

Quality Assurance

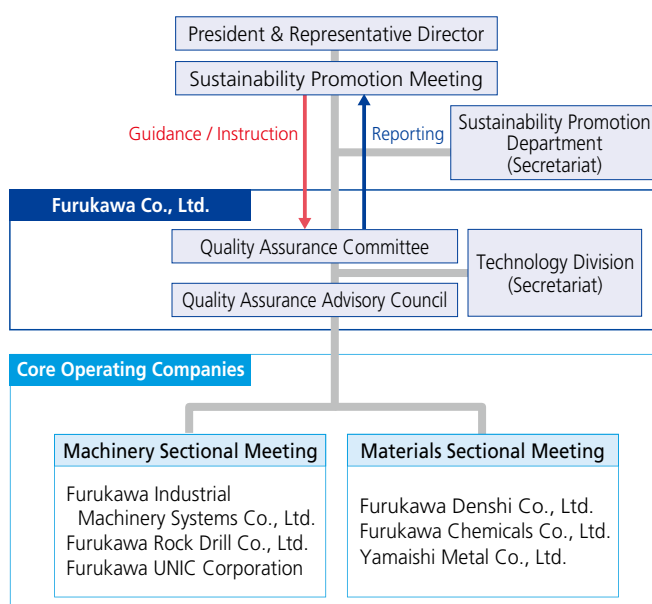
Policies and Strategies

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

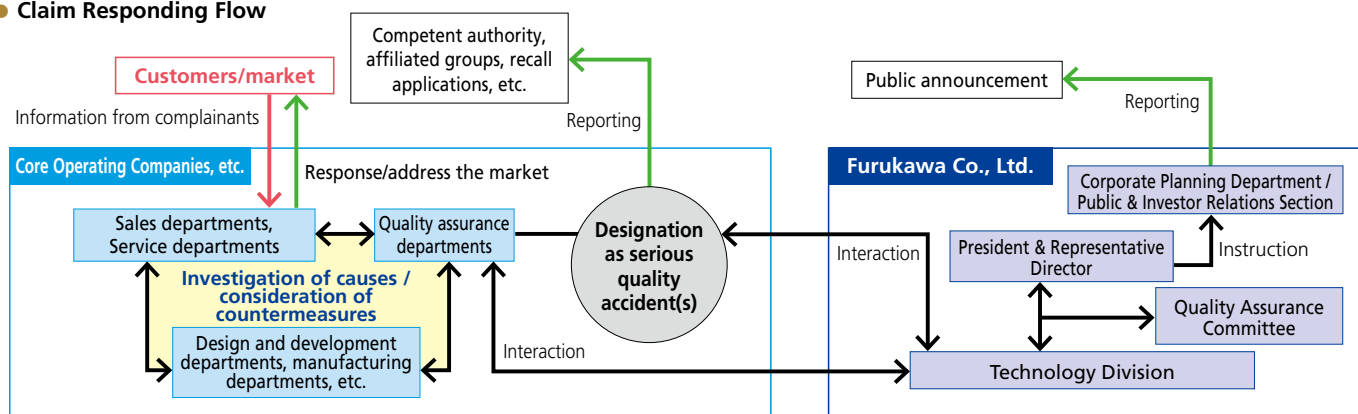
FY2024 Targets:

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

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.