

Quality Assurance

■ Policies and Strategies

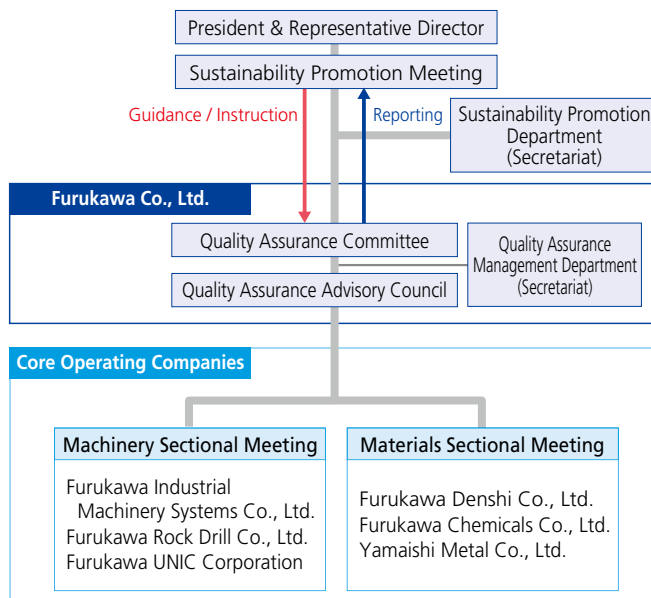
Based on its Quality Assurance Basic Policy and the Quality Assurance Action Guidelines, the Furukawa Company Group aims to provide quality products and services that earn the trust and satisfaction of customers and thus contribute to society.

 [Furukawa Company Group Quality Assurance Basic Policy and Action Guidelines](#)

■ Governance Framework

The Quality Assurance Committee was established within Furukawa Co., Ltd., to engage in comprehensive deliberations on important matters relevant to quality assurance in the Group. We also established the Quality Assurance Management Department within the Technology Division of Furukawa Co., Ltd., to manage the Group's quality assurance framework and promote activities for quality assurance and product safety. The two organizations work together while engaging the entire Group to provide products and services that earn the trust and satisfaction of our customers.

● Quality Assurance Management System



Quality Assurance Committee

The Quality Assurance Committee, which is attended by the heads of the production divisions of the core operating companies, consists of the Quality Assurance Advisory Council, which brings together the quality assurance managers of the core operating companies, and sectional meetings, whose members pursue activities separately in the Machinery and Materials businesses. To achieve the key objectives defined each fiscal year, we promote compliance with laws and regulations related to manufacturing, quality assurance, and product safety, as well as the development of products that customers can use safely and with confidence. At the same time, we share information on complaint analysis methods and reduction initiatives at each business operation and horizontally deploy these methods across our organization. Based on the understanding that product safety is an integral part of quality assurance, we also continuously promote risk assessment and other activities to elevate product safety levels.

■ Risk Management

Machinery Sectional Meeting: Activity Report

The Machinery Sectional Meeting shares information among the three machinery-related core operating companies and promotes

comprehensive activities to provide products that meet customer requirements and reduce claims. The products of each operating company are diverse, even though they all have mechanical structures. To reflect this diversity in our products, we share information and engage in continuous Groupwide activities to build the best quality assurance system for each company and ensure effective and efficient processes.

In fiscal 2022, we formulated the Quality Roadmap for Machinery Business Companies (fiscal 2023–2025), which defines our efforts to address 10 common themes that require the focused attention of the three machinery-related operating companies, and began deploying the roadmap in fiscal 2023. The three companies and the Quality Assurance Management Department are each responsible for the specific themes of the roadmap. Through mutual verification and synergistic operation of information and systems, we are working to create a virtuous cycle of Groupwide quality improvements.

The 10 themes are (1) engage in quality awareness activities for all officers and employees, (2) unify the quality management education system, (3) review the database of defect-related information and promote its utilization, (4) enhance communication (ensure timely delivery of necessary information to appropriate departments by appropriate means), (5) ensure proper design verification and validation, (6) establish a method for evaluating customer satisfaction, (7) ensure stable quality of outsourced parts, (8) identify and improve necessary quality-related competencies, (9) enhance responses to risks and opportunities, and (10) conduct regular quality audits across the board.

In addition, using digital technology at manufacturing sites is essential to achieve continuous quality improvement given the constraints of labor shortages and increasing product complexity. We believe that collecting and integrating quality-related data with emphasis on validity, efficiency, and convenience will greatly enhance our ability to address customer needs, pass on knowledge, and utilize data for processes. In parallel with the quality roadmap, therefore, we will promote the use of digital technology to ensure more reliable quality assurance.

Materials Sectional Meeting: Activity Report

The Materials Sectional Meeting consists of representatives of core operating companies whose materials are widely used in electronic devices and other products. It has embraced a customer-oriented approach and set a goal of “zero quality-related complaints” and is working to improve its quality assurance system, including for products procured overseas.

The Sectional Meeting works to raise the Group's overall level of quality assurance by sharing the activities of the materials-related operating companies. The common challenge is reducing in-process defects. In response, we exchange information on the root-cause investigation process, recurrence prevention measures, and verification results regarding defects at the operating companies, and each company uses this information as a reference for future activities. The core operating companies also use SDS^{*1} and other risk assessment tools to provide information related to risk. We view the release of defective products as a major risk and strive to prevent such release by emphasizing change-point control and highly reliable design and inspection automation.

In fiscal 2023, as part of our effort to introduce and improve FMEA^{*2} methodology, we conducted FMEA training sessions hosted by Furukawa Denshi Co., Ltd., and reorganized the necessary documentation. With the goal of achieving “zero quality-related complaints,” in fiscal 2024 we will continue striving to further improve our quality assurance system. Here, we will deploy FMEA to focus on highly reliable design, prevent the release of defective products, and otherwise improve our quality assurance system, including for items procured overseas. Our aim is to further raise

the level of each company in the Materials Sectional Meeting.

*1 Safety Data Sheet

*2 Failure Mode and Effects Analysis: Systematic method of analysis to prevent problems by predicting their causes at the design and process planning stages.

Metrics and Targets

FY2023 targets:

- Establish and continuously improve quality assurance system: Implement activities in accordance with the quality roadmap (machinery-related operating companies)
- Reduce quality-related complaints (machinery-related operating companies)
- Strengthen quality assurance system: Review existing methods and consider new ones (materials-related operating companies)
- Strengthen activities to raise awareness about quality (Companywide)

FY2023 results:

- Followed quality roadmap in first year largely as planned (machinery-related operating companies)
- Reduced quality-related complaint expenses compared with the previous fiscal year (machinery-related operating companies)
- Raised the quality level of the Materials business by sharing information on FMEA methodology and improving existing activities (materials-related operating companies)
- Distributed quality assurance educational materials to all officers and employees on four occasions (Companywide)

Initiatives

Human Resource Development to Support Quality Assurance

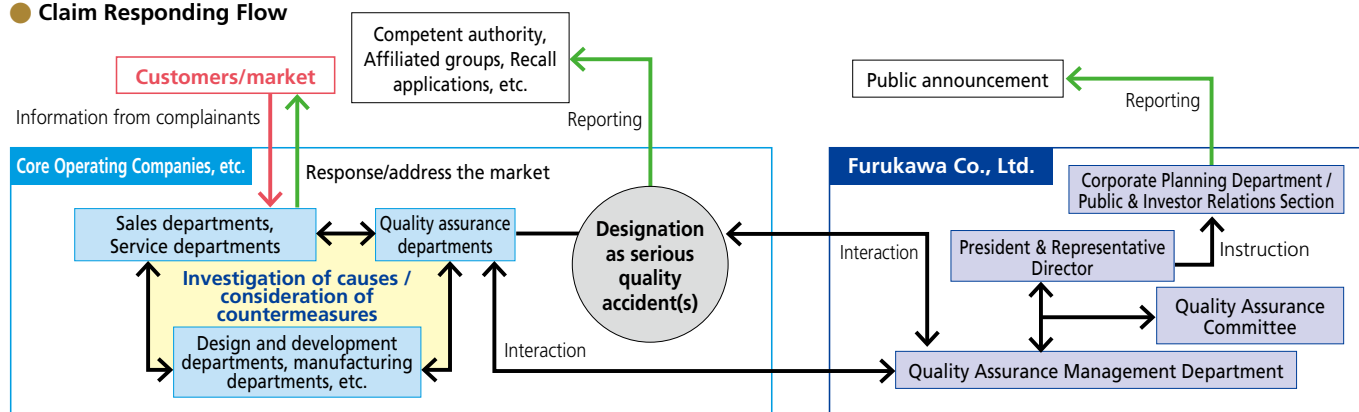
The Furukawa Company Group has a diverse product lineup, with each business segment conducting quality-related education

activities tailored to its own product offerings. In addition, the Quality Assurance Management Department of the Technology Headquarters of Furukawa Co., Ltd., which serves as the Group's headquarters, distributes educational materials on quality assurance to all employees and staff across the Group. We aim to increase opportunities for employees to think about quality by providing explanations of basic quality assurance principles and sharing examples of quality assurance activities at Group companies. In these ways, we strive to foster a mindset that quality assurance activities are not solely the responsibility of the quality assurance department, but are a collective effort involving all employees. In parallel with information dissemination, we conduct surveys to verify the understanding level of employees in each company, department, and position and thus assess the effectiveness of our educational activities. At the same time, we identify issues and requests related to quality assurance in various operations. This information is used to enhance future educational content and strengthen quality assurance frameworks within each business segment.

Responding to Complaints

When complaints are made, the Quality Assurance Departments of core operating companies take the lead in immediately checking the facts and analyzing and verifying the causes. When problems with quality are deemed to be particularly serious, the departments make reports to the competent authorities according to laws and regulations, disclose information to customers through websites and other means, and promptly report the circumstances to management. Accordingly, we have established a system under which the Group comes together to take swift and appropriate action.

Claim Responding Flow



ISO 9001 Certification Acquisition Status

The acquisition status of ISO 9001 in the Group is as follows.

Company Name	Acquisition Date	Certification Organization
Furukawa UNIC Corporation	June 6, 1997	Japan Quality Assurance Organization (JQA)
Furukawa Rock Drill Co., Ltd.	October 17, 1997	TÜV Rheinland Japan Ltd.
Furukawa Denshi Co., Ltd.	December 4, 1998	Japan Quality Assurance Organization (JQA)
Furukawa Industrial Machinery Systems Co., Ltd.	June 22, 1999	Nippon Kaiji Kyokai (ClassNK)
Yamaishi Metal Co., Ltd.	November 28, 2000	Bureau Veritas Japan Co., Ltd.
Furukawa Chemicals Co., Ltd.	July 24, 2003	JIC Quality Assurance Ltd. (JICQA)
FURUKAWA UNIC (THAILAND) CO., LTD.	May 14, 2009	Perry Johnson Registrars, Inc.
TAIAN FURUKAWA UNIC CRANE CO., LTD.	November 8, 2010	Shanghai Audit Centre of Quality System
FD Coil Philippines, Inc.	March 24, 2021	United Registrar of Systems Ltd.