. Moving forward, we will continue to monitor from a global perspective the status of our organizational platform, including the implementation of our Code of Conduct, to contribute to solutions to global problems through our business activities, and to focus on our ability to create even more value for society. Lastly, I would ask as many people as possible to read this report in order to promote a greater understanding of Furukawa Electric.

**Thank you very much.**