

Furukawa Company Group

# **Sustainability Book 2025**

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**FURUKAWA CO.,LTD.**

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## About the Furukawa Company Group Sustainability Book 2025

## Editorial Policy

From the fiscal 2023 edition, the Furukawa Company Group publishes an Integrated Report and a Sustainability Book.

In addition to sustainability-related information contained in the Integrated Report, this Sustainability Book covers more detailed data and activity reports and comprehensively discloses information on sustainability. We will strive to enhance the content of the report by presenting the Group's approach to sustainability and medium- to long-term growth potential from a non-financial perspective in an easy-to-understand manner.

In consideration of the environment, the Sustainability Book is published in PDF format only.

We have created this report in coordination and collaboration with the departments concerned, and the edited result is published with the approval of the President &amp; Representative Director, who is Chairman of the Sustainability Promotion Meeting.

## Target Period

In principle, this report covers initiatives in fiscal 2024 (April 1, 2024–March 31, 2025), but also includes some initiatives in fiscal 2025.

## Target Organizations

In principle, this report applies to Furukawa Co., Ltd., and its group companies.

## Referenced Guidelines

- *Sustainability Reporting Standards*, Global Reporting Initiative (GRI)
- *Environmental Reporting Guidelines, 2018 Version*, Ministry of the Environment
- *Environmental Accounting Guidelines, 2005 Version*, Ministry of the Environment
- *JIS Z 26000:2012 Guidance on Social Responsibility (ISO 26000:2010)*, Japanese Standards Association
- *SASB Standards*, Sustainability Accounting Standards Board
- *Final Report: Recommendations of the Task Force on Climate-related Financial Disclosures*, TCFD

## Company Names

Furukawa Co., Ltd.: The operating holding company of the Group

Furukawa Company Group: 31 consolidated subsidiaries and 8 affiliated companies (as of March 31, 2025)

Core operating companies: Furukawa Industrial Machinery Systems Co., Ltd., Furukawa Rock Drill Co., Ltd., Furukawa UNIC Corporation, Furukawa Metals &amp; Resources Co., Ltd., Furukawa Densi Co., Ltd., and Furukawa Chemicals Co., Ltd.

## Publication Period

December 2025

# Sustainability in the Furukawa Company Group

## Policies and Strategies

### The Furukawa Company Group Basic Policy on Sustainability Initiatives (effective December 1, 2021)

The Furukawa Company Group has positioned efforts toward sustainability as one of its most important management issues. In addition to contributing to help realize a sustainable society, the Group is committed to achieving sustainable growth and increasing medium- to long-term corporate value by establishing a robust corporate foundation for growth and resolving social issues through its business.

The initiatives to realize this basic policy are as follows.

#### 1. Defensive sustainability: Establishing a robust corporate foundation for growth

In order to establish a robust corporate foundation for growth, the Group will strengthen and expand its enterprise risk management system and increase corporate value by emphasizing business practices that reflect CSR/ESG issues recognized and to be solved by the Group.

#### 2. Aggressive sustainability: Resolving social issues through business

In addition to increasing the value of the Furukawa brand through "marketing-based management"<sup>\*1</sup> that incorporates CSV<sup>\*2</sup> perspectives, the Group will create corporate value and contribute to the creation of social value by developing infrastructure and providing products, technologies, and services that help to resolve social issues.

\*1 "Marketing-based management"

This means incorporating marketing into the core of management to provide products and services recognized as valuable in changing markets, as well as to identify and resolve issues and problems faced by customers, with the aims of deepening ties with customers, achieving sustainable growth, and increasing corporate value.

\*2 CSV (creating shared value): This is a management framework that enables companies to co-create "social value" and "corporate value" by tackling social, environmental, and other issues.

## Ideal Image for Sustainability 2025

In 2016, the Furukawa Company Group formulated "Ideal Image for CSR 2025" in order to think about what sort of CSR activities should be conducted once Vision for 2025 "FURUKAWA Power & Passion 150" has been achieved. In May 2023, we changed the name to "Ideal Image for Sustainability 2025." We are promoting activities to achieve the ideal image so we can remain a company that is indispensable to and trusted by society.

### ● Ideal Image for Sustainability 2025 (Updated May 2024)

#### Promote environmental and safety activities

Achieve accident- and disaster-free operations, reduce environmental impact, promote environmental protection and biodiversity preservation, publicly disclose results of environmental and safety activities, promote preventive maintenance and management of mine run-off treatment facilities and loading docks at suspended or abandoned mines, and improve the on-site capabilities through knowledge and technology transfers

#### Improve the brand strengths of Furukawa products and achieve top ranking in product categories

#### Expand and strengthen human resources

Build a rewarding company by providing comfortable work environments in which individual employees can maximize their abilities and create new value

#### Leverage sustainability activities to pursue QCD<sup>\*3</sup> and sustainably make and sell products that are trusted by customers

#### Promote sustainability initiatives

Expand and enhance enterprise risk management system, disclose information on activities related to sustainability and climate change, monitor and manage measures and targets for material issues related to sustainability initiatives, implement environmental and human rights due diligence measures, and promote GHG<sup>\*4</sup> reduction plan related to carbon neutrality

#### Ensure that all officers and employees are keenly aware of compliance as it applies to the international community

\*3 QCD: Quality, cost, and delivery

\*4 GHG: Greenhouse gas

## Governance Framework

### Sustainability Promotion Framework

At the Furukawa Company Group, the Board of Directors is responsible for overseeing sustainability matters and addressing related risks and opportunities. Under the direction of the Board, the Sustainability Promotion Meeting actively spearheads initiatives to put "The Furukawa Company Group Basic Policy on Sustainability Initiatives" into practice.

The Sustainability Promotion Meeting convenes annually, in principle, with the President & Representative Director serving as Chairperson and the Sustainability Promotion Department as Secretariat. The Meeting deliberates on a variety of sustainability and CSR issues, including formulation of basic policy and action plans for the Group's sustainability and CSR activities, establishment of a promotion framework, verification and evaluation of the status of activities, and education and public information measures.

Other serving members of the Sustainability Promotion Meeting are the Company's directors and the presidents of core operating companies, as well as the chairperson of the Compliance Committee, the Environmental & Safety Management Committee, and the Quality Assurance Committee, which are the Company's organizations, together with the heads of the Sustainability Promotion Department, Human Resources & General Affairs Department, and Purchasing Department. Based on deliberations and suggestions made at the Meeting, we will develop a PDCA cycle of planning, execution, evaluation, and improvement in cooperation with relevant Group companies and business divisions that serve as executive departments for sustainability and CSR activities.

In cooperation with the Risk Management Committee, which is engaged in Groupwide risk management, we will develop a system to reduce risks and maximize opportunities related to the Group's business.

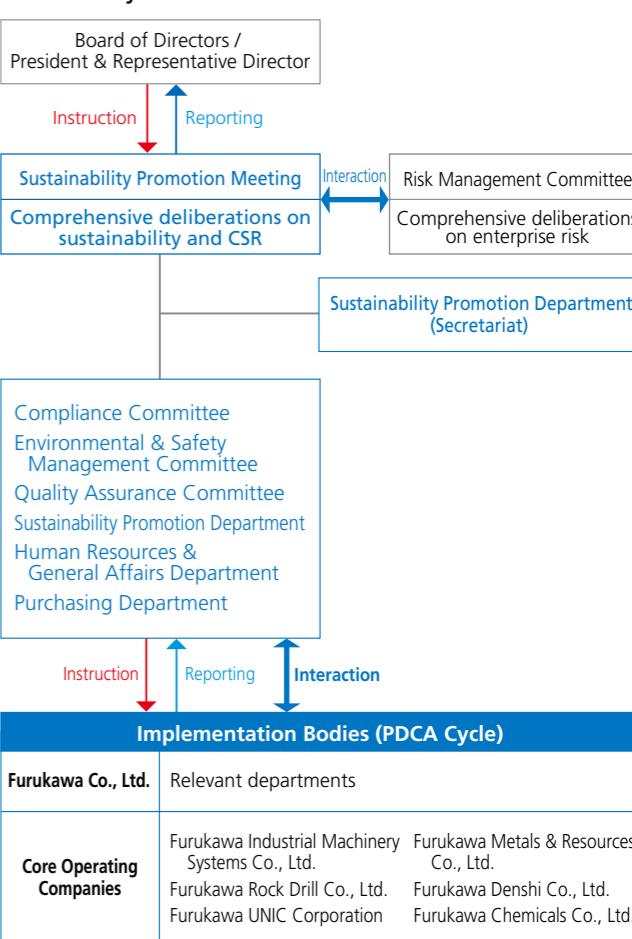
## Initiatives

### Relationships with Stakeholders

In the course of strengthening our sustainability initiatives and implementing our Management Philosophy, we have identified our stakeholders as follows: customers, business partners, shareholders and other investors, employees, local communities, and the global environment. Moreover, we aim to build relationships of trust and accordingly maximize corporate value by engaging in appropriate communications that involve clearly conveying our responsibilities to each group of stakeholders.

Stakeholder	Responsibilities	Opportunities and Means for Communication
Customers	We shall provide customers with safe, high-quality products and services in order to increase satisfaction levels.	Service activities, sales activities, websites, exhibitions, meetings to exchange views with distributors and agencies, etc.
Business partners	We shall build and maintain mutually beneficial relationships conducive to harmonious coexistence through stable procurement activities based on the principles of fairness and economic rationality.	Procurement activities and information exchanges, Sustainable Procurement Guidelines, CSR surveys, technical guidance, production briefings, etc.
Shareholders and other investors	We shall work to maximize corporate value through communications focusing on timely and appropriate information disclosure and IR activities.	Results briefings, shareholders' meetings, IR meetings with institutional investors and analysts, factory tours, integrated reports and other such IR tools, information disclosure on the website, distribution of IR news, etc.
Employees	We shall create safe, healthy, and motivating workplaces in which our diversified human resources can excel while adopting appropriate evaluation standards and fair treatment.	Employment grade-specific training, personnel performance evaluation and target evaluation system, self-assessment system, discussions between management and labor unions, employee surveys, internal reporting system, etc.
Local communities	We shall build and maintain favorable relationships of trust by pursuing social contribution activities aimed at harmonious coexistence with local communities.	Contributions to local communities through business, participation in volunteer activities, etc.
Global environment	We shall protect biodiversity by developing environmentally friendly technologies and products while cutting CO <sub>2</sub> emissions and minimizing the environmental impact of our activities through savings of energy and resources and reduction of waste.	Cooperation with groups and NPOs that engage in tree planting activities, ecosystem restoration and recovery activities with local residents, disclosure of integrated reports and sustainability books that include environmental data, etc.

## Sustainability Promotion Structure



## Process for Identifying Materialities (Key Issues)

To further realize our Management Philosophy and address social issues, we have identified 10 Materialities (Key Issues) based on "The Furukawa Company Group Basic Policy on Sustainability Initiatives" and established corresponding goals and targets.

By steadily implementing the PDCA cycle in relation to any measures determined, we will work hard to "increase the value of the Furukawa brand through 'marketing-based management' that incorporates CSV perspectives" as is clearly stated in Vision for 2025.

At the same time, we are working diligently to "increase corporate value by emphasizing business practices that reflect CSR/ESG issues recognized and to be solved by the Group," with the aim of creating social value and raising corporate value over the medium to long term.

We will regularly review our Materialities (Key Issues) as needed, taking into account changes in the business environment and revisions to our business strategies.

### ● Process for Identifying Materialities (Key Issues)

Step 1	Step 2	Step 3
Select social issues	Understand importance	Identify Materialities (Key Issues)
<ul style="list-style-type: none"> <li>Identified issues that are important to the Group and various stakeholders from medium- to long-term perspectives [Reference] GRI Standards, ISO 26000, indicators and targets for the SDGs, trends at other companies, etc.</li> <li>Selected 50 candidates for Materialities (Key Issues)</li> </ul>	<ul style="list-style-type: none"> <li>Conducted in-house surveys related to the 50 candidates selected and assessed importance in relation to issues</li> <li>Aggregated and scored the results</li> <li>Consolidated the 50 candidates into 10 items of Materialities (Key Issues), taking into consideration social demands</li> </ul>	<ul style="list-style-type: none"> <li>Passed resolutions concerning the identification of Materialities (Key Issues) at a meeting of the Management Council held in October 2022 and an extraordinary meeting of the Board of Directors held on November 11, 2022</li> </ul>

### ● Materialities (Key Issues) on Sustainability Initiatives

Proactive: CSV issues Materialities (Key Issues) on resolving "social issues" through our business	Main Related SDGs
<ul style="list-style-type: none"> <li>Provide environmentally friendly products, technologies, and services</li> <li>Contribute to the resolution of customer issues</li> <li>Contribute to the creation of a safe and comfortable society, including infrastructure development</li> </ul>	
Defensive: CSR/ESG issues Materialities (Key Issues) on establishing a robust corporate foundation for growth	Main Related SDGs
<p><b>E (Environmental)</b></p> <ul style="list-style-type: none"> <li>Promote climate change countermeasures in business activities</li> <li>Promote biodiversity preservation activities</li> </ul>	
<p><b>S (Social)</b></p> <ul style="list-style-type: none"> <li>Develop safe and rewarding work environments that take health into consideration</li> <li>Recruit and develop diverse human resources</li> <li>Promote management that respects human rights</li> </ul>	
<p><b>G (Governance)</b></p> <ul style="list-style-type: none"> <li>Develop an enterprise risk management system</li> <li>Ensure thorough compliance</li> </ul>	

## Resolving Social Issues through Business

The Furukawa Company Group will generate "corporate value" by providing infrastructure, products, technologies, and services that help resolve social issues, while at the same time striving to create "social value." Of the 17 SDGs, we are focusing particular attention on achieving Goal 11 ("Make cities and human settlements inclusive, safe, resilient and sustainable") and Goal 9 ("Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation"). We will also strive to create "social value" by building social infrastructure as stated in "The Furukawa Company Group's Value Creation Process," while realizing a safe, environmentally friendly, and prosperous society.

Materialities (Key Issues)	Goals	Initiatives	Segment
<b>Provide environmentally friendly products, technologies, and services</b>	<ul style="list-style-type: none"> <li>Provide products that help customers reduce CO<sub>2</sub> emissions, save energy, and improve efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Generate demand and promote sales of enclosed hanging belt conveyors (SICON®) that help reduce CO<sub>2</sub> emissions</li> <li>Introduce high-efficiency slurry pumps (LK3)</li> </ul>	Industrial Machinery
<b>Contribute to the resolution of customer issues</b>	<ul style="list-style-type: none"> <li>Provide automated machinery products utilizing ICT/AI technologies</li> </ul>	<ul style="list-style-type: none"> <li>Promote sales of fuel-efficient hydraulic crawler drills</li> <li>Propose solutions to improve work efficiency and reduce workloads through Life Cycle Support (LCS)</li> </ul>	Rock Drill Machinery
<b>Contribute to the creation of a safe and comfortable society, including infrastructure development</b>	<ul style="list-style-type: none"> <li>Provide products and participate in projects to improve infrastructure and renew aging facilities</li> </ul>	<ul style="list-style-type: none"> <li>Promote sales of energy-saving, low-noise eco-cranes</li> <li>Expand sales of high-value-added mini-crawler cranes (battery-operated models, disassembled models, etc.)</li> <li>Adapt UNIC cranes and UNIC carriers to vehicle electrification</li> </ul>	UNIC Machinery
		<ul style="list-style-type: none"> <li>Promote sales of materials (high-purity metallic arsenic, crystal products, core coils, aluminum nitride ceramics, etc.) to support fuel-efficient automobiles and other energy-efficient products</li> </ul>	Electronics
		<ul style="list-style-type: none"> <li>Step up sales of autonomous and labor-saving products (fully automatic drill jumbos, rock bolting machines, etc.)</li> <li>Strengthen sales of hydraulic crawler drills with semi-automatic drilling function</li> <li>Improve customer productivity through the sale of support program products utilizing DX</li> </ul>	Rock Drill Machinery
		<ul style="list-style-type: none"> <li>Promote sales of cupric oxide, which contributes to miniaturization, weight reduction, and enhanced functionality of semiconductor components</li> </ul>	Chemicals
		<ul style="list-style-type: none"> <li>Stabilize orders for steel bridges and expand sales of steel structural products</li> <li>Expand orders for large-scale projects, particularly in the social infrastructure business</li> <li>Expand orders for pump systems that support heavy-rain countermeasures, and for the renewal of aging wastewater treatment plants</li> <li>Promote sales of crushers, which facilitate the supply of aggregate for disaster recovery</li> </ul>	Industrial Machinery
		<ul style="list-style-type: none"> <li>Step up sales of large and super-large hydraulic breakers for the demolition market</li> <li>Concentrate on sales of small hydraulic crushers (for road general contractors and aggregate recycling)</li> <li>Strengthen sales of tunnel drill jumbos for the Linear Chuo Shinkansen tunnel works</li> </ul>	Rock Drill Machinery
		<ul style="list-style-type: none"> <li>Mini-crawler cranes: Narrow target customers (electric power companies, general contractors, etc.) to focus on and cultivate new markets</li> <li>Launch cranes for residential construction on small lots</li> </ul>	UNIC Machinery
		<ul style="list-style-type: none"> <li>Develop and sell various sensors and materials (high-purity metallic arsenic, crystal products, core coils, aluminum nitride ceramics, optical components, etc.) to support infrastructure development</li> </ul>	Electronics
		<ul style="list-style-type: none"> <li>Promote sales of products that help conserve water</li> </ul>	Chemicals

## Establishing a Robust Corporate Foundation for Growth

To establish a robust corporate foundation for growth, the Furukawa Company Group is working to enhance corporate value by engaging in business practices that take into consideration CSR/ESG issues, as shown below.

Materialities (Key Issues)			Goals
Defensive: CSR/ESG issues Materialities (Key Issues) on establishing a robust corporate foundation for growth	E: Environmental	Promote climate change countermeasures in business activities	<ul style="list-style-type: none"> <li>Reduce CO<sub>2</sub> emissions           <ul style="list-style-type: none"> <li>Reduce Scope 1 (energy-related) and Scope 2 emissions by 25% vs FY2023 by FY2030</li> <li>Achieve carbon neutrality by 2050</li> </ul> </li> <li>Reduce water consumption (Reduce by 2% vs BAU<sup>1</sup> of FY2028 in FY2028) (FY2025 revision: Reduce water waste by 2% vs FY2023 (basic unit) in FY2027)</li> <li>Reduce total waste generation (Reduce by 3% vs BAU of FY2028 in FY2028) (FY2025 revision: Reduce total waste generation by 2% vs FY2023 in FY2027; reduce plastic waste by 2% vs FY2023 in FY2027)</li> </ul>
		Promote biodiversity preservation activities	<ul style="list-style-type: none"> <li>Promote continuous forest management</li> <li>Promote ecosystem restoration activities on Company-owned land, former mine sites, etc.</li> <li>Reduce use of hazardous chemicals (% reduction in use of hazardous chemicals) (FY2025 revision: Reduce emissions and transfers of PRTR<sup>2</sup>-regulated substances by 2% vs FY2023 in FY2027)</li> </ul>
		Develop safe and rewarding work environments that take health into consideration	<ul style="list-style-type: none"> <li>Achieve accident- and disaster-free operations (industrial accident severity/frequency)</li> <li>Certified as a Health and Productivity Management Outstanding Organization (White 500)</li> <li>Health and Productivity Management Survey score: 54.6 or higher (FY2024)</li> </ul>
		Recruit and develop diverse human resources	<ul style="list-style-type: none"> <li>Increase female employee ratio           <ul style="list-style-type: none"> <li>Ratio of female managers (hired by Furukawa Co., Ltd.): 3%</li> <li>Ratio of new graduate hires (domestic hires by Furukawa Co., Ltd.) in corporate planning positions who are female: 20%</li> </ul> </li> <li>Increase hires of people with experience           <ul style="list-style-type: none"> <li>Percentage of new hires with experience in management/corporate planning: 40%</li> </ul> </li> <li>Increase hires of people with disabilities (achieve statutory employment rate)</li> <li>Develop human resources           <ul style="list-style-type: none"> <li>Annual training hours: 1,500</li> <li>Expansion of trainees: 3,600</li> </ul> </li> </ul>
		Promote management that respects human rights	<ul style="list-style-type: none"> <li>Conduct human rights due diligence           <ul style="list-style-type: none"> <li>Human rights risk assessment of suppliers: Increase implementation rate and conduct follow-up</li> </ul> </li> </ul>
	S: Social	Develop an enterprise risk management system	<ul style="list-style-type: none"> <li>Periodically verify business continuity plan (BCP) and promote business continuity management (BCM)</li> <li>Conduct risk assessments and improve response measures           <ul style="list-style-type: none"> <li>Periodically review high-risk items</li> </ul> </li> <li>Strengthen cybersecurity system</li> </ul>
		Ensure thorough compliance	<ul style="list-style-type: none"> <li>Step up measures to prevent compliance violations</li> </ul>

<sup>1</sup>1 BAU (business as usual): No action taken

<sup>2</sup>2 PRTR (Pollutant Release and Transfer Register): Notification system for release and transfer of chemical substances

FY2024		
Numerical Results		Main Initiatives
CO <sub>2</sub> emissions <ul style="list-style-type: none"> <li>Reduced Scope 1 (energy-related) and Scope 2 emissions by 1% vs FY2023</li> <li>Consolidated basis FY2024: 33,779 t-CO<sub>2</sub> FY2023: 34,143 t-CO<sub>2</sub></li> </ul>		<ul style="list-style-type: none"> <li>Considered introducing solar power generation equipment at core operating companies</li> <li>April 2025: Switched all electricity purchased at Gunma Kankyo Recycle Center Co., Ltd. to renewable energy</li> <li>Considered obtaining third-party verification for Scope 1 and 2 emissions (scheduled for August 2025)</li> </ul>
FY2024 reduction (vs BAU): -9.1%		<ul style="list-style-type: none"> <li>Improved environmental performance at each plant and site, distributed the Environmental Conservation Data Compilation Report to each site (2 times), and obtained feedback</li> <li>Shifted to cloud-based environmental conservation data aggregation</li> </ul>
FY2024 reduction (vs BAU): -20.7%		<ul style="list-style-type: none"> <li>Concluded agreement with Aichi Prefecture on an erosion control project (Onuma Forest) and conducted thinning and mortar spraying of work roads (Onuma Forest)</li> <li>Conducted status survey of forests in the Ashio area; considered forest visualization and roadmap</li> </ul>
—		<ul style="list-style-type: none"> <li>Held forest tree-planting event</li> <li>Continued firefly restoration activities in Kune and Ashio areas; confirmed firefly flight status</li> <li>Conducted on-site inspections to have property certified as a "Nationally Certified Sustainably Managed Natural Site" (including the 30by30 Alliance)</li> </ul>
Year-on-year change: +4.1%		<ul style="list-style-type: none"> <li>Improved environmental performance at each plant and site, distributed the Environmental Conservation Data Compilation Report to each site (2 times), and obtained feedback</li> <li>Shifted to cloud-based environmental conservation data aggregation</li> </ul>
Industrial accident severity: 1.55 Industrial accident frequency: 1.03		<ul style="list-style-type: none"> <li>Provided guidance to each location based on accident and disaster reports from each plant and site</li> <li>Produced and launched 17 occupational safety training videos</li> </ul>
Health and Productivity Management Survey score: 54.6		<ul style="list-style-type: none"> <li>Certified as a 2025 Health and Productivity Management Outstanding Organization (White 500)</li> <li>Planned, held, and evaluated health promotion events, seminars, etc.</li> <li>Considered conducting an engagement survey</li> </ul>
Ratio of female managers (hired by Furukawa Co., Ltd.): 2.4% Ratio of new graduate hires (domestic hires by Furukawa Co., Ltd.) in corporate planning positions who are female: 6.7%		<ul style="list-style-type: none"> <li>Stepped up recruitment of women among employees with experience</li> <li>Strengthened recruiting skills</li> </ul>
Percentage of new hires with experience in management/corporate planning: 73%		<ul style="list-style-type: none"> <li>Engaged in referral recruiting and direct recruiting</li> </ul>
Ratio of employees with disabilities (consolidated): 1.91% (statutory employment rate: 2.5%)		<ul style="list-style-type: none"> <li>Visited organizations that support employment of persons with disabilities</li> <li>Provided information on employment promotion to each operating company</li> </ul>
Annual training hours: 1,130 Number of trainees: 3,175		<ul style="list-style-type: none"> <li>Introduced talent management system (systemized evaluations and goal management)</li> <li>Held hierarchical training, engineer training, and on-site manager training, as well as planning training and education at business sites and training for young employees in professional positions</li> </ul>
Number of human rights training sessions: 6		<ul style="list-style-type: none"> <li>Held 1 session for new employees, 1 session for newly appointed managers, 1 session for members of the Human Rights Risk Sectional Meeting, 1 session for participants of the Environmental Risk Sectional Meeting, and 2 human rights training sessions for the Purchasing Department</li> <li>Examined measures to improve the accuracy of human rights risk assessments</li> </ul>
Rate of implementation of human rights risk assessment (CSR survey) by suppliers: +74 companies in FY2024 (vs FY2022, cumulatively +52%) Surveys, interviews, and training sessions related to human rights held (number of companies): +74 companies, +15 interviews, and +0 training sessions in FY2024 (vs FY2022)		<ul style="list-style-type: none"> <li>Finished conducting and analyzing supplier surveys at overseas subsidiaries (FUT<sup>3</sup> and Taian Furukawa<sup>4</sup>) and began on-site surveys</li> <li>Created English, Chinese, and Thai versions of the CSR survey</li> <li>Plan to conduct supplier surveys for overseas procurement at 3 domestic Machinery business plants in FY2025</li> </ul>
Periodic BCP verification: 1 time		<ul style="list-style-type: none"> <li>Revised BCPs of some core operating companies</li> <li>Considered and planned BCP training (conducted in April 2025)</li> </ul>
Reviews of risk countermeasures: 1 time		<ul style="list-style-type: none"> <li>Conducted interviews with administrative divisions</li> <li>Identified key risks, considered countermeasures, and submitted report to the Board of Directors</li> <li>Conducted follow-up of key risks identified in FY2023</li> </ul>
Number of targeted-attack email training sessions: 1		<ul style="list-style-type: none"> <li>Held 1 security training session for officers and employees of Furukawa Company Group</li> <li>Issued Security News (2 times)</li> <li>Underwent external security audit and formulated security measures, taking urgency and importance into account (sequential implementation underway)</li> <li>Had cybersecurity personnel participate in an e-learning program</li> </ul>
Number of training sessions: 7		<ul style="list-style-type: none"> <li>Provided compliance training for new employees, compliance training for Group managers and officers, and compliance training tailored to the needs of core operating companies</li> <li>Posted compliance training video on the internal portal site</li> <li>Conducted compliance awareness survey</li> <li>Revised manual (sales edition) on the Antimonopoly Act</li> </ul>

<sup>3</sup>3 FUT: FURUKAWA UNIC (THAILAND) CO., LTD.

<sup>4</sup>4 Taian Furukawa: TAIAN FURUKAWA UNIC CRANE CO., LTD.

## Sustainability Activities: Targets and Results

### Targets and Results for Fiscal 2024

★★★ Targets achieved ★★ Targets partially achieved ★ Targets not achieved

ESG	Organizations	Targets for FY2024	Results	Evaluation
Environmental	Environmental & Safety Management Committee	1. Strengthen measures to achieve accident- and disaster-free operations <ul style="list-style-type: none"> <li>● Strengthen activities toward “zero accidents”           <ul style="list-style-type: none"> <li>① Top management and safety supervisors to personally visit worksites to conduct inspections and provide corrective guidance</li> </ul> </li> <li>● Strengthen safety initiatives to eliminate unsafe conditions and behaviors           <ul style="list-style-type: none"> <li>① Ensure rigorous documentation of work procedures, training, and verification of employee understanding</li> <li>② Maintain strict compliance with rules and promote “5S” activities</li> </ul> </li> <li>● Enhance education to improve risk sensitivity based on operational structures of each Group company           <ul style="list-style-type: none"> <li>① Strengthen hazard prediction training</li> <li>② Conduct rigorous risk assessments</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>● The number of accidents and disasters showed no decline, and a serious accident occurred; the accident frequency was 1.03, and the accident severity was 1.55 (only a slight year-on-year decrease)</li> <li>● Implemented policies and training to strengthen risk assessment and safety management activities for supervisors and managers</li> <li>● Conducted information sharing and training tailored to businesses of each Group company through environmental and safety audits and promotion meetings</li> <li>● Produced a Group safety education video and began using it as in-house training material</li> </ul>	★★
		2. Continuously improve environmental performance (CO <sub>2</sub> , water resources, waste, and chemical substances) <ul style="list-style-type: none"> <li>● Strengthen management of progress of Fourth Medium-Term Reduction Targets</li> <li>● Promote preventive measures through analysis of environmental data</li> <li>● Promote activities to achieve carbon neutrality</li> <li>● Promote activities to reduce use of hazardous chemical substances (PRTR substances), including by reducing consumption, improving basic unit compared with previous fiscal year, and switching to alternative substances</li> <li>● Promote education and other initiatives to improve environmental protection</li> </ul>	<ul style="list-style-type: none"> <li>● Achieved the FY2024 reduction targets for CO<sub>2</sub> emissions, water consumption, and waste; formulated revised Fourth Medium-Term Reduction Targets to promote further improvement in environmental performance</li> <li>● Introduced web-based data aggregation service to help analyze and prevent environmental issues</li> <li>● Environment/Safety Promotion Meetings (Environment Meetings): Held discussions about achieving targets and decided on future actions</li> <li>● Introduced solar power generation equipment and electric forklifts and replaced production equipment with more energy-efficient models</li> <li>● Studied introduction of visualization system for organized forest information on Company-owned forests with a view to enhancing CO<sub>2</sub> absorption</li> <li>● Volume of hazardous chemicals handled: Up slightly year on year</li> <li>● Continued providing environmental protection education in accordance with ISO 14001 standards</li> </ul>	★★★
		3. Promote biodiversity protection activities <ul style="list-style-type: none"> <li>● Promote improvements to reduce impact of our business activities on the ecosystem</li> <li>● Promote environmental protection and ecosystem restoration activities through continuous greening activities and forest management on Company-owned land and former mine sites</li> </ul>	<ul style="list-style-type: none"> <li>● Continued monitoring environmental data that may affect ecosystems</li> <li>● Formulated forest management plan with local forest owners’ cooperative regarding future cutting of timber and new planting to ensure continuous management of Company-owned forests</li> <li>● Continued firefly restoration activities at the former Kune and Ashio mine sites</li> <li>● Continued ecosystem restoration activities on Company-owned land</li> <li>● Conducted interviews with stakeholders and experts in the Ashio area to have property certified as a “Nationally Certified Sustainably Managed Natural Site” by the 30by30 Alliance</li> </ul>	★★★
	Suspended or abandoned mines	1. Improve on-site capabilities by passing on knowledge and skills <ul style="list-style-type: none"> <li>2. Strengthen resilience of mine run-off treatment facilities</li> <li>3. Conduct preventive maintenance at final disposal sites and adits</li> </ul>	<ul style="list-style-type: none"> <li>● Held employee training to improve their knowledge and skills</li> <li>● Engaged in various projects to strengthen resilience of wastewater treatment facilities during heavy rainfall (Ashio Mine and Kune Mine)</li> <li>● Identified work that is hazardous to assure safety</li> </ul>	★★★
Social	Quality Assurance Committee	1. Strengthen activities to raise awareness about quality (Companywide)	<ul style="list-style-type: none"> <li>● Distributed quality education materials to all officers and employees on 4 occasions annually</li> </ul>	★★★
		2. Reduce number/cost of complaints (Machinery-related companies)	<ul style="list-style-type: none"> <li>● Achieved reduction target but further reduction required</li> </ul>	★★
		3. Establish and continuously improve quality assurance system [Take action in accordance with the quality roadmap] (Machinery-related companies)	<ul style="list-style-type: none"> <li>● Actions in accordance with the quality roadmap</li> </ul>	★★
		4. Strengthen quality assurance system [Review existing methods and consider new ones] (Materials-related companies)	<ul style="list-style-type: none"> <li>● Promoted utilization of FMEA (including cross-functional reviews of implemented FMEAs and revisions to templates)</li> </ul>	★★★

★★★ Targets achieved ★★ Targets partially achieved ★ Targets not achieved

ESG	Organizations	Targets for FY2024	Results	Evaluation
Sustainability Company Group	Human Resources & General Affairs Department	1. Develop and retain talented human resources <ul style="list-style-type: none"> <li>● Introduce talent management system</li> <li>● Establish category-specific education policies</li> <li>● Activate job rotation</li> <li>● Conduct training for young employees in specialized positions</li> </ul>	<ul style="list-style-type: none"> <li>● Introduced talent management system (to systemize performance appraisals and goal management)</li> <li>● Conducted grade-specific training, technical staff training, field supervisor training, workplace planning training and education, and training for young employees in specialized positions</li> </ul>	★★
		2. Improve internal working environments <ul style="list-style-type: none"> <li>● Reduce total annual working hours (less than 2,000 hours)</li> <li>● Take steps to acquire certification as a Health and Productivity Management Outstanding Organization (White 500)</li> <li>● Centralize common administrative tasks</li> </ul>	<ul style="list-style-type: none"> <li>● 1,922.2 hours</li> <li>● Certified as a 2025 Health and Productivity Management Outstanding Organization (White 500)</li> <li>● Considered conducting engagement surveys</li> <li>● Conducted review of centralized management of Company-leased housing</li> </ul>	★★
		3. Promote diversity <ul style="list-style-type: none"> <li>● Increase ratio of female managers</li> <li>● Increase employment of people with disabilities</li> </ul>	<ul style="list-style-type: none"> <li>● Percentage of female managers (consolidated): 4.1%</li> <li>● Percentage of employees with disabilities (consolidated): 1.91%</li> <li>● Visited employment support organization for people with disabilities</li> <li>● Provided information to Group companies to promote employment</li> </ul>	★★
	Purchasing Department	1. Conduct CSR survey for overseas suppliers	<ul style="list-style-type: none"> <li>● Survey completed and results analyzed</li> </ul>	★★★
		2. Strengthen management (QCD + sustainability) of major suppliers	<ul style="list-style-type: none"> <li>● Started using supplier management software at head office to strengthen initial response systems during disasters</li> </ul>	★★
	Risk Management Committee	3. Foster partnerships with suppliers	<ul style="list-style-type: none"> <li>● Conducted production briefings</li> </ul>	★★★
		4. Start promoting Companywide sustainability conscious procurement activities	<ul style="list-style-type: none"> <li>● Human rights training conducted by the Tokyo Legal Affairs Bureau for all Materials business divisions and relevant officers</li> </ul>	★★★
		1. Practice Companywide risk management using list of risks	<ul style="list-style-type: none"> <li>● Conducted risk analysis and reported to the Board of Directors on high-impact risks</li> </ul>	★★★
		2. Environmental Risk Sectional Meeting: Discuss environmental risks and report to the Risk Management Committee	<ul style="list-style-type: none"> <li>● Discussed climate-related risks and reported to the Risk Management Committee</li> </ul>	★★★
		3. Human Rights Risk Sectional Meeting: Discuss human rights risks and report to the Risk Management Committee	<ul style="list-style-type: none"> <li>● Discussed human rights risks and reported to the Risk Management Committee</li> </ul>	★★
	Compliance Committee	4. Group BCP Sectional Meeting: Develop BCP manual and report to the Risk Management Committee	<ul style="list-style-type: none"> <li>● Reviewed BCP and reported to the Risk Management Committee</li> </ul>	★★★
		5. Information Security Sectional Meeting: Develop information system and report to the Risk Management Committee	<ul style="list-style-type: none"> <li>● Created incident response manual, established incident response system, and submit a report to the Risk Management Committee</li> </ul>	★★★
		1. Upgrade manual on the Antimonopoly Act, etc.	<ul style="list-style-type: none"> <li>● Currently preparing draft for renewal of manual on the Antimonopoly Act</li> </ul>	★★
		2. Expand compliance training	<ul style="list-style-type: none"> <li>● Established legal information website and posted training videos</li> </ul>	★★★
		3. Conduct compliance awareness survey	<ul style="list-style-type: none"> <li>● Conducted compliance awareness survey and reported results at the Board of Directors’ meeting held in February 2025</li> </ul>	★★★
		4. Review and implement measures to rename and publicize whistleblower program	<ul style="list-style-type: none"> <li>● Changed name of internal reporting system (April 1, 2025); preparations underway for awareness improvement measures</li> </ul>	★★

## Targets for Fiscal 2025

ESG	Organizations	Targets for FY2025
Environmental	Environmental & Safety Management Committee	<p><b>1. Occupational safety and health activities</b> Strengthen initiatives for accident- and disaster-free operations</p> <ul style="list-style-type: none"> <li>Strengthen safety and health management system (ensure reliable PDCA implementation)           <ul style="list-style-type: none"> <li>Create work procedure manuals and manage latest versions</li> <li>Strengthen implementation of risk assessments</li> <li>Conduct equipment maintenance inspections and ensure reliable documentation management</li> </ul> </li> <li>Enhance safety and health education           <ul style="list-style-type: none"> <li>Ensure reliable implementation, documentation, and effectiveness verification of training plans</li> <li>Thoroughly implement hazard prediction activities (including health checks) and enhance hazard sensitivity during morning meetings and pre-work briefings</li> <li>Closely monitor and caution against hazardous actions by employees with less than 3 years of service (including during training and non-work activities)</li> </ul> </li> </ul>
		<p><b>2. Environmental protection activities</b> Promote continuous improvement in environmental performance toward achieving revised Fourth Medium-Term Reduction Targets and carbon neutrality</p> <p>FY2025 targets (vs. FY2023)</p> <ul style="list-style-type: none"> <li>CO<sub>2</sub> emissions: -1.5%</li> <li>Total water consumption (per unit): -0.67%</li> <li>Total other emissions, including waste: -0.67%</li> <li>Plastic waste emissions: -0.67%</li> <li>Release and transfer of PRTR substances: -0.67%</li> </ul> <p>(1) Ensure thorough and reliable operation of environmental management system (2) Promote reliable collection and effective utilization of environmental protection data (3) Achieve zero equipment accidents and environmental incidents by promoting equipment maintenance (4) Promote awareness education for each employee regarding environmental protection (5) Ensure accurate responses to and compliance with revised environmental laws and regulations</p>
		<p><b>3. Biodiversity protection activities</b> Promote biodiversity protection activities to achieve "nature positive" outcomes</p> <ul style="list-style-type: none"> <li>Minimize impact of business activities on ecosystems           <ul style="list-style-type: none"> <li>Introduce technologies and process improvements to reduce environmental impact</li> <li>Promote resource utilization and production activities that consider ecosystems</li> </ul> </li> <li>Ecosystem restoration and forest management on Company-owned land and former mining sites           <ul style="list-style-type: none"> <li>Promote greening initiatives and ecosystem restoration activities on Company-owned land and former mining sites</li> <li>Conduct conservation activities in collaboration with local residents</li> <li>Ensure appropriate management of forests</li> </ul> </li> <li>Enhance employee awareness of biodiversity           <ul style="list-style-type: none"> <li>Promote information sharing and education on biodiversity</li> </ul> </li> </ul>
		<p><b>Suspended or abandoned mines</b></p> <ul style="list-style-type: none"> <li>Improve on-site capabilities by passing on knowledge and skills           <ul style="list-style-type: none"> <li>Attract and develop talent</li> </ul> </li> <li>Maintain and manage mine run-off treatment facilities</li> <li>Improve final disposal sites and adits           <ul style="list-style-type: none"> <li>Develop tunnel interior work robots</li> </ul> </li> </ul>
Social	Quality Assurance Committee	<ul style="list-style-type: none"> <li>Implement quality assurance policy and action guidelines</li> <li>Reduce number/cost of complaints (Machinery-related companies)</li> <li>Strengthen quality assurance systems (Machinery business companies: Align activities with quality roadmap)</li> <li>Strengthen quality assurance systems (Materials business companies: Promote use of FMEA)</li> </ul>
	Human Resources & General Affairs Department	<ul style="list-style-type: none"> <li>Develop and retain talented human resources           <ul style="list-style-type: none"> <li>Operate talent management system</li> <li>Activate job rotation</li> <li>Provide training and education to enhance human capital value</li> </ul> </li> <li>Improve internal working environments           <ul style="list-style-type: none"> <li>Reduce total annual working hours (less than 2,000 hours)</li> <li>Take steps to acquire certification as a Health and Productivity Management Outstanding Organization (White 500)</li> <li>Centralize management of administrative operations</li> <li>Enhance operational efficiency through equipment and facility improvements</li> </ul> </li> <li>Promote diversity           <ul style="list-style-type: none"> <li>Increase ratio of female managers</li> <li>Increase employment of people with disabilities</li> </ul> </li> </ul>

ESG	Organizations	Targets for FY2025
Social	Social	<p><b>1. Conduct CSR surveys of overseas suppliers at domestic operating companies</b></p> <p><b>2. Strengthen management (QCD + sustainability) of major suppliers</b></p> <p><b>3. Foster partnerships with suppliers</b></p> <p><b>4. Start promoting Companywide sustainability-conscious procurement activities</b></p>
		<p><b>1. Practice Companywide risk management using list of risks</b></p> <p><b>2. Environmental Risk Sectional Meeting: Discuss environmental risks and report to the Risk Management Committee</b></p> <p><b>3. Human Rights Risk Sectional Meeting: Discuss human rights risks and report to the Risk Management Committee</b></p> <p><b>4. Group BCP Sectional Meeting: Develop BCP manual and report to the Risk Management Committee</b></p> <p><b>5. Information Security Sectional Meeting: Develop information system and report to the Risk Management Committee</b></p>
		<p><b>1. Upgrade manual on the Antimonopoly Act, etc.</b></p> <p><b>2. Conduct individual violation investigations and guidance using compliance awareness survey results</b></p> <p><b>3. Check status of compliance with Subcontract Act (Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors) and Freelance Act across the Group</b></p> <p><b>4. Prepare Q&amp;A materials and training related to the Furukawa Company Group Compliance Helpline</b></p>

## SDGs Contribution Targets by Segment

### Practicing "Marketing-Based Management" that Incorporates CSV Perspectives to Address the SDGs

The Furukawa Company Group practices "marketing-based management" that incorporates CSV perspectives and creates "social value" by improving social infrastructure and realizing a safe, environmentally friendly, and prosperous society. In these ways, we will help achieve the SDGs.

Segment	Main Products, Technologies, and Services	SDGs with High Contribution Levels (◎: Especially Important; ○: Important)						
		3 GOOD HEALTH AND WELL-BEING	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	9 INDUSTRY, INNOVATION, AND INFRASTRUCTURE	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION
Industrial Machinery	 Pumps  Belt conveyors  Bridges and steel structures	○	○	○	○	○	○	○
Rock Drill Machinery	 Tunnel drill jumbos  Hydraulic crawler drills  Hydraulic crushers			○	○	○	○	
UNIC Machinery	 UNIC cranes  Mini-crawler cranes  Ocean cranes			○	○	○		
Metals	 Electrolytic copper			○	○	○	○	
Electronics	 High-purity metallic arsenic  Coils  Aluminum nitride ceramics		○	○	○	○	○	
Chemicals	 Sulfuric acid  Aluminum sulfate solution  Cuprous oxide	○	○	○	○	○		

# Environmental Management

## Policies and Strategies

To help realize a sustainable society, the Furukawa Company Group engages continuously in environmental protection activities to address issues related to the global environment and biodiversity. These include activities aimed at realizing a decarbonized society in accordance with the Charter of Corporate Conduct and the Basic Environmental Management Principle.

To address climate change, we are promoting activities in line with our Fourth Medium-Term Reduction Targets, which are aligned with our Vision for 2025. Based on the CO<sub>2</sub> reduction targets announced in July 2024, we formulated the revised Fourth Medium-Term Reduction Targets and are promoting specific initiatives accordingly.

To protect the environment, we are working to enhance our crisis management capabilities, including by strengthening resilience against natural disasters and conducting preventive activities through data visualization and quantification. We are also assessing the impact of our business activities on ecosystems and implementing measures to minimize that impact.

At suspended or abandoned mines, we perform mine drainage treatment and tailing pond maintenance operations based on the Mine Safety Act. In addition, we are systematically implementing activities aimed at preserving and restoring ecosystems. These include ongoing greening initiatives, efforts to revive flora and fauna, and the formulation of management plans to ensure the healthy growth of forests.

## Basic Environmental Management Principle & Environmental Conservation Activity Policies

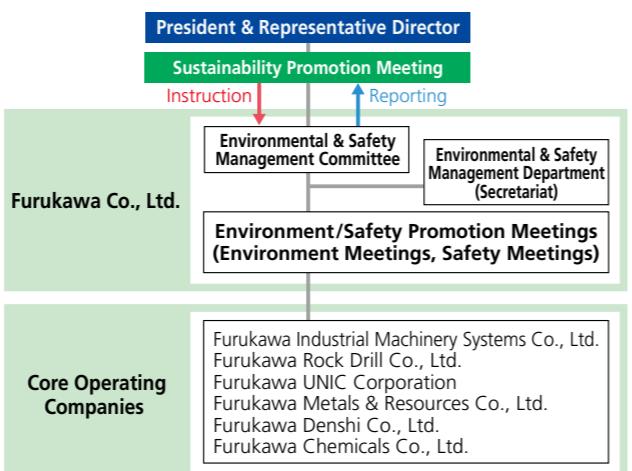
## Governance Framework

### Environmental & Safety Management Committee

Important matters related to environmental protection and occupational safety and health of the Group are drafted and deliberated by the Safety & Environmental Management Committee, whose members include top management from each of our production centers. At its meeting held in April 2025, the Committee reported on the results of environmental protection and safety and health activities in fiscal 2024, the progress and future measures of the Fourth Medium-Term Reduction Targets, the status of efforts toward carbon neutrality, environmental performance results, and biodiversity protection activities, as well as the management status of suspended or abandoned mines. The Committee also disseminated information on revisions to laws and regulations related to environmental protection and occupational safety and health, and instructed safety-related instructions from the Environmental & Safety Management Department to prevent recurrence of accidents and disasters that occurred in fiscal 2023.

In fiscal 2024, as serious occupational accidents continued to occur within the Group, we discussed and decided on key environmental and safety action targets for fiscal 2025. These included strengthening workplace patrols, promoting occupational accident prevention, and enhancing safety and health activities.

## Environmental & Safety Promotion System



### [Environmental & Safety Management Committee]

Chairman: General Manager, Environmental & Safety Management Department  
Committee members: General managers of relevant divisions and plant managers of each core operating company (or general manager of the Administration Department if there is no plant manager)  
Secretariat: Environmental & Safety Management Department  
Location: Head office  
Frequency: Once a year

### [Environment/Safety Promotion Meeting (Environment Meetings, Safety Meetings)]

Attendees: General manager and staff of the Environmental & Safety Management Department; persons responsible for the environment and safety at each core operating company and others  
Secretariat: Environmental & Safety Management Department

## Environment/Safety Promotion Meetings

Our Environment/Safety Promotion Meetings are held annually with participation of personnel in charge of environmental and safety matters. These sessions are divided into Environment Meetings and Safety Meetings, with the aim of enhancing environmental protection and occupational safety activities at each site.

## Safety Meetings

The fiscal 2024 Safety Meeting was held in June 2024 at the Sakura Works of Furukawa UNIC Corporation. At the meeting, participants held discussions on sharing improvement points and best practices based on reports from each site on the implementation status of accident and disaster prevention activities. Furthermore, based on the analysis of accident and disaster trends within the Group, participants discussed accident and disaster prevention measures. As strategies to achieve accident- and disaster-free operations, they decided on initiatives to be implemented across all sites going forward. These include increasing opportunities to gather information and identify issues through dialogue and ensuring thorough corrective actions for points raised during environmental and safety audits.



Safety Meeting held at the Sakura Works of Furukawa UNIC Corporation

## Environment Meetings

The fiscal 2024 Environment Meeting was held in August 2024 at the Oyama Works of Furukawa Industrial Machinery Systems Co., Ltd. At that meeting, participants explained the Group's CO<sub>2</sub> emission reduction targets, and each site reported on initiatives to improve environmental performance and activities toward achieving carbon neutrality. Additionally, to prevent environmental and facility accidents, they discussed recurrence prevention measures using actual accident cases that occurred within the Group. After providing training on environmental laws and regulations necessary for daily operations, participants also verified their understanding to confirm the effectiveness of the training.



Environment Meeting held at the Oyama Works of Furukawa Industrial Machinery Systems Co., Ltd.

## ISO 14001 Certification Acquisition Status

The status (acquisition rate) of ISO 14001 certification is shown below.

Japan	Core operating companies with production facilities (Furukawa Industrial Machinery Systems Co., Ltd.; Furukawa Rock Drill Co., Ltd.; Furukawa UNIC Corporation; Furukawa Denshi Co., Ltd.; and Furukawa Chemicals Co., Ltd.) Certification received by 5 out of 5 companies (100%)
	R&D Division and affiliated companies (Gunma Kankyo Recycle Center Co., Ltd., and Yamaishi Metal Co., Ltd.) also received certification
Overseas	Overseas Group companies with production facilities FURUKAWA UNIC (THAILAND) CO., LTD.; TAIAN FURUKAWA UNIC CRANE CO., LTD.; and FD Coil Philippines, Inc.) Certification received by 2 out of 3 companies (67%)

Company Name	Acquisition Date	Certification Organization
Furukawa UNIC Corporation (Sakura Works)	November 30, 2001	Japan Quality Assurance Organization (JQA)
Furukawa Industrial Machinery Systems Co., Ltd. (Oyama Tochigi Works)	October 22, 2002	Nippon Kaiji Kyokai (ClassNK)
Furukawa Co., Ltd. (Technology Division)	January 14, 2004	JSA Solutions Co., Ltd.
Furukawa Rock Drill Co., Ltd. (Takasaki Yoshii Works)	April 28, 2004	TÜV Rheinland Japan Ltd.
Furukawa Chemicals Co., Ltd. (Osaka Works)	January 27, 2005	JIC Quality Assurance Ltd. (JICQA)
Furukawa Denshi Co., Ltd. (Iwaki Works)	March 4, 2005	Japan Quality Assurance Organization (JQA)
Yamaishi Metal Co., Ltd.	August 31, 2009	Bureau Veritas Japan Co., Ltd.
Gunma Kankyo Recycle Center Co., Ltd.	January 26, 2010	Management System Assessment Center
TAIAN FURUKAWA UNIC CRANE CO., LTD.	June 15, 2018	Shanghai Audit Centre of Quality System
FURUKAWA UNIC (THAILAND) CO., LTD.	May 26, 2019	Perry Johnson Registrars, Inc.

\* Tochigi Works acquired an integrated certification with the Oyama Works on June 19, 2009.

## Risk Management

### Environmental and Safety Audits

The Furukawa Company Group is working to improve the quality of environmental protection and safety and health activities at each site by shifting its emphasis from corrective to preventive measures. In this way, we support the efforts of each site to achieve accident- and disaster-free operations. As part of these efforts, we conduct annual environmental and safety audits.

In fiscal 2024, we reviewed the status of compliance with environmental laws and regulations, the operation of the environmental management system, and the implementation of environmental education. On the safety front, to prevent occupational accidents, we provided education and guidance on implementing safety and health activities, including occupational safety and health training, risk assessments, and the utilization of "near-miss" reports.



Training at the Oyama Works of Furukawa Industrial Machinery Systems Co., Ltd.

## Metrics and Targets

### Environmental Protection Costs

The Furukawa Company Group uses the Environmental Accounting Guidelines from the Ministry of the Environment as a reference in understanding costs and works hard to protect the environment and improve its environmental efficiency.

The total investment for fiscal 2024 was ¥1,142 million, mainly for preventive measures at suspended or abandoned mines and renewal of production machinery and air conditioning equipment in our plants.

Total expenses in fiscal 2024 amounted to ¥1,687 million. This was mainly allocated to environmental protection activities, such as maintenance and management of pollution prevention facilities, forest preservation, and nature restoration and recovery. Our environmental remediation costs included expenses for restoration work around a limestone mine and special district payments made to neighboring communities.

### Economic Benefits Associated with Environmental Protection

In fiscal 2024, Furukawa Chemicals Co., Ltd., commissioned a steam turbine generator at its Osaka Works, resulting in a ¥58 million year-on-year reduction in purchased electricity costs. For the year, the economic benefits associated with resource circulation, including proceeds from sales of materials with value, amounted to ¥100 million.

## Environmental Liabilities

In fiscal 2024, we recorded a liability of ¥189 million. This was deemed a reasonable estimate of expected future environmental liabilities as of March 31, 2025, to cover the disposal costs of PCB waste and remediation expenses for residual lead contamination in residential areas surrounding former overseas smelting sites.

### ● Environmental Protection Costs (by Business Activity)

Category	Principal Activity	Investment	Cost	(Millions of yen)
(1) Business area costs		1,120	1,345	
	Pollution prevention cost	999	950	
	Global environmental protection cost	120	125	
Breakdown	Resource circulation cost	1	270	
(2) Upstream/downstream costs	Recycling, recovery, and re-commercialization of products on the market	0	9	
(3) Administration cost	ISO 14001 operation, environmental education, cleanup/greening of business sites, etc.	10	104	
(4) R&D cost	R&D to develop products that contribute to environmental preservation	12	197	
(5) Social activity cost	Community cleanups and greening, etc.	0	24	
(6) Environmental remediation cost	Recovery from environmental degradation caused by business activities	0	8	
	<b>Total</b>	<b>1,142</b>	<b>1,687</b>	

### ● Environmental Protection Benefits

Category	Environmental Performance Indicator (Unit)	FY2023	FY2024
Benefits related to resources input into business activities	Total energy consumption (thousand GJ)	737	<b>732</b>
	Total water consumption (thousand m <sup>3</sup> )	727	<b>783</b>
Benefits related to waste and environmental impact originating from business activities	Greenhouse gas emissions (t-CO <sub>2</sub> )	56,826	<b>59,031</b>
	Total other emissions, including waste (t)	8,256	<b>7,918</b>

### ● Economic Benefits Associated with Environmental Protection (Material Benefits) (Millions of yen)

Benefit		Amount
Resource circulation (including gains from sales of materials with value)	Gains on sales of stainless steel, iron, etc.	100
Energy-saving benefits	Reduction in purchased electricity costs through steam turbine operation	58
	<b>Total</b>	<b>158</b>

### ● Furukawa Company Group's Material Flow (Fiscal 2024)

INPUT							OUTPUT											
	Type	Volume Used in FY2023	Type	Volume Used in FY2023	Type	Volume Used in FY2023		CO <sub>2</sub> emissions	Scope 1 (energy-related)	11,137 t-CO <sub>2</sub>	(non-energy-related)	25,252 t-CO <sub>2</sub>	Scope 2	22,642 t-CO <sub>2</sub>	Scope 1 + 2 total	59,031 t-CO <sub>2</sub>	Scope 3 total <sup>*1</sup>	2,685,293 t-CO <sub>2</sub>
Total energy input	Volatile oil (gasoline)	390 kL	Liquefied petroleum gas (LPG)	425 t	Cold water	633 GJ												
	Kerosene	244 kL	Liquefied natural gas (LNG)	289 t	Biogas (non-fossil fuel)	0 m <sup>3</sup>												
	Diesel oil	1,970 kL	City gas	813 thousand m <sup>3</sup>	Power consumption	65,557 thousand kWh												
	Fuel oil A	264 kL	Warm water	241 GJ	Renewable energy (portion of power consumption)	9,636 thousand kWh												
Total water consumption	Clean water	135 thousand m <sup>3</sup>	Industrial water	461 thousand m <sup>3</sup>	Groundwater	187 thousand m <sup>3</sup>												

\*1 Sum total of Categories 1–13.

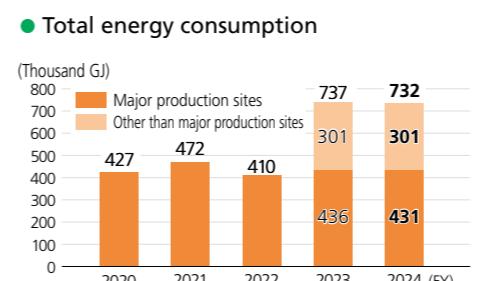
\*2 The following waste generated by affiliated companies is not included: cinders, soot, waste soil, neutralized sediment, etc.

\*3 PRTR(Pollutant Release and Transfer Register): Notification system for release and transfer of chemical substances

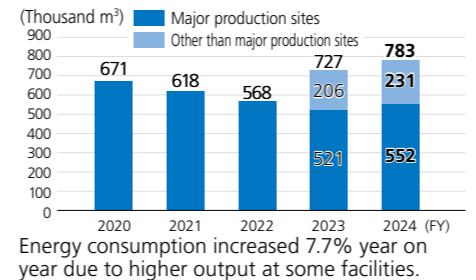
### ● Material Flow

\* The scope of calculations is based on the figures for major production bases until fiscal 2022, and on a consolidated basis (control basis) from fiscal 2023 onward.

#### ● Total energy consumption

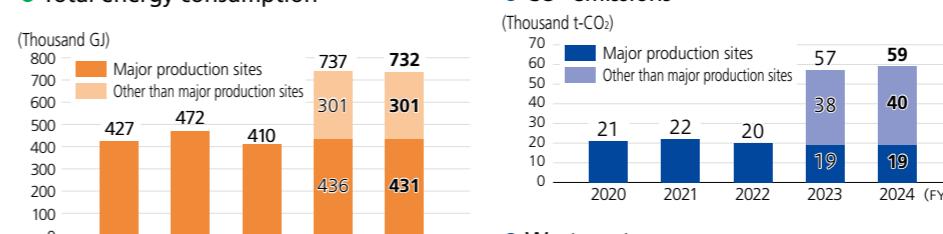


During the fiscal year, we introduced equipment and machinery that meet the standards of Japan's Top Runner program at each plant while enhancing the efficiency of production processes and lowering production volume at some sites. As a result, total energy consumption declined 0.7% year on year.



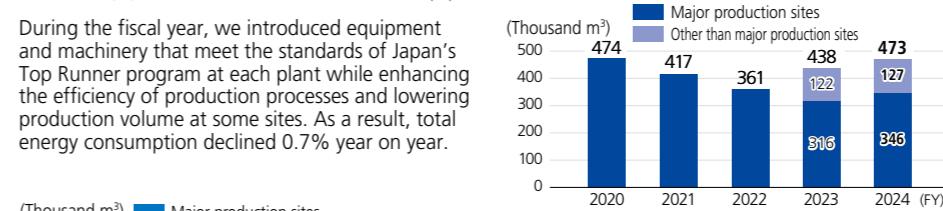
Energy consumption increased 7.7% year on year due to higher output at some facilities.

#### ● CO<sub>2</sub> emissions



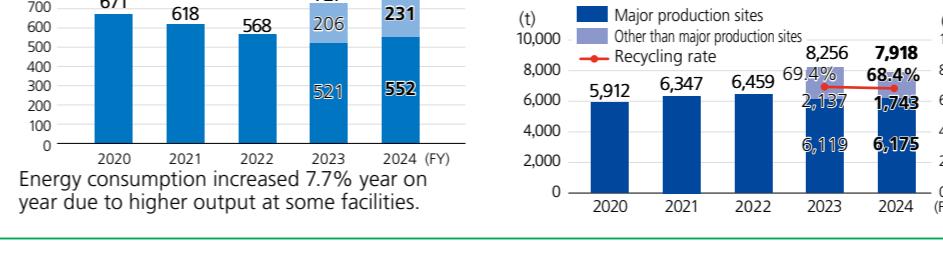
CO<sub>2</sub> emissions increased 3.5% year on year, mainly due to higher non-energy-related emissions from increased industrial waste incineration at some facilities.

#### ● Wastewater



As a result of the 7.7% increase in total water consumption, wastewater rose 8.0% from the previous fiscal year.

#### ● Total other emissions, including waste



Due to efforts to promote waste reduction and recycling, as well as lower production volumes at some business sites, total other emissions, including waste, declined 4.1% year on year. Among total other emissions, including waste, the recycling rate of materials with value was 68.4%.

### ● Revised Fourth Medium-Term Reduction Targets<sup>\*4</sup>

#### Fourth Medium-Term Reduction Targets and Results for Fiscal 2024

The Fourth Medium-Term Reduction Targets, which cover fiscal 2019 to fiscal 2028, deal with predicted upcoming increases in environmental performance factors (CO<sub>2</sub> emissions, water consumption, and total other emissions, including waste) under the production plan based on Vision for 2025. Following discussion with each core operating company, we set targets to reduce CO<sub>2</sub> emissions by 2%, water consumption by 2%, and total other emissions, including waste, by 3%, respectively, relative to the predicted figures for fiscal 2028 (at major production sites).

In fiscal 2024, the sixth year of the Fourth Medium-Term Reduction Targets, we significantly exceeded our targets for CO<sub>2</sub> emissions, water consumption, and total other emissions, including waste.

#### Fourth Medium-Term Reduction Targets: Fiscal 2025 Targets

Following the announcement of the Furukawa Company Group's CO<sub>2</sub> emissions reduction targets for achieving carbon neutrality in July 2024, we formulated the revised Fourth Medium-Term Reduction Targets, which expands these targets to encompass the entire Group. Under the revised targets, we have adopted a per-unit (intensity) target for water consumption, and the plan newly includes reduction targets for plastic waste emissions, as well as release and transfer of PRTR<sup>\*3</sup> substances. Using fiscal 2023 results as the benchmark, the plan covers a three-year reduction period from fiscal 2025 through fiscal 2027. For fiscal 2025, we set reduction targets of 1.5% for CO<sub>2</sub> emissions and 0.67% each for water consumption (per unit), total other emissions, including waste, plastic waste emissions, and the release and transfer of PRTR substances. To help realize a sustainable society, we are committed to environmentally conscious business activities across our entire Group.

#### Compliance with Environmental Laws and Regulations

To comply with various environmental laws and regulations, each plant and office within the Group sets its own management standards and conducts regular monitoring, including water quality analysis of plant effluent and periodic measurement of noise and vibration at site boundaries. By providing feedback on measurement results to our production sites, we work to prevent regulatory violations before they occur and minimize the environmental impact of our business activities.

Furthermore, the Environment/Safety Promotion Meeting—held annually by the Environmental & Safety Management Department and attended by environmental managers from all plants and offices—provides training and guidance on the latest environmental technologies and relevant laws, with follow-up to confirm participants' understanding.

No cases of violation of environmental laws and regulations occurred in fiscal 2024.

## Promote Climate Change Countermeasures in Business Activities

### Policies and Strategies

The progression of climate change brings more frequent and severe natural disasters and stricter regulations toward carbon neutrality, presenting the Furukawa Company Group with various risks and opportunities. With this in mind, we have identified "Promote climate change countermeasures in business activities" as one of our Materialities (Key Issues) and are advancing initiatives aimed at enhancing corporate value by both mitigating climate risks and creating new opportunities. Since declaring our support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in August 2023, we have been working to enhance the quality and quantity of information on the four core disclosure elements of the TCFD recommendations (Governance, Strategy, Risk Management, and Metrics and Targets).

We are also committed to disclosing information to investors and other stakeholders. This includes responding to the 2024 Climate Change questionnaire conducted by CDP, an international nonprofit organization that evaluates and discloses corporate initiatives on climate change and related issues. Our fiscal 2024 score was B-.

In addition to enhancing disclosure, we are striving to achieve carbon neutrality and improve energy efficiency.

### Scenario Analyses

The Furukawa Company Group operates numerous businesses and recognizes that the risks and opportunities associated with climate change vary from business to business. We previously conducted scenario analyses for the Rock Drill Machinery, UNIC Machinery, Metals, and Chemicals segments, and more recently added the Industrial Machinery and Electronics segments, thereby completing scenario analyses for all core operating companies.

For the scenario analyses, we set 1.5°C and 4°C scenarios based on scientific evidence from the International Energy Agency (IEA) and other sources. We then evaluated the significance of climate related risks and opportunities that could affect our business in 2030 (interim) and 2050 (long term). Based on these analysis results, we are advancing measures to mitigate risks and maximize opportunities.

Going forward, we will conduct scenario analyses of the remaining segments while continuously reviewing the analyses already conducted.

Scenarios	Worldview
<b>1.5°C scenario</b> Emergence of transition risks and opportunities ⇒ 2030 (interim) assumption	<ul style="list-style-type: none"> <li>There is a risk of cost increases due to the Japanese government's push to introduce GHG emission regulations and a carbon tax.</li> <li>With attention focused on products with low environmental impact, we see opportunities for increased revenues from sales of materials for EVs and renewable energy facilities, as well as products with high energy-saving performances.</li> </ul>
<b>4°C scenario</b> Emergence of physical risks and opportunities ⇒ 2050 (long-term) assumption	<ul style="list-style-type: none"> <li>Extreme weather conditions will cause increases in natural disasters and rising temperatures, leading to the risk of damage to business sites and system facilities, as well as the risk of increased costs, such as higher raw material prices, due to difficulties in procuring materials.</li> <li>Given progress in technological countermeasures and investments to address extreme weather events, we see opportunities for increased revenues from related products, technologies, and services.</li> </ul>

The results of the scenario analysis are shown on P.18, List of Risks and Opportunities.

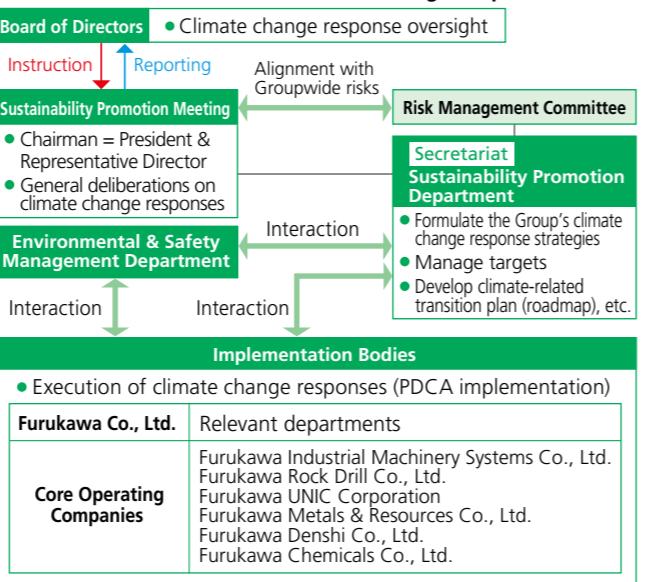
### Governance Framework

At the Furukawa Company Group, the Board of Directors holds oversight responsibility for sustainability matters, including climate change, as well as addressing related risks and opportunities. Under the direction of the Board of Directors, the President of Furukawa Co., Ltd., who serves as Chair of the Sustainability Promotion Meeting, assumes overall responsibility, while the director in charge of sustainability promotion and the respective subordinate organizations carry out execution.

The Sustainability Promotion Meeting discusses various matters related to climate change. These include formulation of basic policies and action plans for the Group's climate change responses, development of a promotion framework, verification and evaluation of the status of activities, and education and public relations measures. In addition to Company directors and the presidents of each core operating company, the Meeting includes the chairman of the Environmental & Safety Management Committee (general manager of the Environmental & Safety Management Department) and the general manager of the Sustainability Promotion Department. The Sustainability Promotion Department and the Environmental & Safety Management Department formulate the Group's climate change response strategies, manage targets, and develop a climate-related transition plan (roadmap) based on deliberations and suggestions made by the Meeting. Those departments also work together with the implementation bodies (Group companies and the Company's relevant departments) to develop a PDCA cycle of planning, execution, evaluation, and improvement.

Implementation of climate change responses by the Group companies and the Company's relevant departments are subject to institutional decisions by the Company's Management Council, Board of Directors, and others according to the level of importance. The director in charge of the Sustainability Promotion Department reports on the progress and results of climate change responses to the Board of Directors from time to time, thereby providing proper oversight by the Board.

### Governance Framework for Climate Change Responses



### List of Risks and Opportunities

The Furukawa Company Group is advancing specific climate change initiatives to address the risks and opportunities identified through its scenario analyses.

#### ● List of Risks

Type of Risk	Risk Description	Segment	Impact		Countermeasures	Segment
			1.5°C	4°C		
Medium term	Long term					
<b>Switch to renewable energy, save energy, and reduce the environmental impact of our products</b>						
	Introduction of a carbon tax will increase transportation and other fuel procurement costs, as well as production costs and operational costs (GHG response costs related to electricity and delivery).	Industrial, Rock Drill, UNIC, Metals, Electronics, Chemicals	Medium	Small	<ul style="list-style-type: none"> <li>Utilize renewable energy sources, such as solar power</li> <li>Introduce LED lighting and energy-saving equipment</li> <li>Reduce GHG emissions through purchase of non-fossil certificates, etc.</li> <li>Closely monitor raw material price trends, negotiate with customers regarding passing on product costs, and collaborate with suppliers to promote low-carbon initiatives</li> <li>Improve energy efficiency by reviewing manufacturing processes and strengthening GHG emission controls at production facilities</li> <li>Reduce environmental impact of our products by using recyclable materials and extending product life</li> <li>Transition Company-owned vehicles to EVs and electrify forklifts</li> <li>Promote modal shift and diversify transportation methods</li> </ul>	Rock Drill, UNIC, Metals, Chemicals
Risk	Transition risk	Government policies/regulations				
Market	Decline in product sales due to the shrinking gasoline vehicle market	Electronics	Medium	Small	<ul style="list-style-type: none"> <li>Develop products with a view to EV market expansion</li> </ul>	Electronics
Technology	Decline in sales due to inability to meet market demand for environmentally friendly products	Rock Drill, UNIC	Medium	Small	<ul style="list-style-type: none"> <li>Collaborate with business partners to develop and manufacture environmentally friendly products</li> </ul>	Rock Drill
Physical risk	Extreme weather events (such as floods) may cause shutdowns at business sites or factories, leading to a decrease in sales and an increase in recovery costs. Additionally, supply chain instability can result in higher operating costs, delayed deliveries, and potential damage to our reputation.	Industrial, Rock Drill, UNIC, Metals, Electronics, Chemicals	Small	Large	<b>Minimize damage and ensure proper management when disaster strikes</b>	
	Extreme weather conditions may lead to increased air conditioning costs, reduced productivity, and a rise in health risks for employees working outdoors.	UNIC	Small	Medium	<ul style="list-style-type: none"> <li>Secure multiple means of transportation and procurement channels</li> <li>Diversify suppliers and work to minimize damage in the event of extreme weather conditions</li> <li>Reinforce flood countermeasures at factories</li> <li>Conduct regular water risk assessments at suppliers and sites and perform rigorous risk management in the event of flooding or inundation</li> <li>Implement a BCP as a support and reporting protocol in the event of damage</li> <li>Expand/upgrade air conditioning systems in factories</li> <li>Insulate factory buildings</li> <li>Use solar power and other self-generation methods to reduce costs</li> </ul>	UNIC

#### ● List of Opportunities

Type of Opportunity	Opportunity Description	Segment	Impact		Countermeasures	Segment
			1.5°C	4°C		
Medium term	Long term					
<b>Rising demand for machines that contribute to decarbonization will help bolster sales.</b>						
Market	Rising demand for machines that contribute to decarbonization will help bolster sales.	Rock Drill	Medium	Small	<ul style="list-style-type: none"> <li>Make capital investments to meet demand</li> </ul>	Rock Drill
Opportunity	Reconstruction projects after disasters caused by extreme weather events will generate demand for our products.	Industrial, Rock Drill, UNIC	Small	Large	<ul style="list-style-type: none"> <li>Make capital investments and develop products to meet demand</li> <li>Deploy ICT to develop and offer remote control and automated solutions</li> </ul>	Industrial, Rock Drill
	Expansion of urban disaster prevention and mitigation infrastructure to prepare for extreme weather events	Industrial	Small	Medium	<ul style="list-style-type: none"> <li>Identify disaster prevention needs, actively propose equipment upgrades, and strengthen sales</li> <li>Actively propose and increase sales of pumps, conveyors, and bridges for river flood control measures</li> </ul>	UNIC
Technology	Increase in product sales driven by rising demand for semiconductors amid electrification across industrial and transportation sectors	Electronics	Medium	Small	<ul style="list-style-type: none"> <li>Expand production in anticipation of increased demand</li> <li>Monitor demand trends</li> </ul>	Industrial
Technology	Sales of products that contribute to energy conservation will increase.	Industrial, Rock Drill, UNIC	Medium	Small	<ul style="list-style-type: none"> <li>Expand sales of new high-efficiency slurry pumps, SICON®, and other energy-saving products</li> <li>Collaborate with suppliers to expand lineup of energy-saving products</li> <li>Make capital investments to develop products and technologies that help reduce environmental impact</li> <li>Expand sales of energy-saving products, such as motorized mini-crawler cranes</li> </ul>	UNIC
	Timely responses to customer requests and technical support to address specification changes related to the shift to EVs will help bolster sales.	UNIC	Medium	Small	<ul style="list-style-type: none"> <li>Collaborate with chassis manufacturers to swiftly develop cranes that can be installed on EVs</li> </ul>	UNIC

<Degree of Impact>

Large: Very large impact on the Group; Medium: Limited impact on the Group; Small: Little impact on the Group

Sustainability Company in the Furukawa

Sustainability Activities: Targets

Environmental

Governance

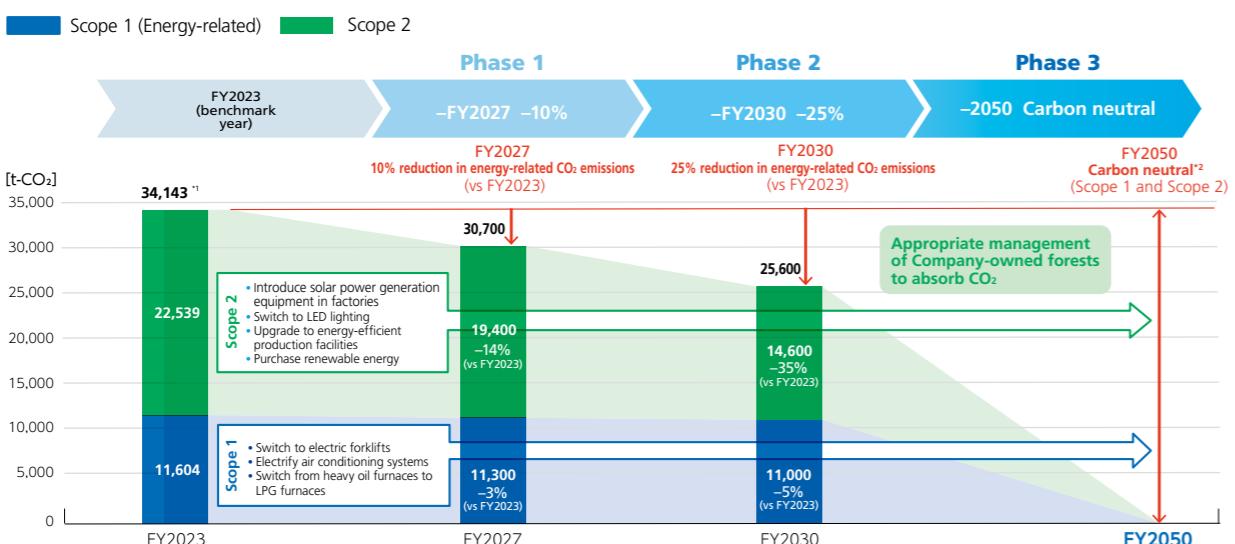
Data

## Risk Management

Assessment of climate-related risks and consideration of countermeasures are conducted by the Risk Management Committee, which comprehensively deliberates important matters related to Groupwide risk management. The Committee is chaired by the director in charge of sustainability of the Company, and the Sustainability Promotion Department serves as its Secretariat. The Committee meets twice a year in principle. Its members are selected from every Company department and core operating companies. Together with the Secretariat, the members assess climate-related risks affecting the Group, consider and formulate countermeasures, and report the results to the Board of Directors, which provides proper oversight.

Organizations and Meeting Bodies and Their Roles	
<b>Board of Directors</b>	<ul style="list-style-type: none"> <li>Request/instruct the Sustainability Promotion Meeting on climate-related matters and deliberate on matters reported and/or proposed by the Meeting</li> <li>Oversee the resolution and execution of important matters related to climate change</li> </ul>
<b>Sustainability Promotion Meeting</b>	<ul style="list-style-type: none"> <li>Discuss and formulate basic policies and action plans for the Group's climate change responses, development of a promotion system, verification and evaluation of the status of activities, and education and public relations measures</li> <li>Meet once a year, in principle, and otherwise as needed</li> </ul>
<b>Sustainability Promotion Department Environmental &amp; Safety Management Department</b>	<ul style="list-style-type: none"> <li>Formulate the Group's climate change response strategies, manage targets, develop climate-related transition plan (roadmap), etc.</li> <li>Oversee the PDCA cycle in collaboration with the implementation bodies for climate change responses</li> </ul>
<b>Relevant departments of Furukawa Co., Ltd. Core operating companies</b>	<ul style="list-style-type: none"> <li>Serve as implementation bodies to deploy PDCA cycle for climate change responses</li> </ul>

## Roadmap to Carbon Neutrality



\*1 Total emissions increased due to expansion of calculation scope (scope changed from major domestic production sites to a consolidated basis, including overseas sites, in FY2023).  
\*2 Including non-energy-related sources

## Metrics and Targets

### FY2024 Targets:

- Reduce Scope 1 (energy-related) and Scope 2 emissions by 25% from FY2023 levels by FY2030

### FY2024 Results:

- Reduced Scope 1 (energy-related) and Scope 2 emissions by 1% from FY2023 levels

### Scope 1 and Scope 2

The Furukawa Company Group supports the Paris Agreement and targets set by the Japanese government. We aim to reduce combined Scope 1 (energy-related) and Scope 2 emissions by 25% from fiscal 2023 levels by fiscal 2030 and achieve carbon neutrality by fiscal 2050.

For Scope 1, we aim to reduce emissions by switching to electric forklifts, electrifying our air conditioning systems, and switching from heavy oil furnaces to liquefied petroleum gas (LPG) furnaces.

For Scope 2, we aim to reduce emissions by introducing solar power and other renewable energy power generation equipment, upgrading to energy-efficient production facilities, and purchasing renewable energy. To fund our carbon neutral initiatives, we are looking to invest approximately ¥2 billion, which we plan to raise through the sale of strategic shareholdings. In addition, we will aim to achieve carbon neutrality by fiscal 2050 through appropriate management of Company-owned forests to absorb CO<sub>2</sub>.

### Scope 3

The Furukawa Company Group discloses Scope 3 emissions in its Sustainability Book.

Since fiscal 2024, with the support of external consultants, we have been working to expand the calculation categories and improve the accuracy of the figures.

Going forward, we will work to further improve accuracy and examine reduction targets for Category 11.

## CO<sub>2</sub> Emissions

Data Metrics	Unit	FY2020	FY2021	FY2022	FY2023 <sup>3</sup>	FY2024
		t-CO <sub>2</sub>	t-CO <sub>2</sub>	t-CO <sub>2</sub>	t-CO <sub>2</sub>	t-CO <sub>2</sub>
CO <sub>2</sub> emission volume	t-CO <sub>2</sub>	4,192	4,296	3,996	11,604	11,137
Scope 1 (energy-related only)	t-CO <sub>2</sub>	—	—	—	22,683	25,252
Scope 1 (non-energy-related only) <sup>4</sup>	t-CO <sub>2</sub>	16,711	17,808	15,540	22,539	22,642
Scope 2	t-CO <sub>2</sub>	20,903	22,104	19,536	34,143	33,779
Scope 1 (energy-related only) + 2 (total)	t-CO <sub>2</sub>	20,903	22,104	19,536	56,826	59,031
Scope 1 + 2 (total)	t-CO <sub>2</sub>	—	—	648,449	675,053	1,060,405
Scope 3 (Category 11)	t-CO <sub>2</sub>	—	—	654,801	683,299	2,685,293
Scope 3 (total) <sup>5</sup>	t-CO <sub>2</sub>	—	—	—	—	—

\*3 Total emissions increased due to expansion of calculation scope (scope changed from major domestic production sites to a consolidated basis, including overseas sites, in fiscal 2023). Figures were reviewed and recalculated in fiscal 2024.

\*4 For non-energy-related Scope 1 emissions, the main source is Gunma Environmental Recycling Center Co., Ltd. (medical waste incineration facility), which became a wholly owned subsidiary in September 2024. While these emissions are excluded from the fiscal 2030 reduction target, they are included in the fiscal 2050 target.

\*5 From fiscal 2024, we revised the calculation scope of Scope 3 to cover the entire Group and updated the calculation categories. For data other than Category 11, please refer to P.54.

## Initiatives

### Purchase of Renewable Energy

Gunma Kankyo Recycling Center Co., Ltd., a subsidiary, carries out intermediate incineration of medical waste. As of April 2025, it had switched all its purchased electricity to renewable energy. As a result, its Scope 2 CO<sub>2</sub> emissions from purchased electricity are expected to be zero from fiscal 2025 onward.

### Introduction of ICP

Having introduced internal carbon pricing (ICP) in fiscal 2022, the Group will promote environmental investment by applying ICP to evaluate the effect of CO<sub>2</sub> emission reductions as an investment return.

### Addressing Climate Change

The Group is committed to reducing and addressing the impact of natural disasters caused by climate change. To this end, we are pursuing various activities, such as evaluating natural disaster risks and promoting BCM.

### Risk Management (P.51)

## Participation in Climate-Related Initiatives

The Group supports the activities of organizations that contribute to climate change mitigation and adaptation. We also endorse and participate in various initiatives and industry associations related to climate change, including the TCFD.

The TCFD Consortium was established in 2019, with Japan's Ministry of Economy, Trade and Industry, Financial Services Agency, and Ministry of the Environment as observers, as a forum for companies and financial institutions that support the TCFD recommendations to unite and promote and discuss climate change initiatives. We have joined the TCFD Consortium and are working to enhance our information disclosure in accordance with the TCFD recommendations.

## Support for Public Policy

The Group supports the Japanese government's goals based on the Paris Agreement and has formulated and is working to reduce CO<sub>2</sub> emissions in line with these goals.

We also strive to comply with public policies and regulations related to the environment, including the Act on the Rational Use of Energy and Conversion to Non-Fossil Energy (Energy Conservation Act).

## Third-Party Verification

To enhance the reliability of its environmental data, the Furukawa Company Group obtained independent third-party verification for its fiscal 2024 CO<sub>2</sub> emissions (Scope 1 and Scope 2).

### Third-Party Verification Statement

## Biodiversity Preservation Activities

### Policies and Strategies

The Furukawa Company Group positions biodiversity protection as a key management priority and pursues activities based on its Biodiversity Action Guidelines, established in 2012. We continuously assess the impact of our business activities on ecosystems and implement ongoing initiatives to minimize that impact.

[The Furukawa Group's Biodiversity Action Guidelines](#)

### Metrics and Targets

#### FY2024 Targets:

- Promote environmental protection through ongoing greening activities, forest management, etc.
- Promote ecosystem restoration activities on Company-owned land, former mine sites, etc.

#### FY2024 Results:

- Held discussions with local forest owners' cooperatives about forest management
- Continued firefly restoration activities in the Kune and Ashio areas
- Took steps to have property certified as a "Nationally Certified Sustainably Managed Natural Site" by the 30by30 Alliance

### Wildlife Observed on Company Premises



Japanese deer



Bull-headed shrike



Ascalaphus ramburi (Horntail lacewing)

### Initiatives

#### Activities Related to 30by30

At each of our production sites, we monitor surrounding areas and focus on various activities, such as site greening, protection of local rare species, and restoration of plants and animals through reforestation efforts. In addition, we collaborate with local forest owners' cooperatives to engage in various activities aimed at the healthy growth of Company-owned forests.

Rather than using introduced species, we select native species of local origin for our greening activities.

In the Matsuki Valley (Ashio-machi, Nikko City, Tochigi Prefecture), the formerly abundant nature is coming back. In the Ashio area, which includes the Matsuki Valley, investigations have revealed that the ecological pyramid is being reshaped, with birds of prey at the top, followed by mammals (such as Asian black bears and Japanese serows), birds, amphibians, and reptiles.

As a concrete initiative for ecosystem preservation, we have designated the site of our former Ashio Copper Mine (Ashio-machi, Nikko City, Tochigi Prefecture) as an area for proactive biodiversity activities. There, we are engaging in tree planting and ecosystem restoration and are taking action to be certified as a "Nationally Certified Sustainably Managed Natural Site" as we work to achieve the 30by30\* goal.

Going forward, we will carry on with greening efforts not only in the Ashio area but also at Company-owned properties throughout Japan, furthering activities for the restoration and recovery of abundant ecosystems.

\* 30by30: A global goal aimed at halting and reversing biodiversity loss to achieve a "nature positive" outcome by 2030. The goal is to effectively conserve more than 30% of the earth's land and ocean areas as healthy ecosystems by 2030.



Matsuki Valley

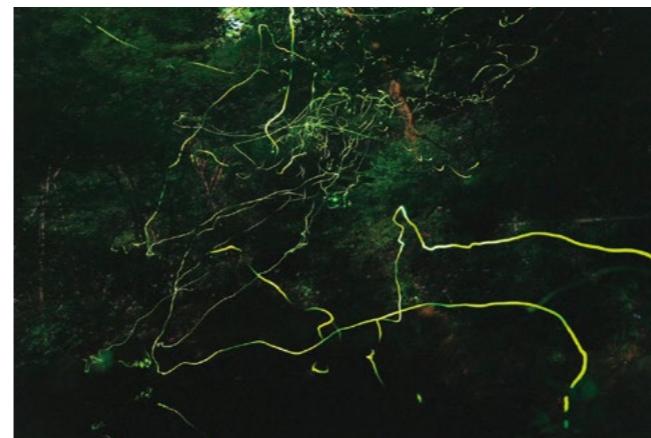
### Firefly Restoration Activities

Fireflies are organisms that reflect environmental conditions, with their presence considered a sign of a healthy water environment. It is said that Genji-Botaru (*Luciola cruciata*) used to dance wildly at the former Kune Mine (Tenryu Ward, Hamamatsu City, Shizuoka Prefecture), which, along with the Ashio Copper Mine once supported the copper-producing operations of Furukawa Co., Ltd. With the aim of restoring an environment where fireflies can live sustainably and leaving it to the next generation, we have continued restoration activities at the former mine sites. As a result, the fireflies can now be seen dancing from late June to early July each year.

We also engage in activities to protect and restore the natural environment in the Ashio area to create a natural environment where familiar wildlife can thrive.

In fiscal 2021, we began firefly restoration activities at the former Ashio Copper Mine site (Nikko City, Tochigi Prefecture), and in fiscal 2022 we were able to confirm the existence of active fireflies. In fiscal 2025, many fireflies once again filled the area, attracting local residents who came to enjoy the sight. This demonstrates how the results of our activities are spreading throughout the community.

We will continue focusing on the protection and restoration of environments where fireflies can flourish throughout their entire lives, with the aim of regenerating rich ecosystems.



Light trails of fireflies around the biotope (on Company-owned land in Ashio, Nikko City)

### Continuous Mountain and Forest Management (Company-Owned Mountain Forestland)

Mountain forestland owned by the Company, totaling approximately 2,200 hectares nationwide, contributes to protection of biodiversity, securing water resources, and so on.

We carry out mountain and forest management in collaboration with local forest owners' cooperatives, systematically thinning, clearing undergrowth, trimming branches, and so on, for the sound development of the mountain forestland.

In the Onuma Forest (Toyone Village, Kitashitara District, Aichi Prefecture), we are preparing for future tree cutting and replanting in consultation with a local forest owners' cooperative, in addition to conducting thinning operations. In the Kune Forest (Tenryu Ward, Hamamatsu City, Shizuoka Prefecture), we have entered into a forest management outsourcing agreement with the local forest owners' cooperative to carry out maintenance and upkeep of the forest.

In the Onuma Mountain Forest, there is an enormous Japanese horse chestnut tree (root circumference 15.3 m; diameter at breast height 7.48 m; height 32.5 m; branch length 46 m; estimated age of more than 500 years) that we have been carefully safeguarding for many years. In April 2008, the tree was designated a natural monument of Toyone-mura, Aichi Prefecture, and in July 2022, it was newly selected to be a designated cultural property (natural monument) of Aichi Prefecture.

In addition, we are continuously maintaining a Company-owned mountain forestland in the Ashio area of Nikko City, Tochigi Prefecture, and have started looking to create a policy for sustainable forest use with a focus on carbon neutrality.



Forest in Ashio (Nikko, Tochigi Prefecture)

### Business Initiatives

As part of our efforts to reduce the environmental impact of business activities, we are taking specific measures, such as switching to LED lighting, introducing energy-efficient equipment, and installing new solar power systems to cut CO<sub>2</sub> emissions. We are also taking steps to conserve water resources by reusing water and reducing overall consumption. Furthermore, we are reviewing production processes and updating pollution control equipment to minimize the release of hazardous substances into the atmosphere and public waterways.

We also manufacture and sell various products that help protect the environment. These include chemical products, such as inorganic coagulants for water treatment (polyferric sulfate aqueous solution for sewage purification and aluminum sulfate for water supply purification).

## Resource Circulation

### Policies and Strategies

Based on its Fourth Medium-Term Reduction Targets, the Furukawa Company Group has set a target of reducing total other emissions, including waste, at the production sites of its core operating companies by 3% compared with the level predicted for fiscal 2028. With this in mind, we are working to curb waste generation and promote recycling. Since the start of fiscal 2025, we expanded the scope of the target to include the entire Group and are strengthening efforts to reduce waste, particularly plastic waste, under our revised Fourth Medium-Term Reduction Targets.

Our activities to reduce waste and promote resource circulation cover the entire product life cycle, from initial design to manufacturing and final disposal.

Specifically, we are developing products that take yield improvement into consideration at the design stage, improving yield when cutting steel at the manufacturing stage, reducing paint scraps by enhancing coating efficiency, simplifying various types of packaging and reusing packaging materials, and emphasizing the use of returnable shipping cartons when delivering parts.

The final disposal rate (rate at which waste in the Group is disposed of as landfill) has generally remained around 5–8% over the past several years, but in fiscal 2024 it fell below that range, to 4.4%.

### Governance Framework

#### Risk Management

For details on our governance framework and risk management, please refer to the Environmental Management section.

[Environmental Management \(P.13\)](#)

### Metrics and Targets

#### FY2024 Targets:

- Total other emissions, including waste<sup>\*2</sup>: 1.8% reduction vs FY2024 BAU<sup>\*1</sup>

#### FY2024 Results:

- Total other emissions, including waste<sup>\*2</sup>: 6,175 t (20.7% reduction vs FY2024 BAU)
- Recycling rate: 68.4%
- Amount of raw materials used: 117,655 t

\*1 BAU (business as usual): No action taken

\*2 Total other emissions, including waste, at major production sites

### Initiatives

#### Reduction of Plastics

In light of the Act on Promotion of Resource Circulation for Plastics, which went into effect in April 2022, we have incorporated a Groupwide plastic waste reduction target into our revised Fourth Medium-Term Reduction Targets. To this end, we are working to further reduce the amount of plastic used by horizontally replicating successful efforts to reduce plastic usage at each business site.

#### External Collaboration

The Group is also collaborating with other companies to reduce waste. For example, we ask our business partners to retrieve cushioning materials after delivery and make use of returnable boxes and covers. In addition, we promote reuse by providing transport companies with surplus pallets from our factories at no cost.

## Pollution Prevention

### Policies and Strategies

While chemical substances are indispensable in our daily lives, improper management can cause environmental pollution and have harmful effects on human health and living environments.

With this in mind, the Furukawa Company Group appropriately manages risks and works to reduce emissions of volatile organic compounds (VOCs) and other chemical substances in accordance with global laws, regulations, and trends. In fiscal 2025, we revised our Fourth Medium-Term Reduction Targets to include a new target: reduce the release and transfer of hazardous chemical substances (PRTR<sup>\*3</sup> substances). To achieve this, we are promoting resource-saving initiatives and the substitution of alternative materials at each site.

Through these initiatives, we strive to mitigate and prevent the potential impact of chemical substances and other pollutants on the Group, while also reducing and avoiding environmental impacts on the global ecosystem.

\*3 PRTR(Pollutant Release and Transfer Register): Notification system for release and transfer of chemical substances

### Governance Framework

#### Risk Management

For details on our governance framework and risk management, please refer to the Environmental Management section.

[Environmental Management \(P.13\)](#)

### Metrics and Targets

#### FY2024 Targets:

- Reduce use of hazardous chemical substances (PRTR substances)<sup>\*4</sup>: Reduce from previous fiscal year

#### FY2024 Results:

- 4.1% year-on-year increase in use of hazardous chemical substances (PRTR substances)<sup>\*4</sup>

\*4 Consolidated results

### Initiatives

#### Promoting Safe Operations through Rigorous Management of Chemical Substances

Within the Group, Furukawa Densi Co., Ltd., and Furukawa Chemicals Co., Ltd., handle numerous hazardous and toxic substances as raw materials for their products. In accordance with our Chemical Substance Management Regulations, we ensure thorough employee education on proper protective equipment use, secure storage, and accurate transaction recordkeeping. By also conducting risk assessments, we strive to prevent chemical-related accidents and maintain safe operations.

#### Emission and Transfer of Substances Required to Be Reported under the PRTR System

Among chemical substances used within our Group, the total volume of PRTR substances handled in fiscal 2024—including emissions and transfers from manufactured and sold products—increased 4.0% year on year. This was mainly due to higher production at some Group companies that make and sell chemical substances. However, as part of our efforts to reduce handling volumes, an overseas Group company, TAIAN FURUKAWA UNIC CRANE CO., LTD., improved its painting process and successfully reduced xylene emissions into the atmosphere by approximately 95% year on year.

#### ● Emission and Transfer of Substances Required to Be Reported under the PRTR System<sup>\*5</sup>

Unit: kg/year (mg-TEQ/year for dioxins only)

Substance Number	Chemical Substance	Emissions								Volume Transferred			
		Atmosphere		Public waters		Soil		Landfill at works		Transfer to sewage		Outside of works	
		2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
31	Antimon and its compounds	0	0	0	0	0	0	0	0	0	0	0	0
53	Ethylbenzene	27,459	33,931	0	0	0	0	0	0	0	0	0	2,057
75	Cadmium and its compounds	0	0	0	0	0	0	0	0	0	0	0	2,699
80	Xylene	40,330	38,123	0	0	0	0	0	0	0	0	0	8,523
87	Chromium and chromium (III) compounds	1	6	0	0	0	0	0	0	0	0	0	49
132	Cobalt and its compounds	0	0	0	0	0	0	0	0	0	0	0	11
243	Dioxins	28	38	0	0	0	0	0	0	0	0	0	180
272	Copper salts (water-soluble, except complex salts)	0	0	0	0	0	0	0	0	4	10	0	0
300	Toluene	40,094	38,843	0	0	0	0	0	0	0	0	0	3,972
308	Nickel	0	1	0	0	0	0	0	0	0	0	0	2
374	Arsenic and its inorganic compounds	9	5	0	0	0	0	0	0	0	0	0	1,671
412	Manganese and its compounds	13	18	0	0	0	0	0	0	0	0	0	244
438	Methylnaphthalene	20	8	0	0	0	0	0	0	0	0	0	0
453	Molybdenum and its compounds	1	0	0	0	0	0	0	0	0	0	0	29
691	Trimethylbenzene	5,358	3,782	0	0	0	0	0	0	0	0	0	335
697	Lead and other compounds	0	0	0	0	0	0	0	0	0	0	0	1
720	2-tert-Butoxyethanol	122	1,065	0	0	0	0	0	0	0	0	0	0
737	Methyl isobutyl ketone	3,741	4,755	0	0	0	0	0	0	0	0	0	88
—	Non-reportable substances	919	863	10	8	0	0	0	0	0	0	0	1,084
FY2024 total (excluding dioxins)		118,067	121,400	10	8	0	0	0	0	4	10	18,098	19,304

\*5 In fiscal 2022, data was calculated from major domestic production sites, and in fiscal 2023, it was on a consolidated basis including overseas sites.

## Water Resource Conservation

### Policies and Strategies

Variations in rainfall caused by climate change can greatly affect the availability of water resources. Accordingly, the Furukawa Company Group is striving to use water resources more efficiently and, under its Fourth Medium-Term Reduction Targets, has established a target to reduce water consumption by 2% compared with the level predicted for fiscal 2028. In fiscal 2024, we achieved a 9.1% reduction, significantly exceeding our target. From fiscal 2025, we have adopted a unit-based reduction target to minimize the impact of changes in production volume, and are working to improve water use efficiency and promote reuse. In addition, we are working to conserve water sources by promoting greening activities on Company-owned land across Japan, systematically maintaining and managing Company-owned forests, and building relationships with local governments and forest owners' cooperatives.

### Governance Framework

#### Risk Management

For details on our governance framework and risk management, please refer to the Environmental Management section.

 [Environmental Management \(P.13\)](#)

### Metrics and Targets

#### FY2024 Targets:

- Water consumption: Reduce by 1.2% vs FY2024 BAU<sup>\*1</sup>

#### FY2024 Results:

- Water consumption<sup>\*2</sup>: 552,000 m<sup>3</sup> (-9.1% reduction vs FY2024 BAU)

\*1 BAU (business as usual): No action taken

\*2 Results at major production sites

### Initiatives

#### Water Stress Assessment

The Furukawa Company Group uses Aqueduct, developed by the World Resources Institute (WRI), to identify water stress at its major business locations. As a result, we identified high water stress at our production sites in China and Thailand. The total water consumption (withdrawal) in these regions is approximately 10,000 m<sup>3</sup> per year.

To address this issue, we have set a target to reduce water consumption by 2% from the projected level for fiscal 2028, and are actively working toward decreasing water consumption and mitigating water stress accordingly.

No violations of water quality or water quantity permits, standards, or regulations occurred in fiscal 2024.

#### Promoting More Efficient Use and Reuse of Water Resources

The Furukawa Company Group has worked to improve efficiency in production processes and implement water-saving measures by installing inverters on intake pumps at several facilities. As a result, these locations achieved a 30% reduction in water consumption compared with before the implementation of these measures.

## Dealing with Suspended or Abandoned Mines

### Policies and Strategies

Following its fundamental policy of ensuring safe operations in the management of suspended or abandoned mines, the Furukawa Company Group has developed a medium- to long-term plan for its mining facilities. These plans include implementing preventive maintenance measures and strengthening resilience (disaster response capabilities) in a systematic manner.

### Initiatives

To cope with rising rainfall associated with recent extreme weather and linear rainbands, we have commenced construction of an additional sedimentation basin at the Nakasai water purification plant, which treats mine wastewater from the Ashio Mine (Nikko City, Tochigi Prefecture). The new facility, slated for completion in fiscal 2026, will help ensure even greater operational stability in mine wastewater treatment.

Furthermore, to boost the transfer capacity of mine wastewater from the final disposal site and modernize related infrastructure, we are implementing pipeline expansion and suspension bridge reinforcement work in the Babi area, as well as installing an emergency generator to strengthen disaster resilience.



Nakasai water purification plant



Suspension bridge reinforcement work

## Develop Safe and Rewarding Work Environments that Take Health into Consideration (Occupational Safety and Health)

### Policies and Strategies

The Furukawa Company Group has identified "Develop safe and rewarding work environments that take health into consideration" as one of its Materialities (Key Issues) and is actively working on occupational safety and health initiatives. The Group strives to prevent industrial accidents and create a safe and healthy work environment (including by maintaining sound mental and physical health) in accordance with its Occupational Safety and Health Basic Principles and its Occupational Safety and Health Policies. With this as a key management priority, labor and management are actively working together to improve our occupational safety and health management standards.

We also extend safety and health education to contracted employees, subcontractors, and other outside stakeholders to promote awareness of our Occupational Safety and Health Policy and ensure that all parties involved are able to perform their work safely.

[Furukawa Company Group Occupational Health and Safety Basic Principles & Occupational Health and Safety Policy](#)

### Governance Framework

The Sustainability Promotion Meeting, chaired by the President & Representative Director, and the Environmental & Safety Management Committee, headed by the General Manager of the Environment & Safety Department, work together under the supervision of the Board of Directors to promote occupational safety and health for employees. Both bodies convene once a year to review the outcomes of the previous fiscal year's occupational safety and health efforts and discuss key activity goals for the current fiscal year. Through annual Environmental and Safety Audits and Environmental/Safety Promotion Meetings, as well as on-site inspections following accidents or incidents, we review and assess the safety management systems at each plant and office, providing guidance and advice for improvement. We also share these findings and best practices across other Group companies and locations to further enhance safety management standards throughout the entire Group. In addition, each plant and business location has established a Safety and Health Committee, consisting of an equal number of representatives from both labor and management, who meet monthly to prevent workplace accidents. The committees conduct thorough studies and deliberations to ensure that employees' perspectives are incorporated into key decisions. They also share information about accidents and incidents within the Group and develop measures to ensure employee safety.

When an accident or disaster occurs, the details of the incident, response measures, and prevention strategies are reported to the Management Committee, attended by internal directors, internal auditors, executive officers, and presidents of core operating companies. Particularly serious incidents are also reported to the Board of Directors to ensure oversight of occupational safety and health by senior management.

### Risk Management

When refurbishing facilities, installing new equipment, making changes to raw materials, or reviewing work procedures at each plant or business location, the Furukawa Company Group conducts risk assessments to eliminate hazardous sources and reduce industrial safety and health risks. At overseas business locations, we have established a safety and health management system based on local laws and regulations and conduct risk assessments similar to those in Japan to prevent accidents and disasters.

### Metrics and Targets

#### FY2024 Targets:

- Achieve accident- and disaster-free operations  
(Industrial accident severity<sup>\*1</sup>/frequency<sup>\*2</sup>)

#### FY2024 Results:

- Industrial accident severity: 1.55
- Industrial accident frequency: 1.03

\*1 Severity: Ratio of working days lost per 1,000 total working hours

\*2 Frequency: Ratio of fatalities and injuries due to industrial accidents per 1 million total working hours

### Initiatives

#### Preventing Industrial Accidents

To prevent industrial accidents, the Furukawa Company Group regularly holds Safety and Health Committee meetings and carries out safety patrols at each plant and business location. We also provide systematic education and training (including risk sensitivity improvement training) to all employees, including managers and supervisors. In February 2025, a serious workplace accident occurred at Ashio Smelting Co., Ltd., resulting in the tragic death of an employee. In response to the occurrence of fatal accidents for two consecutive fiscal years, we conducted emergency inspections of our facilities, and in fiscal 2025 we are working to prevent accidents and disasters and their recurrence across the entire Group, including strengthening our safety management system and expanding the scope of environmental and safety audits.

#### Furukawa Company Group: Number of Accidents Requiring Leave of Absence<sup>\*3</sup>, Frequency, and Severity

	FY2020	FY2021	FY2022	FY2023	FY2024
<b>Number of accidents requiring leave of absence</b>	3	8	4	6	5
<b>Frequency</b>	0.65	1.65	0.82	1.25	1.03
<b>Severity</b>	0.01	0.05	0.01	1.58	1.55

\*3 Accidents requiring leave of absence of at least one day

### Safety Guidance for Overseas Locations

The Environmental & Safety Management Department of Furukawa Co., Ltd., checks and provides guidance on safety-related conditions to the Group's overseas business locations.

It also monitors the operations of the monthly Safety and Health Committee meetings, providing guidance on improving the workplace environment based on the topics discussed and observations from inspections to ensure that employees can work safely and comfortably.

In the event of an accident or incident, we hold thorough discussions with the site involved to analyze the circumstances and identify the root causes, then take measures to prevent recurrence.

The following business locations have acquired ISO 45001 certification, the international standard for occupational safety and health management systems, and continue promoting safety and health activities.

#### ISO 45001 Certification Acquisition Status

Company Name	Acquisition Date	Certification Organization
TAIAN FURUKAWA UNIC CRANE CO., LTD.	April 29, 2021	China United Certification Center (Beijing) Co., Ltd.
FURUKAWA UNIC (THAILAND) CO., LTD.	January 25, 2023	Perry Johnson Registrars, Inc.

Certification acquired by 2 of 3 overseas production bases (67%)

### Consultation with Furukawa Labor Union Regarding Occupational Safety and Health

The Company has established a mechanism for employee representatives to interact with management. The Furukawa Labor Union, which represents employees, and management together hold meetings of the Central Labor-Management Council twice a year (and more often as necessary) to exchange views on business plans, management policies, and operational strategies. They also exchange views on occupational safety and health and work to implement measures accordingly.

Labor-management council meetings are also held at each core operating company, where labor and management exchange opinions on occupational safety and health efforts at the individual company level.

## Develop Safe and Rewarding Work Environments that Take Health into Consideration (Health and Satisfaction)

### Policies and Strategies

One of the Furukawa Company Group's Materialities (Key Issues) is to "Develop safe and rewarding work environments that take health into consideration." With this in mind, we are actively working to create health-conscious workplaces. On January 1, 2021, we announced our Health Declaration, further strengthening our commitment to health management.

#### The Furukawa Company Group Health Declaration

The Furukawa Company Group was the first in Japan to adopt the principle of SAFETY FIRST as "Anzen Sen'ichi."

As a pioneer of the industrial safety movement, we have been engaging in efforts to maintain and improve employee safety and health. The spirit lives on in our Management Philosophy of "remaining indispensable to society by always embracing a spirit of challenge, advancing the technologies that have underpinned the foundation of society that originated in mining development."

We consider the creation of a workplace environment that makes work satisfying and where every employee can take on the challenge every day of vibrantly realizing their capabilities and creating new value in good mental and physical health, to be an essential management issue. Going forward, we are committed to even more proactive efforts in promoting measures to maintain and improve the health of our employees.

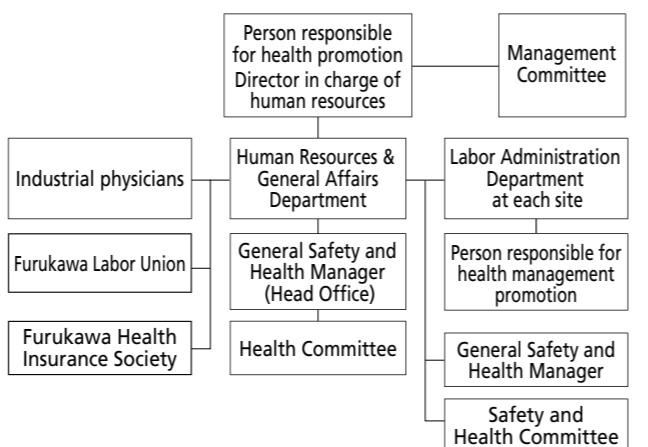
The Group employs talented individuals who will proactively take on all challenges, while striving to recognize the diverse values of individuals, accordingly creating a rewarding corporate culture wherein human rights violations and discrimination do not occur and where individuals are evaluated fairly.

### Governance Framework

The director of the Group in charge of human resources also has responsibility for health promotion and takes the lead in drafting and implementing various plans centered mainly in the Human Resources & General Affairs Department. The person responsible for health promotion also presents periodic reports on the status of employee health to the Management Committee and makes decisions on policy relating to matters such as the implementation of health management promotion.

The Human Resources & General Affairs Department coordinates health checkup data from the Furukawa Health Insurance Society and the employee database to identify health issues, and plans and drafts appropriate measures while incorporating guidance from industrial physicians as well as opinions and requests from the labor union. Implementation of measures takes place through those in charge of health management promotion in each department, who communicate the measures to the employees. After implementation, information is shared with the Safety and Health Committee in each department, with its effectiveness also verified and used as feedback in review of the measures taken.

#### Health Management Promotion Framework Chart



### Risk Management

We conduct organizational diagnostic surveys of the Furukawa Company Group as a whole and each workplace. These surveys are systematically designed to cover morale, corporate culture, and other aspects. They enable us to gather information on and assess the extent to which our Management Philosophy and vision have been embraced, as well as employee awareness and feedback from the front lines. We use this information to aid in the planning and development of various initiatives. In addition, we conduct annual stress checks to assess workplace stress levels through organizational diagnostics. For high-stress workplaces, we provide guidance and support to managers to help them make improvements.

At the same time, we measure presenteeism (a state in which employees come to work despite having an illness or condition, leading to reduced job performance and productivity) to raise awareness of health among employees.

### Metrics and Targets

#### FY2024 Targets:

- Reduce total annual working hours (less than 2,000 hours)
- Take steps to acquire certification as a Health and Productivity Management Outstanding Organization (White 500)

#### FY2024 Results:

- Total annual hours worked: 1,922.2 hours
- Certified as a 2025 Health and Productivity Management Outstanding Organization
- Introduced health promotion smartphone app, conducted health seminars, and encouraged employees with anomalies to undergo reexamination
- Considered conducting engagement surveys



### Initiatives

#### Employee Health Management

In the Furukawa Company Group's health management divisions, employee health is managed by periodic health checkups, special health examinations for employees with designated duties, and so on. They also provide health guidance based on health checkup results and give support for promoting employee health. We are also taking steps to arrange separate in-house smoking areas based on the intent of the Health Promotion Act, and we are making every effort to prevent secondhand smoking.

#### Systems and Measures

The Furukawa Company Group recognizes the following as management risks: the presence of employees with anomalies revealed through periodic health checkups, the occurrence of employees leaving the workplace due to injury or illness, and the presence of employees whose ability to perform their duties is impaired due to working while suffering from an injury or illness. With this in mind, we are working to achieve a 100% participation rate for regular health checkups, improve the rate of retests and the percentage of employees participating in health programs, raise awareness about stress in the workplace, and reduce smoking.

#### Encouraging the Use of Annual Paid Leave

We encourage employees to take annual paid leave by setting incentive days and planned exercises. In April 2024, we increased the number of days of annual paid leave granted to employees in their first to fifth years after joining the Company, a period when employees tend to be reluctant to take leave due to concerns about the number of remaining days. We also introduced hour-based annual leave at business locations where flextime arrangements do not apply due to the nature of the work, making it easier for employees to take time off in accordance with their generation, workplace, and lifestyle. In addition, we have a system allowing employees to save and accumulate expired annual paid leave that can be used if employees require long-term medical treatment due to personal injury or illness.

### Efforts to Reduce Working Hours

We use our Companywide work system to properly monitor employee working hours. Employees who exceed the prescribed monthly limit by 80 hours or more are subject to corrective measures, including reviews of their work by department managers, with the aim of reducing long working hours and equalizing workloads.

### Workstyle Reforms to Increase Productivity

We have identified the following issues and considerations for realizing rewarding work environments.

Enhance efficiency of work environments through automation, systemization, and shorter meetings while allowing flexible workstyles and promoting a change in the mindset of all employees

### Establishing Healthy Workplaces

We have identified the following issues and considerations for realizing healthy work environments.

Reduce annual total working hours, improve the percentage of paid annual leave taken, improve the percentage of scheduled medical examinations received, and actively implement health promotion activities

## Recruit and Develop Diverse Human Resources (Diversity)

### Policies and Strategies

One of the Furukawa Company Group's Materialities (Key Issues) is to "Recruit and develop diverse human resources." The Group does not engage in any discrimination regarding human rights, beliefs, gender, disabilities, and so on in employment, and we endeavor to provide equal opportunities for all. Because Group businesses extend into a variety of fields, we are taking measures to stabilize our employment by formulating staffing and personnel plans with a clear view to business expansion and productivity increases, including in Group companies.

### Governance Framework

The Furukawa Company Group's Human Resources & General Affairs Department is responsible for planning and promoting diversity-related initiatives.

### Metrics and Targets

#### FY2024 Targets:

- Increase female manager ratio
- Step up recruitment of persons with disabilities (statutory minimum rate: 2.5%)

#### FY2024 Results:

- Female manager ratio (Furukawa Co., Ltd.): 2.4%
- Persons with disabilities (consolidated): 1.9%

### Initiatives

#### Empowering Female Employees

In our ongoing effort to actively recruit and involve women, on April 1, 2021, we formulated our Action Plan for Promoting Support for Female Employees, and are stepping up support for the advancement of women.

#### ● Action Plan for Promoting Support for Female Employees

(Planned period: April 1, 2021 to March 31, 2026)

Target 1	Ensure that women account for at least 20% of all new graduate recruits
Target 2	Appoint at least 10 female managers
Target 3	Reduce the turnover rate of female employees in planning positions for personal reasons to 10% or less during the first five years of employment
Target 4	Encourage use of annual paid leave (target: 12 days/year)

#### Support for Employees Raising Children, etc.

As part of measures to support rearing of the next generation, we have formulated and implemented the General Business Owner Action Plan. At the same time, we are promoting improvement of the workplace environment to make it easier for people to take part in childcare and home care.

### Hiring People with Disabilities

The Furukawa Company Group promotes hiring people with disabilities in various workplaces and for various types of work, thereby promoting their independence and participation in society.

### Hiring Foreign Nationals

Given its active pursuit of overseas expansion, the Furukawa Company Group does not base its recruiting decisions on nationality. Moreover, we strive to deepen partnerships that transcend nationality as we promote a spirit of mutual respect for individual differences. The Group has multiple production and sales/service bases overseas, where we actively recruit and develop local talent. As of March 31, 2025, we had 477 locally hired employees. We will continue creating local employment opportunities and making regional contributions.

### Hiring Elderly Employees

To stabilize the employment of elderly people and expand their opportunities for work, we raised the mandatory retirement age from 60 to 65 as of April 1, 2020, and in April 2025 established a system that allows continued employment up to age 70. Going forward, we anticipate that these people, by passing on the technical know-how they have acquired over many years, will proactively participate in cultivating mid-level and younger employees as well as in other ways.

### Diversity-Related Education

The Furukawa Company Group conducts diversity-related training as part of its commitment to ensuring diversity. The training, which covers such topics as race, nationality, religion, sexual orientation, and disabilities, is designed to deepen employees' understanding of diversity.

### Hosting Nonferrous DE&I Forum 2025

On February 27, 2025, seven nonferrous metal companies\* together with the Japan Mining Industry Association hosted Nonferrous DE&I Forum 2025 to advance diversity, equity, and inclusion (DE&I) across their organizations. The event, held in connection with International Women's Day on March 8, was the industry's second such forum, following the inaugural session in March 2024.

The event included a presentation by an external specialist offering insights on DE&I advancement in the nonferrous metals industry, along with a live panel discussion among employees who are leading DE&I initiatives within their companies. The proceedings were also streamed to participating companies.

The forum served as an opportunity for the entire industry to deepen its understanding of DE&I. Through such initiatives, we will continue working to create environments that respect diversity.

\* JX Advanced Metals Corporation, Sumitomo Metal Mining Co., Ltd., DOWA Holdings Co., Ltd., Nittetsu Mining Co., Ltd., Mitsui Kinzoku Co., Ltd., Mitsubishi Materials Corporation, and Furukawa Co., Ltd.



# Recruit and Develop Diverse Human Resources (HR Development)

## Policies and Strategies

In Japan, where the working-age population is in decline, securing and developing talent to enhance corporate value is becoming increasingly important. For this reason, the Furukawa Company Group promotes its human resources strategy under the fundamental policy of "what supports the limitless development of a company is people" and has identified "Recruit and develop diverse human resources" as a Materiality (Key Issue).

Given the Group's wide range of businesses, achieving sustainable growth of both social value and corporate value requires people who have a spirit of challenge, can think and act independently, and are creative.

In securing talent, therefore, we strictly prohibit any form of discrimination based on human rights, beliefs, gender, or disability, and ensure equal opportunity and fair evaluation. We also work to foster a corporate culture where everyone can truly feel a sense of fulfillment in their work.

## Human Resources Required



## Human Resource Development Policy

For the Furukawa Company Group to resolve social issues through its business activities and achieve sustainable growth and increase corporate value, it is essential to develop human resources with a variety of personalities. Commit to developing a diverse workforce capable of acting autonomously and willing to embrace the challenge of creating new value.

## In-House Environmental Improvement Policy

The Furukawa Company Group is committed to creating comfortable workplaces where diverse human resources can perform their duties safely and efficiently while maintaining a rewarding and healthy work environment.

## Governance Framework

The Furukawa Company Group's Human Resources & General Affairs Department is responsible for planning and promoting initiatives to develop diverse human resources and create a comfortable working environment.

## Metrics and Targets

### FY2024 Targets:

- Introduce talent management system
- Establish category-specific education policies
- Activate job rotation
- Consider training program for young employees in specialized roles

### FY2024 Results:

- Introduced talent management system
- Decided general framework for categories for category-specific education
- Ongoing job rotation based on policy
- Implementation study completed for study training program for young employees in specialized roles

## Initiatives

### Human Resource Development

The Furukawa Company Group is aiming to optimize its business framework and heighten its corporate value by developing professional human resources through human resource cultivation systems of all kinds and by building a workplace environment where they can exercise their capabilities to the fullest.

### Education and Training

The Furukawa Company Group offers tiered training programs tailored to each grade, ensuring that employees acquire the fundamental knowledge required for their roles. We also focus on developing their ability to adapt to changes in the social environment. In addition, our new employee training includes sessions on the history of the Ashio Copper Mine, pollution control measures, current safety management practices, and reforestation efforts.

We also provide technical training and job-specific programs tailored to employees' areas of expertise and job performance. These are designed to help employees acquire a broad range of knowledge and specialized skills in their respective fields. Moreover, we actively encourage employees to participate in specialized external courses and acquire official certifications. We also support the dispatch of employees to external educational and research institutions or academic conferences, with the aim of developing personnel with a deep understanding of cutting-edge technologies and social trends.



Training for mid-career employees in specialized roles



Training for on-site supervisors

## List of Education and Training Activities

	Newly Hired Employees	Grades 1–4 (General Employees)	Grades 5–9 (Managerial Employees)
Employment Grade/Skill	Introductory training for newly hired employees Follow-up training	Fifth-year training for corporate planning staff Grade 4 training	Grade 5 training Grade 6 training Grade 8 training Training to cultivate next-generation executives
Special Training	Pre-hiring training Safety and health training Conversational English education Human rights training	Mental health training Compliance training TOEIC® testing	Diversity training Life plan training Line care training
Training by Specialty / Function	Engineer training Job-specific training Participation in specialized subject seminars (including those furthering acquisition of public qualifications)	Dispatch to external educational and research institutions and academic conferences	
Workplace Education	Health and safety education OJT		
Language Training	Language training for employees dispatched overseas Language training (foreign language training at sites) Short-term overseas language training		
Self-Development	Correspondence courses of all types Introduction of instructional materials, publications, etc. Training in the form of open applications (e-learning)		
HR Systems and Methods	Coaching system Self-assessment and interviews based on personnel evaluation system	Personnel evaluator training Interviews relating to goal management Rotation and secondment to affiliates in Japan and overseas	

## Communication to Facilitate Training of Subordinates

Interviews are conducted between immediate supervisors and their subordinates on a twice-yearly basis, in addition to the daily communication that takes place between managers and their employees. In the interviews, managers provide feedback to employees regarding their work, achievements, points for reflection, and findings of performance evaluations, as well as advice based on their self-reports, and confirm and share the goals they have set. Meanwhile, supervisors also provide their assessments with respect to the self-analysis. The process of undergoing straightforward performance assessments by their supervisors enables employees to scrutinize themselves on a regular basis, thereby helping fuel their motivation for proactive career development. While diverse workstyles, such as flextime, shorter/staggered work hours, hot-desking, and teleworking, are becoming more common, it is difficult to communicate with subordinates, understand what they are thinking, and what problems and concerns they have. For this reason, we also conduct one-on-one meetings at the head office.

## Personnel Evaluation System

Based on the system of assigning grades by function that is used in the Furukawa Company Group, grades are set according to the magnitude of the role the employee is expected to fulfill. By assessing personnel results and behavioral characteristics in accordance with the personnel evaluation system, we are endeavoring to provide employee guidance and cultivation, develop their capabilities, and optimize their assignments. At the same time, this serves to provide fair and equitable treatment in terms of wages, bonuses, retirement benefits, and so on, and in establishing an environment wherein motivated employees can participate proactively with a sense of security.

## Human Resource Development and Deployment

When developing and deploying diverse human resources, we focus on various challenges and considerations. For example, we strive to develop diverse human resources based on length of service, position, job description, ability, etc.; optimally deploy capable human resources regardless of length of service or job group to ensure that the right person is in the right position; and set challenging personal goals and evaluate personnel appropriately.

## Promote Management that Respects Human Rights

### Policies and Strategies

Amid growing social attention to human rights, the Furukawa Company Group must conduct its business activities with respect for human rights to fulfill its social responsibilities and achieve sustainable corporate growth. For this reason, our Group has identified "Promote management that respects human rights" as a Materiality (Key Issue).

In accordance with the United Nations Guiding Principles on Business and Human Rights, we established the Furukawa Company Group's Human Rights Policy, which was approved by the Board of Directors in 2023. We disclosed this policy on our corporate website in both Japanese and English to inform stakeholders in all countries and regions. We also ask our suppliers and other business partners to support this policy and respect human rights. For employees, we aim to raise awareness of human rights by educating them about business and human rights, including the Group's Human Rights Policy, through internal newsletters and training sessions.

In the Furukawa Company Group's Human Rights Policy, the Furukawa Company Group's Charter of Corporate Conduct, and the Furukawa Company Group's Code of Conduct for Officers and Employees, the Group states its commitment to respecting the human rights of all people, forbidding child labor and forced labor, and rejecting discriminatory treatment, behavior, and speech with regard to nationality, race, gender, age, faith, religion, social status, disability, and so on. In these ways, we emphasize business activities that respect human rights.

The Group recognizes the diverse values of individuals and, in order to foster a rewarding corporate culture free from human rights violations and discrimination and grounded in fair evaluation, strictly prohibits all forms of harassment and discrimination. We also respond firmly to harassment and discriminatory behavior in accordance with internal regulations.

[Furukawa Company Group's Human Rights Policy](#)

[The Furukawa Company Group's Charter of Corporate Conduct](#)

[The Furukawa Company Group's Code of Conduct for Officers and Employees](#)

### Governance Framework

The Furukawa Company Group is advancing its human rights initiatives under the supervision of the Board of Directors. Furthermore, we established the cross-lateral Human Rights Risk Sectional Meeting under the Risk Management Committee, which is chaired by the director in charge of the Sustainability Promotion Department. The Human Rights Risk Sectional Meeting is responsible for investigating, deliberating, and drafting proposals on human rights issues, which are then reported to and submitted for consideration by the Risk Management Committee. The Committee reviews these proposals and reports them to the Board of Directors for consideration.

### Risk Management

The Human Rights Risk Sectional Meeting, established under the Risk Management Committee, is responsible for evaluating and identifying human rights risks and addressing any negative impacts on human rights.

### Metrics and Targets

#### FY2024 Targets:

- Conduct human rights due diligence
- Human rights training sessions: At least once a year

#### FY2024 Results:

- Considered measures to enhance human rights risk assessment accuracy
- Number of human rights training sessions: 6

[Supply Chain Management \(P.39\)](#)

### Initiatives

As part of our core business processes, we are working to establish a human rights due diligence framework that continuously identifies, assesses, and mitigates potential negative impacts on human rights. To this end, we also engage in dialogue with relevant stakeholders.

### Human Rights Risk Assessment

In fiscal 2023, the Furukawa Company Group conducted desktop analyses to identify and assess human rights risks. We focused particular attention on occupational safety and health, harassment, human rights related to the environment and climate change, and human rights in the supply chain. These issues were discussed by the Human Rights Risk Sectional Meeting and the Risk Management Committee. To improve the accuracy of the previous desktop analysis results, in fiscal 2024 we formulated a plan to enhance the analysis process, which will be implemented in fiscal 2025.

The Human Rights Risk Sectional Meeting meets twice a year to continuously evaluate risks related to human rights. In addition, we are working steadily to expand the scope of our CSR survey, which previously focused on domestic suppliers and included human rights matters, to include suppliers of overseas subsidiaries with production bases.

### Preventing Child Labor and Forced Labor

The Furukawa Company Group's Code of Conduct for Officers and Employees stipulates that they will not engage in child labor or forced labor, and that they will demand that their business partners do not engage in such practices. When hiring, we ask applicants to submit documents required by employment regulations and thoroughly check applicants' age and other relevant information.

### Reducing Excessive Working Hours

The Furukawa Company Group is working to reduce overtime and optimize working hours to ensure the sound mental and physical health of its employees and help them achieve a good work-life balance.

### Preventing Harassment (Harassment Training for Management-Level Employees)

The Furukawa Company Group's Policy on Measures to Prevent and Eliminate Harassment in the Workplace includes (1) definition of harassment, (2) scope of application, (3) responsibilities of superiors, (4) cooperation of employees, (5) consultation and complaint handling contact point, (6) prohibition of prejudicial treatment, (7) confidentiality obligation, and (8) disciplinary actions. In addition, we provide training for management-level employees on the Group's harassment responses, including examples of harassment, reporting and measures to be taken when a case of harassment is identified, and consultation services, with the aim of preventing harassment.

### Human Rights Training

In fiscal 2024, the Furukawa Company Group conducted a total of six human rights training sessions tailored by level and target group—such as new employees, newly appointed managers, and the Purchasing Department. The purpose of these sessions was to instill the principles of our Human Rights Policy among employees and promote the understanding needed to put respect for human rights into practice. We are also working to raise awareness of human rights by providing education about business and human rights, including our Human Rights Policy, through internal newsletters and educational videos. The training covers not only our Human Rights Policy and business and human rights but also harassment and discrimination related to persons with disabilities and LGBTQ individuals.



Human rights training session

### Whistleblowing System

The Furukawa Company Group has introduced a whistleblowing system to facilitate the early detection and correction of compliance violations, including issues related to respecting human rights and prohibiting discrimination. Reporting and consultation channels are available both internally and externally (law office). It is prohibited to seek out whistleblowers and/or treat them unfavorably on the grounds of having made a report. If it becomes clear that the Group has caused or been part of any negative impact on human rights, it will work to remedy the situation through appropriate procedures.

# Quality Assurance

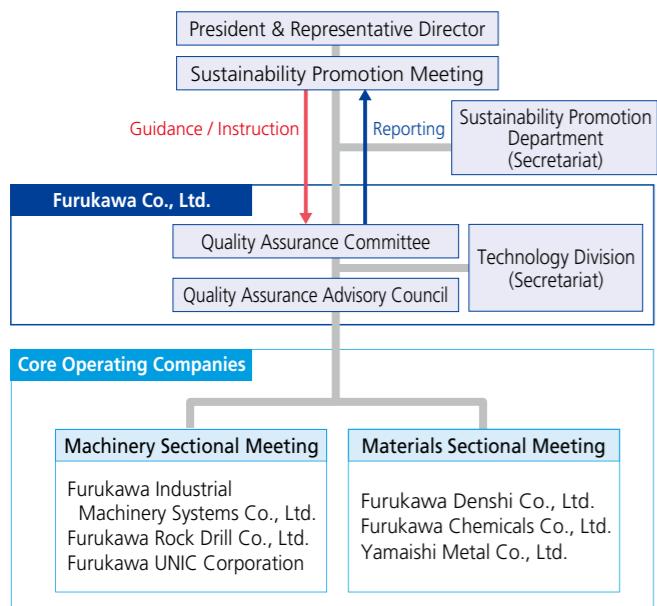
## Policies and Strategies

The Furukawa Company Group works continuously to improve the quality of its products and services in line with its Quality Assurance Basic Policy and the Quality Assurance Action Guidelines. Through reliable manufacturing, we strive to build trust with our customers while pursuing sustainable growth and contributing to society.

## 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 Furukawa Company Group. In addition, the Technology Division manages the Group's quality assurance system and promotes activities for quality assurance and product safety. These 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 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. As fiscal 2025 marks the final year of the roadmap, we revised our goals based on progress made over the two years since the start of fiscal 2023, taking into account changing priorities and circumstances. We will continue taking action aimed at achieving both our ongoing themes and the newly revised goals, which include enhancing design verification and reducing in-process defects.

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 2024, continuing from the previous fiscal year, we conducted activities aimed at introducing and improving FMEA\*2 methodologies. These included group discussions on created FMEA documents, sharing information on the latest trends, and providing training at various locations. With the goal of achieving “zero quality-related complaints,” in fiscal 2025 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 SDS: Safety Data Sheet

\*2 FMEA (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

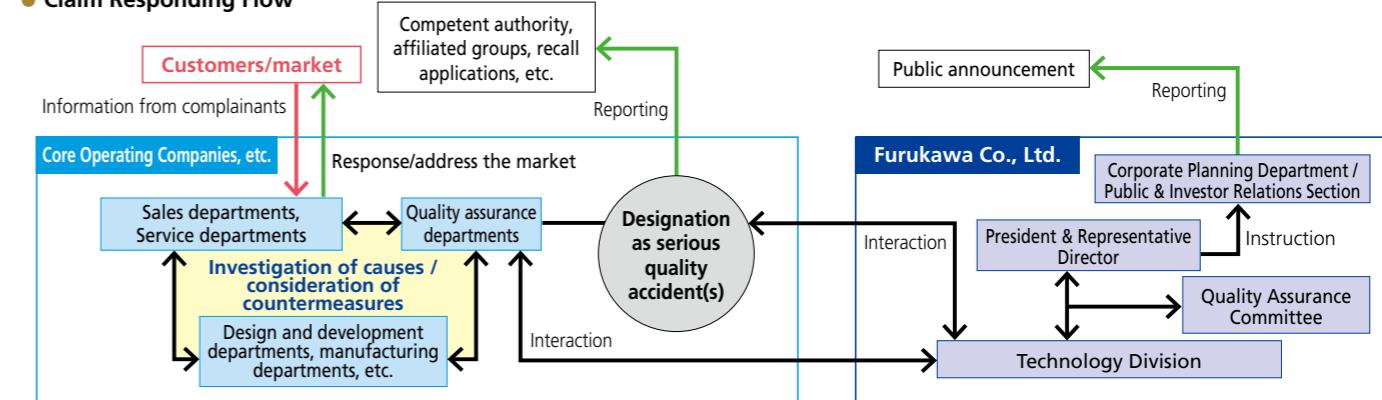
### FY2024 Targets:

- Embed the Quality Assurance Basic Policy and the Quality Assurance Action Guidelines (Groupwide)
- Strengthen the quality assurance framework (Machinery business and Materials business companies)
- Continuously improve quality assurance processes
- Regularly monitor quality assurance improvements

### FY2024 Results:

- Continued activities based on the quality roadmap (Machinery business companies)
- Reduced quality-related complaint expenses compared with the previous fiscal year (Machinery business companies)
- Raised the quality level of the Materials business by sharing information on FMEA methodology and improving existing activities (Materials business companies)
- Distributed quality assurance educational materials to all officers and employees on four occasions (Groupwide)

### 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 Densi 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.

## 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 Technology Headquarters distributes educational materials on quality assurance to all officers 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 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.

# Supply Chain Management

## Policies and Strategies

The Basic Procurement Policies of the Furukawa Company Group are underpinned by four pillars: Fairness and impartiality, mutual prosperity, compliance and confidentiality, and sustainability-oriented procurement activities. Based on these policies, and in cooperation with our suppliers, we formulated our Sustainable Procurement Guidelines, which emphasize respect for human rights and the environment.

[Furukawa Company Group Basic Procurement Policies](#)

[The Furukawa Company Group Sustainable Procurement Guidelines](#)

## Governance Framework

Our Purchasing Department holds Purchasing Strategy Conferences twice a year, which consist of responsible personnel from Purchasing Departments of Machinery segment core operating companies. At these conferences, each operating company's progress toward annual targets is checked and exchanges of views are held for the resolution of issues, with the overall purpose of promoting procurement activities based on the Furukawa Company Group Basic Procurement Policies.

In fiscal 2024, we positioned the fostering of partnerships as the central issue for the purchasing departments in realizing our Vision for 2025. To this end, we held concrete discussions and exchanged opinions on strengthening supplier management and sustainability-oriented procurement in the purchasing departments.

Regular monthly meetings are also held separately at each operating company to provide occasions for more specific examination of initiatives in accordance with the policies of the Purchasing Strategy Conference. In addition, meetings are held on individual projects as the occasion arises and activities more closely tailored to circumstances are carried out.

## Risk Management

The Furukawa Company Group's purchasing departments consider it essential to have cooperative relationships not only within the Group but also with suppliers and others throughout the supply chain. In fiscal 2016, therefore, we began providing suppliers, including new ones, with an explanation of the purpose of the Group's sustainability-oriented procurement and giving them the supplier CSR survey to complete. In fiscal 2019, we started visiting suppliers and exchanging views to promote understanding of our sustainability promotion activities.

Based on lessons learned from the initial survey, we have been conducting the second CSR survey since fiscal 2021. To promote, maintain, and enhance sustainability, including within our supply chain, we are advancing the PDCA cycle from survey implementation to follow-up.

By the end of fiscal 2024, we conducted the second CSR survey of 141 key suppliers in Group 1<sup>1</sup> and Group 2<sup>2</sup>, achieving a 100% response rate. We compiled, analyzed, and evaluated the survey results by assigning points based on the importance of each question. This process identified three high-risk business partners (two from Group 1 and one from Group 2), whom we subsequently visited to exchange opinions. For these business partners, we also conducted follow-up activities based on risk assessments, including on-site inspections and other monitoring activities, as well as guidance for risk reduction.

Additionally, we conducted a CSR survey for overseas suppliers of our overseas subsidiaries<sup>3</sup> and completed the analysis.

In fiscal 2025, we initiated follow-up activities (including on-site inspections and guidance for risk reduction) for overseas suppliers selected based on risk assessments. We also plan to extend the same survey to the overseas suppliers of our domestic subsidiaries.

<sup>1</sup> Group 1: Furukawa Industrial Machinery Systems Co., Ltd., Furukawa Rock Drill Co., Ltd., Furukawa UNIC Corporation, and Furukawa Denshi Co., Ltd.

<sup>2</sup> Group 2: Furukawa Chemicals Co., Ltd., Furukawa C&F Co., Ltd., Ashio Rock Drill Co., Ltd., and FRD Iwaki Co., Ltd.

<sup>3</sup> TAIAN FURUKAWA UNIC CRANE CO., LTD. and FURUKAWA UNIC (THAILAND) CO., LTD.

### Questions on the Supplier CSR Survey (Human Rights, Environment, etc.)

#### [Survey questions about respecting human rights and preventing human rights violations]

- (1) Prohibition of child labor, forced labor, unfairly low wages, etc.
- (2) Creating work environments free of discrimination and harassment of employees
- (3) Compliance with labor laws and regulations, improving work environments

#### [Survey questions about environmental conservation]

- (1) Compliance with international standards, laws, regulations, agreements, etc., related to environmental conservation
- (2) Energy-saving considerations, using resources effectively, reducing waste
- (3) Proper control of chemical substances in products and chemical substances discharged into the external environment during manufacturing processes

Moving forward, we will further enhance the questionnaire content related to human rights and the environment to promote activities that are more aligned with the SDGs.

## Targets and Metrics

### FY2024 Targets:

- Conduct CSR survey for overseas suppliers
- Conduct sustainability education focusing on human rights for personnel in the Purchasing Department
- Strengthen management of key suppliers (QCD + sustainability)
- Foster partnerships with suppliers
- Launch Companywide activities to promote sustainability-conscious procurement

### FY2024 Results:

- Conducted and analyzed results of CSR survey for overseas suppliers
- Provided sustainability training focused on human rights for procurement staff and other relevant personnel
- Conducted survey of procured goods and suppliers in consideration of the SDGs
- Held production briefings for major domestic suppliers
- Revised the Partnership Building Declaration (November 2024 edition)

## Initiatives

With regard to human rights in the supply chain, we conduct CSR surveys of key suppliers and engage in dialogue and verification through on-site visits to some suppliers.

### Training Personnel Responsible for Procurement

Our Purchasing Department is constantly striving to strengthen the procurement system by holding seminars for the department members.

Themes of training include human rights, the environment, quality, and more, and the information is shared on a regular basis.

### Providing Technical Guidance to Suppliers

In order to continue to maintain trust in the Group's products, we must maintain trust not only in the Company itself but also in the level of procured goods. Therefore, it is vital to survey, instruct, and manage suppliers—our partners—as to the quality of their products in addition to human rights, environmental issues, safety, and other aspects. Our Purchasing Department is cooperating with core operating companies in the Machinery segment (Furukawa Industrial Machinery Systems Co., Ltd., Furukawa Rock Drill Co., Ltd., and Furukawa UNIC Corporation) to offer guidance and recommendations for supporting suppliers as necessary.

In fiscal 2024, we continued visiting domestic and overseas suppliers to verify and provide technical guidance on processing procedures, materials management, quality inspection systems, and environmental and safety measures.



Giving guidance to a supplier

## Strengthening Relationships with Key Suppliers: Fostering Partnerships

We view our suppliers as valuable partners with whom we aim for mutual growth.

In fiscal 2024, we engaged in communication with both domestic and overseas suppliers through site visits and production briefings.

In fiscal 2025, we will continue deepening mutual understanding through CSR initiatives and work to foster even stronger trust-based relationships.



Production briefing, Furukawa UNIC Corporation

## Declaration of Partnership Building

In December 2023, the Company and its core operating companies (Furukawa Industrial Machinery Systems Co., Ltd., Furukawa Rock Drill Co., Ltd., Furukawa UNIC Corporation, Furukawa Metal Resources Co., Ltd., Furukawa Denshi Co., Ltd., and Furukawa Chemicals Co., Ltd.) endorsed the objectives of the Council for Promoting Partnership Building for the Future, whose members include the chairmen of Keidanren (Japan Business Federation) and the Japan Chamber of Commerce and Industry, the president of RENGO (Japanese Trade Union Confederation), and related ministers from the Cabinet Office, Ministry of Economy, Trade and Industry, Ministry of Health, Labour and Welfare, Ministry of Agriculture, Forestry and Fisheries, and Ministry of Land, Infrastructure, Transport and Tourism. In line with this, we issued our own Partnership Building Declaration. In April 2025, we released the revised November 2024 edition of the declaration.

Going forward, we will build new partnerships by promoting cooperation, coexistence, and co-prosperity with our supply chain partners and businesses that create value.

## Consideration in the Procurement of Copper Ore

As raw material for the copper ingots that are the main product of Furukawa Metals & Resources Co., Ltd., as well as for the gold and silver bullion that are its by-products, that company procures copper concentrate from mines in Chile, Peru, the United States, Australia, Papua New Guinea, and other places.

The Company ascertains the actual circumstances at these supplier mines with regard to environmental protection, human rights, employment and labor problems, and so on, and notes if sustainable development and appropriate mine operation are being carried out, thereby contributing to mitigation of environmental impact on a global scale.

Regarding conflict minerals, the Company also has the policy of not procuring minerals produced in areas where procurement would risk furthering conflict by serving as a source of funds for armed groups and human rights violations.

## Coexistence with Local Communities

### Policies and Strategies

The Furukawa Company Group has a policy of actively participating in society and contributing to its development as set forth in its Charter of Corporate Conduct and its Code of Conduct for Officers and Employees.

[The Furukawa Company Group's Charter of Corporate Conduct](#)

[The Furukawa Company Group's Code of Conduct for Officers and Employees](#)

### Initiatives

The origins of the Furukawa Company Group date back to 1875, when we began managing the Kusakura Copper Mine in Niigata Prefecture. Two years later, in 1877, we took over the management of the Ashio Copper Mine in Tochigi Prefecture, which went on to achieve remarkable technological innovations noted in Japan's industrial history. The mine grew to become the nation's leading copper producer, contributing greatly to Japan's industrial development while serving as the driving force behind the growth of the Furukawa conglomerate.

Recognizing that coexistence with local communities is essential to the Group's sustainable growth, we are actively engaged in community-based initiatives, focusing on regions where we operate. These include Ashio, the birthplace of our founding spirit and the site that laid the foundation for the Furukawa conglomerate. As part of our community-based activities, we participate in local cleanup volunteer programs and host social studies field trips for elementary and junior high school students.

### ● Social Contribution Activities: Areas of Focus

Activity Field	Main Activity
Education	Organization of social studies field trips for children and students
Culture and arts	Operation/management of Furukawa Kakemizu Club and Furukawa Ashio Museum of History; maintenance/management and utilization of historic sites
Harmonious coexistence with local communities	Participation in local volunteer cleanup campaigns
Environmental conservation	Tree-planting

### Examples of Social Contribution Activities

#### (1) Welcoming Interns from Local High Schools

From July 22 to 24, 2024, the Takasaki Yoshii Works of Furukawa Rock Drill Co., Ltd., hosted three students from Gunma Prefectural Tomioka Technical High School as part of the school's internship program. Through this internship, we provided students with an opportunity to consider their future career paths and helped foster a positive attitude toward work and an understanding of various occupations. Recognizing that social contribution plays a role in supporting local education, we will continue actively engaging in such initiatives going forward.

#### (2) Social Studies Tour of Ashio Copper Mine

Each company in the Group participates in volunteer cleanup activities as part of its contribution to local communities. In September 2024, a total of eight employees and family members from the Tohoku Branch of Furukawa Industrial Machinery Systems Co., Ltd., participated in the 36th Hirose River Cleanup Campaign (part of the Hirose River 10,000 People Project) in Sendai City, Miyagi Prefecture..



Hirose River cleanup volunteers

#### (3) Social Studies Field Trip for Ashio Elementary and Junior High School Students

On November 6, 2024, Furukawa C&F Co., Ltd., welcomed students from Ashio Elementary and Junior High School for a social studies field trip. Four fifth-grade students and their teacher visited Furukawa C&F's plant to observe its production line. After an easy-to-understand explanation of the products, the students gained hands-on experience in molding and casting work inside the plant.



Social studies field trip

#### (4) Furukawa Kakemizu Club

As part of its activities to promote the attractiveness of local communities, the Furukawa Company Group helps maintain and develop local culture by operating and managing the Furukawa Kakemizu Club in Ashio-machi (Nikko City, Tochigi Prefecture).

The Furukawa Kakemizu Club is based in a house that was once used to entertain and accommodate distinguished guests during the prosperous period of the Ashio Copper Mine. Renovated in the early Taisho period (1912–1926), it is a two-story structure with a Western-style exterior and Japanese and Western-style interior, each influenced by Josiah Conder, a British architect who designed Rokumeikan and Kyu-Furukawa Gardens, among others.

The house is equipped with facilities for entertaining guests, including a billiard room with the oldest billiard tables in Japan and Japanese-style rooms.

The club was designated as a Registered Tangible Cultural Property in 2006.



Furukawa Kakemizu Club, a designated Registered Tangible Cultural Property

### Company Properties Designated as Modern Industrial Heritage Sites

In November 2007, Japan's Ministry of Economy, Trade and Industry (METI) designated 33 Modern Industrial Heritage Sites across the country. METI presented certificates and plaques to the owners of these heritage sites, which are recognized as assets that could help drive regional revitalization efforts.

Among the heritage sites, Furukawa Co., Ltd., received recognition for three locations: the Ashio Copper Mine (Tochigi Prefecture), the Yoshima Coal Mine (Fukushima Prefecture), and the Chikuho Coalfield (Fukuoka Prefecture).

The Company is committed to carefully preserving its designated sites. We will also work actively to revitalize the local communities connected to those sites.



National Historic Site: "Tsudoko" (Main adit, part of the former Ashio Copper Mine)



National Historic Site: Utsuno gunpowder depot ruins (part of the former Ashio Copper Mine)

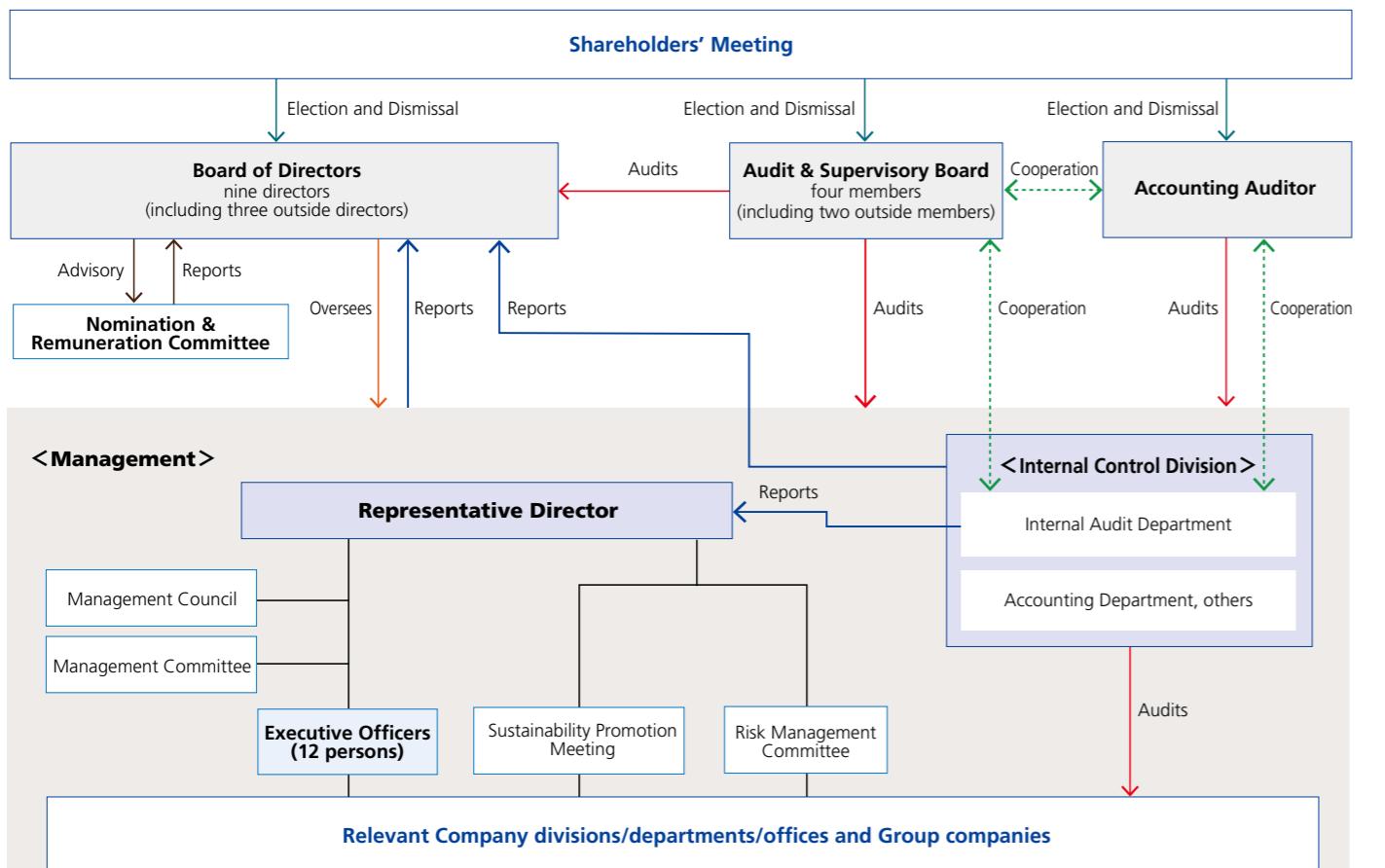
# Enhancement of Corporate Governance

## Policies

The Furukawa Company Group maintains fundamental policies regarding corporate governance with respect to heightening managerial transparency, building an effective managerial framework through ongoing efforts to transform its corporate structure, increasing its corporate value by generating consistent profits, and contributing to its shareholders and other stakeholders.

Under this basic policy, each of the Group's operating companies operates dynamically, ensuring clear asset management and profit and loss accountability while maintaining Group cohesion. By providing products and services that satisfy customers, we aim to maximize the overall corporate value of the Group.

## Corporate Governance System (As of June 27, 2025)



## Framework

Furukawa Co., Ltd., employs a company system with a Board of Directors and an Audit & Supervisory Board to supervise business execution. In addition, we have appointed Outside Directors to ensure the validity of decision-making and the objectivity and transparency of management. The Audit & Supervisory Board Members are managers of other companies and persons with knowledge of financial accounting, who use their specialized knowledge and experience to give advice to management and check the status of operations. We consider that management oversight is functioning effectively under the current system.

## Board of Directors (As of June 27, 2025)

<b>Chairman</b>	Naohisa Miyakawa, Chairman & Director
<b>Composition</b>	9 Directors (6 internal, 3 outside)
<b>Role</b>	Oversees the execution of business across the entire Furukawa Company Group as a supervisory body
<b>Number of meetings</b>	17 times (FY2024): Once a month, plus as needed
<b>Attendance</b>	98.6% (FY2024)
<b>Main matters discussed</b>	61 resolutions and 50 reports <ul style="list-style-type: none"> <li>Matters related to financial results</li> <li>Matters related to sustainability</li> <li>Reduction of strategic shareholdings</li> <li>Matters related to restricted stock</li> <li>Matters related to capital policy, etc.</li> </ul>

## Audit & Supervisory Board (As of June 27, 2025)

<b>Chairman</b>	Hiroyuki Sakai, Audit & Supervisory Board Member (Full-Time)
<b>Composition</b>	2 Audit & Supervisory Board Members (Full-Time) and 2 Outside Audit & Supervisory Board Members
<b>Role</b>	Note: In preparation for regulation requiring a prescribed number of statutory auditors by law, we appointed one alternate auditor.

<b>Role</b>	The Audit & Supervisory Board makes decisions on audit policies, business operations, methods of investigating the status of assets, and other matters related to the execution of duties by its members. In accordance with the audit policies established by the Audit & Supervisory Board, auditors monitor the execution of duties by Directors and others. This is done by attending important forums, such as meetings of the Board of Directors and the Management Council, as well as listening to reports from Directors and conducting on-site inspections of business offices and subsidiaries.
<b>Number of meetings</b>	9 times (FY2024)
<b>Main matters discussed</b>	<ul style="list-style-type: none"> <li>Audit policies and plan</li> <li>Audit report preparation</li> <li>Evaluation and reappointment of independent Audit &amp; Supervisory Board Members, etc.</li> </ul>

## Nomination & Remuneration Committee (As of June 27, 2025)

<b>Chairman</b>	Yoichi Mukae, Outside Director
<b>Composition</b>	5 Directors (including 3 Outside Directors)
<b>Role</b>	Optional advisory body to the Board of Directors. Receives requests for advice from the Board of Directors regarding candidates for Directors and Audit & Supervisory Board Members, as well as selection and dismissal of Representative Directors and remuneration for Directors, then deliberates and reports as necessary.
<b>Number of meetings</b>	4 times (FY2024)
<b>Attendance</b>	100% (FY2024)
<b>Main matters discussed</b>	<ul style="list-style-type: none"> <li>Remuneration for Directors and Audit &amp; Supervisory Board Members</li> <li>Nomination of candidates for Directors and Audit &amp; Supervisory Board Members</li> <li>Director remuneration calculation standards, etc.</li> </ul>

## Executive Officer System

The Company employs an Executive Officer System, which facilitates quicker decision-making, and defined responsibilities in terms of keeping management supervisory functions separate from executive functions. Executive Officers perform their tasks according to business plans determined by the Board of Directors, and report the status of business execution as appropriate to the Board of Directors and the Management Committee.

As of June 27, 2025, the Company has 12 Executive Officers, four of whom also serve concurrently as Directors.

## Status of Internal Audits and Audits by the Accounting Auditor and Audit & Supervisory Board Members

We established the Internal Audit Department as an internal auditing organization to conduct audits of the status of management and business execution across all management activities of the Group. As of June 27, 2025, the Department has five members, including the Internal Audit Department Manager. The Department reports the results of internal audits regularly (twice a year) to the Board of Directors and to the Audit & Supervisory Board as needed (three times in fiscal 2024), thereby ensuring cooperation among Directors and Auditors.

The Audit & Supervisory Board has appointed Ernst & Young ShinNihon LLC as its accounting auditor based on its judgment that the firm possesses the systems for the execution of duties, as well as the auditing structure, independence, and expertise, necessary to serve as the Company's accounting auditor.

Audit & Supervisory Board Members work closely with the accounting auditor as part of the Company's audit policy. At the beginning of each fiscal year, the Company receives an explanation of the annual audit plan from the accounting auditor and prepares an audit plan for Audit & Supervisory Board Members. Audit & Supervisory Board Members also receive explanations of the audit results from the accounting auditor regarding the settlement of accounts for the fiscal year and request reports from time to time. In addition, they work closely with the Internal Audit Department, receiving reports on the results of internal audits. The Internal Audit Department and the accounting auditor also exchange opinions and information as needed.

## Evaluating the Effectiveness of the Board of Directors

The Company evaluates the effectiveness of its Board of Directors annually and reports the results to the Board for discussion.

### Evaluation Process

Questionnaires sent to each Director and Audit & Supervisory Board Member (March–April 2025)	Each Director and Audit & Supervisory Board Member evaluates the following items: <ul style="list-style-type: none"> <li>Matters related to the composition of the Board (such as size and diversity)</li> <li>Matters related to the operation of the Board (such as frequency of meetings and provision of information in advance)</li> <li>Matters related to discussions at Board meetings (such as content of agenda items)</li> <li>Matters related to the monitoring function of the Board</li> <li>Matters related to dialogue with shareholders and other investors, etc.</li> </ul>
Opinion exchange by Outside Directors and Outside Audit & Supervisory Board Members (May 2025)	Discuss the effectiveness of the Board of Directors, referring also to the results of aforementioned questionnaires at meetings where only Outside Directors and Outside Audit & Supervisory Board Members are invited to participate.
Discussion at Board of Directors' meeting (May 2025)	Based on the results of the aforementioned questionnaire and discussions in the exchange of opinions by Outside Directors and Outside Audit & Supervisory Board Members, the effectiveness of the Board of Directors in the previous fiscal year is evaluated. In addition, efforts aimed at further improving the effectiveness of the Board of Directors are also finalized.

### Evaluation Results for Fiscal 2024

(1) For matters related to materials presented to the Board of Directors ("timing of advance distribution" and "comprehensive, organized analysis of necessary information") and "quality of presentations," evaluations declined slightly compared with the previous fiscal year. However, regarding the question of whether the Board of Directors is functioning effectively, the evaluation showed improvement.
(2) Evaluation of coordination between Directors, Audit & Supervisory Board Members, and the Internal Audit Department improved significantly.
(3) We also identified three challenges: "Providing materials in a well-organized and clearly analyzed form," "Follow-up on the progress of business plans," and "Enhancing the Board of Directors' supervisory (monitoring) function."
(4) We confirmed that the issues identified as items for improvement in the previous fiscal year are being addressed as follows.
① Regarding follow-up on the progress of Medium-Term Business Plan 2025, at the Extraordinary Board of Directors' meeting held on August 7, 2024, we reported on not only performance but also challenges related to overall corporate strategy and divisional strategies.
② We will continue conducting special audits in response to specific issues while also examining the mechanisms needed to strengthen our supervisory functions.
③ We held multiple exchanges of opinions on internal audits between the Internal Audit Department and Audit & Supervisory Board Members (including outside members).
④ For important matters submitted to the Board of Directors, we held individual briefing sessions to allow for meticulous discussion. The Chairman and President also provided additional explanations as required.

### Future Initiatives

- "Providing materials in a well-organized and clearly analyzed form"
  - By revising the layout of agenda summaries, we will improve the readability and accessibility of the materials.
  - By adjusting the timing of material distribution and accepting questions in advance, we will work to deepen understanding of agenda items and ensure the efficient operation of the Board of Directors.
  - For routine agenda items, we will provide focused explanations, but for certain matters we will allocate more time for questions and answers.
- "Follow-up on the progress of business plans"
  - We will continue reporting on issues related to overall corporate strategy and divisional strategies in addition to business performance.
  - We will work to ensure ample opportunities for discussion on the Management Philosophy, the next medium-term business plan, and related matters.
- "Enhancing the Board of Directors' supervisory (monitoring) function"
  - Continuing from fiscal 2024, we will conduct special audits in response to specific issues. Based on the results, we will review the problems and challenges identified along with corresponding countermeasures and consider ways to further strengthen risk management across the Group.
  - We will examine the mechanisms needed to strengthen the Board's supervisory function, including key issues in each department and risk management methods.

### Independence of Outside Directors and Outside Audit & Supervisory Board Members

The Company appoints Outside Directors and Outside Audit & Supervisory Board Members with abundant experience and expertise in various fields, as well as impartial perspectives. This is to ensure the appropriateness of the Company's management decisions and the effectiveness of oversight and audits of management.

As of June 27, 2025, the Company has three Outside Directors and two Outside Audit & Supervisory Board Members.

In addition, the Company stipulates that Outside Officers (Outside Directors and Outside Audit & Supervisory Board Members, including candidates) do not fall under the following criteria concerning independence. Outside Officers who meet such criteria are designated and registered as Independent Directors/Auditors under the rules of the Tokyo Stock Exchange. As of June 27, 2025, the Company has five Independent Officers.

### Independence Standards for Outside Officers

To ensure the independence of Outside Officers, the Company has determined that they shall not fall under any of the categories listed below.

- Executive Directors, and employees of the Furukawa Company Group
- Business partners of the Group (those who provide products or services mainly to the Group and whose transactions with the Group were equivalent to more than 2% of net sales of the business partners in the most recent fiscal year of such business partners) or executives of such business partners
- Main business partners of the Group (those who are provided products or services by the Group and whose transactions with the Group were equivalent to more than 2% of net sales of the Group in the most recent fiscal year of the Group) or executives of such business partners
- Executives of financial institutions that are major lenders to the Group (lenders whose loan amounts were equivalent to more than 2% of the Group's consolidated total assets at the most recent fiscal year-end)
- Individuals earning ¥10 million or more per year from the Group in monetary or other benefits as specialists (including consultants, accountants, and lawyers) excluding executive remuneration, or individuals employed by companies earning ¥100 million or more per year from the Group

- Individual shareholders who hold 10% or more of the Company's voting rights (or Executive Directors, Executive Officers, or employees of corporations that hold 10% or more of the Company's voting rights)
- Individuals who had fallen under (1) to (6) above in the past three-year period
- Relatives (second degree or closer) of persons who fall under (1) to (7) above

### Remuneration for Directors and Audit & Supervisory Board Members

The Company has established policies for determining the content of remuneration for each individual Director, but partially revised these policies on May 30, 2024, per resolution by the Board of Directors. The revised remuneration policies are described below.

- Basic policies
  - The remuneration system for Directors shall function soundly as an incentive for the sustainable enhancement of corporate value, and the amount of remuneration for each individual Director (hereinafter, "individual remuneration") shall be determined appropriately according to the responsibilities of each position.
  - Remuneration for Directors shall consist of basic remuneration, additional remuneration for Directors, additional remuneration for Representative Directors, and restricted stock-based remuneration.
- Policies for determining individual remuneration (including timing for granting remuneration)
  - Individual remuneration amounts shall be determined in accordance with the remuneration standards for Directors, taking into consideration the position, responsibilities, trends at other companies, and salary levels of employees, as well as business performance and other factors.
  - With respect to monetary remuneration for Directors, excluding Outside Directors, the fixed portion is calculated by multiplying the basic remuneration by 90%, along with additional amounts for Directors and Representative Directors, while the performance-linked portion is calculated by multiplying the basic remuneration by 0–20%. Both portions are paid monthly.
  - With respect to non-monetary remuneration for Directors, excluding Outside Directors, restricted stock units shall be granted annually at a designated time.
  - For Outside Directors, a fixed amount of base remuneration only is paid monthly as monetary remuneration in consideration of their duties.
- Policy for determining calculation method for performance-linked remuneration
  - Performance-linked remuneration shall be linked to short-term business results, and consolidated operating profit shall be used as a performance indicator to raise awareness of the need to improve business performance in each fiscal year.
  - In principle, performance-linked remuneration shall be a sum equal to the basic remuneration multiplied by 0–20%, depending on the degree of achievement of the performance index against initially announced targets. However, if natural disasters or extraordinary circumstances significantly impact the achievement of performance indicators, the Nomination & Remuneration Committee may take such factors into consideration after deliberation.
- Policy for determining non-monetary remuneration
  - The Company shall pay a prescribed amount of monetary remuneration to Directors on the condition that they use it to pay for restricted stock units, with the aim of providing medium-to long-term incentives and promoting shared values with shareholders.

- Restricted stock units will generally have transfer restrictions lifted if the Director to whom they were granted retires during the restriction period due to term expiration, death, or other legitimate reasons.

(5) Policy for determining payment breakdown by type of individual remuneration

- The performance-linked portion of each individual's remuneration shall be approximately 8%, and the rest shall be fixed (monetary) remuneration in the form of restricted stock units.

- Restricted stock remuneration shall be approximately 15% of each individual's remuneration.

(6) Matters concerning the method of determining the content of individual remuneration

- The Nomination & Remuneration Committee, whose principal members are Independent Outside Directors, shall deliberate on individual remuneration in accordance with the policies described in (1) through (5) above.

- The President & Representative Director, who is in a position to oversee and control the overall performance of the Company, shall decide specific details of individual remuneration based on discretionary assignment from the Board of Directors and the deliberations by the Nomination & Remuneration Committee.

Remuneration for Audit & Supervisory Board Members is determined through consultation between such members.

### Remuneration for Directors and Audit & Supervisory Board Members

Officer Type	Total Remuneration (Millions of yen)	Total Remuneration by Type (Millions of yen)			Number of Eligible Officers (Persons)
		Fixed	Performance-Linked Remuneration	Non-Monetary Remuneration	
Directors (Excluding Outside Directors)	223	172	23	27	6
Audit & Supervisory Board Members (Excluding Outside Members)	19	19	—	—	2
Outside Directors	30	30	—	—	4
Outside Audit & Supervisory Board Members	18	18	—	—	3
<b>Total</b>	<b>291</b>	<b>240</b>	<b>23</b>	<b>27</b>	<b>15</b>

Notes:

1. Furukawa Co., Ltd., resolved to abolish its retirement allowance system for Directors and Audit & Supervisory Board Members at the conclusion of the 140th Annual Shareholders' Meeting held on June 28, 2007.

2. The above figure for total fixed remuneration does not include payments (totaling ¥19 million) by four subsidiaries of the Company to two Directors concurrently serving as Directors or Audit & Supervisory Board Members of those subsidiaries. It also does not include payments (totaling ¥21 million) by six subsidiaries of the Company to two Audit & Supervisory Board Members concurrently serving as Directors or Audit & Supervisory Board Members of those subsidiaries.

3. The total remuneration figure shown above is for fiscal 2024.

## Skills Required of Board of Directors

In November 2021, we defined seven skills that members of the Board of Directors should possess in order to realize the Company's Management Philosophy and management strategies and plans. We reviewed these in fiscal 2024 and now define the following eight skills that Board members should possess.

- (1) Corporate management
- (2) Business strategy, marketing, and DX
- (3) Technology, production, and quality
- (4) Sustainability, the environment, and safety
- (5) Finance and accounting
- (6) Legal affairs and risk management
- (7) Personnel and human resource development
- (8) International perspective

The Company's policy is to strike a balance between the expertise and experience of Directors with respect to these skills, as well as diversity in terms of gender, work experience, and age, within the limits of the number of Directors stipulated in the Articles of Incorporation. Additionally, the independent outside directors include individuals with management experience at other companies.

### ● Reasons for Selecting Each Skills Matrix Item

Item	Reasons for Selection
Corporate management	To help realize a sustainable society while enhancing the Group's corporate value over the long term, it is important to present a vision for the future, demonstrate leadership that guides officers and employees toward its realization, possess the ability to oversee the entire Group, and have business management experience in those areas.
Business strategy, marketing, and DX	It is important to have the ability to formulate strategies for delivering valued products and services, the expertise and capabilities to drive business transformation through DX, and the experience in those areas to lead various businesses.
Technology, production, and quality	It is important to have broad technical expertise to accelerate innovation, along with knowledge to achieve efficient and stable production capabilities and maintain and improve quality, as well as business experience in those areas.
Sustainability, the environment, and safety	To conduct business activities that help realize a sustainable society, it is important to have knowledge of sustainability and expertise in reducing environmental impact and managing safety—areas in which we have been engaged since our founding—as well as business experience in those areas.
Finance and accounting	To build, maintain, and strengthen the Group's financial foundation and ensure the optimal allocation of management resources, it is important to have expertise in finance and accounting, as well as business experience in those areas.

Legal affairs and risk management	To establish a governance framework, strengthen compliance, and manage the diverse risks associated with business operations, it is important to have expertise in legal affairs and risk management, as well as business experience in those areas.
Personnel and human resource development	To create a workplace environment where officers and employees can fully demonstrate their abilities while securing and developing diverse talent, it is important to have expertise in human resources and talent development, as well as business experience in those areas.
International perspective	To advance overseas business development as a global company, it is important to have expertise in international affairs, overseas markets, and the cultures of different countries, as well as business experience in those areas.

### Policies and Procedures for Officer Nomination, Election and Dismissal

Candidates for Directors and Audit & Supervisory Board Members shall have the character, insight, and ethics appropriate for the position and be capable of fulfilling the duties and responsibilities of the position. In addition, candidates for internal Directors shall have sufficient experience and knowledge of the Company's operations and excellent management judgment, and candidates for Audit & Supervisory Board Members must understand the importance of auditing in corporate management, possess the required knowledge, and have a high level of normative awareness.

Nominations of candidates for Directors are deliberated by the Nomination & Remuneration Committee and decided by the Board of Directors. Nominations of candidates for Audit & Supervisory Board Members are deliberated by the Nomination & Remuneration Committee and decided by the Board of Directors with the consent of the Audit & Supervisory Board.

The Board of Directors appoints senior management team members who are qualified from the perspective of realizing the Company's Management Philosophy, management strategy, and so forth. The Nomination & Remuneration Committee deliberates on whether or not to reappoint such members based on a review of their achievement status against management plans and performance indicators, including by division, and on whether to dismiss them if they engage in fraudulent activities and the like.

### Initiatives

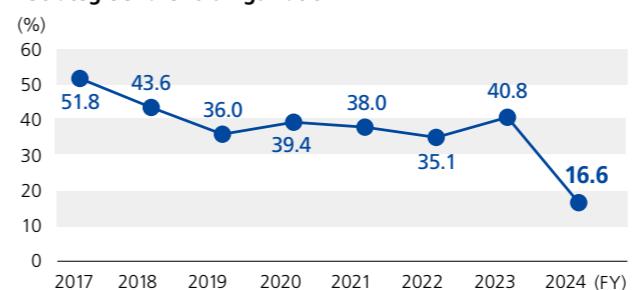
#### Strategic Shareholdings

The Furukawa Company Group owns strategic shareholdings for the purpose of improving corporate value over the medium and long terms by maintaining and strengthening relationships with important business partners.

Each year, the Board of Directors examines each stock of the Company's strategic shareholdings and verifies the purpose for which the stock is held and whether the benefits and risks associated with holding the stock are commensurate with the cost of capital. The Board of Directors also examines the appropriateness of continual ownership after comprehensive consideration of both qualitative and quantitative factors. We will endeavor to reduce the number of stocks that are no longer necessary to hold by selling them as appropriate. With regard to the reduction target for strategic shareholdings, our original target was to reduce the ratio to less than 20% of consolidated net assets by March 31, 2026. This target was subsequently brought forward by one year, to March 31, 2025. We have already achieved the target, with the ratio down to 16.6% as of March 31, 2025.

In exercising voting rights for the Group's strategic shareholdings, we do not make uniform decisions on whether to approve or disapprove based on routine or short-term criteria. Rather, we exercise such rights after making appropriate judgments from a comprehensive perspective that fully respects the management policies and strategies of the issuing company. We also consider whether the shares will enhance the issuing company's value and shareholder returns over the medium and long terms, and whether they will not undermine the significance of the Group's shareholdings.

#### ● Strategic Shareholdings Ratio\*



\* Strategic shareholdings ratio: Ratio of strategic shareholdings (including holdings deemed to be strategic) to consolidated net assets

### Dialogue with Shareholders and Other Investors

We strive to disclose information to shareholders and other investors in a fair and timely manner and further enhance dialogue with them through proactive IR events, such as briefings and IR meetings. To promote a better understanding of the Company, we also make effective use of tools, such as videos, printed materials, and websites, and provide information in an easier-to-understand manner.

The following table shows the status of the Group's dialogue with shareholders and other investors in fiscal 2024.

#### 1. Implementation Status

##### (1) For shareholders

Held Annual Shareholders' Meeting, sent shareholder newsletters, etc.

##### (2) For institutional investors

	FY2024 Results	Main Hosts	Participants
Results briefings	2 times	President & Representative Director, Director in charge of Corporate Planning Dept.	56 persons from 44 companies (Fund managers, analysts, etc.)
Individual IR-SR meetings	63 times	Director in charge of Corporate Planning Dept., General Manager of Corporate Planning Dept., IR managers, etc.	104 persons from 61 companies (Fund managers, analysts, etc.)

##### (3) Informative materials

Institutional disclosures: Financial statements, Annual Securities Report, and Corporate Governance Report

Voluntary disclosures: News releases, Integrated Report, Sustainability Book, financial results presentation materials, shareholder newsletters, and other materials (videos, brochures, etc.) to promote understanding of the Company

## 2. Main Content of Dialogue

Theme	Matters of Concern
Management strategies	Growth and business strategies (mainly in core Machinery business)
	Action to implement management that is conscious of cost of capital and stock price
	Future of Metals segment and Real Estate business
	Overview of business portfolio management
	Allocation of management resources
Shareholder returns	Next long-term vision and medium-term business plan
	Dividend policy, share buybacks, etc.
Business results	Financial results and outlook
	Progress of medium-term business plan
ESG	Climate change and decarbonization initiatives
	Initiatives for human capital
	Reduction of strategic shareholdings

## 3. Feedback from Shareholders and Other Investors

- Provide quarterly reports to Directors on the status of individual IR meetings (main questions and answers, opinions, etc.)
- Provide report to Directors on the status of briefing sessions, shareholder opinions, etc.
- Provide semiannual reports to the Board of Directors on the status of dialogue with shareholders and other investors

For more information, please refer to our Corporate Governance Report.

[Corporate Governance Report](#)

## Ensure Thorough Compliance

### Policies

In addition to complying with laws and regulations, the Furukawa Company Group believes it has a corporate obligation to take serious and responsible action in terms of social and ethical aspects.

To fulfill this obligation, we established the Furukawa Company Group's Charter of Corporate Conduct and the Furukawa Company Group's Code of Conduct for Officers and Employees and are taking steps to foster comprehensive awareness to enable all Group officers and employees to engage in operations in awareness of the importance of compliance.

The Furukawa Company Group's Charter of Corporate Conduct places high priority on ensuring compliance, stating that "The Group shall engage in its corporate activities in a fair manner based on the ethical values expected of corporations and business persons as members of society." Meanwhile, the Furukawa Company Group's Code of Conduct for Officers and Employees states that "In addition to complying with domestic and international laws and regulations, the Group shall practice compliance that includes respecting corporate ethics and social norms."

Under the supervision of the Board of Directors, we ensure strict adherence with the Furukawa Company Group's Charter of Corporate Conduct, the Furukawa Company Group's Code of Conduct for Officers and Employees, and other guidelines.

[The Furukawa Company Group's Charter of Corporate Conduct](#)

[The Furukawa Company Group's Code of Conduct for Officers and Employees](#)

### Framework

#### Compliance

The Furukawa Company Group's chief executive for compliance is the President of Furukawa Co., Ltd. Personnel responsible for compliance are also present in every Company department and in Group companies as well. We also have a Compliance Committee that promotes Group compliance activities, deliberates on important matters relating to compliance, enhances the compliance system, and takes steps to strengthen awareness about compliance. Details of matters deliberated by the Committee are additionally reported to the Sustainability Promotion Meeting as required, and steps are taken to share information related to compliance with the Group as a whole.

If a suspected compliance violation arises, it must be reported to the immediate supervisor or the compliance officer in accordance with the Furukawa Company Group's Compliance Regulations. The compliance officer who receives the report then reports the matter to the Compliance Committee that, if necessary, establishes an investigation team to examine the details and causes of the suspected violation. In the event of a compliance violation, the Compliance Committee issues instructions on corrective actions and establishes measures to prevent recurrence, ensuring that all relevant personnel are fully informed. The results of such investigations are also reported regularly to the Board of Directors.

#### Internal Reporting System

The Group has adopted an internal reporting system to facilitate early detection and correction of compliance violations. This has involved developing a framework that enables an extensive range of reporting and inquiries by establishing points of contact for reporting and consultation requests inside and outside (law office) the Group. When reports and requests for consultation are received, the Compliance Committee investigates and takes measures as necessary. We accept internal reports, whether named or anonymous, concerning compliance violations within the Group, including legal breaches, sexual harassment, power harassment, and other misconduct. Personal information about whistleblowers who make reports and information that may lead to identification of whistleblowers who make reports are held under strict control at the Internal Reporting Desk. In addition, it is forbidden for Group officers and employees to seek out whistleblowers or, taking the fact of having made an internal report as the reason, to treat the whistleblowers in a disadvantageous manner.

Effective April 1, 2025, we renamed our whistleblowing system the Furukawa Group Compliance Helpline. The clearer name is intended to further raise awareness of the system and its point of contact.

We also facilitate awareness of the internal reporting system by posting such content to our in-house portal site and distributing brochures to Group officers and employees. In addition, we regularly report on the usage status of the internal reporting system to the Board of Directors, as we do with compliance violation cases.

### Metrics and Targets

#### FY2024 Targets:

- Achieve zero major compliance violations

#### FY2024 Results:

- Achieved zero major compliance violations
- Total political contributions ¥1,670,000
- Number of compliance training events 7 times (10 sessions in total)

### Initiatives

#### Compliance Education

We publish Compliance News to provide information on compliance to all officers and employees of the Group. Our top management also explains the importance and priority of compliance from time to time. In these and other ways, we work to foster a corporate climate that emphasizes compliance. In fiscal 2024, we conducted general compliance training in addition to topic-specific sessions focused on particular themes. To support continuous learning of training content, we produced compliance training videos and made them available on the Company's internal portal site. This enables employees to watch them flexibly during breaks in their work and promotes more self-directed learning.

Training Type	No. of Participants (No. of Training Courses)
Compliance training for new employees	35 persons (2 times)
Training on the Construction Industry Act	84 persons (3 times)
Compliance training for officers	57 persons (1 time)
Training on the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors	80 persons (1 time)
Credit management training	119 persons (1 time)
Basic legal knowledge required for business	38 persons (1 time)
Training on eliminating antisocial forces	85 persons (1 time)

### Compliance Awareness Surveys

The Furukawa Company Group conducts regular compliance awareness surveys with the aim of raising compliance awareness among officers and employees and identifying items that pose a high risk of compliance violations. Based on the results, we implement effective compliance initiatives.

The most recent compliance awareness survey was conducted in fiscal 2024.

In this survey, we included questions from multiple perspectives, such as awareness of legal compliance and ethical behavior in the workplace, and analyzed overall trends across the Group. The survey results revealed various challenges, including differences in awareness among Group companies and departments, as well as insufficient understanding of certain themes.

Based on these results, we will roll out training and awareness-raising activities tailored to the issues of each Group company and department with the aim of strengthening our compliance framework.

### Preventing Bribery and Corruption

The Furukawa Company Group recognizes bribery and corruption as a serious risk that could undermine its corporate trust. In January 2021, after submitting a report to the Board of Directors, the Group established its Basic Policy for Preventing Bribery and Corruption and the Basic Guidelines for Preventing Bribery and Corruption.

The Basic Policy for Preventing Bribery and Corruption, which explicitly states externally our corporate stance regarding prevention of bribery and corruption, is posted on our corporate website.

The Basic Guidelines for Preventing Bribery and Corruption clarify procedures for preventing acts that constitute or may be suspected of constituting bribery in business activities. Such acts include excessive entertainment, the exchange of gifts, collusion and other forms of unfair competition, embezzlement, coercion, fraud, improper accounting, money laundering, and obstruction of justice. Specifically, we have clarified the scope of "public officials, etc." as potential counterparts in bribery and corruption and outlined the types of actions, such as providing benefits, covering expenses, and making donations or grants, that are prohibited. The guidelines also establish procedures for dealing with bribery and corruption and define procedures for appointing agents, consultants, and similar parties. In addition, we established a duty to report any recognized violations of the guidelines and stipulated that such violations will be subject to disciplinary action or other penalties.

The Group conducts compliance education and training on measures to prevent bribery and corruption and includes prevention of bribery and corruption as a regular audit item in internal audits carried out by the Internal Audit Department. Going forward, we will continue to ensure full compliance with the Basic Policy for Preventing Bribery and Corruption and the Basic Guidelines for Preventing Bribery and Corruption.

[Furukawa Company Group Basic Policy for Preventing Bribery and Corruption](#)

# Develop an Enterprise Risk Management System

## Policies and Strategies

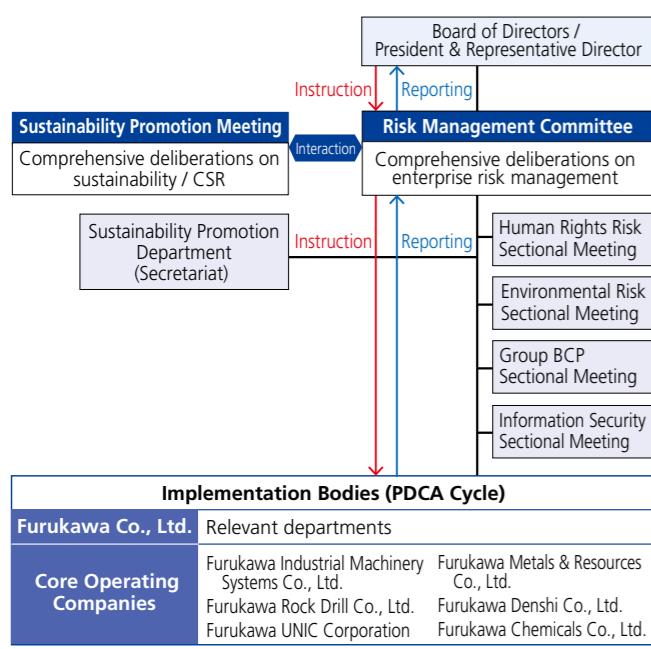
To strengthen its management foundation for growth, the Furukawa Company Group has identified "Develop an enterprise risk management system" as one of its Materialities (Key Issues). The Furukawa Company Group will strengthen and expand its enterprise risk management system to strengthen its management foundation with a view toward growth. We will also work to enhance corporate value by engaging in business practices that take into consideration the Group's CSR/ESG issues.

The Risk Management Committee established at Furukawa Co., Ltd., works to protect lives and property and minimize damage and loss when risks that could interfere with the Group's business activities materialize.

## Framework

### Risk Management

The Risk Management Committee was established to manage all risks faced by the Furukawa Company Group. The Committee evaluates the risks of each Group company and division and examines and assesses measures to deal with those risks.



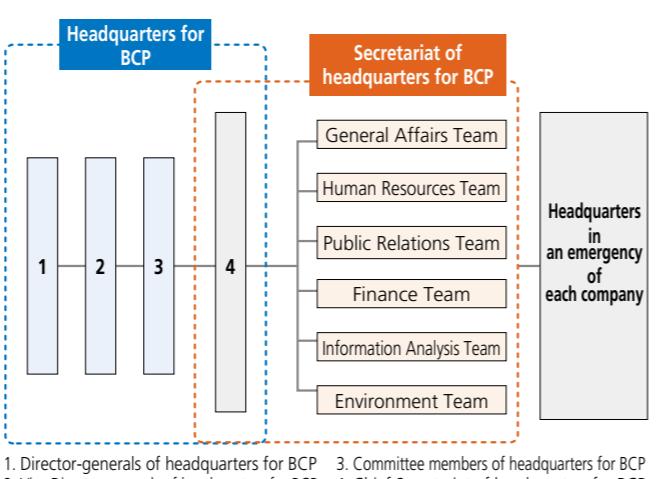
When a risk is judged to pose a danger of seriously affecting Group management, the Committee works to effectively manage that risk by reporting its evaluation results and the pros and cons of countermeasures to the Board of Directors. In principle, the Risk Management Committee meets twice a year.

Under the Risk Management Committee are four subordinate organizations: Human Rights Risk Sectional Meeting, Environmental Risk Sectional Meeting, Group BCP Sectional Meeting, and Information Security Sectional Meeting. These work to resolve various issues related to such matters as human rights, climate change (including carbon neutrality), business continuity (when crises occur), and information security. In terms of compliance, the Compliance Committee takes the lead by working in collaboration with other relevant bodies to address compliance-related matters.

### Business Continuity Management (BCM)

The Furukawa Company Group has established a BCM system, led by the Group BCP Sectional Meeting. This system oversees the development, review, and revision of BCPs for each Group company.

The Group BCP structure for handling emergencies is shown below.



1. Director-generals of headquarters for BCP  
2. Vice Director-generals of headquarters for BCP  
3. Committee members of headquarters for BCP  
4. Chief Secretariat of headquarters for BCP

## Initiatives

### Risk Assessment

The Furukawa Company Group assesses a wide range of risks, including those related to sustainability, such as climate change. Specifically, we identify potential risks for each Group company based on its business environment, evaluate major risk items in terms of potential frequency and severity, and consider countermeasures. For certain risks, we develop scenarios to assess their potential impact. We also continuously review the effectiveness of our risk assessments and countermeasures.

### Information Security

The Furukawa Company Group possesses confidential information and personal information related to R&D, production, sales, and other activities.

To prevent system failures, as well as the leakage of confidential and personal information due to external attacks, unauthorized access, or malware infections, we are strengthening network security and enhancing system maintenance and updates as part of our protection and preservation measures. We are also working to strengthen our information management system by ensuring that all officers and employees comply with our information management rules and various guidelines. For example, we distribute security-related news to all Group officers and employees, and conduct security training sessions and email drills at least once a year. These efforts are aimed at improving Groupwide security literacy.

In addition, we have developed an incident response manual to prepare for problems and crises involving computers and networks. In fiscal 2024, we launched a security assessment service and are pursuing initiatives based on the cyber risk issues and countermeasures identified across the Group.

### Promoting BCM

We have identified potential natural disaster risks at key business locations and developed BCPs for risks that could have a significant impact on our operations.

To ensure the safety of officers and employees in the event of a disaster and swiftly confirm the extent of damage at each location, we regularly conduct safety confirmation drills using our safety confirmation system and disaster reporting drills using transceivers installed at each key business location for emergency use. We also review the contents and management methods of our stockpiles of food, beverages, and other items.

#### ● Natural Disaster Risk by Business Location

	Head Office	Oyama Works	Tochigi Works	Takasaki Works	Yoshii Works	Sakura Works	Osaka Works	Iwaki Works	Ashio Office
<b>Earthquakes</b>	○	○	○	○	○	△	○	○	△
<b>Floods</b>	×	×	△	○	△	×	○	×	×
<b>Landslides</b>	×	△	×	×	×	×	×	×	○
<b>Tsunami</b>	×	×	×	×	×	×	○	×	×
<b>Typhoons</b>	△	△	△	○	△	△	○	△	△

Potential risk magnitude: ○ High ○ Medium △ Low × Very low

## Addressing Country Risk

The Furukawa Company Group engages in production, procurement, and sales activities on a global basis to expand its sales network, strengthen cost competitiveness, and reduce foreign exchange risks.

Therefore, various factors may arise that could cause problems, including local political instability, sudden economic slowdown, deterioration of public safety, trade sanctions, differences in culture and legal systems, special labor-management relations, and terrorism. Such problems could hinder the smooth execution of the Group's business and affect its performance. In addition, geopolitical risks, such as the situations in Ukraine and the Middle East, may lead to lower sales, higher steel and other raw materials, and fuel costs, and adverse effects on our U.S. business due to changes in U.S. trade policy. Any of these factors could affect the Group's operating results.

In response, the Group is working to address country risk by diversifying its supply chain and ensuring stable procurement through long-term contracts. We also collaborate with other Group companies to gather information and mitigate risks.

## Environmental Data

### Environment-Related Data Coverage Rate

	Unit	FY2023	FY2024
The Furukawa Company Group (consolidated basis, including overseas sites <sup>*1</sup> )	%	99.8	99.9

\*1 Sales from business sites included in the calculation as a percentage of consolidated net sales

### Environmental Impact Emissions

#### INPUT

	Category	Unit	FY2020	FY2021	FY2022	FY2023 <sup>*2</sup>	FY2024
Total energy input	Volatile oil (gasoline)	kℓ	30	32	33	630	<b>390</b>
	Kerosene	kℓ	205	210	195	283	<b>244</b>
	Diesel oil	kℓ	170	210	214	1,997	<b>1,970</b>
	Fuel oil A	kℓ	170	33	32	340	<b>264</b>
	Liquefied petroleum gas (LPG)	t	314	345	349	339	<b>425</b>
	Liquefied natural gas (LNG)	t	—	—	—	180	<b>289</b>
	City gas	thousand m <sup>3</sup>	773	906	779	859	<b>813</b>
	Warm water	GJ	—	—	—	229	<b>241</b>
	Cold water	GJ	—	—	—	598	<b>633</b>
	Biogas (non-fossil fuel)	thousand m <sup>3</sup>	—	—	—	3	<b>0</b>
	Power consumption	thousand kWh	47,949	52,530	48,017	62,498	<b>65,557</b>
	Renewable energy (portion of power consumption)	thousand kWh	11,536	11,917	13,159	9,852	<b>9,636</b>
Total energy consumption	—	thousand GJ	427	472	410	737	<b>732</b>
Total water consumption	Clean water	thousand m <sup>3</sup>	109	97	93	123	<b>135</b>
	Used water collected in industrial quarries	thousand m <sup>3</sup>	—	—	—	—	—
	External drainage	thousand m <sup>3</sup>	—	—	—	—	—
	Harvested rainwater	thousand m <sup>3</sup>	—	—	—	—	—
	Extracted from seawater or the ocean	thousand m <sup>3</sup>	—	—	—	—	—
	Other <sup>*3</sup>	thousand m <sup>3</sup>	562	521	475	434	<b>461</b>
	Total	thousand m <sup>3</sup>	562	521	475	434	<b>461</b>
	Groundwater	thousand m <sup>3</sup>	0	0	0	170	<b>187</b>
	Total	thousand m <sup>3</sup>	671	618	568	727	<b>783</b>
Total materials input	—	t	114,303	118,800	118,325	118,984	<b>117,655</b>

\*2 In FY2023, the calculation scope was expanded from major domestic production sites to a consolidated basis, including overseas sites. The data was reviewed and recalculated in FY2024.

\*3 Includes surface water from rivers, etc.

### OUTPUT

	Category	Unit	FY2020	FY2021	FY2022	FY2023 <sup>*4</sup>	FY2024	
CO <sub>2</sub> emissions <sup>*5</sup>	Scope 1	Energy-related	t-CO <sub>2</sub>	4,192	4,296	3,996	11,604	<b>11,137</b>
	Scope 1	Non-energy-related	t-CO <sub>2</sub>	—	—	—	22,683	<b>25,252</b>
	Scope 2	t-CO <sub>2</sub>	16,711	17,808	15,540	22,539	<b>22,642</b>	
	Scope 1+2 total	t-CO <sub>2</sub>	20,903	22,104	19,536	56,826	<b>59,031</b>	
	Category 1	t-CO <sub>2</sub>	—	—	—	—	<b>603,377</b>	
	Category 2	t-CO <sub>2</sub>	—	—	—	—	<b>19,228</b>	
	Category 3	t-CO <sub>2</sub>	—	—	—	—	<b>5,468</b>	
	Category 4	t-CO <sub>2</sub>	—	—	6,323	8,224	<b>36,031</b>	
	Category 5	t-CO <sub>2</sub>	—	—	29	22	<b>3,509</b>	
	Category 6	t-CO <sub>2</sub>	—	—	—	—	<b>354</b>	
	Category 7	t-CO <sub>2</sub>	—	—	—	—	<b>1,104</b>	
	Category 9	t-CO <sub>2</sub>	—	—	—	—	<b>27,125</b>	
	Category 10	t-CO <sub>2</sub>	—	—	—	—	<b>923,742</b>	
	Category 11	t-CO <sub>2</sub>	—	—	648,449	675,053	<b>1,060,405</b>	
	Category 12	t-CO <sub>2</sub>	—	—	—	—	<b>225</b>	
	Category 13	t-CO <sub>2</sub>	—	—	—	—	<b>4,725</b>	
	Scope 3 total	t-CO <sub>2</sub>	—	—	654,801	683,299	<b>2,685,293</b>	
Wastewater	Underground infiltration	thousand m <sup>3</sup>	9	9	8	98	<b>93</b>	
	Rivers, etc.	thousand m <sup>3</sup>	294	256	203	171	<b>187</b>	
	Sewage (groundwater)	thousand m <sup>3</sup>	150	131	129	148	<b>172</b>	
	Total marine emissions	thousand m <sup>3</sup>	—	—	—	—	—	
	Other	thousand m <sup>3</sup>	21	21	21	21	<b>21</b>	
	Total	thousand m <sup>3</sup>	474	417	361	438	<b>473</b>	
Reused/recycled materials (4) = (1) + (2) + (3)	Sold as material with value (1)	t	2,456	3,045	3,046	3,557	<b>3,311</b>	
	Collected at no cost (2)	t	39	56	56	68	<b>55</b>	
	Recycled for a fee (3)	t	2,228	1,804	1,943	2,108	<b>2,047</b>	
	Total (4)	t	4,723	4,905	5,045	5,733	<b>5,413</b>	
Total other emissions, including waste	Total other emissions, including waste	t	5,912	6,347	6,459	8,256	<b>7,918</b>	
	Recycling percentage <sup>*6</sup>	%	79.9	77.3	78.1	69.4	<b>68.4</b>	
	Percentage of materials with value <sup>*7</sup>	t	404	470	434	396	<b>350</b>	
	Final waste disposal volume <sup>*8</sup>	%	6.8	7.4	6.7	4.8	<b>4.4</b>	
	Total BOD volume	t	1	1	0	1	<b>0</b>	
	Total COD volume	t	2	1	1	1	<b>1</b>	
	Total phosphorus volume	t	0	0	0	0	<b>0</b>	
	Total nitrogen volume	t	1	1	1	1	<b>1</b>	
	Volatile organic compound (VOC) emissions	t	145	144	152	174	<b>181</b>	
	Nitrogen oxide (NOx) emissions	t	2	1	2	19	<b>2</b>	
Sustainability in the Furukawa Company Group	Sulfur oxide (SOx) emissions	t	2	2	1	2	<b>3</b>	
	Soot/dust emissions	t	2	2	0	0	<b>2</b>	

\*4 In FY2023, the calculation scope was expanded from major domestic production sites to a consolidated basis, including overseas sites. The data was reviewed and recalculated in FY2024.

\*5 In FY2024, the calculation scope was expanded to a consolidated basis including overseas sites, and the calculation categories were reviewed. There were no applicable emissions for Categories 8, 14, or 15.

\*6 (4) / Total other emissions, including waste

\*7 Landfill volume only (excluding recycled waste)

\*8 Final waste disposal volume / Total other emissions, including waste

## Social Data

### Coverage Rates for Social-Related Data

	Unit	FY2022	FY2023	FY2024
Consolidated*1	%	100.0	100.0	<b>100.0</b>
Employees working in Japan	%	81.7	81.5	<b>83.4</b>
Employees of Furukawa Co., Ltd.*2	%	66.1	66.3	<b>65.6</b>

\*1 Percentage of Company employees subject to calculation relative to the total number of consolidated employees

\*2 Includes people hired by Furukawa Co., Ltd. (parent company), and those assigned to Group operating companies; does not include people hired by each operating company (including contract and part-time employees)

### Employee Diversity

Item	Unit	Scope of Coverage	FY2020	FY2021	FY2022	FY2023	FY2024	
Number of employees	Total	Persons	2,752	2,804	2,831	2,855	<b>2,908</b>	
	Male		2,339	2,367	2,369	2,397	<b>2,451</b>	
	Female		413	437	462	458	<b>457</b>	
	Employees of Furukawa Co., Ltd.		1,793	1,833	1,872	1,893	<b>1,907</b>	
Average age	Total	Years	42.5	44.4	43.4	42.8	<b>44.3</b>	
	Male		42.9	44.9	43.8	43.2	<b>44.6</b>	
	Female		39.1	40.9	40.7	40.3	<b>42.2</b>	
Years of continuous employment	Total	Years	16.9	16.7	16.7	16.4	<b>17.1</b>	
	Male		17.5	17.3	17.3	17.0	<b>17.6</b>	
	Female		12.5	12.2	13.0	12.8	<b>13.6</b>	
Number of managers	Total	Persons	665	672	690	677	<b>694</b>	
	Male		651	654	669	652	<b>665</b>	
	Female		14	18	21	25	<b>29</b>	
Percentage of female managers	—	%	Consolidated	2.1	2.7	3.3	3.7	<b>4.2</b>
Percentage of new hires with experience in management/corporate planning	—	%	Employees of Furukawa Co., Ltd.	—	—	43.8	60.0	<b>72.7</b>
Number of foreign national employees	—	%	Consolidated	567	547	540	535	<b>508</b>
Percentage of employees with disabilities	—	%	Consolidated*3	2.2	1.9	2.5	2.2	<b>1.9</b>
Number of employees aged 60 and over	Total	Persons	223	267	300	326	<b>319</b>	
	Male		214	250	280	306	<b>294</b>	
	Female		9	17	20	20	<b>25</b>	
Number of new graduate hires (in Japan)	Total	Persons	58	70	48	42	<b>31</b>	
	Male		46	54	41	37	<b>26</b>	
	Female		12	16	7	5	<b>2</b>	
	Foreign national	Persons	4	4	0	0	<b>3</b>	
Percentage of women among new graduate hires	—	%	Employees of Furukawa Co., Ltd., in corporate planning positions	—	—	18.5	13.0	<b>6.7</b>
Number of employees leaving employment (excluding those retiring)	Total	Persons	33	48	33	39	<b>50</b>	
	Male		26	44	30	29	<b>43</b>	
	Female		7	4	3	10	<b>7</b>	
Job turnover rate (excluding those retiring)	—	%	Employees of Furukawa Co., Ltd.	1.8	2.6	1.8	2.1	<b>2.6</b>
Wage gap between male and female employees	—	%	Employees of Furukawa Co., Ltd.	—	—	69.4	71.0	<b>73.6</b>

\*3 Consolidated companies subject to Japan's employment system for persons with disabilities

### Developing Diverse Human Resources

#### ● Employment Grade-Specific Training (Conducted by the Human Resources & General Affairs Department)

Item	Scope of Coverage	FY2020	FY2021	FY2022	FY2023	FY2024	
Average training hours per person	Hours	Employees of Furukawa Co., Ltd. (corporate planning and management positions)	—	—	24.9	46.7	<b>43.4</b>

Note: Training hours (total): 12,412 hours; Number of participants (total): 286 persons

#### ● Total Training Hours (All Training, Including Training at Business Sites)

Item	Scope of Coverage	FY2020	FY2021	FY2022	FY2023	FY2024	
Annual training hours	Hours	Employees of Furukawa Co., Ltd.	—	—	843.6	887.3	<b>1129.7</b>
Number for trainees	Persons	Employees of Furukawa Co., Ltd.	—	—	2,506	2,632	<b>3,175</b>

### ● Training Results and Number of Participants

Scope	Unit	Title of Trainings	FY2022	FY2023	FY2024
Regular employees	Persons	Training program for FY2025 new graduate hires (planning track)	—	—	<b>25</b>
		Induction training for new employees (planning track)	27	23	<b>15</b>
		Follow-up training for new employees (planning track)	26	23	<b>15</b>
		Fifth-year training (planning track)	27	25	<b>26</b>
		Grade 4 training	18	18	<b>23</b>
Manager-level employees	Persons	Grade 5 training	31	20	<b>28</b>
		Grade 6 training	22	15	<b>25</b>
		Grade 8 training (management skills training)*4	25	—	<b>25</b>
Management candidates	Persons	Management talent development training	25	—	<b>21</b>
		Executive Management Program (management talent development)	6	1	—
		Basic technical training	28	16	<b>11</b>
		Intermediate technical training (I)	—	13	<b>25</b>
		Intermediate technical training (II)	35	17	<b>20</b>
Technical employees	Persons	Training program for young employees (professional track)	—	—	<b>16</b>
		Training program for mid-level employees (professional track)	—	—	<b>17</b>
		Field supervisor training	19	18	<b>20</b>
		All employees	Persons	Open-application e-learning	—

\*4 Currently conducted as management skills training due to transition period for the new curriculum

### Work-Life Balance

Item	Unit	Scope of Coverage	FY2020	FY2021	FY2022	FY2023	FY2024
Number of employees taking parental leave	Total	Employees of Furukawa Co., Ltd.	44	50	32	36	<b>31</b>
	Male		34	38	24	26	<b>25</b>
	Female		10	12	8	10	<b>6</b>
Percentage of employees taking parental leave	Total		91.7	83.3	78.0	87.8	<b>83.8</b>
	Male		89.5	79.2	72.2	83.9	<b>80.6</b>
	Female		100	100	100	100	<b>100</b>
Average number of days taken for parental leave	Male		18.6	9.6	40.3	45.0	<b>18.8</b>
	Female		430.5	386.5	498.1	637.3	<b>413.0</b>
Percentage of employees returning to work after having taken parental leave	—		100	100	87.5	100	<b>100</b>
Number of employees taking caregiver leave	—	Persons	0	0	0	2	<b>2</b>
Prescribed working hours	—	Non-managerial employees of Furukawa Co., Ltd.	1,891	1,891	1,891	1,891	<b>1,891</b>
Extra working hours	—		183	226	200	194	<b>184</b>
Hours of annual paid leave taken	—		85	92	103	108	<b>112</b>
Total actual working hours	—		1,952	1,986	1,943	1,935	<b>1,922</b>
Overtime hours (monthly average)	—		15.2	18.8	16.6	16.2	<b>15.3</b>
Percentage of paid annual leave taken	—	Employees of Furukawa Co., Ltd.	61.6	66.5	74.0	77.4	<b>76.1</b>
Percentage of employees taking annual health checkups	—		—	—	99.96	99.92	<b>100</b>
Percentage of anomalies found (aged 40 or older)	—		—	—	61.20	61.50	<b>54.1</b>
Percentage of anomalies found (aged under 40)	—		—	—	45.40	39.60	<b>68.0</b>

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## Governance Data

### Officers

Item	Unit	Scope of Coverage	FY2020	FY2021	FY2022	FY2023	FY2024
Number of Directors under the Articles of Incorporation	Persons	Non-consolidated	Up to 12	Up to 12	Up to 12	Up to 12	<b>Up to 12</b>
Number of Directors <sup>*1</sup>	Total	Persons	9	9	9	9	<b>9</b>
	Outside Directors (included)		3	3	3	3	<b>3</b>
	Independent Outside Directors (included)		3	3	3	3	<b>3</b>
	Female Directors (included)		1	1	1	1	<b>1</b>
Number of Executive Officers <sup>*2</sup>	Total	Persons	16	15	13	9	<b>10</b>
	Female Executive Officers (included)		0	0	0	0	<b>0</b>

\*1 As of September 30, 2025: Number of Directors: 8 Outside Directors: 3 Independent Outside Directors: 3 Female Directors: 1

\*2 As of September 30, 2025: Number of Executive Officers: 10 Female Executive Officers: 0

### Percentage of women in the Management Council

Item	Unit	Scope of Coverage	FY2020	FY2021	FY2022	FY2023	FY2024
Percentage of women in the Management Council	%	Consolidated	0	0	0	0	<b>0</b>

### Audit System

#### ● Audit System Personnel

Item	Unit	Scope of Coverage	FY2020	FY2021	FY2022	FY2023	FY2024
Number of Audit & Supervisory Board Members under the Articles of Incorporation	Persons	Non-consolidated	Up to 5	Up to 5	Up to 5	<b>Up to 5</b>	<b>Up to 5</b>
Number of Audit & Supervisory Board Members <sup>*3</sup>	Total	Persons	4	4	4	<b>4</b>	<b>4</b>
	Outside members (included)		2	2	2	<b>2</b>	<b>2</b>
	Independent outside members (included)		1	1	1	<b>1</b>	<b>2</b>
Certified public accountants who conducted account auditing services	Designated limited partners and employees conducting auditing operations	Persons	2	2	2	<b>2</b>	<b>2</b>
	Certified public accountants other than above		5	6	8	<b>6</b>	<b>7</b>
	Other assistants		17	15	29	<b>35</b>	<b>30</b>
Number of Internal Audit Department personnel	Persons	Non-consolidated	5	5	5	<b>6</b>	<b>6</b>

\*3 As of September 30, 2025: Number of auditors: 4 Independent outside auditors: 2 Female auditors: 1

#### ● Internal Audit Performance

Item	Unit	Scope of Coverage	FY2020	FY2021	FY2022	FY2023	FY2024
Number of companies conducting internal audits	Total	Companies	2	5	3	4	<b>6</b>
	Overseas consolidated subsidiaries (included)		0	0	0	0	<b>1</b>
Number of companies conducting follow-up audits	Total	Companies	4	2	4	1	<b>3</b>
	Overseas consolidated subsidiaries (included)		1	0	0	0	<b>0</b>

### Compliance

#### ● Political Donations

Item	Unit	Scope of Coverage	FY2020	FY2021	FY2022	FY2023	FY2024
Total political donations	Japanese yen	Non-consolidated	2,000,000	1,000,000	1,920,000	1,670,000	<b>1,670,000</b>

# △ FURUKAWA CO.,LTD.

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