

# I Corporate Profile and Summary of Business

## Corporate Profile Summary of Business

### Corporate Profile

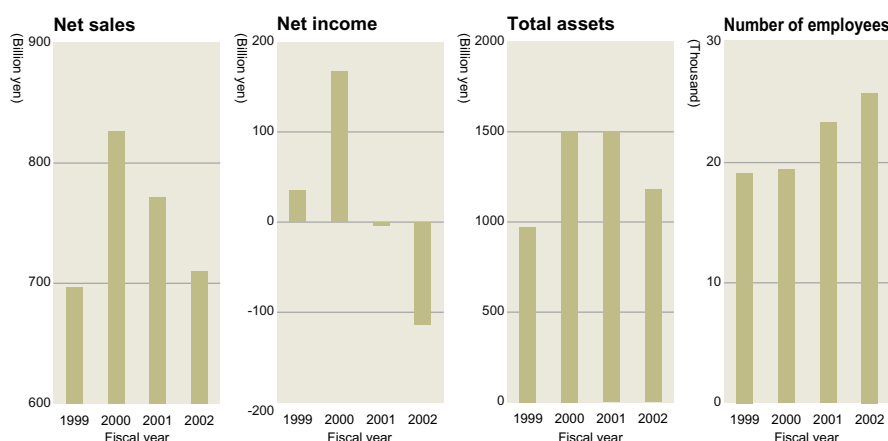
Since its establishment more than a century ago, Furukawa Electric has kept pace with the progress in technology which has shaped the foundations of Japanese industry. Originally fostered by electric cables and non-ferrous metals, the Company's advanced technologies have steadily expanded in response to the needs of the times and still continue to challenge new possibilities with innovation and creativity.

<b>Head Office:</b>	6-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo 100-8322
<b>Founded:</b>	1884, changed firm name in 1920
<b>Paid-in Capital</b>	59.2 billion yen
<b>Number of Employees:</b>	7,889
<b>Works:</b>	Chiba Works, Nikko Works, Hiratsuka Works, Oyama Works, Mie Works, Osaka Works, Fukui Works, Shiga Works, Kambara Works, Shinagawa Works, Yokohama R&D Laboratories
<b>Sales Offices:</b>	Kansai Branch Office, Chubu Branch Office, Kyusyu Branch Office, Chugoku Branch Office, Tohoku Branch Office, Hokkaido Branch Office
<b>Overseas Representative Offices:</b>	London Representative Office, Beijing Representative Office, Shanghai Representative Office, North America Representative Office
<b>Research Laboratories:</b>	Yokohama R&D Laboratories, Metal Research Center, Ecology & Energy Laboratory, FITEL Network Laboratory, FITEL Photonics Laboratory, Automotive Technology Center

As of March 31, 2003

### Consolidated Business Performance

In spite of overall decline in demands, domestic demands in such fields as optical fiber cable, aluminum can stock for beverage and copper strip saw a sign of recovery since the beginning of the last half. However, under the influence of the worldwide IT depression and because of a significant decrease in the sales of fiber optic products centering North America, the consolidated sales ended up with 710,616 million yen (minus 7.9 % over the previous fiscal year).



### Summary of Business

Major market products are summarized here together with their environmental aspects, whereby the products, ranging from raw materials to various systems, are categorized into four business areas that supported by the advanced technology of Furukawa Electric.

Major market products	Sales composition ratio	Production Bases												Environmental aspects				
		Chiba	Nikko (Copper)	Nikko (Aluminum)	Hiratsuka	Oyama	Mie	Osaka	Fukui	Shiga	Kambara	Shinagawa	Yokohama	Energy conservation	Global warming	Resource saving	Recycling	Hazardous substance elimination
<b>Telecommunications</b> Optical fibers and cables, Optical components, Optical fiber cable accessories and Installations, Network equipments	22%	○	—	—	○	—	○	—	—	—	—	○	○	—	—	○	○	○
<b>Plastic, Cables and Wires</b> Bare wires, Aluminum wires, Insulated wires, Magnet wires, Power cables, Power transmission cable accessories and installations, Plastic products such as power cable conduit material and foam sheet, and thermoelectric products	23%	○	○	—	○	—	○	—	—	—	○	○	—	○	○	○	○	○
<b>Nonferrous Products</b> Copper pipes and rods, Electrolytic copper foils, Shape memory alloys, Aluminum sheets, Extruded aluminum products, Cast and forged products	36%	—	○	○	—	○	○	○	○	—	—	—	—	○	○	○	○	—
<b>Electronics-related Products and Others</b> Automotive components and electric wirings, Heat pipes, Aluminum circuit boards for memory discs, Electronic component materials	19%	○	○	○	○	—	○	—	—	—	—	○	—	—	○	—	○	

## II Pro-environmental Management Policy

### Basic Policy Action Guidelines

#### Basic Policy

Furukawa Electric recognizes that preservation of the global environment is a critical issue for society, and shall incorporate consideration of environmental preservation issues into every phase of corporate activity, to contribute forwards the sustainable, happy and prosperous society.

### Action Guidelines

- All activities shall be based on an awareness of its effect on the global environment, and environmental preservation activity shall be pursued by all employees.
- We shall observe environmental laws and regulations and requirements from our customers, and set up voluntary standards to upgrade control levels.
- We shall define environmental targets and objectives, and carry out activities according to the plan, thereby continuously improving environmental preservation activity.
- Environmental concern shall be taken into consideration in every phase of our work from the R&D and design stages to supply environment-friendly products.
- In every phase of procurement, manufacturing, distribution and customer service we shall work to reduce consumption of resources and energy, to promote recycling, and to reduce waste materials and environmental loading.
- We shall carry out environmental audit, and review environmental management system and environmental preservation activity for continuous improvement.
- We shall educate all employees to enhance their environmental awareness, and promote disclosure of information and social communication, thereby actively contribute to community activities.



Revised January 6, 2003

The former Action Guidelines established in January 1998 has been revised here to cover our extended environmental concern in every field around the Company to reflect recent trends in society.

# III Overview of Target, Plan and Performance regarding Environmental Preservation

## Medium-Term Targets and Performance

### Targets and Performance of Medium-Term Plan for Environment Preservation Activities 2002

In fiscal 2001, based on the Basic Concept and Activity Guidelines, the Medium-Term Plan for Environment Preservation Activities 2002 was formulated. The plan organizes the Company's environmental tasks, and sets up specific items and targets of environmental preservation activity to be fulfilled by the end of fiscal 2002. The table shows the performance and evaluation at the end of the last period.

#### Targets and Performance of Medium-Term Plan for Environment Preservation Activities 2002

Item	Target	Performance	Evaluation
Acquisition of ISO14001 certification and continuous upgrading	Acquisition by all Works	Completed March 2003	○
Effluent reduction of hazardous substances and strengthening of chemical substance control	Complete abolition of use of organic chlorine compounds by fiscal 2002	Incompletely abolished	△
Reduction of industrial waste	40 % reduction over fiscal 1995 in fiscal 2002	59 % reduction	◎
	Start zero-emission activities	Definition formulated	○
Development of education and promotion of information disclosure; Joining social activities			○
Formulation of medium- and long-term energy conservation plan	Formulation of medium- and long-term energy conservation plan	Five-year plan formulated	○
	Annual reduction of 1 % in energy intensity per unit product (EIPUP)	8.2 % reduction over fiscal 1999	◎
Promotion of development of products with small environmental impact		Promotion by development committee	△

Legend ◎: Achieved beyond target ○: Achieved △: Slightly un-achieved ×: Considerably un-achieved

### Targets of Medium-Term Plan for Environment Preservation Activities 2005

Based on the Environmental Activity Guidelines reviewed in January 2003 and the results of the Medium-Term Plan for Environment Preservation Activities 2002, the Medium-Term Plan for Environment Preservation Activities 2005 has been formulated. Activity items and targets until fiscal 2005 will be developed into annual priority environmental activity targets, and subsequently brought into environmental management activities of individual business bases.

#### Targets of Medium-Term Plan for Environment Preservation Activities 2005

##### ■Reduction of industrial waste

Reduction of industrial waste 30 % reduction over fiscal 2000 in fiscal 2005  
Zero-emission activities 50 % reduction of land fill quantity over fiscal 2000 in fiscal 2005

##### ■Reduction of greenhouse gases

Reduction of CO<sub>2</sub> emission 5 % reduction over fiscal 2000 in fiscal 2005  
Reduction of SF<sub>6</sub> emission 50 % reduction over fiscal 2000 in fiscal 2005  
Energy conservation 1 % reduction over previous year in terms of EIPUP

##### ■Effluent reduction of chemical substances

25 % reduction over fiscal 2000 in fiscal 2005  
(Targeted substances: Toluene, Xylene, Ethylbenzene, Trimethylbenzene)

##### ■Promotion of green procurement

Achievement ratio for general commodity including stationery 100 % in fiscal 2005  
Achievement ratio for purchased products from major vendors 100 % in fiscal 2004

##### ■Eco-design activities

Development of environment-friendly products  
Evaluation of environmental impact Investigation of trends and necessity by fiscal 2004

##### ■Reinforcement of organization for environmental management

Establishment of environmental management organizations in the head and branch offices by fiscal 2005

##### ■Promotion of consolidated pro-environmental management

Promotion of environmental activities in affiliated companies

# Overview of Targets, Plan and Performance regarding Environmental Preservation

## Last Year's Performance and This Year's Targets

### Priority Environmental Activity Targets and Performance in Fiscal 2002

Performance in Fiscal 2002 for the Medium-Term Plan for Environment Preservation Activities 2002 is shown in the Table here.

#### Priority Environmental Activity Targets and Performance in Fiscal 2002

Item	Target	Performance	Evaluation
Acquisition of ISO14001 certification	Yokohama, Oyama, Shiga, Nikko (Sheet Plant)	Acquisition completed	○
Complete use abolition of three organic chlorine compounds	Oyama, Nikko, Kambara, Yokohama	Kambara, Yokohama	△
Reduction of industrial waste	40 % reduction over fiscal 1995	57%	◎
Zero-emission activities	Start of initiatives	Definition formulated	○
Promotion of energy conservation activities	1 % reduction over the previous year in EIPUP	5.7 % increase over fiscal 2001	×
	Level up and strict enforcement of control level	Review of set point for compressor pressures; Promotion of inverter-controlled pumps	△
Introduction of chemical substance control system	Expansion to all Works	Limited to certain Works	△
Green procurement activities	Start of activity	Definition of related standards	○
Improvement in accuracy of environmental accounting		Review of guidelines	△
Active participation in local community activities		Participation of business bases	△

Legend ◎: Achieved beyond target ○: Achieved △: Slightly un-achieved ×: Considerably un-achieved

### Priority Environmental Activity Targets for Fiscal 2003

The Table here shows activity items and targets for fiscal 2003 developed from the Medium-Term Plan for Environment Preservation Activities 2005. Individual business bases will bring in these targets into their environmental management activities, and plan to promote their own activities.

#### Priority Environmental Activity Targets for Fiscal 2003

■Reduction of industrial waste	18 % reduction over fiscal 2000
■Zero-emission activities	30 % reduction over fiscal 2000
■Reduction of greenhouse gases	4 % reduction of CO <sub>2</sub> emission over fiscal 2000
■Promotion of energy conservation activities	1 % reduction in EIPUP over previous year
■Effluent reduction of chemical substances	25 % reduction over fiscal 2000
■Promotion of green procurement	Designing evaluation measure and procurement processing system
■Promotion of consolidated pro-environmental management	Framework establishment of consolidated pro-environmental management and establishment of promotion organization
■Eco-design activities	Development of environment-friendly products Evaluation of environmental impacts
	Promotion by Committee for Development of Environment-Friendly Products Investigation of LCA cases related to the Company
■Reinforcement of organization for environmental management	Establishment of environmental management organization