

Enhancing social value through material technologies to brighten the world



A handwritten signature in black ink that reads "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.